

Where great places start

Henry Boot

Henry Boot PLC

Annual Report and Financial Statements
for the year ended 31 December 2025

Welcome to the Henry Boot Annual Report 2025

Henry Boot is one of the UK's leading land, property development and home building businesses – and we've been transforming land and spaces since 1886.

“

From land promotion and property development to home building, Henry Boot is where great places start.”

Our vision

To grow sustainably, creating transformational places and spaces for generations to come.

Our purpose

Creating great places today, to build a better tomorrow.

Our values

Put people first

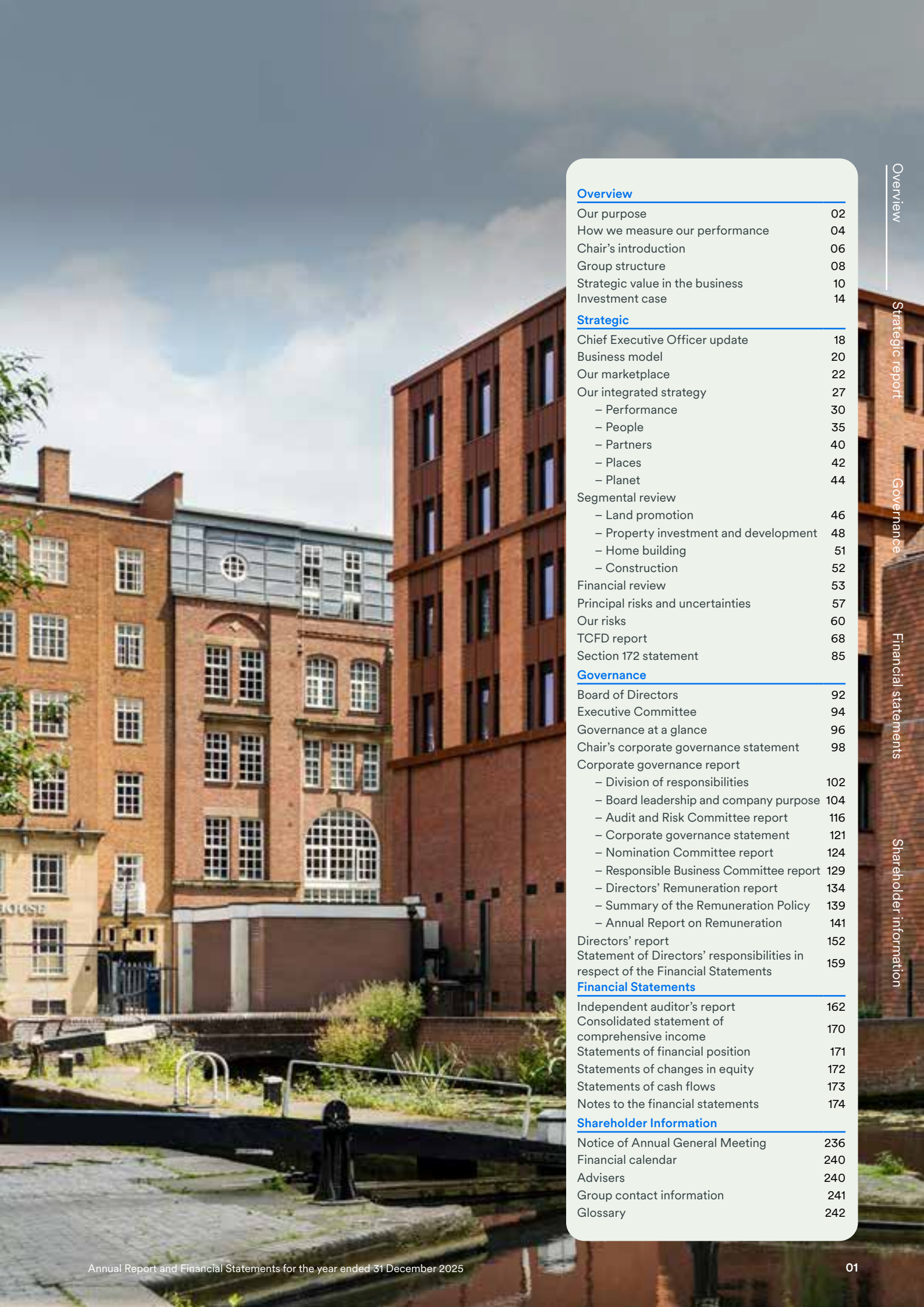
People have always been the heart of our business. Looking after people and supporting them as they strive to be the best. Fostering connection. Truly collaborating. Fully committing to diversity and inclusion. Acting responsibly, sustainably and with compassion.

Do the right thing

We've always been true to our word. We're experts who use our knowledge to do the right thing (not just the easiest thing). Think ahead. Provide solutions. Deliver the highest standards, the best result, the fairest terms. Commit to delivering well tomorrow, not just today.

Be open to change

We've been around since 1886 because we're able to adapt to a fast-changing world. We seek out new opportunities. We evolve and we change. We set new targets. We actively listen, learning from the ground up, not just the top down. We always ask: what can we do better?

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Creating great places today...

Our purpose challenges us and everyone who works with and for Henry Boot to deliver to the highest possible standards.

If we do, we'll create healthy, sustainable and attractive places that make a positive contribution to our communities – the kind of places that generate long term social and economic value that we can be proud of. We've been true to our purpose since we were founded in 1886. It's part of who we are.

Sustainability at the core

Sustainability is embedded in everything we do. By aligning our projects with our purpose, we ensure that every development prioritises environmental responsibility whilst also delivering significant value creation for shareholders.

Our focus on sustainable practices means that the places we create today will not only stand the test of time but contribute to a healthier planet for generations to come.

We remain committed to quality and to delivering a premium customer experience. We work collaboratively and in partnership to seek new opportunities, and to deliver lasting impact. Henry Boot gave us a legacy we're proud of and fuels our desire to be a business where great places start. Then, now, and for future generations to come.

 Read how we are committed to net zero on [page 44](#)

We are a solutions-driven and customer-focused business.

Core customers

Talent

Our people – past, present and future

Customers

Occupiers, buyers, service-users, communities

Landowners

Private, institutional, public sector

Partners

Joint venture, commercial development, local authority

Investors

Individuals, family, institutional, real estate

Other

Community leaders

Local authorities, community leaders

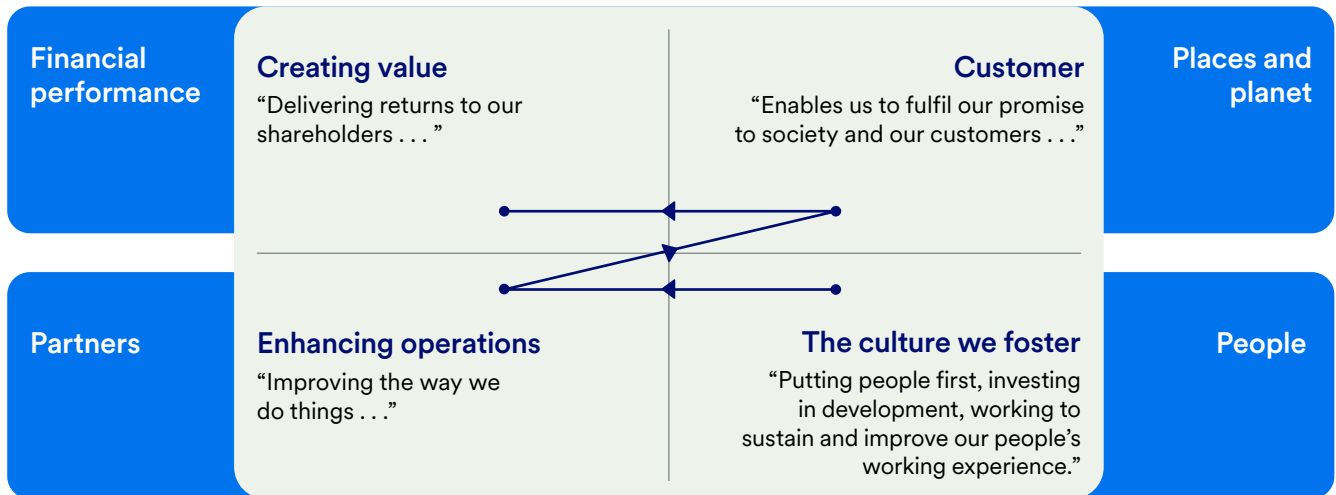
Influencers

Policymakers, national & local government, trade bodies, media

Suppliers

Professional services, contractors, trades

On this journey of being an impact-led business we use Halifax's "Theory Z" to guide us, and report on our 5 P's. We define our success and impact through five key, interlinked measures.



Performance:

Delivering sustainable returns and growing financial performance is our focus, but we also want to be judged by other priorities...

The culture we foster

People

We create great places by working closely with our people to build an inclusive, supportive culture, investing in wellbeing, diversity, inclusion, and team development so everyone can thrive.

The way we do things

Partners

We strive to be the partner of choice by investing our time and expertise in strong, responsible relationships with our supply chain, advisers, and commercial partners to create the best value for everyone we work with.

Benefitting society

Places

Supporting and working alongside the communities we serve is central to Henry Boot, and we continue to invest our time, resources, and funding to create long-lasting, genuine social value for our community partners.

Protecting the environment

Planet

We create sustainable places to help lower our environmental impact and working with partners to share practical, innovative solutions that protect the planet.

... to build
a better
tomorrow

How we measure our performance

We combine commercial success with positive societal impact. Alongside our commercial performance we're committed to creating healthy, sustainable and attractive places that make a genuine contribution to our communities.



People highlights

We succeed by investing in our own people, improving internal communications, creating a sense of shared purpose, and via policies that include industry-leading pay and reward, employee wellbeing, health and safety.

- Our eNPS score was 29, which is considered 'very good' by our HIVE employee engagement partners.
- Launched a financial wellbeing portal with Finwell to support our people with budgeting, pensions, mortgages, and retirement planning.
- Leadership programme delivered to approximately 50 of our leaders across the business.



Partners highlights

We succeed by investing in long term, productive partnerships and being a partner of choice in our industry. We work hard to put people first and offer fair terms and conditions, best practice, safety, and through our unwavering commitment to high standards, quality and delivery in everything we do.

- Paid our suppliers promptly and provided support and guidance for our supply chain partners on industry issues.
- Partnered with the Yorkshire Climate Action Coalition to co-deliver the Yorkshire Climate Action dinner in Leeds.
- Worked in partnership with Crisis to undertake consultation on how the property sector could better collaborate to tackle and prevent homelessness.



Places highlights

We build a better tomorrow through progressive placemaking and working in partnership with the communities where we work. Our partnerships demonstrate a commitment to creating healthy, high quality communities and neighbourhoods that people can live and work in – and enjoy – for generations.

- Contributed over £300,000 of value to our community and charity partners (including over £70,000 raised for our charity partner Crisis in the partnership to date).
- Contributed over 3,500 volunteering hours to support a wide range of community and education partners.
- Engaged over 3,000 learners across our areas of operation.



Planet highlights

We adapt to the challenges and opportunities posed by climate change via our Responsible Business Strategy, sustainability targets – and by adopting a sustainable mindset across the whole group. We measure success not just by short term targets, but by the lasting legacy our sustainable approach generates.

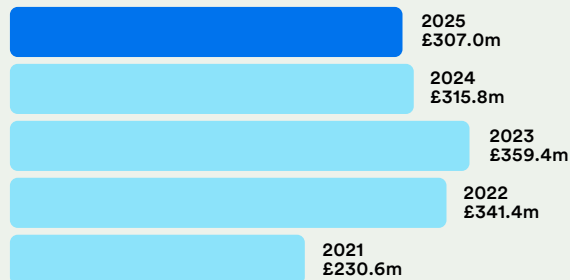
- Further implemented the utilisation of hydrogenated vegetable oil (HVO) fuels for use across our fleet and generator requirements.
- Reduced our direct greenhouse gas (GHG) emissions by 40% (when compared to our 2019 baseline).
- Worked with industry partners including the UK Green Building Council and Yorkshire Climate Action Coalition to share knowledge and solutions across our sector.

Performance highlights

Strong, sustainable financial performance and commercial growth is our primary goal.

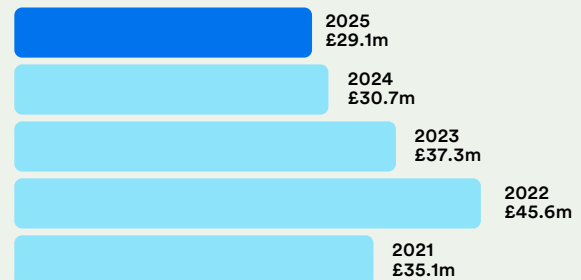
Group revenue

£307.0m



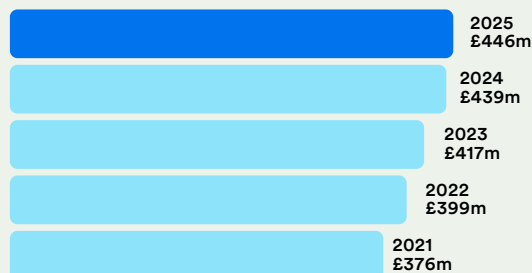
Profit before tax

£29.1m



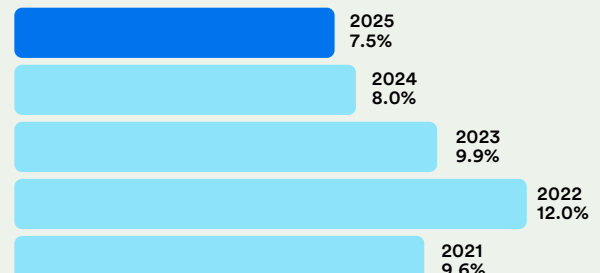
Capital employed

£446m



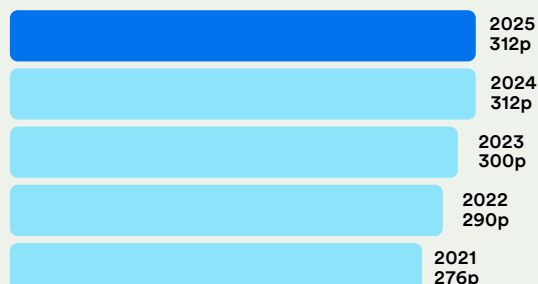
Return on capital employed (ROCE)*

7.5%



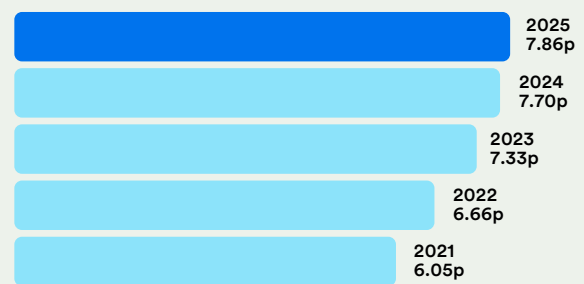
NAV per share (excluding defined benefit pension scheme surplus)

312p



Dividends per ordinary share

7.86p



This report contains the following alternative performance measures (APMs): Including discontinued operations; Underlying profit; Return on Capital Employed; Net Asset Value (NAV) per share; Net (debt)/cash; Total Property Return; Total Accounting Return; before revised classification. More details can be found on page 56

* Before the revised classification of the group's main borrowing facility (based on revised classification ROCE was 6.2%)

Chair's introduction



“

The Future Ways of Working programme is driving organisational and management changes to boost agility, resilience, responsiveness, and efficiency.”

Peter Mawson
Chair

Henry Boot delivered a resilient performance in 2025 despite being impacted by challenging markets as a result of continuing global political and economic uncertainty. In particular, we saw strong demand from housebuilders for our high quality residential land, achieving a record number of plot sales.

Across our markets, generally transaction volumes remain subdued, with deals taking longer to complete, particularly in the second half of the year in the run up to November's budget. Against this backdrop, we delivered a profit before tax, including the initial profit recognition on disposal of Henry Boot Construction, of £29.1m (2024: £30.7m), broadly in line with market expectations*, or on an underlying profit basis £27.5m (2024: £29.4m) excluding revaluation movements on completed investment property. We are closely monitoring the events in the Middle East, and the implications it might have on the wider economy, our markets, and our customers.

The group's NAV per share, excluding the defined benefit pension scheme, was broadly unchanged at 312p (2024: 312p), and including dividends paid in the period, we delivered a total accounting return of 2.5% (2024: 5.8%). This reflects lower retained earnings and the impact of the completion of the first tranche of the Stonebridge Homes acquisition. We continue to

drive the store of worth within our portfolio through increased levels of planning permissions achieved in both Hallam Land and HBD. It is important to highlight that the majority of our assets are conservatively held at cost, rather than marked to market, therefore the value we have created will be recognised in future periods, on disposal.

Strategically, 2025 marked a year of significant progress. We accelerated planning applications to grow our consented plots within Hallam Land, and following the increase in our ownership of Stonebridge Homes to 62.5%, we have introduced new processes to further professionalise its operations. Agreeing the sale of Henry Boot Construction in September 2025 was a significant step, allowing us to streamline our structure and sharpen our focus on high quality land, prime property development, and premium homes. In anticipation of these changes, the Future Ways of Working programme commenced in March 2025, driving organisational and management changes to boost agility, resilience, responsiveness, and efficiency.

The Board has proposed to pay a final dividend of 4.62p per share, which, together with the interim dividend of 3.24p, gives a total dividend of 7.86p (2024: 7.70p), an increase of 2.1% for the year. Subject to approval at the AGM on 21 May 2026, this will be paid

on 29 May 2026 to shareholders on the register at the close of business on 1 May 2026.

The decision to hold the final dividend at last year's level is consistent with our policy to invest selectively across the group while acknowledging the importance of delivering an income return to our shareholders. We remain committed to a progressive dividend over the medium term as earnings pick up.

On behalf of the Board, I wish to extend my thanks to our people for their dedication and hard work throughout the year. Our annual Employee Engagement Survey continues to inform our ambition to make Henry Boot an outstanding place to work. This year's results maintained a 'very good' employee Net Promoter Score (eNPS) of +29 (2024: +30), which is +14 points above our peer group average, a true reflection of our team's commitment to Henry Boot.

Peter Mawson
Chair

* Company compiled market consensus for 2025 profit before tax is £29.2m.

Read more about the Board's activities in the Governance section on [page 100](#)

Future Ways of Working

In March 2025, we launched our Future Ways of Working (FWoW) programme. Our aim is to drive growth by strengthening collaboration, aligning working practices and leveraging synergies across our group.

At the heart of FWoW is a commitment to involve our people. Many colleagues expressed a desire to contribute and play an active role in shaping the change. A high-performance culture is critical to delivering our growth strategy and every one of our people has a role to play in delivering it. Through extensive engagement and feedback, four priority areas emerged:

1

Strengthening alignment

Developing our group-wide business strategy, to create clearer strategic and operational alignment. This includes establishing more structured opportunities to innovate, share expertise and resources, ultimately fostering closer working relationships to make the right calls for our customers and shareholders.

2

Enabling decision making

We want to ensure we are leveraging the right skills and experience across the group at the right cost. This means empowering decision making at lower levels, encouraging accountability, and enabling our people to operate with greater autonomy to make the right choices.

3

Refining our business structure

We will continue to refine our centralised group functions, placing stronger emphasis on business partnering and the use of data and analytics. This will help us identify synergies, improve efficiency and deliver greater value to all our stakeholders.

4

Investing in our people and culture

Our culture remains one of our greatest strengths. We will continue to support our people in developing a mindset of growth, resilience, responsiveness and agility. We are honest and straight talking, and these qualities are essential for navigating change and driving progress.

We believe that investing time and energy into FWoW will become a defining part of our business philosophy and a vital discipline for our continuing evolution. We have learned that when we commit – individually and collectively – and act with positivity, clarity, and purpose, we create the conditions needed to deliver at our best.

We've made meaningful progress this year, and that momentum matters. But there is still more to do and we will continue building the environment we need to shape Henry Boot for sustainable long term growth and ensure we are ready for the opportunities ahead.

Group structure

We focus on high quality land, prime property development and premium homes.

Last year we made some key changes to simplify our business model.

Completed sale of Henry Boot Construction for £4m

At the end of last year, we completed the sale of Henry Boot Construction. The business has made only a small contribution to group profits, with the disposal reducing the risk profile of the group.

This move fits our strategy and enhances growth prospects with a more focused portfolio with greater synergies. All things being equal, this will improve the equity narrative and is likely to attract greater understanding and investor interest.

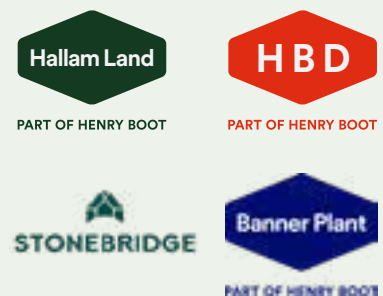
Home building is an important business segment

The residential markets are driven by positive long term trends such as population growth.

In January 2025, we became the majority owner of Stonebridge Homes, which builds premium homes in some of the most sought-after areas of Yorkshire, the Midlands and the North East.

A rock-solid balance sheet provides a strong platform to accelerate growth and improve returns.

Our endorsed brand model



Well placed for the future

Investing to support growth.



Land promotion



c.106,000
strategic land plots



Property investment and development



c.£1.4bn
development pipeline



Home building



Multi-regional premium home builder with land bank of
c.2,500 plots

Our reputation is built on our ability to promote and deliver high quality schemes.

Operating across the UK, and employing nearly 400 people, we focus on three long term growth markets.



Residential

A market in which we continue to grow our presence through one of the largest strategic land portfolios in the country and a growing premium home builder

- Hallam Land achieved record sales of nearly 4,000 plots, exceeding its financial target for the year
- Positive changes to the National Planning Policy Framework resulted in the group materially accelerating planning applications, with c.11,000 plots submitted in 2025
- In January 2025, the group increased its ownership in Stonebridge Homes to 62.5%, and continues to make progress in professionalising and integrating the business into the group



Industrial and Logistics

We have a strong track record of delivering prime Industrial and Logistics units across England

- In 2025, the group completed 449,000 sq ft of Industrial and Logistics development through its Origin JV with Feldberg Capital, at a total combined GDV of £100m (our share: £25m)
- In line with our ambition to scale up Origin, we added three further schemes with a combined GDV of £56m (our share: £14m) into its pipeline in December 2025



Urban development

Urban development is becoming increasingly uneconomic without public sector grant support, and as a result we have begun to focus more on innovation and technology-led opportunities, including:

- The £1bn Golden Valley project in Cheltenham, which received outline planning in July 2025 for 1 million sq ft of commercial space and 576 homes. The first £98m phase is due to start in H2 2026
- Duxford AvTech (£120m GDV) a 435,000 sq ft project set to create a technology campus, dedicated to developing low and zero carbon aircraft technology at IWM Duxford

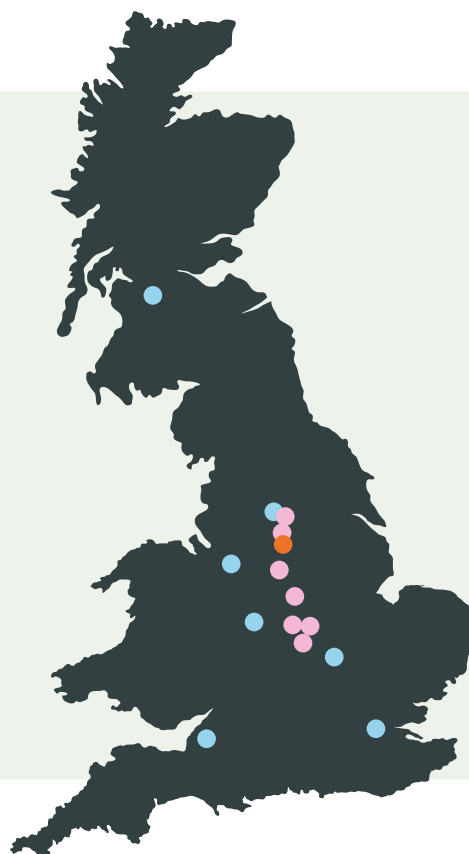
Our geographical reach

National coverage and strategic sites

The head office of the Henry Boot group is located in Sheffield but we operate throughout the country. We have eight regional offices and seven plant hire centres to ensure we are close to our strategic sites and we are able to maximise our development opportunities.

Key

- Head Office
- Regional Office
- Hire Centre



Strategic value in the business

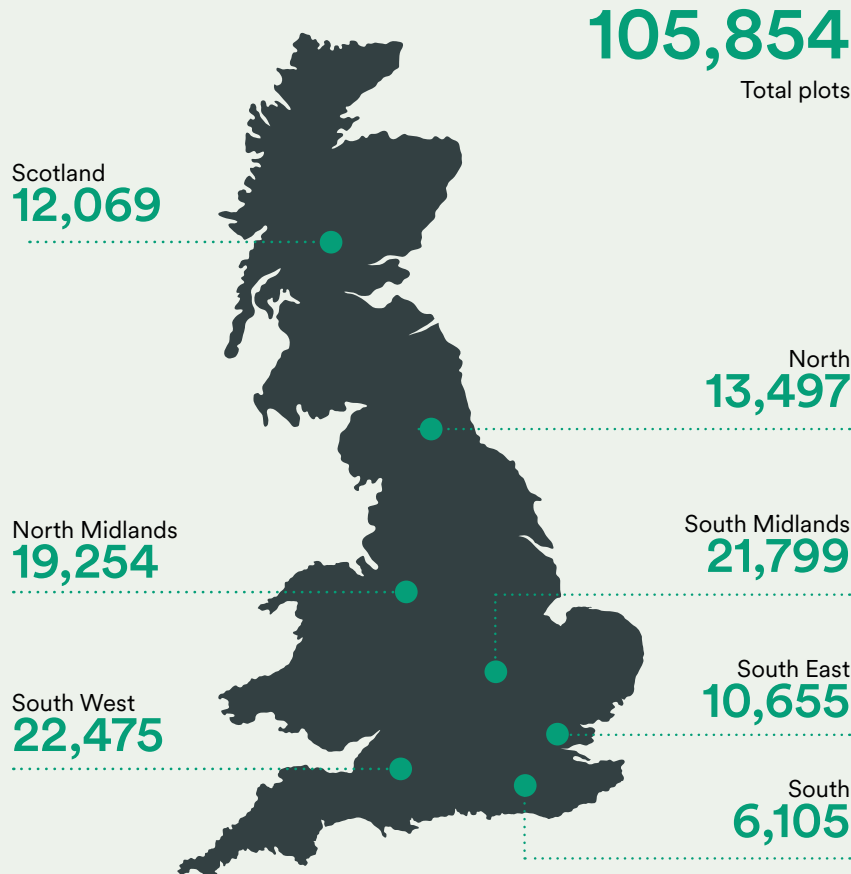
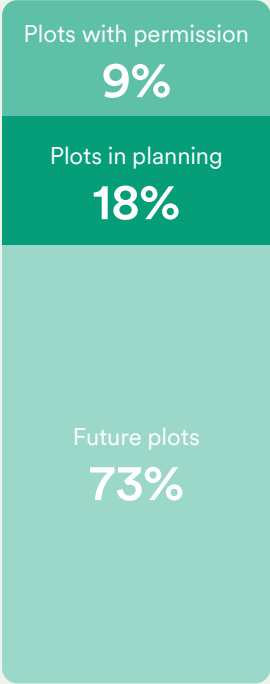


Land promotion

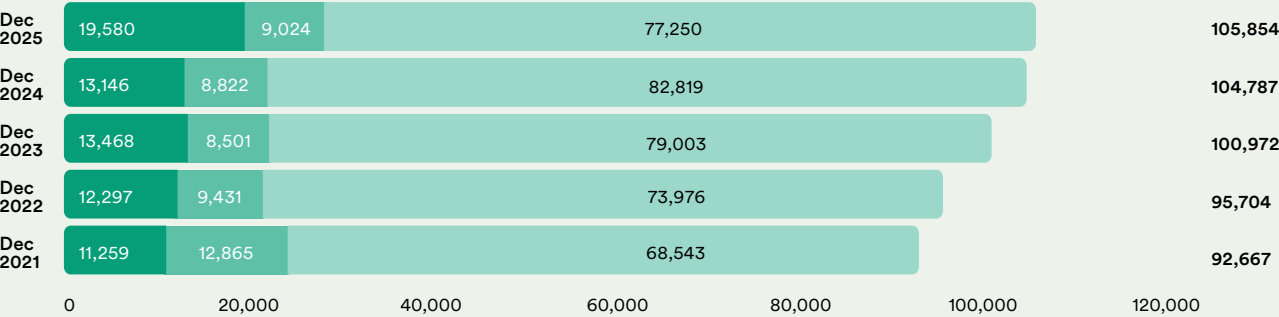
Hallam Land manages one of the top five largest land portfolios in the country, with the potential to facilitate nearly 106,000 homes.

We continue to grow one of the largest strategic land banks in the country.

Regional breakdown



Residential land plots



Key

- Plots in planning
- Plots with permission
- Future plots



Property investment and development

HBD manages a development pipeline of £1.4bn (our share), the equivalent of 7 million sq ft of developments across our key markets, while maintaining a £119.8m investment portfolio.

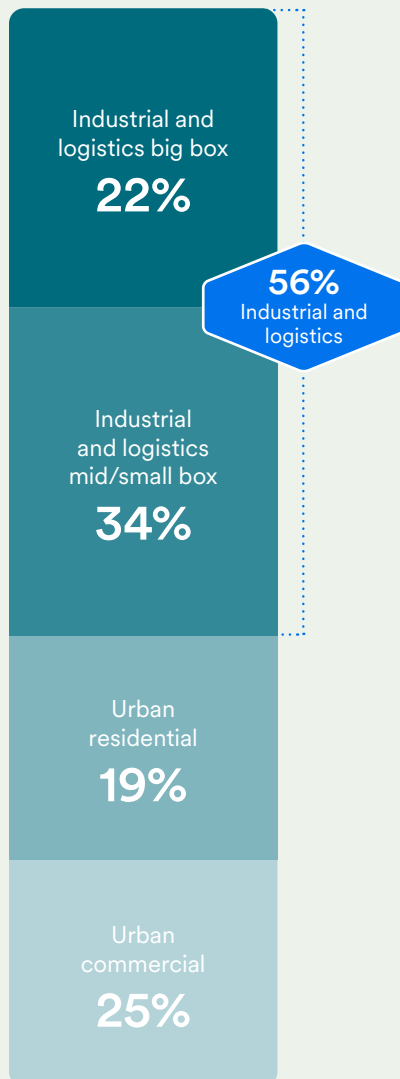
Future development pipeline

The group has a total development pipeline of £1.7bn GDV (our share £1.4bn), with all of these opportunities sitting within the group's three key markets.

Key

Consented

Controlled



Strategic value in the business continued

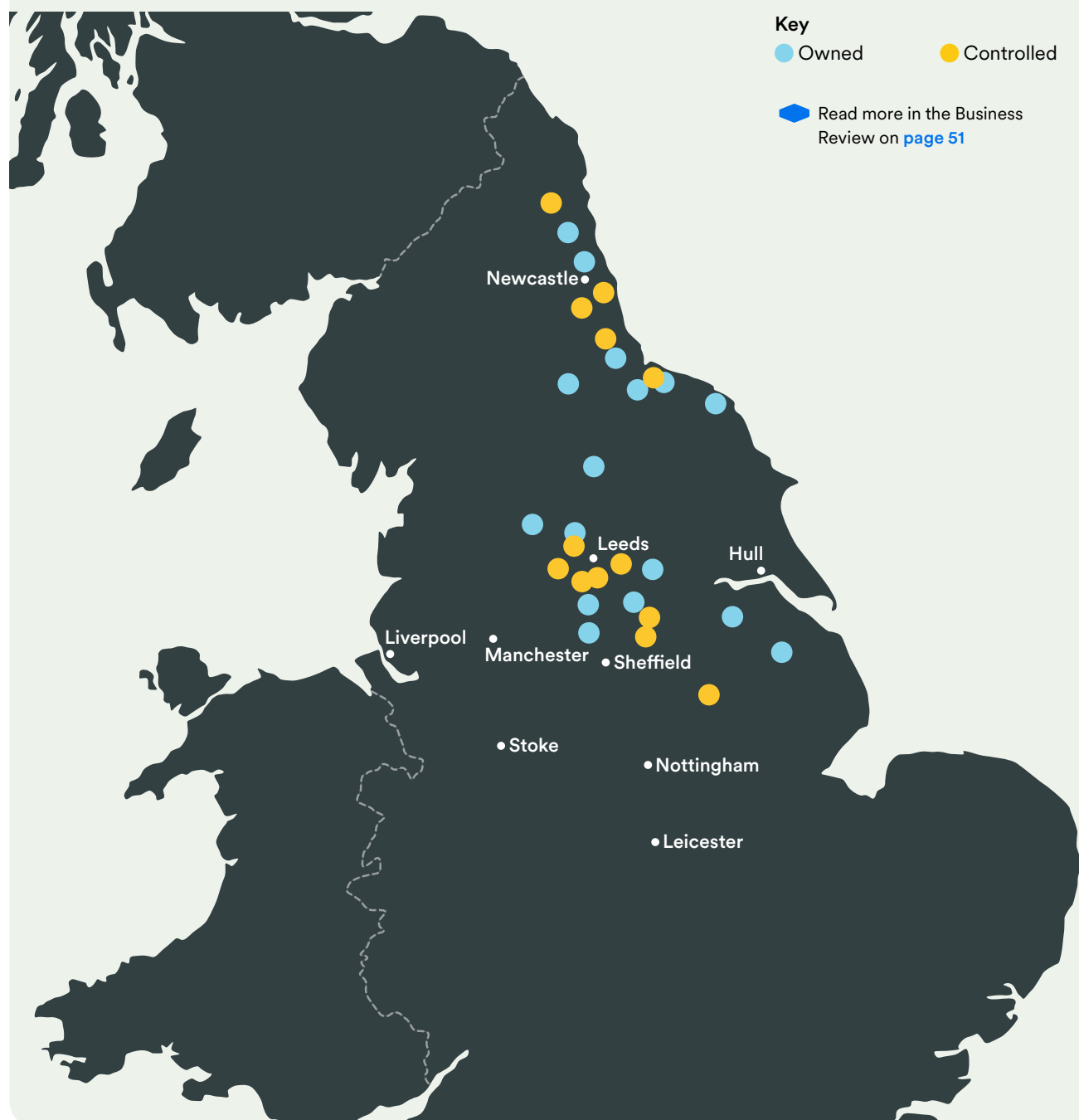


Home building

Stonebridge Homes, our majority owned home building business, manages a land portfolio capable of delivering c.2,500 homes, with an ambition to deliver up to 600 new homes a year.

Stonebridge outlets and land bank

Added 1,031 plots to the land bank across five sites





Investment case

1

Effective management and shareholder returns

The group has a strong track record of effectively managing the balance sheet, while continuing to create shareholder value through our strategic focus on delivering sustainable growth. We have delivered attractive returns through the cycle with a 10-year return on capital employed of 11.7% per annum and total accounting return of 9.4% per annum.

2

Clear focus on three key markets driven by positive long term trends

Our strategy remains achieving long term growth through our focus on three key markets. I&L is a sector where long term growth is supported by several structural drivers, with occupier take-up experiencing a steady recovery in 2025. UK house prices marginally increased in 2025, with Northern England outperforming. Within urban development our focus has shifted to innovation and technology-led opportunities.

3

Significant embedded value in the business

There is significant embedded value across the group, with our strategic land and property developments held at cost, rather than revalued on a mark-to-market basis. This includes c.106,000 strategic land plots (of which c.9,000 have planning permission) and a £1.4bn (our share) development pipeline (with 55% focused on Industrial and Logistics). Added to this, we have a premium housebuilder, with a land bank of c.2,500 plots.

4

Our culture and people

Our people are vital to Henry Boot's long term success. A positive and inclusive embedded culture enables us to create and maintain long standing relationships with our customers, clients and communities. This is crucial to our sustainability, creating an environment which empowers our people to deliver the group's strategy, while continuing to attract and retain people who support our culture.

5

Responsible business approach

We concluded the first phase of our Responsible Business Strategy (launched in January 2022) at the end of 2025. The strategy, which outlined forward-looking targets aimed at further embedding our environmental, social, and governance (ESG) approach into the group's commercial and strategic decision making, saw us make strong progress on our responsible business practice. It will be followed by phase two in 2026 which will include our ongoing commitment of achieving net zero carbon (NZC) by 2030.

Our strengths

Our diversified businesses

Henry Boot operates across the whole property value chain.

With our uniquely sustainable business model, we have built a market-leading group of companies that source, develop and deliver across the whole property value chain.

We manage the combined effort and expertise of four subsidiaries, investing in our future to create long term value and robust returns for all our stakeholders.

Our capital structure

We reinvest the cash generated from our investment portfolio into higher returning areas of the business.

Our financial structure allows us to invest in the more profitable areas of the business to ensure we can maximise value, while maintaining prudent gearing levels. HBD's property investment portfolio generates rental income each year, allowing us to borrow against the investment portfolio at attractive rates.

Our planning and development expertise

The group has been in business for nearly 140 years and we are valued for our expertise and forward-thinking approach.

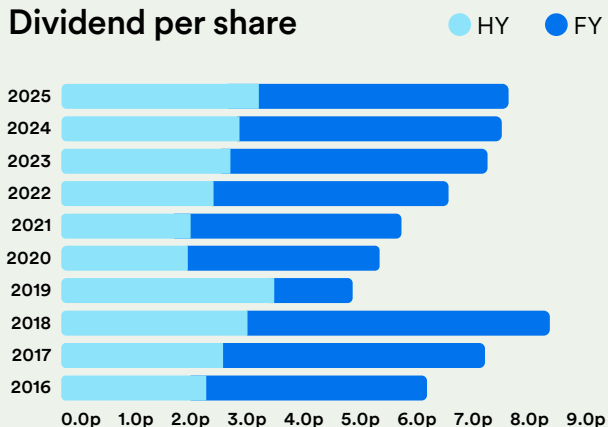
Henry Boot recognises that our people are fundamental to the success and sustainability of the group. It is their expertise across our three key markets that executes our business model successfully and delivers the value created by the business to our stakeholders.

Our relationships

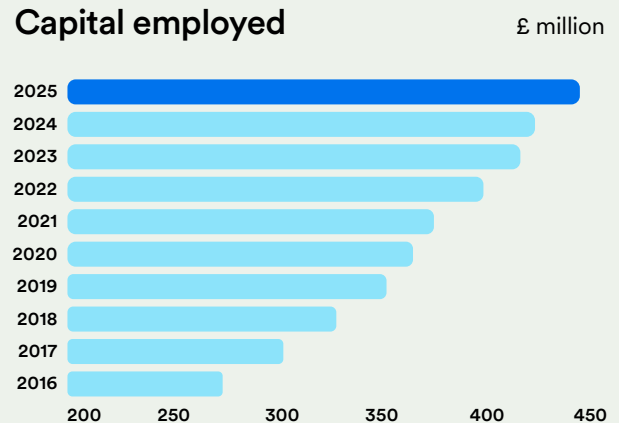
We work closely with our stakeholders, including our landowners, key property advisers (who inform us of potential opportunities), planning consultants and legal advisers.

At Henry Boot, we pride ourselves on collaboration. We set clear mutual expectations and strive to achieve them. We promote cross-team working and work in partnership to make things happen.

Dividend per share



Capital employed



Strategic report



**Strategic**

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The Directors present the group Strategic Report for the year ended 31 December 2025.

This report sets out how Henry Boot continues to create consistent value through the promotion of new land opportunities, the development of, and investment in, high quality property assets, and construction activities.

The Business Overview and Strategic Report on pages 16 to 89 have been approved by the Board and signed on its behalf by

Tim Roberts
Chief Executive Officer

14 April 2026

Pictured: Spark, Walsall, a 464,000 sq ft industrial and development scheme.

Chief Executive Officer update



“

We remain confident in the group's potential to deliver attractive returns for shareholders given the increased depth and quality of opportunities within our portfolio.”

Tim Roberts
Chief Executive Officer

The macroeconomic environment remains challenging, with transaction volumes across our markets still below long term averages as investors, occupiers and customers take longer to make decisions.

The prolonged lead up to the November Budget had a particularly negative impact on both consumer and business confidence. Despite this, we continued to experience good demand from housebuilders for our high quality residential land, as many look to increase the number of sales outlets. Against this backdrop, we were relatively pleased that total sales of land, commercial property, and houses for the year were £356m (2024: £347m) with our share at £193m (2024: our share £224m). We are alert to the events in the Middle East, and the effects will depend on how long the conflict lasts.

Commercial property markets are recovering, with capital values rising by 1.4% and total returns reaching 7.1% in 2025 according to the CBRE Monthly Index. Industrial performed particularly well, with capital values increasing by 2.5% on the back of 4.8% rental growth. The majority of our committed developments and pipeline sit within the industrial sector, where we are also leveraging our operational expertise through the Origin JV. Urban development has become increasingly uneconomic without public sector grant support.

We have therefore pivoted our focus toward the innovation and technology-led opportunities, where we can leverage our experience in this specialist sub sector. This includes market leading schemes in Cheltenham and Duxford.

In 2025, UK house prices rose by 0.6%, with residential land values softening slightly. Benefiting from the changes to the NPPF, we secured consents for 4,159 plots, a significant 39% increase on the prior year. In 2025, we invested £28.8m of capital, growing our store of consents to 9,024 plots and into new opportunities. We plan to invest an additional c.£27m in 2026, submitting a similar level of planning applications, as we materially increase our portfolio of consented land to sell to housebuilders.

To support our growth ambitions, we are streamlining and coordinating our sales processes within Hallam Land, ensuring more efficiency and agility as we move forward. Last year, we sold 3,957 plots, a record number, with expectations to sell more in 2026. The investment and growth in consents and the number of planning applications create a sustainable platform to achieve our medium term target of selling 3,500 plots per annum on average and to grow sales beyond that level.

Throughout 2025, we completed schemes with a total of £119m GDV (our share: £33m) with 32% pre-let or sold. We maintained a good level of I&L activity, including completing on c.449,000 sq ft of industrial space through our Origin JV. We have seen encouraging occupier interest and anticipate securing additional lettings. At the start of the year, we are committed to £66m GDV (our share: £18m), delivering an additional 412,000 sq ft, the majority of which is in Origin. The JV provides us with the dual benefit of receiving development management fees alongside the opportunity to generate performance fees.

We continue to upgrade and replenish our development pipeline, which currently stands at £1.4bn (our share) and provides us with a strong near term pipeline to create value. It also gives us optionality to increase our level of committed development in line with demand, while in the meantime, allowing us to keep our capital employed in future opportunities low at £61m. In this respect, in the summer we expect to commit to phase one of Golden Valley Cheltenham (£98m GDV), a £1bn flagship mixed use campus adjacent to GCHQ, focused on national security and emerging technologies such as AI and quantum computing. Public sector funds have already been secured to fully fund the construction of this nationally significant cybersecurity development.

Last year was challenging for Stonebridge Homes, which experienced slower sales, completing 185 homes, with delays in obtaining detailed planning consents, affecting our ability to get on site and open new outlets. Combined with a relatively high number of sites that are almost fully sold, this resulted in a sales rate of 0.37. We also saw some cost overruns. However, we are focused on rebuilding momentum, with output expected to recover to between 200–220 homes in 2026, putting us back on track to achieve our medium term target of delivering 600 homes per annum. The residential market is long term, and with Hallam Land now directing the land buying strategy, we have the skills, a clear plan to scale, and strong conviction in our regional model.

Having become the majority owner of Stonebridge Homes in 2025, we replaced the Managing Director as part of our programme to professionalise and integrate the business into the group. The search for a permanent replacement is underway, and, meanwhile, Ed Hutchinson, Managing Director of HBD and Executive Committee (ExCo) member, is serving as Interim Managing Director. Ed has extensive expertise in building and construction processes, as well as land acquisition, planning and stakeholder engagement, including customers. He has overseen the successful delivery of several major premium residential developments for HBD, including The Chocolate Works in York and SETL in Birmingham.

We are investing in our people and systems, supported by our group function teams, to strengthen Stonebridge Homes' sales capability and elevate the customer experience. Our improvement plan focuses on enhancing operational efficiency and improving our use of data to create stronger links between teams. We also expect to make selective land disposals to increase asset turn and ensure site sizes align with our premium homes strategy. While it's still early in 2026, we are encouraged by the fact that net private weekly reservation rates at Stonebridge Homes are running at 0.43 over the 11 weeks to 15 March, compared with 0.34 for the same period in 2025.

At the end of 2025, we completed the sale of Henry Boot Construction. This transaction creates a more focused mix of businesses with greater synergies, as well as reducing the risk profile of the group. Henry Boot Construction begins this year with a

strong order book, which leaves our former colleagues well positioned for future success and able to commence repayment of the £4.0m vendor loan due over the next five years.

In anticipation of the sale of Henry Boot Construction, the integration of Stonebridge Homes and our ambition to create a more agile, robust and responsive organisation, supported by a leaner central function, we commenced our FWoW programme in March 2025. The programme is designed to drive efficiency, improve collaboration and the sharing of expertise and resources across our three core businesses. This included reshaping functions within the group, with Steve Stacey, formerly Group Finance Director, appointed as Chief Operating Officer. Jaimie Read has been promoted to the role of Company Secretary, and Iain MacSween has been appointed Managing Director of Hallam Land. Steve and Iain will also join ExCo.

As part of the FWoW programme, we have already delivered a reduction in central overheads of 20% in 2025, with further savings anticipated in 2026. This initiative is designed to strengthen profitability by aligning our resources and capabilities with the group's new structure and strategic focus, while still enabling incremental investment in priority areas that will support medium term growth. We have also implemented the first phase of Dynamics 365, enabling processes to be systemised and data to be captured, stored and used more effectively to support decision making.

Outlook

We continue to focus on land promotion and premium home building, while expanding our industrial development activity. Within urban development, we are increasingly targeting high growth specialised sub sectors such as cyber and innovation, where we see strong medium term prospects.

Land promotion remains a core driver of value creation for the group, with Hallam Land focused on growing its store of planning consents and increasing volumes of plot sales to housebuilders. As a result of the positive planning changes, we believe this is an opportunity which is very deliverable and will support our expectations for medium term profit growth. Hallam Land is therefore expected to have another good year. However, the anticipated sales mix, with a higher percentage of promotion

agreements and a lower share of freeholds, is likely to result in profit per plot being lower than our typical rate of £10,000, with a corresponding impact on operating profit.

Within HBD, the strategic focus remains on industrial development, primarily through the Origin JV. This is underpinned by a £1.4bn development pipeline, which is expected to support an increase in committed development activity over £150m by late 2026 and into 2027. A key milestone will be the commencement of phase one of Golden Valley (£98m GDV), which is scheduled to start this summer.

At Stonebridge Homes, we anticipate that performance will begin to recover during 2026. Delays in the planning system are expected to remain a limiting factor on the number of new outlets during the year. While the important spring selling season is still in its early stages, there are early indications of market recovery.

Primarily due to the timing of large land and development transactions in the pipeline, together with the inherent seasonality of housebuilding, means that, as in previous years, the group expects performance to be heavily weighted towards the second half of the financial year. It is expected that these large transactions will also help reduce gearing towards our optimum range. While we continue to monitor the situation in the Middle East and its potential impact on inflation and interest rates, which could affect transaction volumes in our markets, there are significant opportunities across our portfolio, supported by a rock solid balance sheet. Assuming the impact from the conflict in the Middle East is not prolonged, the business is well positioned to deliver the recently revised market expectations for FY26* and with a continued belief that we will deliver against our medium term growth and return targets.

Tim Roberts
Chief Executive Officer

* Company compiled of recently updated market consensus for 2026 profit before tax is £20.2m.

This report contains the following alternative performance measures (APMs): Including discontinued operations; Underlying profit; Return on Capital Employed; Net Asset Value (NAV) per share; Net (debt)/cash; Total Property Return; Total Accounting Return; before revised classification. More details can be found on page 56.

 Read more about the Board's decision making on the HBC sale on [pages 88-89](#)

Business model

Our group comprises four businesses, Hallam Land, one of the UK’s largest land promoters, HBD, our property investment and development business, Stonebridge Homes, our premium home builder, and plant hire specialist Banner Plant.

Being part of the Henry Boot group

The strength in being part of our collective continues to grow. The obvious benefits associated with being part of a PLC such as funding, reputation, governance, HR and stewardship have always been there and each year we focus on continually raising important standards.

There are many collaborative opportunities that the individual businesses can share and benefit from. Our detailed knowledge of the planning system meets the latest environmental credentials, using the latest technology (including AI) to automate and optimise developments to the customers’ needs.

These are all examples of skills and capabilities that can be shared and help elevate the overall capabilities of the collective. Working together can also help create opportunities to work with partners and customers to forward fund a development and de risk a scheme.

Balance of activities through the ‘value chain’



Land promotion

Securing planning permission is a complex but valuable process central to our land promotion and development. Hallam Land, our land promotion company, works with advisers and landowners to identify and optimise agricultural sites, selling them after permission is granted. Using agency and option agreements reduces costs and increases involvement, allowing Hallam Land to maximise returns on capital employed.



Property investment & development

HBD acquire land, obtain planning permission, and develop it themselves, primarily focusing on commercial schemes. They can self-fund or secure prefunding, enabling commitment to long term regeneration projects without relying on bank loans. Some developments are sold; others are retained in their investment portfolio.



Home building

Our majority-owned home builder, Stonebridge Homes, delivers premium homes across Yorkshire, the Midlands and the North East. Our master planning and design focus on sustainability and long term viability, means we deliver homes that are energy-efficient in desirable places to live.

Creating value through three core markets



The impact we are making

When creating our Responsible Business Strategy, we engaged our stakeholders to understand which of the UN Sustainable Development Goals (SDGs) they felt our business could most positively impact.

Based on the feedback received, the Responsible Business Committee selected the below SDGs as those best aligned with our corporate purpose.



Society

All of the targets contained within the Responsible Business Strategy have been influenced and shaped through consultation with our people, our commercial and community partners, our senior management and Board, and our professional advisers to ensure that they are robust and ambitious (while also achievable), and will create the impact we aspire to.

 To learn more about our responsible business progress go to [page 34](#) or read our separate Responsible Business Strategy Progress Report

Our value generation

People

Our people deliver the core activities of our business model. We invest a significant amount of time and resource in their training and development to ensure they are empowered in their roles. We apply the same methods and dedication when we are recruiting to ensure we attract the highest calibre of people within the group.

Places

We have offices in eight locations across the UK, but we have projects that extend our community impact across the country. Wherever we operate, it is fundamental to us that we develop strong relationships and partnerships with our communities. This could be by using the local supply chain on projects or volunteering our skill set to a local charity.

Partners

We are committed to maintaining our long standing track record of customer satisfaction. We continue to listen, understand and adapt how we can improve upon what we deliver, so we are able to further enhance the competitive advantage our group brings to its customers.

Shareholders

Our priority is to protect the sustainability of the group for our shareholders. By operating transparently and responsibly, we are able to create added value for our shareholders, providing updates on performance and changes to the strategic direction of the group.

Our marketplace

Market context

Our key markets

In 2025, across our markets, transaction volumes generally remained subdued, reflecting cautious sentiment. Deals were taking noticeably longer to complete, with extended negotiation periods becoming increasingly common. This was particularly noticeable in the second half of the year, as both buyers and sellers adopted a wait-and-see approach in anticipation of November's Budget and its potential implications for market conditions, taxation, and government spending.

Despite this uncertainty, we still believe our markets are driven by long term structural trends such as population growth, retail moving online, near shoring of supply chains, the drive for sustainability, plus the increase in household numbers.



Residential

According to Nationwide, UK house prices increased by 0.6% during 2025 on a seasonally adjusted basis. Most regions recorded modest house price growth, with Northern England continuing to outperform the South. While there was an increase in new home registrations in 2025, completions remain 39% below the 2022 peak according to the National House Building Council.



Industrial and Logistics

The UK Industrial and Logistics market remained resilient in 2025, with occupier demand holding up well despite a more cautious economic backdrop. Take up was broadly stable, supported by logistics and manufacturing demand, although decision making slowed and vacancy rates edged higher as new developments completed.



Urban development

Urban development has become increasingly uneconomic without public sector grant support. We have therefore pivoted our focus toward innovation and technology-led opportunities, where we can leverage our experience in this specialist sub sector. This includes market leading schemes in Cheltenham and Duxford.

 Read more in the Business review on [pages 46 to 52](#)



Key long term trends affecting our business

Urbanisation

According to the United Nations' World Urbanisation Prospects 2025, the UK population is expected to reach around 75.5 million by 2050, with approximately 87% of people living in urban areas. As the population grows, major cities will continue to act as key drivers of UK economic growth, driving increased demand for housing, warehouses and high-quality office space. People don't choose cities simply because they are close to work. They are drawn to the lifestyle – access to amenities, culture, connectivity and the vibrancy that urban living offers. This shift in how and why people choose to live in cities will continue to shape the future of real estate and the places we create.

Technology

The digital landscape is evolving at pace, reshaping how we live, work, shop and communicate. This is driving a growing need for services that can adapt not only to emerging technologies but also to the environments in which they operate. In real estate, we are already seeing greater adoption of property technology from data and analytics to automation that streamline processes and improve efficiency. These trends are contributing to increased demand for warehouse space from third-party logistics providers, online retailers and manufacturers. The potential of AI to reshape real estate is significant, from optimising operations to the emergence of new markets and asset classes.

Demographics

The UK population continues to grow, with net migration expected to be a major driver over the next 25 years. Although demographic trends are inherently uncertain, the latest ONS projections assume that net migration will gradually decline over the coming years before stabilising at around 340,000 annually from mid-2028 onwards. Within this broader picture, the most notable shifts in the working-age population over the next decade are expected amongst 20- to 30-year-olds and 40- to 50-year-olds, who are projected to increase by 8% and 7% respectively. These demographic trends provide strong underlying support for both senior living and Build to Rent, particularly schemes aimed at young professionals.

Environment

The built environment accounts for around 25% of the UK's carbon emissions, placing increasing pressure on businesses in our sector to adapt their operations and transition to more sustainable practices. The pressure to operate more sustainably is not only from government regulations, it is coming from occupiers, investors and other stakeholders. As a result, demand for energy-efficient, environmentally responsible green buildings continues to rise creating a growing 'brown discount' for assets that fail to meet modern environmental standards.



Our marketplace continued



Residential

Market overview

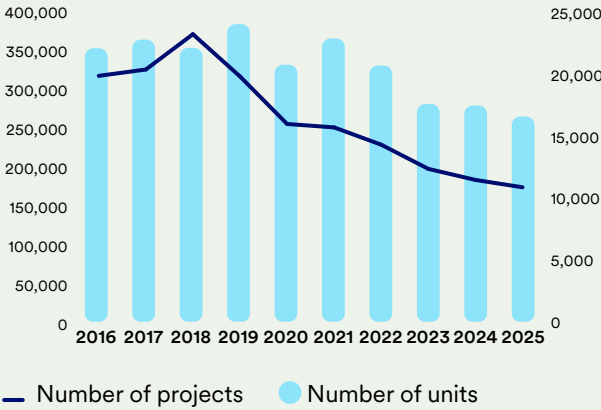
UK greenfield land values fell by an average of 1.4% in 2025, according to Savills Research. This shift reflects softer housing-market fundamentals, while speculation around potential policy changes also weighed on transaction volumes and pricing. National averages, however, mask significant regional variation. The South East experienced the sharpest declines, with values down 4.0%, whereas Scotland recorded the strongest growth, with land values rising 2.7% over the year.

Although recent changes to the NPPF have prompted an increase in planning applications, this has not yet translated into approvals. According to the Home Builders Federation, the number of homes granted detailed planning consent

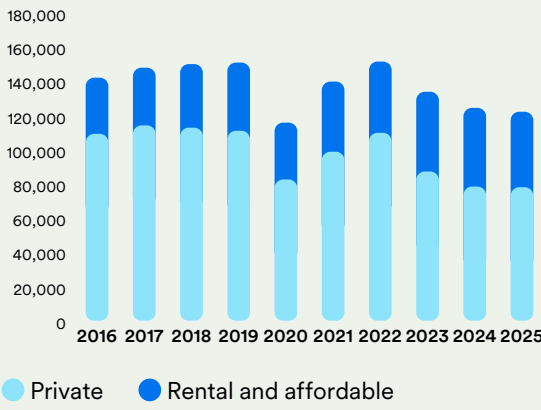
in the first nine months of 2025 was 27% lower than the same period the previous year.

The UK housing market remained relatively subdued in 2025, with homebuyer demand still constrained by comparatively high mortgage rates. According to Nationwide, UK house prices rose by 0.6% over the year, with Northern England continuing to outperform the South, recording annual growth of 2.3%. The only region to see a decline was East Anglia, where house prices fell by 0.8%. Overall housebuilding activity continued to slow, with the number of new homes completed in 2025 falling 2% compared with 2024 and some 19% below the 2022 peak, according to the National House Building Council.

Residential planning approvals in Great Britain



New home completions





Industrial and Logistics

Market overview

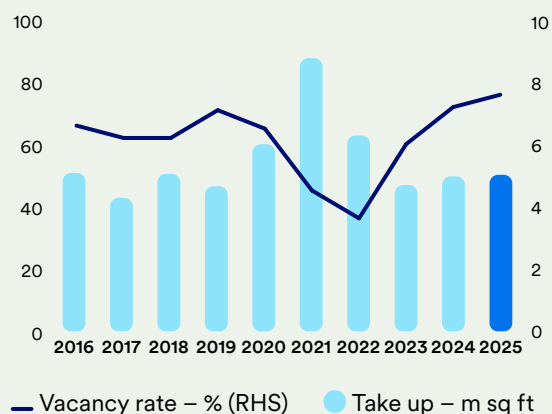
Occupier demand has eased from the record highs seen during the pandemic, but momentum improved through 2025, with take-up 1% ahead of 2024. Availability tightened in the second half, and with speculative development at historically low levels, Q2 2025 is likely to have marked the cyclical peak. Demand remains broad-based, led by logistics operators and manufacturers many of whom are reshaping supply chains through nearshoring to reduce risk and improve resilience.

Although e-commerce now represents a smaller share of overall take-up, it continues to be a powerful long-term structural driver of logistics demand. New sectors are also emerging as meaningful contributors, including green

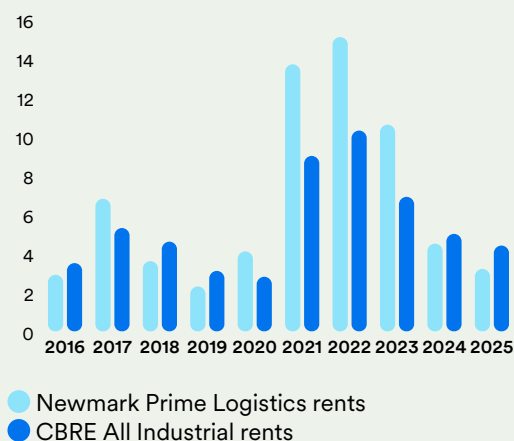
energy production and electric vehicle manufacturing. At the same time, high-street retailers are upgrading their logistics networks, seeking more sustainable facilities and expanding their online fulfilment capabilities.

Industrial has been the standout performer in UK commercial property over the past five years, and it remains the sector to invest in. Rental growth remained strong in 2025, with the CBRE UK Monthly Index reporting 4.8% growth – the highest of any commercial property segment. Prime yields have largely stabilised over the past 12 months, although the buyer pool for core logistics assets remains relatively thin.

Warehouse take up and availability



Annual rental growth



Our marketplace continued



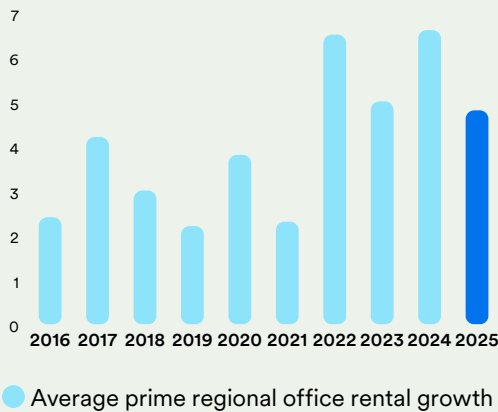
Urban development

Market overview

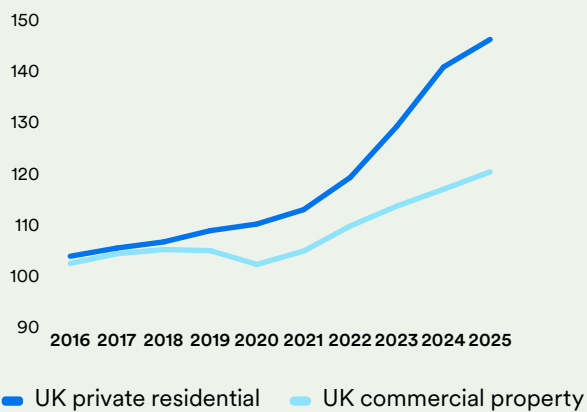
The urban development market experienced some of the most significant disruption during the pandemic. However, we are now seeing a steady reversal of those trends, with rising footfall as more businesses encourage employees back into the office or make it mandatory to return full time. This shift is reflected in residential rents, which increased by 3.9% in 2025 according to the ONS.

Demand for prime office space in regional cities has also remained resilient, particularly for buildings with strong ESG credentials. Prime office rents grew by 4.8% in 2025, underscoring the continued appetite for high-quality, sustainable workplaces that support modern ways of working.

Annual prime regional office rental growth



Rental value growth



Our integrated strategy

The group set a medium term strategy in 2021 to grow the size of the business through a 40% increase in capital employed to over £500m and a targeted focus on three key markets: Industrial and Logistics (I&L), residential, and urban development, while maintaining ROCE within a 10–15% range.

Although we continue to make progress towards our medium term objectives, persistent economic and political uncertainty, which has led to a subdued market environment have made it increasingly difficult to deliver against the timeframe envisaged in 2021.

Looking ahead, we remain confident in the group's potential to deliver attractive returns for shareholders given the increased depth and quality of opportunities within our portfolio.



Our performance



Our people



Our partners



Our places



Our planet

Long term
markets

Residential

Industrial and Logistics

Urban development

Value
delivery

Land promotion

Property investment
& development

Home building

Returns

Grow capital employed to over £500m + ROCE 10-15% pa

Responsible
approach

People strategy + ESG

Our integrated strategy continued

Our material issues

Material issues	What are the risks?	Where do we see opportunities?
The health and wellbeing of our people and partners	We recognise the increasing pressures that poor physical and mental health and wellbeing poses to our society. Without strategic intervention and an open and honest approach, we may face the risk of increased employee absence and burnout negatively impacting our productivity and workplace culture.	Our Health and Wellbeing Strategy embeds a collaborative relationship between the business and our people to promote a positive and open culture relating to wellbeing. We aspire to embed people-led leadership and review wellbeing at all levels of our business to ensure that we continue to invest in and protect our greatest asset – our people. Taking this approach provides us with the opportunity to evolve our workplace culture and attract a broader range of diverse talent to our business. We will continue to engage with our people and partners to ensure we are best responding to their diverse needs.
Equity, diversity and inclusion (EDI)	The built environment still struggles to attract diverse talent. Continuing failure to do so poses a risk of increased skills gaps (particularly in operational roles) exacerbated by an ageing workforce, a restricted workplace culture and limited opportunities for growth.	We have made good progress in increasing our workforce gender balance. We are, however, aware that there is still significant work to be done on how we collate and analyse our workforce data, engage our people and develop a culture that allows everyone to thrive. Taking this approach presents an opportunity to strengthen our business resilience, support our growth aspirations, and better represent the communities we serve.
Achieving our NZC target and adapting to climate change	As our business aspires to grow and increase productivity, there is a risk that our direct GHG emissions could rise, having a damaging environmental impact.	Our climate working group reports to senior management and shares knowledge and promotes collaboration across the business to reduce our direct GHG emissions. We continue to adapt our approach to reduce our impact and, in doing so, embed excellence in sustainability that meets market and investor demand as well as attract talent to work for our business.
Education engagement	Skills and developing employment pathways is a critical concern for national and local government. It is increasingly difficult to attract diverse talent to the built environment (particularly in operational roles) and a failure to do so could lead to skills gaps and reduced productivity and growth. Henry Boot is reliant on a thriving and robust construction sector and so this is a risk to our own growth.	Our group invests significant amounts of time and resources into providing workplace encounters and experience to a broad range of learners. We frequently engage and collaborate with education leaders and specialists to identify where we can create the greatest impact and aspire to create excitement about the opportunities in our business and industry.
Community investment	We recognise the increasing challenges that our communities face as a result of the legacy of COVID-19, the cost-of-living crisis and economic instability. The role of social value continues to evolve and is an important consideration in both public and private sector procurement. Failure to demonstrate authentic investment and credentials risks the ability to win work.	We are pleased to have exceeded our medium term target of generating £1 million of value for our community partners. We continue to invest significant funds, resources and time to create long lasting and genuine social value in the communities where we work. A collaborative approach enables us to showcase a sincere commitment and understand the issues our communities face. As a result, we are well regarded for our social value approach and performance.
Responsible consumption and nature stewardship	Adapting to climate change goes beyond just reducing GHG emissions and accounts for how businesses use resources and protect the natural world. We rely on biodiversity and the natural world to produce many of the materials required for our buildings. A failure to limit our consumption and protect natural habitats could affect our ability to procure the materials we require and remain compliant with evolving legislative and regulatory demands.	We remain committed to protecting the habitats where we work and source our materials. We continue to engage partners and our supply chain to reduce our consumption of materials and utilise internal subject matter and external experts to shape our approach to ensure it is ambitious and collaborative.

What's important to our stakeholders

1

What matters to our people

Henry Boot is evolving to thrive and grow. Our people are at the heart of this journey and they want to play a fulfilling role in supporting us as a forward thinking, inclusive and collaborative business. They want us to invest in their progression and wellbeing, and feel that their voice is heard in our decision making. We regularly collaborate and engage with them to ensure that our direction is led and owned by the people of Henry Boot.

2

What matters to our communities

Communities across the UK remain resilient in the face of mounting challenges but need investment and partnership to navigate health, employment and financial challenges. We have seized the opportunity to play a more involved and collaborative role in supporting communities where we work to address their challenges. We are evolving our focus on tackling and preventing homelessness and supporting the development of skills and aspirations through working with and learning from key partners. The places we create are for the communities we serve and we want to address the issues we know matter to them including wellbeing, social mobility, good and inclusive economic opportunity, and protecting their environments.

3

What matters to our investors

With the divestment of Henry Boot Construction increasingly has a clear and coherent investment proposition and is able to clearly communicate the value we can create for our investors. Providing clear communications is essential to build and maintain strong investor relationships and we ensure we are open and transparent, giving regular updates on our strategic and commercial progress, and engage with investors throughout the year on key developments and addressing any concerns that may arise.

4

What matters to our customers

We are proud to deliver some of the UK's most sustainable places for a diverse range of customers. Our customers have come to expect the highest standards of our business as we live our values of putting people first, doing the right thing, and being open to change. We work closely through partnership to ensure that our placemaking not only delivers exceptional sustainability and wellbeing credentials, but also creates a positive legacy to be enjoyed by generations to come.

 Read more in Stakeholder Engagement on [page 85](#)

Group risk key

- 1 External markets
- 2 Sustainability targets/communications
- 3 Underperformance of subsidiaries
- 4 Reputational incident
- 5 Loss of critical systems/data
- 6 Business continuity incident
- 7 Attract, retain and develop workforce
- 8 Loss of key personnel
- 9 Health, safety and environment incident
- 10 Execution
- 11 Failure to adhere to regulation/legislation
- 12 Adverse changes in regulation/legislation
- 13 Funding
- 14 Erosion of profit
- 15 Fraud

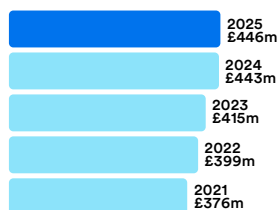
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Objective

To grow capital employed to £500m

Medium term target
£500m

Capital employed
£446m



Performance

On track to grow capital employed to over £500m.

Aim for 2026

On track to continue to grow capital employed.

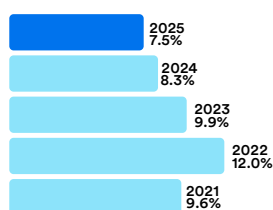
Link to group risk

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12 14 15

To generate a ROCE of 10–15%

Medium term target
10–15%

ROCE
7.5%



Performance

Lower operating profit reduced ROCE to be out of our target range.

Aim for 2026

We remain confident in the group's potential to deliver attractive returns over the medium term.

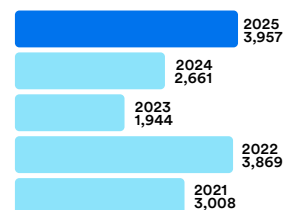
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12 14 15

Grow Hallam Land's plot sales

Medium term target
c.3,500 pa

Plot sales
3,957



Performance

2025 plot sales exceed target with record sales achieved.

Aim for 2026

Fast tracked applications to grow our consented plots, positioning the group to meet its target.

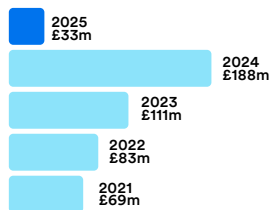
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Grow HBD development completions

Medium term target
c.£200m

Development completions
£33m



Performance

Development completions decreased after taking a disciplined approach to starting new projects in response of softer market conditions.

Aim for 2026

We have a strong near term pipeline, are well placed to respond quickly to market conditions, and are set to build up the committed programme this year.

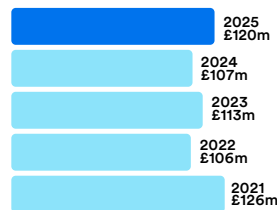
Link to group risk

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Grow investment portfolio value

Medium term target
£150m

Investment portfolio
£120m



Performance

The value of the portfolio increased due to the retention of the schemes within Origin.

Aim for 2026

Further enhancing portfolio quality, with retained developments from Origin.

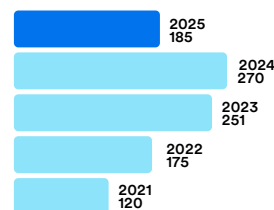
Link to group risk

1 3 13 14

Grow Stonebridge Homes house sales

Medium term target
c.600 units

Unit completions
185



Performance

Completions down due to slower sales and delays in opening new sales outlets.

Aim for 2026

Focus on rebuilding output in 2026 and the growth trajectory in the near term.

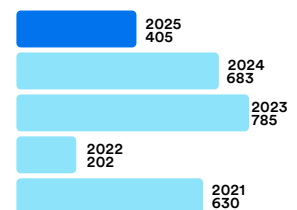
Link to group risk

1 3 4 7 8 12

Work towards a more coordinated H&S approach to ensure our group is a safe place to work

Medium term target
<395

Accident incident rate
405



Performance

The group's AIR decreased in 2025, reflecting robust systems implemented in the year.

Aim for 2026

To reaffirm our strong health and safety approach while refreshing the AIR target to reflect the reduction in construction activities.

Link to group risk

6 8 9

Group risk key

- 1 External markets
- 2 Sustainability targets/communications
- 3 Underperformance of subsidiaries
- 4 Reputational incident
- 5 Loss of critical systems/data
- 6 Business continuity incident
- 7 Attract, retain and develop workforce
- 8 Loss of key personnel
- 9 Health, safety and environment incident
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- 15 Fraud

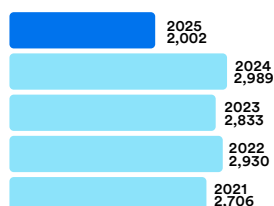
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Objective

Reduce directly controlled GHG emissions

Medium term target
20% reduction

Direct GHG emissions (tCO₂e)
2,002 tonnes



Performance

Scopes 1 and 2 GHG emissions reduced by 40% against our 2019 baseline.

Aim for 2026

To continue implementing NZC strategy across the group.

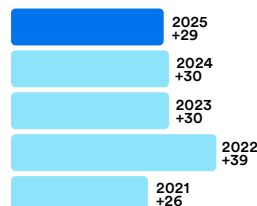
[Link to group risk](#)

2

Seek high levels of employee satisfaction and engagement

Medium term target
+40 (eNPS)

Employee Net Promoter Score (eNPS)
+29 (eNPS)



Performance

Our eNPS remained very good, and higher than industry benchmarks.

Aim for 2026

To address feedback which has arisen from the survey.

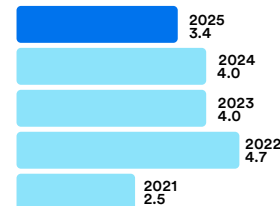
[Link to group risk](#)

7 8

Create a high performance culture led by a range of training opportunities

Medium term target
4 days (per employee)

L&D Interventions delivered (per employee)
3.4 days



Performance

The number of L&D interventions decreased last year due to the completion of the Management Development Programme in 2024.

Aim for 2026

To further implement diverse training opportunities that align with our strategic goal of creating a high-performance culture.

[Link to group risk](#)

7 8



Strategy

Responsible Business Strategy – Key achievements

In January 2022, we launched Phase 2 of our Responsible Business Strategy. Between 2022-2025, we created positive impact for our community partners, reduced our environmental impact, and invested in our people and partners. We were particularly proud to have achieved the following:

1

Launched our Health and Wellbeing Strategy including the creation of a Mental Health First Aider network.

2

Increased female representation in the workforce to 30%

3

Contributed over £1 million of value (financial and in-kind) to community, charity and education partners with a key focus on tackling homelessness.

4

Contributed over 10,000 volunteer hours to a range of good causes and community initiatives.

5

Engaged over 10,000 learners through careers education outreach programmes and events.

6

Reduced our direct GHG emissions by 40% (when compared with our 2019 baseline).

7

Invested in high impact partnerships with Business in the Community (BITC), Crisis, the Royal Foundation, and the Confederation of British Industry (CBI).

◆ To learn more about our 2022-25 Responsible Business Strategy, please read our separate Responsible Business Strategy Progress Report

Our strategy in action

Throughout 2025, Henry Boot underwent a period of transition. Despite operational changes, our commitment to our people - our greatest asset - remains constant. They are vital to our long term strategic success and sustainability.

Engaging and developing our workforce has never been more crucial to our continued performance and growth. We know our success relies on our people feeling productive, fulfilled and engaged.

Our values remain at the centre of our People Strategy and were co-created with our people. These have been central to our decision making and actions as we collectively navigated the changes in 2025.

- Put people first.
- Do the right thing.
- Be open to change.

Everyone at Henry Boot is responsible for, and works hard to achieve, a workplace culture that is inclusive, characterised by collaboration, diversity and which fosters engagement at all levels to achieve our collective goals and group strategy.

Agile working

We continually adapt our approach to ensure our people can maintain a work-life balance, which in turn supports our business to thrive. We recognise that not all roles will be able to achieve the same level of agility, but we strive to give managers the autonomy they need to support their teams to find the balance between individual agile requirements and business needs. While we invest in workplaces that support collaboration and engagement and encourage our people to work collaboratively in person, we respect that everyone has different circumstances and requirements. We support our people to make considered decisions about when and where they work, whilst always meeting the needs of our customers and supporting high-performing teams.

Employee engagement survey

We undertake an annual engagement survey, to understand employee voice and sentiment and to respond to the experiences and opinions shared. We want our culture to prioritise our people's experience and place their thoughts and ideas at the heart of our decisions.

The survey and our findings focus on the group as a whole. Whilst we can look at our subsidiaries as separate entities (which will be beneficial for business specific feedback), we

have opted to look at the scoring holistically as a group to push for more collaboration, a collective responsibility and a joined-up approach to culture and engagement.

Our process

Our process facilitated by HIVE (our employee engagement partner), saw our annual Employee Engagement Survey housing a framework of 39 questions that were used to measure progress when compared with the responses within our previous surveys conducted over the last four years. Some questions were based on those posed previously to allow for statistical analysis of change; however, other questions were more focused in 2025 and specifically how we have, and continue to, adapt to develop the experience of working at Henry Boot.

- Our response rate in 2025 was 66% which, whilst lower than in previous years, is expected as we integrate Stonebridge Homes into the wider group engagement survey process and ensure full understanding of the group.
- Our eNPS score was 29, which is considered 'very good' by our HIVE employee engagement partners.
- Our Engagement Index, which measures key elements such as pride, loyalty and advocacy was 7.7 which maintains the same level as 2024.

The survey results show that our people have remained resilient, proud to work for Henry Boot, and focused on working as a team to maintain delivering high standards for our clients and partners. The employee engagement survey results are reflective of how our people felt during a time of transition.

The survey results and feedback are carefully reviewed by our Board, ExCo, and Group Employee Forum to identify any areas where there is scope for increased engagement and support.

We undertook a series of engagement sessions across the business following our 2025 survey to further explore the results and identify key areas. Our senior management teams and forums were involved and identified some focus areas as follows:

- Enhance recognition and transparency around reward decisions
- Strengthen clarity around strategic direction and priorities
- Review resourcing levels in relation to workload expectations

Reward Strategy

2025 marked three years since the launch of our Reward Strategy, a long-term framework designed to ensure that our people are fairly, transparently and competitively rewarded. Since its introduction in 2022, the strategy has continued to underpin how we attract, retain and develop talent across the group, ensuring our approach to reward remains aligned with our values and expectations for behaviours.

In line with our commitment made at launch, in 2025 we undertook a full market benchmarking exercise to evaluate whether our existing pay bands and comparator groups remained appropriate. Working with independent market data from Korn Ferry and Paydata, our analysis confirmed that both comparator sets remain fit for purpose, and importantly, that our current salary bands remain broadly in line with market expectations. This validation ensures that our structure continues to support fairness, competitiveness and consistency across the group.

With our foundations confirmed, our focus now turns to the next priority pay progression. This continues to be one of the most frequent areas of feedback from our people, who want to better understand how they can grow, develop and progress through their pay band over time. Over the coming year, we will begin engaging with our colleagues across the group to co-design a clear, accessible and meaningful approach to progression, ensuring it reflects performance, capability and development while remaining aligned with our values and operational needs.

Our commitment remains the same: a transparent, inclusive and equitable reward structure that supports long-term career development and recognises the contribution and performance of every individual.

Health and wellbeing

The health and wellbeing of our people continues to be at the forefront of our delivery.

At a time of mounting social and economic pressure, we understand how important it is to routinely engage with our workforce to co-design initiatives and benefits that meet the diverse needs of a multi-generational workforce.

Throughout the past year, we have strengthened our strategic partnership approach and continued to deliver activity across our four wellbeing pillars; physical, mental, digital and financial wellbeing.

We are currently working to further align our Health & Wellbeing Strategy with the wider responsible business agenda. This includes improving how we use wellbeing data, refining how we measure impact, and ensuring our programmes reach the colleagues who need them most. As part of this work, we are refreshing our wellbeing reporting and reviewing how our internal resources, campaigns and support offerings can be strengthened for the year ahead.

We continue to invest in delivering a diverse programme of wellbeing activities, supported by our Mental Health First Aider network, Employee Assistance Programme, and a growing suite of resources and training. Our goal remains to foster a culture where wellbeing is openly discussed, support is easy to access, and our people feel empowered to prioritise their health both in and outside of work.

Our network of approximately 20 Mental Health First Aiders works in close partnership to provide a bottom-up source of support to our people and partners to complement our existing range of health-related benefits and support including our Employee Assistance Programme.

Financial wellbeing

Over the past year we have enhanced our focus on financial wellbeing. In late 2025, we launched a financial wellbeing portal with Finwell, specialists who offer practical, accessible support on topics such as budgeting, pensions, mortgages, family finances and retirement planning.

Rather than adopt a one-size-fits-all approach, we have taken a targeted and data-driven strategy to deploy our financial wellbeing support. Analysis of internal indicators, including usage of EarlyPay (accessing pay in advance of payroll during the pay month) and other data sources, highlighted that colleagues at Banner Plant were experiencing increased financial pressures. As a result, we prioritised Banner Plant for the first phase of our Finwell programme, ensuring our support reached those who would benefit most. A series of toolbox talks were delivered across October 2025 to give colleagues a chance to learn about financial wellbeing, ask questions and seek 1:1 support. Linked to this we also launched a partnership with Tembo, who provide mortgage and savings advice.

Our aim is to foster financial confidence, resilience and empowerment, helping our people feel more in control of their finances both today and in the long term.

We operate the Henry Boot PLC Group Stakeholder Pension Plan (defined contribution pension), where the group pays contributions to an independently administered fund (AVIVA) based upon a fixed percentage of employees' salaries. Member benefits from the plan are determined by the amount of contributions paid by the group and the member, the investment returns on the investments made by the individual based on their risk appetite (with most people remaining in the pre-selected Default Fund), and the decisions made by the member on

retirement age and how they choose to receive their retirement benefits. We have implemented the UK's auto-enrolment pension requirements, including re-enrolment on a triennial basis, and our people are informed of auto-enrolment and other pension choices through our online portal and our intranet, the Hub.

In October 2025, we granted share options to all our people who met the eligibility criteria for the Company Share Option Plan (CSOP). We also sent invitations to those who were eligible to participate in the group's 2025 Sharesave scheme, which allows people to contribute a maximum of £500 per month to one or a combination of current Sharesave schemes. The Remuneration Committee agreed to apply a 20% discount on the share price, the maximum discount allowed under the HMRC rules.

Equity, diversity and inclusion (EDI)

EDI remains a core priority for Henry Boot, and over the last year we have continued to embed our EDI principles and activities across the group and have shifted our focus from equality to equity. A small but significant shift from treating everyone the same (equality) which fails to account for the fact that people start from different places and face different barriers; to equity which focuses on individual needs, ensuring a truly fair opportunity for all, rather than merely assuming a 'one-size-fits-all' approach works.

Our employee-led EDI Working Group has strengthened their focus, delivering more targeted initiatives that respond directly to colleague feedback. These working groups continue to play a vital role in shaping our culture and informing our responsible business commitments.

We were proud to see Family Matters, one of our employee networks, nominated for two external awards this year, a significant recognition of the group's impact and colleague-led innovation supporting parents, guardians and caregivers within the group.

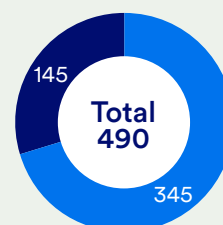
This year's data shows that our gender pay gap has increased slightly, driven largely by female senior leaders voluntarily reducing their working hours. While this movement reflects the flexibility within our organisation, it also highlights the ongoing need to increase female representation at senior levels, particularly in leadership roles. Addressing this will continue to be a key priority within the new Responsible Business Strategy.

Looking ahead, EDI remains firmly embedded in our long-term ambitions. We are committed to increasing diversity across all levels, improving data quality and transparency, strengthening inclusive leadership capability, and ensuring every colleague feels valued, respected and able to contribute fully.

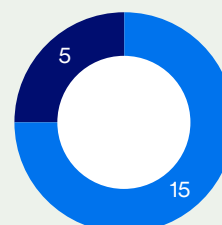
We aim to create a fair, accessible, diverse and inclusive working environment, while recognising the challenges our sector has traditionally experienced, particularly in relation to gender, ethnicity and disability representation and diversity. We want to foster an inclusive culture, where everyone feels a sense of belonging. We believe our ambition will enable our people to excel, feel they can be their authentic selves at work, and drive long term success, competitiveness and sustainability.

Examples of the networks we are members of and actively support are Women in Property, the CBI People and Skills Network and BITC Yorkshire and Humber EDI Steering Group.

All employees*



Senior managers**



● Male ● Female

*Direct workforce (including Road Link (A69) and Stonebridge Homes) as at 31 December 2025

** Statutory Directors, plus ExCo, that are not on the PLC Board

Professional development

Delivering a workplace culture and positive career experience that attracts new and diverse talent and retains experienced people will give us the ability to compete successfully and ensure long term sustainability.

We have a stable level of people turnover as we focus on retaining and developing our internal talent. Our turnover in 2025 was 20.6%. Whilst higher than previous years, this turnover level is consistent with the average in our sector and has been largely driven by our recent business-led changes. We continue to pay close attention to engagement levels and driving retention of key skills and experience in our people through providing development and growth. Our directly employed headcount was 490 at the end of 2025.

We recruited a further four apprentices in 2025, which brings our total number of current apprentices to 19 with a further three interns and one trainee. Our trainees and apprentices are enrolled on formal courses of education and supplement their learning through in-house training and experiential development.

Our preferred succession planning method is one of in-house development and growth; consequently, we also have a number of experienced employees enrolled on formalised education programmes to enhance their skills and knowledge, in anticipation of career development and promotion within the business in which they operate.

Throughout 2025, five of our people completed their education programmes and one person progressed onto the next level of their employment programme. We have key pathways in place for our apprentices and trainees to ensure our talent pipeline continues to flourish.

Throughout 2025, we continued to bring our leadership population together, building on their learning from previous years and implementing this in practice. Approximately 50 people came together regularly, in support of development centred on leading people through change, uncertainty and complexity in the ever-evolving world and environment in which the business is operating.

We delivered 1,417 learning and development days (an average of just under 3.41 days per person) and there was also an unquantifiable amount of ad hoc learning and development, which takes place daily at our sites, offices, depots and via remote engagement. The coming year will see a more bespoke approach to development, focused on the specific needs of our business segments and outputs from our people's Performance Development Review (PDR) processes to ensure targeted intervention and support where it is required.

Our PDR process places focus on a quality, two-way conversation, aimed at developing our people, sustaining and improving performance across the business. Our approach is to encourage this conversation throughout the year, through a process of interim and midyear reviews, to ensure our people know what is expected of them and have support in achieving this.

We continued our approach to have more open and transparent conversations about performance against SMART objectives and embedded our performance ratings process, which focuses on both operational tasks and values and behaviours. In 2025, we rolled out a new performance management system called Appraisd. This facilitates our PDR process in a more user-friendly way, also enabling better reporting and analysis to inform development requirements and performance outcomes.

This is an evolving process, which will continually develop over the years ahead through engagement with our people across the whole business.

Health and safety

We have a robust history of ensuring health and safety is central to how we operate as a responsible business. The group is diverse, and each division fosters a health and safety-driven culture, to ensure those people affected by our undertakings are protected from harm. Health and safety performance is reported at subsidiary level, in addition to group level, to routinely ensure we remain ethically and legislatively compliant throughout the group.

Our performance

In 2025 the group's Accident Incidence Rate (AIR) was set at <750 (2024: 683). It is pleasing to report the group target was reduced in 2025 with an end of year rate of 405.

Annual reports have been written based on each subsidiary performance and benchmarked against previous reports. Each subsidiary has performed resiliently during 2025, despite the difficult market conditions faced. Each report has resulted in recommendations which have been debated by each subsidiary executive leadership team and approved for investing during 2025 to ensure health and safety remains embedded in how the group operates.

The group, after a period due diligence, is now the majority shareholder in Stonebridge Homes. The group has been involved in Stonebridge Homes for over a decade and there will be a period of integration into the group. Stonebridge Homes operates a mature health and safety management system and processes to control their undertaking, and their health and safety performance will be monitored and reported to the group.

We are pleased to report that the group has retained various accreditations throughout the year, which supports the group's drive to operate ethically.

- ISO 45001 Occupational Health and Safety Management System
- ISO 9001 (Quality Management) standards
- ISO 14001 Environmental Management
- Gold ROSPA award

Following the sale of Henry Boot Construction, we will review the AIR target to account for the decrease in construction activities. This review will ensure that our health and safety benchmarks accurately reflect the current scope of our operations and maintain our commitment to high standards across the group.

Our supply chain

Our partnership with our supply chain is critical to our success and we work hard to engage and collaborate with all our suppliers and partners to create and maintain long term successful relationships. We have a commitment to securing the services of predominantly local subcontractors and utilising local suppliers to minimise the miles and emissions that working with us produces and to generate social value for the communities in which we work. This continues to be a strong and responsible approach for our business.

Human rights

Our business is totally committed to supporting and working to the UN's Guiding Principles on Business and Human Rights. Protecting, preserving, and respecting human rights is fully embedded in our culture and is fundamental to our values. This commitment is reflected in and demonstrated by our routinely updated policies including:

- Anti-Bribery and Corruption
- Equity, Diversity and Inclusion
- Ethics
- Modern Slavery
- Rights to Work
- Whistleblowing

In addition to our policies, we aim to demonstrate this commitment through all our behaviour and actions towards our people, suppliers, partners and the communities in which we operate.

Modern slavery

We recognise that our industry is vulnerable to the impacts of modern slavery and therefore we have implemented and embedded a number of measures, which seek to bring about greater transparency and scrutiny into our various supply chains in order to combat slavery and trafficking activities.

We keep our Human Trafficking and Slavery Statement (the 'Statement') under regular review and set out the activities we undertake to reduce the risk of slavery and trafficking activities being present within our business operations. These measures include enforcing our Modern Slavery Policy, due diligence requirements, and mandatory contract clauses seeking compliance by our supply chain with appropriate anti-slavery measures. In addition, we have also engaged NGOs and other supply chain bodies to understand where our practices may be strengthened.

We commit to collaborating closely with our people, partners, contractors and suppliers to monitor our performance, share knowledge, and maintain vigilance throughout our business and supply chains.

Anti-bribery and anti-corruption

Delivering our services with a zero-tolerance approach to corruption in any form is essential for us to demonstrate our values, long-standing commitment to ethical behaviour and integrity, and to uphold our reputation and image. Our Anti-Bribery and Corruption Policy sets out the standards expected of all group employees and supply chain members in relation to anti-bribery and corruption and the Board has overall responsibility for ensuring this policy complies with the group's legal and ethical obligations and that everyone in our organisation and supply chain complies.

What this means

Our partners are the commercial partners we work alongside. This includes our investors, customers, supply chain, advisers, agents, professional and membership bodies, regulators and other commercial stakeholders.

What we have achieved

- We work hard to be considered as a partner of choice for our three key markets – urban regeneration, residential, and Industrial and Logistics.
- We service a diverse customer base across both the public and private sectors with specialisms in joint venture and partnership working capabilities.

Key highlights in 2025 included the growth of Origin, our Industrial and Logistics partnership with Feldberg Capital, which received further seeding to grow the site pipeline enabling core delivery of developments with market-leading ESG credentials such as BREEAM 'Excellent' and EPC 'A' rating. We also further consolidated our relationship with Cambridge University as we announced future development at Duxford (in collaboration with the Imperial War Museum) and Goole Freeport.

Our success depends on strong collaborative relationships with our commercial partners. We work hard to be perceived as a partner of choice across our key markets and invest our resources and expertise in high-impact partnerships to deliver some of the UK's most sustainable placemaking for our customers.

We work closely with our supply chain partners, regularly engaging them to share resources and support, including toolbox talks, bespoke mental health awareness information from the Lighthouse Charity, and guidance on regulations and best practice.

We offer tailored and extensive support to our contractors and sub-contractors during turbulent market conditions. We pay our suppliers promptly and continue to compensate our supply chain to ensure that we pay and offer support fairly. We have decided to delay membership with the Living Wage Foundation until we have integrated Stonebridge Homes into our business in order to ensure our approach is inclusive and consistent.

We have also routinely engaged with our commercial partners and supply chain to collaborate on delivering significant social value and employment and skills opportunities in alignment with the strategic aspirations of public sector customers and our community partners.

We continue to maintain best practice on the issue of modern slavery through our Modern Slavery Policy (which is routinely reviewed) and engagement with our supply chain.

We also recognise our duty to collaborate with industry partners on shared challenges and opportunities. We work closely with membership organisations and BITC on people related matters and placemaking. We engage other members to share

knowledge and best practice and are proud to be a contributor to the BITC EDI Yorkshire and Humber Steering Group.

We are on the Steering Committee of the Yorkshire Climate Action Coalition and routinely engage the UK Green Building Council to share knowledge and best practice and educate and inform our people and partners on the latest sector environmental developments.

We routinely collaborate with our supply chain and professional partners across all areas of commercial operations to identify opportunities to protect the environment and support the aspirations of our NZC Framework.

Case study

Northern Cornerstone Roundtable

Henry Boot are proud to be Co-Chairs of the South Yorkshire Cornerstone group. Reporting to the South Yorkshire Careers Hub (part of the South Yorkshire Mayoral Combined Authority), the group is a collection of businesses and public sector organisations all committed to delivering meaningful and inspiring careers education for local learners across the region.

As part of our involvement, we have developed a good working relationship with the Careers and Enterprise Company (CEC) – the national body for careers education in England that oversees the functioning of the Cornerstone groups for each region.

Henry Boot and the CEC worked in partnership to co-host a roundtable for the Chairs and Strategic Hub leads for the northern regions of England – which was hosted at Henry Boot's head office in October 2025.

The roundtable, which was Chaired by the CEC's CEO John Yarham, involved a rich discussion on how

businesses can best engage with schools and further education partners to provide a modern and compelling work experience offer. Challenges including skills gaps, capacity for SMEs, and the evolution of AI and digital skills were discussed with participants sharing knowledge, ideas, and support.

The Northern Cornerstone Forum will now meet quarterly to ensure that the northern regions have a joined-up and cohesive approach to delivering careers education that addresses regional challenges and opportunities – as well as influencing and informing government policy.



“

Employers play a vital role in creating pathways for young people into the opportunities that will shape the future of our economy. The Careers & Enterprise Company values its partnership with Henry Boot and recognises the leadership shown by Jack Kidder as Cornerstone Employer Co-Chair for South Yorkshire. Their commitment to careers education reflects a clear understanding of how employers can help prepare young people for the realities of modern work. By bringing employers together locally and convening organisations across the North, Henry Boot is strengthening the connection between education and the world of work, equipping young people with the confidence, connections and skills to take their next step.”

John Yarham
CEO, The Careers &
Enterprise Company

What this means

We consider our places to be the communities in which we work and the people in those communities whom we work alongside. Our community partners include charities, community organisations, local institutions and education partners such as schools, colleges, and universities.

What we have achieved

- We were proud to contribute over £300,000 across 2025 to a range of our charitable and community partners, including financial donations and sponsorship, employee fundraising, and expertise, time, resources and services provided pro bono. This brings the total value we have contributed since 2022, to over £1 million.
- We have continued our partnership with Crisis and our fundraising to support their work now exceeds £70,000.
- Working with Crisis and local partners, we have facilitated two property industry knowledge workshops to explore how the property sector can better collaborate to tackle and prevent homelessness.

We invest in community partnerships to create genuine and impactful social value for the communities we work alongside and are proud of the impact we achieve. For us, social value is not a tick box exercise but a genuine opportunity to create meaningful impact for communities and an important legacy for the places we create.

Each year, we contribute a significant amount of both financial and non-financial value through donating our time, resources, expertise, and funding to support communities. Everything we do is guided and inspired by the communities we work alongside. We take the time to speak with, and listen to, communities and learn from what matters to them. Whilst we offer support to a range of issues important to our people and partners, our core focus areas for our community investment are homelessness and skills.

Working to tackle and prevent homelessness strategically aligns with our corporate purpose and proud history of creating places and homes. We are developing our knowledge of the issue and how it interlinks with a broad range of social factors including poverty, housing, poor

health, unemployment and childhood trauma. In addition to our partnership with Crisis, we also support a range of other partners across the areas in which we work to ensure our people are connected to the issue at a local level. We also maintain our strong working relationships with Landaid and Homewards – the Royal Foundation’s homelessness programme.

We work hard to inspire the next generation of talent to enjoy fulfilling, productive, and meaningful careers – in our industry and beyond. We work with a diverse range of education partners across the UK and in 2025 directly impacted over 3,000 learners through a wide range of careers education activity and initiatives, including work experience, site visits, career sessions and mentoring. We continued to develop our partnership with the CEC through supporting the

Cornerstone groups (co-chairing the South Yorkshire group) and aligning our approach with the Employer Standards.

In 2025, we contributed over 3,500 volunteering hours to a wide range of charitable, community, and education partners throughout the year and saw excellent collaboration and teambuilding take place for our people and partners on these opportunities.

Case study

How the property sector can collaborate to tackle and prevent homelessness

In 2024, we became signatories of Crisis' Homelessness Covenant. This has since evolved into the Homelessness Alliance – a framework of recommendations for allied businesses to tackle and prevent homelessness.

Whilst we are one business, we recognised the positive impact we could have through leveraging our influence and network to encourage and support other businesses and commercial partners to join the mission.

In July 2025, Henry Boot and Crisis partnered to invite leading voices from across the property sector to come together at the Crisis Skylight in central London to share ideas and opportunities for better collaboration.

The event was well attended and supported by contacts from across the sector. The attendees generously shared their ideas and experiences as well as hearing from Crisis about the work of the Alliance and its impact on those who have experienced, or been at risk of, homelessness.

Henry Boot and Crisis continue to partner to collect views and ideas from sector representatives as well as public and third sector experts. A follow up roundtable took place in Birmingham in November 2025 with

a further event planned to take place in Manchester in early 2026.

Henry Boot and Crisis will then work together to publish the findings in order to encourage and inform the industry of the positive steps we can take to work together on this issue.



What this means

Protecting the environment and adapting to climate change is essential for our business to embed long term resilience, meet the needs of our stakeholders, and protect the planet we share for future generations.

We take a long term approach to addressing the impacts of climate change. In delivering our commercial services, we strive to reduce our environmental impact, minimise our use of resources and reduce waste, whilst enhancing local environments, biodiversity and natural ecosystems.

What we have achieved

- Reduced our direct GHG emissions by 40% when compared to our 2019 baseline.
- Reduced our electricity usage by 80% and our gas usage by 28% when compared to our 2019 baseline.

We are a business that is committed to reducing our impact on the natural environment and embedding sustainability and innovation into the work we deliver.

We remain committed to achieving NZC for our direct GHG emissions by 2030. In 2025, we achieved significant reductions and our direct emissions were 40% lower than our 2019 baseline. These reductions have been achieved through the adaptation of our processes, improving the environmental performance of our workplaces, and further implementing as a substitute fuel source across our fleet and sites. While not a perfect long term solution, the use of HVO does create significantly lower GHG emissions than diesel, and we will utilise this fuel source in the short term to address our key sources of emissions.

Phase 3 of our Responsible Business Strategy will provide further information on our updated decarbonisation trajectory that has been produced with support from Nature Positive (part of the RSK Group). This will include our commitment to publishing a Climate Transition Plan that will provide further information about the methodology used to establish our decarbonisation and associated targets and how this methodology is used to demonstrate performance progress. It will also

detail our plans to reduce our indirect emissions and take a holistic approach to climate change adaptation.

We invest in our property portfolio, and, through ongoing maintenance of existing infrastructure, new infrastructure and employee-led behaviour change, we have seen our energy requirements fall. We will continue to collaborate closely with our people and occupiers to ensure that our buildings are energy efficient and utilise sustainable methods of heating, cooling and lighting.

We continue to invest in the energy performance of our investment portfolio and take careful consideration of where performance can be improved through adaption or re-development. The current average EPC rating for the properties in the portfolio is B.

Henry Boot Construction continued to perform strongly on waste management with 98% of all waste diverted from landfill through a dedicated waste management process.

We chose to pause the implementation of our Waste Management Programme whilst we implement Stonebridge Homes into the group. It is important that we guide reductions in both site and non-site-based waste. Incorporating and aligning data and performance measures at Stonebridge Homes will enable us to be comprehensive and successful in reducing waste and resource use.

We continue to adopt a forward-thinking approach to nature stewardship and comply with the legislative requirements of the Environment Act. Our people are developing their expertise in collaboration with our partners to deliver biodiversity net gain across our commercial schemes.

We continue to routinely collaborate with like-minded businesses, membership organisations and industry bodies on our approach to climate change adaptation. We are proactive members of the UK Green Building Council and are on the Steering Committee of the Yorkshire Climate Action Coalition.

Case study

Yorkshire climate action dinner

The Yorkshire Climate Action Coalition was established in early 2020 by Deloitte, Walker Morris LLP, and Leeds University to connect businesses in response to growing demand for decarbonisation.

Over the last five years, the organisation has regularly connected businesses of all sizes across the region to share knowledge, challenges, best practice and to create a network focused on collaboration and partnership.

We joined the network in 2020 and then became members of the Steering Committee in 2024. In that time, we have led working groups, hosted a green skills session and workshop, and contributed time and resource to helping the network be as effective as possible.

In March 2025, the Steering Committee co-organised and sponsored a climate action dinner to celebrate the impact of the network over five years and facilitate a conversation around how businesses can best work together to help the region adapt to climate change in the future.

Attended by representatives from regional businesses and organisations, the dinner featured guest speakers from the Steering Committee and the National Wealth Fund covering a range of topics

including technical expertise, resilience, public and private sector partnership, and investment.

Positive feedback was received from attendees and the network is now collaborating with the Yorkshire and Humber Climate Commission to explore how the voice and expertise of business can be central to regional policymaking and engagement.



Segmental review

Land promotion



During the period, Hallam Land sold a record number of residential plots, experiencing strong demand from housebuilders for our prime deliverable sites.”

Iain MacSween
Hallam Land Management

Hallam Land performed strongly in 2025, delivering a 35% increase in operating profit of £32.9m (2024: £24.3m).

A record 3,957 residential plots were sold (2024: 2,661 plots), monetising the value it has created and resulting in the business exceeding its full year financial target. The average gross profit per plot was £11,414 (2024: £10,155), which is ahead of the five year average of £10,187.

During the period, Hallam Land experienced strong demand for prime deliverable sites, with sales producing an average ungeared internal rate of return of 27% p.a. Key disposals included:

- 290 residential plots at Sittingbourne, Kent, to Taylor Wimpey. Hallam Land entered into a promotion agreement in 2017 before submitting an outline planning application in November 2022. After an initial refusal, consent was successfully secured on appeal in July 2024.
- 112 residential plots at Yalding, Kent, to Fernham Homes. Hallam Land purchased the freehold site in 2018 and submitted a planning application in November 2023 in line with the draft allocation. An appeal was subsequently made in May 2024 on the basis of non-determination and approval secured in December 2024.

- 1,270 residential plots at Tamworth, Staffordshire. In 2016, Hallam Land reached an agreement with the landowners to promote the 237 acre site. Due to the site being located on the border between North Warwickshire and Tamworth, duplicate planning applications were initially submitted in 2018. The site gained outline planning permission in June 2025 and was subsequently sold to Persimmon in November 2025.

UK greenfield land values softened slightly by 1.4% in 2025 according to Savills Research. Positive changes to the planning system, following the government's revision to the NPPF, have significantly increased our ability to secure outline consents. In anticipation of this, an early decision was made to increase resources within Hallam Land and fast track a number of planning applications. During the period, 4,159 plots secured planning consent, across 17 sites, of which 7 sites were won on appeal. Following this, plots with planning permission (or a Resolution to Grant, subject to S106) increased to 9,024 (2024: 8,822).

Hallam Land continues to accelerate applications, submitting 11,083 plots in 2025, across 37 sites (2024: 4,447 plots). As a result of this sustained

momentum, a total of 19,580 plots currently remain within the planning system, awaiting determination (2024: 13,146 plots). A similar level of applications as in 2025 has been identified, which are expected to be submitted for planning over the next 12 months. All of this activity not only positions the group well to meet its medium term strategic target of selling 3,500 plots pa, but also to grow sales beyond that level.

The total land bank marginally grew to 105,854 plots as at 31 December 2025 (2024: 104,787 plots), securing 15 new sites which have the potential to deliver c.5,000 plots. Moving forward, the primary focus will remain on continuing to increase sales and secure planning permissions, whilst growing the overall portfolio at a modest pace.

There is significant latent value in the group's strategic land portfolio, which is held as inventory at the lower of cost or net realisable value. As such, no uplift in value is recognised in the balance sheet relating to any of the 9,024 plots with planning and any gain will only be recognised on disposal.

As of 15 March, Hallam Land has exchanged on 465 plots for completion during 2026, as well as having an additional 2,181 plots under offer.

Residential land plots

	With planning permission				In planning	Future	Total
	b/f	granted	sold	c/f			
2025	8,822	4,159	(3,957)	9,024	19,580	77,250	105,854
2024	8,501	2,982	(2,661)	8,822	13,146	82,819	104,787
2023	9,431	1,014	(1,944)	8,501	13,468	79,003	100,972
2022	12,865	435	(3,869)	9,431	12,297	73,976	95,704
2021	15,421	452	(3,008)	12,865	11,259	68,543	92,667

Q&A

with Iain MacSween, Managing Director of Hallam Land

Q Hallam Land has grown significantly over the last five years and now has one of the largest land portfolios in the UK. What will you be focusing on to drive value from the portfolio?

A Our priority at Hallam Land is to turn a very strong pipeline into planning consents that are deliverable and commercially sound. We are focused on the sites that benefit most in terms of opportunity from the current NPPF and offer the best returns, on managing capital more carefully and ensuring we keep momentum behind applications and disposals. Much of the value lies in doing the basics well: clear preparation, good robust applications and a rigorous sales process. With improved data from D365, we can make decisions earlier and maintain consistency across the portfolio.

Q The planning landscape in the UK has changed significantly over the last 18 months. What do you see as the biggest opportunities and challenges in this evolving environment?

A Reforms have created a more positive window for securing consents, and that is a clear opportunity for us.

The challenge is that the land market is, in places, suppressed, so buyers remain selective and pricing reflects that. We also need to navigate appeals, infrastructure constraints and the transition to new policy. Our role is to manage these pressures pragmatically, keep projects moving, and make sure the consents we secure are the best in class in terms of deliverability and commerciality to appeal most to buyers.

Q What kind of culture do you want to build or reinforce within the organisation?

A Hallam Land already has a strong reputation for being professional, knowledgeable and steady. I want to reinforce that, while encouraging a more open, collaborative and modern way of working within the team. People should feel trusted to get on with their jobs, supported when needed, and clear about what's expected of them. We will continue investing in development, wellbeing, and the basics of good communication. In short: a culture that is practical, respectful and focused on doing things properly.

Q How will you strengthen relationships with landowners, local authorities and community stakeholders under your leadership?

A The starting point is to be consistent and straightforward in how we deal with people. For landowners, that means clarity, regular communication and sticking to commitments. For local authorities and communities, it means early engagement, honest dialogue and well-prepared proposals that respond to local issues. We will continue to use our experience to navigate the complexity of the process, while being visible and constructive throughout. Strong relationships come from reliability over time, and that remains absolutely central to how we work.

Segmental review

Property investment and development



Our Origin JV performed well in 2025, accelerating the delivery of Grade A Industrial and Logistics space. With the initial three assets completed and securing lettings, we have replenished the JV with three more prime sites from our committed development programme.”

Hamer Boot
HBD

Property investment and development, which is now solely made up of HBD, delivered an operating profit of £9.4m (2024: £14.9m).

The results of Stonebridge Homes have been reclassified from the property investment and development segment to be reported within home building, and the prior year restated.

According to the CBRE Monthly Index, commercial property values increased by 1.4% in 2025. Industrial property continues to deliver the highest growth with capital values up 2.5% during the period ahead of retail up 1.8%, and offices down 0.9%. Rental value growth also remains strongest for the industrial sector at 4.8% in 2025, with yields up marginally over the period.

I&L, a sector where long term growth is supported by several structural drivers, experienced a further steady recovery in 2025 with annual occupier take up 1% and the overall vacancy rate declining modestly to 7.6%, according to Newmark. Occupational demand remains broad-based but is led by logistics and e-commerce operators, alongside new international entrants and defence-related manufacturers. Speculative development remains subdued, with starts at their lowest level since 2017, and stronger

demand for modern, energy efficient space means that rental growth is concentrated in new high quality units.

In 2025, HBD completed schemes with a total GDV of £119m (our share: £33m GDV), after taking a disciplined approach to new projects in the current subdued environment (2024: our share: £188m GDV). 32% of the developments have been pre-let or pre-sold. This included three schemes totalling 449,000 sq ft (our share: £25m) within Origin, an I&L JV with Feldberg Capital, which all completed on time and budget:

1. SPARK, Walsall (phase one), two units totalling 270,000 sq ft on a 13 acre site just off the M6 (Total GDV: £52m).
2. INTER, Welwyn Garden City, a 71,000 sq ft scheme on a three acre site on Tewin Road near Junction 4 of the A1(M) (Total GDV: £28m).
3. ARK, Markham Vale, completed four units totalling 107,000 sq ft on a six acre site (Total GDV: £20m).

All three of these projects are attracting a good level of occupier interest, with a total of 53,000 sq ft let or under offer as of 15 March 2026. This includes a 17,000 sq ft unit at Ark let to Capital Angling, an 18,000 sq ft unit let to Perfect Group at Inter and an 18,000 sq ft unit under offer at Spark.

HBD completed on a further four development and land sales (our share: £8m), which included a site at Aberdeen Bridge of Don, which has planning for 420 residential units, and a 20,000 sq ft self storage development at Melton Road, Leicester. A further land sale was completed at Markham Vale and a pre-let development at Southend, which was retained within the group's investment portfolio.

2025 Completed schemes

Scheme	GDV (£m)	HBD share of GDV (£m)	Commercial ('000 sq ft)	Residential (Units)	Status
<i>Industrial and Logistics</i>					
Origin, INTER, Welwyn Garden City	28	7	71	–	Speculative – 25% let
Origin, SPARK, Walsall (phase one)	52	13	271	–	Speculative – 7% under offer
Origin, ARK Markham Vale (phase one)	20	5	107	–	Speculative – 16% let
	100	25	449	–	
<i>Land & other</i>					
Aberdeen, Bridge of Don	12	1	–	420	Pre-sold
Leicester, Melton Road	2	2	20	–	Pre-sold
Southend	4	4	16	–	Pre-sold
Markham Vale	1	1	31	–	Pre-sold
	19	8	67	420	
Total for the year	119	33	516	420	

In line with our ambition to scale up Origin, we added three further schemes with a combined GDV of £56m (our share: £14m) into its pipeline in December 2025:

1. SPARK, Walsall (phase two): A six acre site with a £25m GDV, located at junctions 9 and 10 of the M6. Detailed planning consent was secured in September 2025 for 101,000 sq ft across three units.

2. APTUS, Preston: The second phase of the scheme near junction 31a of the M6, previously held in JV with Barnfield Construction Limited, was transferred to Origin in December 2025. The £22m GDV scheme totals 107,000 sq ft across three units.
3. ARK, Markham Vale (phase two): A three acre site adjacent to junction J29A of the M1, with a £9m GDV. In October 2025, a resolution to grant planning permission was secured for a 54,000 sq ft unit.

Construction on each development has now commenced and is on programme and budget, with delivery from H2 26. HBD also benefits from development management fees with the potential for performance fees.

The group's committed development programme now totals a GDV of £66m (our share: £18m GDV) and is currently 48% pre-let, pre-sold or under offer.

2026 Committed programme

Scheme	GDV (£m)	HBD share of GDV (£m)	Commercial ('000 sq ft)	Residential (Units)	Status	Completion
<i>Industrial</i>						
Origin, APTUS	22	5	107	–	Speculative	Q4 26
Origin, Markham, ARK (phase two)	9	2	54	–	Speculative	Q3 26
Origin, Walsall SPARK (phase two)	25	6	101	–	Speculative	Q4 26
Preston, APTUS	10	5	150	–	Pre-sold	Q4 26
Total for the year	66	18	412	0		
% sold or pre-let	15%	48%*				

*This includes space under offer at Origin – 01/03/26.

Segmental review

Property investment and development

HBD has optionality on a strong near term pipeline, which includes the landmark £1bn Golden Valley, located adjacent to GCHQ in Cheltenham. In July 2025, the scheme received outline planning permission for around 1m sq ft of prime commercial space, including IDEA, the new 160,000 sq ft National Cyber Innovation Centre, as well as 576 residential units of various tenures. The first phase (£98m GDV) is expected to commence in H2 2026, having now agreed terms with several occupiers for around half the space. The scheme is an important public private partnership, being part of the UK Government's Modern Industrial Strategy and has secured a £104m funding package, including £20m direct from the Government.

HBD's total future development pipeline has grown to £1.7bn GDV (our share: £1.4bn GDV). All these opportunities sit within the group's three key markets of I&L (55%), Urban Commercial (26%) and Urban Residential (19%). Last year, the pipeline was replenished, improving its quality with schemes such as 'Duxford AvTech' (£120m GDV). The project totals 435,000 sq ft and is set to create a technology campus dedicated to developing low and zero carbon aircraft technology at IWM Duxford, eight miles south of Cambridge city centre. HBD is targeting high sustainability credentials, including BREEAM Excellent and an EPC A+ Rating. Additionally, in September 2025, FREEPORT 36, Goole (Phase one: £130m GDV), in partnership with St John's College Cambridge, secured outline planning to develop a 5.5m sq ft high quality, sustainable industrial and manufacturing park, with buildings ranging from 40,000 sq ft to 1m sq ft.

Investment portfolio – key stats

	Dec 2025	Dec 2024
Market values - inc. share of JV's	£119.8m	£107.4m
Total area – '000 sq ft'	706	767
'Topped-up' net initial yield	5.2%	5.5%
Reversionary yield	6.2%	6.7%
WAULT to expiry ²	9.7 years	9.7 years
Occupancy ³	97%	94%

¹ Total completed investment property.

² Weighted average unexpired lease term (WAULT) on commercial properties.

³ As a percentage of like-for-like completed property portfolio estimated rental value (ERV).

The investment portfolio, including our share of joint ventures, has continued to outperform the wider market, with a total property return of 11.1% for 2025, which was ahead of the total return from the CBRE UK Monthly Index (7.1%). Since 2022, HBD has focused on recycling capital from its investment portfolio rather than acquiring new investments. This continued in 2025, with HBD completing on four sales, for a total of £17.7m at an average 12% premium to December 2024 book values. This includes TWO45, Skelmersdale, where we secured planning for 245,000 sq ft of I&L space, representing a 66% increase on the original building. The sale to Garbe, a German fund, for £9.5m was completed in June 2025 and generated an ungeared IRR of 25% p.a.

The total value of the investment portfolio (including our share of completed JV investment properties and assets held for sale) increased to £119.8m (2024: £107.4m), largely as a result of the addition of the finished schemes within Origin. On a like-for-like basis, capital values increased by 2.0%, with rental value growth of 2.8% for the I&L assets, which represent 81% of the total portfolio by value. During the period, like-for-like occupancy remained high at 97% (2024: 94%), or 75% including the recently completed Origin developments. The weighted average unexpired lease term is now 9.7 years (8.5 years to first break). Currently, 95% of the IP has an EPC rating of 'C' or higher, (76% being rated 'A' or 'B'), with the remainder of the portfolio allocated for either redevelopment, refurbishment or sale in the short to medium term.

Post period end, in March 2026, HBD completed the sale of a supermarket and three adjoining retail units anchored by Waitrose, in Warminster, to a UK real estate investment trust for £8.6m. The sale represents a net initial yield of 6.6% and a 7.5% premium to the 31 December 2025 book value.

Segmental review

Home building



“

We are committed to delivering an outstanding customer experience and we are investing in our people and systems to strengthen sales capability and customer engagement.”

Ed Hutchinson
Stonebridge Homes

Stonebridge Homes' results have been reclassified from property investment and development to be reported as home building.

According to Nationwide, UK house prices increased by 0.6% during 2025 on a seasonally adjusted basis. Most regions recorded modest house price growth, with Northern England continuing to outperform the South. Whilst there was an increase in new home registrations in 2025, completions remain 39% below the 2022 peak according to the National House Building Council.

Stonebridge Homes completed 185 homes (166 private/19 affordable) (2024: 270) with a private average selling price of £403,000 (2024: £402,000). Completions were materially below our expectation of 240-250 units due to softer trading conditions and a slower than planned outlet opening profile, reflecting delays in securing detailed planning permission. As a result, Stonebridge Homes operated from an average of nine outlets in 2025, compared with a budgeted 12. In addition, around 30 completions moved into 2026 as build schedules were delayed by utility connections and changes in planning conditions. However, selling prices were broadly in line with our expectations, with the level of incentives remaining stable during the year.

The net private reservation rate per active outlet per week decreased by 18% to 0.37 (2024: 0.45). There were no bulk sales in either period, as this approach does not form part of Stonebridge Homes' sales strategy. Whilst many of our customers remain cautious, sales rates were also affected by several sites nearing the end of their sales programme and therefore offering a reduced product range.

Revenue was £69.7m (2024: £88.1m), excluding part exchanged homes. The lower level of completions against our expectations was the primary driver of an operating loss of £(9.2)m (2024: £1.9m operating profit). Performance was also impacted by cost overruns related to adverse ground conditions and additional costs associated with extended site durations due to slower sales rates. In response, we have increased contingency within schemes to better reflect project delivery times.

In 2025, 1,031 plots were added to Stonebridge Homes' land bank across five sites, including Whitby, Carlton and Kingston Village, which together have the potential to deliver 846 homes. Stonebridge Homes' total owned and controlled land bank now stands at 2,572 plots (2024: 1,726). Following several successful

applications during the year, plots with full planning consent increased to 842 (2024: 531 plots), representing 4.6 years' supply based on completions in the last 12 months. During 2026, selective land disposals will still provide us with the land supply needed to maintain our ambition to scale up output in line with our medium term growth ambitions.

In January 2025, we increased our ownership of Stonebridge Homes to 62.5% as part of the transaction agreed in December 2024 to take full ownership by the end of 2030. The deal is structured to complete in three tranches, with the total purchase price linked to the performance of Stonebridge Homes over this period. Bearing in mind the recent underperformance, the final aggregated payment to take full control is likely to be materially less than originally anticipated. Post period end, in February 2026, we increased our ownership further to 75%. The third and final tranche to acquire the remaining 25% is expected to be completed in January 2030, with consideration payable in 2030 and 2031.

Segmental review

Home building

Given our market positioning, we are committed to delivering an outstanding customer experience alongside the premium homes Stonebridge Homes delivers. We are investing in our people and systems to strengthen sales capability and customer engagement. We are also providing direct support from our group function teams across several key services to ensure teams are coordinated and collaborative.

We differentiate our product by placing emphasis on the design and layout of our homes, but our improvement plan recognises the need to strengthen operational efficiency, ensuring that our processes and systems are aligned with our strategic

priorities. We will strengthen the quality, consistency and timeliness of data across the business to improve the link between cost management, procurement, build programmes and sales.

As part of the integration into the group, using the skills of Hallam Land, we are also undertaking a comprehensive review of Stonebridge Homes' land portfolio. This is expected to result in selective disposals and a rebalancing of the land bank to reduce risk, improve asset turn, and better align site size and scale with our premium homes strategy and medium term growth ambitions.

Trading at the start of 2026 shows encouraging signs of improvement, with stronger year on year sales rates. Over the 11 weeks to 15 March 2026, our private net reservation rate was 0.43, compared with 0.34 in the same period last year. There has also been a corresponding reduction in cancellation rates and the use of part exchange. The total forward order book at 15 March 2026 comprised 96 units (2025: 108) with a value of £36.1m (2025: £33.6m).

Construction

The group's construction segment, which includes Banner Plant (BP) and Road Link (A69), delivered an operating profit of £6.7m (2024: £7.2m).

BP and Road Link (A69) both traded in line with management expectations. Road Link's PFI contract is set to expire at the end of March 2026.

On 31 December 2025, the group completed the sale of Henry Boot Construction to PWS, a new company formed by its management team, for £4.0m via a vendor-funded loan. Additional overage may be payable depending on future performance. As a result of the transaction, Henry Boot Construction's results for the current and comparative period have been reclassified and disclosed separately from the rest of the business as discontinued operations. In 2025, including the initial profit recognised on disposal, Henry Boot Construction delivered an operating profit of £2.7m (2024: loss of £2.3m). With 100% of its 2026 turnover already secured, Henry Boot Construction is well positioned to start repayment of the vendor loan. The group wishes our former colleagues all the best for the future.



Financial review



“

The fundamentals of our three key markets remain compelling, and we are well placed to benefit from the significant opportunities we have been building up within our portfolio.”

Darren Littlewood
Chief Financial Officer

Summary of financial performance

	2025 £'m	2024 £'m	Change %
Total revenue			
Property investment and development	69.0	69.2	–
Home building	69.7	88.1	-21
Land promotion	83.0	78.0	+6
Construction – continuing operations	29.8	30.8	-3
	251.5	266.1	-5
Construction – discontinued operations	55.5	49.7	11
	307.0	315.8	-3
Operating profit/(loss)			
Property investment and development	9.4	14.9	-36
Home building	(9.2)	1.9	-584
Land promotion	32.9	24.3	35
Construction – continuing operations	6.7	7.2	-7
Central overheads	(9.4)	(11.8)	-20
	30.4	36.5	-17
Construction – discontinued operations	2.7	(2.3)	-217
	33.1	34.2	-3
Net finance cost and other	(4.0)	(3.5)	-14
Profit before tax	29.1	30.7	-5
Profit before tax - continuing operations	26.5	33.0	-20
Profit before tax - discontinued operations	2.6	(2.3)	-213
Profit before tax	29.1	30.7	-5

The group navigated another challenging year in 2025. Total profit before tax decreased 5% to £29.1m (2024: £30.7m), or £27.5m (2024: £29.4m) on an underlying basis. While market activity remains subdued, the fundamentals of our three key markets remain compelling, and we are well placed to benefit from the significant opportunities we have been building up within our portfolio, supported by a strong balance sheet and a disciplined approach to investment.

On 31 December 2025, the group completed its sale of HBC Construction Limited, formerly Henry Boot Construction Limited (HBC), part of the group's Construction segment. Results of HBC are classified as a discontinued operation in both the current and prior year.

Land promotion (Hallam Land):

Segment operating profit £32.9m (2024: £24.3m). During the year, we disposed of a record number of residential plots at 3,957 (2024: 2,661) at an average gross profit per plot of £11.4k (2024: £10.2k) reflecting continued demand for our high quality sites.

Financial review continued

Home building (Stonebridge):

Segment operating loss £9.2m (2024: £1.9m profit). Stonebridge Homes completed 185 homes (2024: 270). Due to softer trading conditions and a slower outlet opening profile as a result of delays in securing detailed planning, completions were significantly below our expectation.

Property investment and development (including HBD):

Segment operating profit £9.4m (2024: £14.9m). After taking a disciplined approach to new projects in the current subdued environment, HBD completed schemes with a total gross development value (GDV) of £119m (our share: £33m GDV) (2024: our share: £188m GDV), of which 32% has been pre-let or pre-sold. Fair value gains on investment property were £2.1m (2024: £4.5m). We also recorded profits on sales of investment properties and assets held for sale of £0.5m and £0.9m, respectively (2024: £0.1m, £nil).

Construction:

External sales £85.2m (2024: £80.5m), with operating profit £9.4m (2024: £4.9m). As noted above, results reflect performance up to the disposal of HBC on 31 December 2025. On a standalone basis, HBC delivered revenue of £55.4m and operating profit of £0.7m or £2.7m including the profit on disposal; net assets at disposal were £nil.

Consolidated Statement of Comprehensive Income

Revenue from continuing operations declined by 5% to £251.5m (2024: £266.1m), reflecting the subdued market backdrop and the anticipated timing of key transactions. Land promotion performed strongly, with revenue rising to £83.0m (2024: £78.0m) driven by sustained demand for high quality strategic sites. Property development held steady at £69.0m (2024: £69.2m) despite muted market conditions. Stonebridge Homes generated £69.7m of revenue (2024: £88.1m), with the reduction largely due to a lower volume of completions compared with the prior year.

The group generated a gross profit of £65.8m in 2025 (2024: £71.9m), reflecting a gross margin of 26%, compared with 26% in the prior year. Administrative expenses were £40.3m, a reduction from the prior year (2024: £42.0m), reflecting tighter cost control across the group.

Property revaluation gains amounted to £4.1m (2024: £4.6m), comprising £2.1m of gains on wholly owned investment property and £2.0m on the group's share of investment property held in joint ventures.

Property revaluation gains/(losses)	2025 £'m	2024 £'m
Wholly owned investment property:		
– Completed investment property	1.5	1.2
– Investment property in the course of construction	0.6	3.3
	2.1	4.5
Joint ventures and associates:		
– Completed investment property	–	0.1
– Investment property in the course of construction	2.0	–
	2.0	0.1
	4.1	4.6

Tax

The tax charge for the year was £8.1m (effective rate of tax 30.5%) (2024: £7.4m effective rate of tax 22.9%) and is higher than (2024: lower than) the standard rate of corporation tax due to prior year adjustments. Current taxation on profits was £9.5m (2024: £5.9m), partly offset by a deferred tax credit of £1.5m (2024: £1.6m charge).

Return on capital employed (ROCE)

ROCE was 7.5% (2024: 8.0%) before revised classification of the group's main borrowing facility (based on revised classification ROCE was 6.2% (2024: 6.8%). We remain confident in the group's potential to deliver attractive returns over the medium term.

Finance and gearing

Net finance costs reflected finance income of £3.9m and finance costs of £8.0m (2024: £5.1m and £8.7m, respectively).

Interest cover, expressed as the ratio of operating profit (excluding the valuation movement on investment properties, disposal of investment properties and joint venture profits) to net interest (excluding interest received on other loans and receivables), was 5 times (2024: 9 times). No interest incurred in either year has been capitalised into the cost of assets.

The group's banking facilities were renewed on 21 May 2024 at £125.0m. The facility with Barclays Bank PLC, HSBC UK Bank plc and National Westminster Bank Plc runs for three years and includes two one-year extensions. The first of these extensions was called upon on 31 March 2025 extending the facility to 21 March 2028. Bank facilities in place at 31 December 2024 totalled £125m with an accordion to extend the facility by up to £60m taking the facility to £185m. The facility was extended on 21 March 2025 to £140m and again on 5 March 2026 to £155m, increasing headroom over the going concern period.

On 27 June 2024, the group extended a £25.0m receivables purchase agreement with HSBC Invoice Finance UK Limited (HSBC) that allows it to sell deferred income receivables to the bank. The risk and rewards of ownership are deemed to fully transfer to HSBC and, therefore, this agreement is recorded off balance sheet. The group had sold £13.4m of receivables under the agreement at 31 December 2025 (2024: £15.9m).

The 2025 year-end net debt was £108.0m (2024: £62.7m) resulting

in gearing of 25.7% (2023: 14.7%) in excess of our targeted range of 10-20%. Despite challenging market conditions, we continue to invest in our prime land portfolio, growing our premium housebuilder and delivering our high quality committed development programme.

All bank borrowings continue to be from facilities linked to floating rates or short term fixed commitments. Throughout the year, we operated within the facility covenants and continue to do so.

Cash flow summary

	2025 £'m	2024 £'m
Operating profit (including discontinued operations)	33.1	34.2
Depreciation and other non-cash items	2.1	0.4
Net movement on equipment held for hire	(1.4)	(2.6)
Movement in working capital	(49.9)	10.5
Cash generated from operations	(16.1)	42.5
Acquisition of non-controlling interest	(10.1)	–
Disposal of subsidiary (note 8)	(9.1)	–
Net capital investments	15.4	(4.9)
Net interest and tax	(12.7)	(13.3)
Dividends paid	(12.7)	(12.1)
Dividends received from joint ventures	–	2.9
Change in net debt	(45.3)	15.1
Net debt brought forward	(62.7)	(77.8)
Net debt carried forward	(108.0)	(62.7)

During 2025, cash used in operations amounted to £16.1m (2024: £42.5m inflow), after a net movement on equipment held for hire of £1.4m (2024: £2.6m) and working capital outflows of £49.9m (2024: £10.5m inflow) driven by investment in land and an increase in deferred receivables.

Net capital investment of £15.4m (2024: £4.9m outflow) arose primarily from proceeds on disposal of assets held for sale of £13.1m (2024: £nil) and proceeds on disposal of investment property of £5.2m (2024: £0.6m).

Net dividends totalled £12.7m (2024: £12.1m), comprising equity dividends of £10.5m (2024: £10.0m) and dividends to non controlling interests of £2.2m (2024: £2.1m), with no dividends received from joint ventures in the year (2024: £2.9m).

After net interest and tax of £12.7m (2024: £13.3m), there was an overall cash outflow of £45.3m (2024: £15.1m inflow), resulting in net debt of £108.0m (2024: £62.7m).

Statement of financial position summary

Wholly owned investment properties, over 70% of which are I&L assets, totalled £94.6m (2024: £105.6m). During the year, the group disposed of five properties, two previously held for sale (£9.3m book value, £0.9m profit) and a further three properties in the year (£7.0m book value, £0.4m of profit). These reductions were partially offset by £3.5m of additions (2024: £0.1m), including completion of a new industrial unit in Southend, along with £2.1m of valuation gains (2024: £4.5m).

Intangible assets increased to £1.3m (2024: £0.6m), driven by capitalisation of costs associated with the group's flagship D365 digital transformation project.

Property, plant and equipment decreased to £26.9m (2024: £29.3m) and largely comprises group occupied properties and equipment held for hire. Additions during the year of £2.1m (2024: £5.6m) were offset by depreciation charges of £3.9m (2024: £3.9m) and the disposal of assets. Right of use assets totalled £2.9m (2024: £3.5m).

Investments in joint ventures and associates increased to £22.9m (2024: £13.3m), reflecting additional investment of £7.9m (2024: £2.9m), and the group's share of profits during the year of £1.7m (2024: £2.4m). The group continues to undertake development projects with third party partners where mutually beneficial.

Inventories increased to £368.1m (2024: £332.9m), driven primarily by a £44.7m rise in the group's housebuilder land bank (2024: £15.4m). Despite a record level of strategic land disposals in 2025, continued progress of sites through planning has maintained the value of the strategic land portfolio. Property development inventory reduced by £8.8m as capital continues to be transferred into joint venture arrangements.

Financial review continued

Receivables increased to £126.3m (2024: £111.6m), driven by an increase in non-current trade receivables relating to strategic land disposals. Deferred payment receivables continue to reflect the scale and nature of strategic land transactions.

Payables increased to £113.8m (2024: £111.5m), reflecting the timing of transactions and deferred land payments. Provisions reduced to £0.9m (2024: £1.7m) as strategic land provisions unwind and the Road Link (A69) concession approaches completion. Contract liabilities fell to nil (2024: £4.9m) following the disposal of the group's construction business.

Net debt increased to £108.0m (2024: £62.7m), primarily as a result of the growth in Stonebridge Homes' land bank and the sale of Henry Boot Construction. This resulted in gearing rising to 26% (2024: 15%), higher than our preferred range of 10-20%. As we complete sales throughout the year, we expect our gearing to move back towards our optimal range. Net debt comprises cash and cash equivalents of £8.4m (2024: £16.8m), borrowings of £112.0m (2024: £72.5m), other loans of £1.1m (2024: £3.0m) and lease liabilities of £3.3m (2024: £3.9m).

At 31 December 2025, the IAS 19 pension valuation reported a surplus of £3.0m (2024: £9.9m), mainly as a result of a lower market value of scheme assets. The scheme continues to be managed through a diversified portfolio with oversight from Trustees and external advisers.

Overall, the net assets of the group decreased by 1.2% to £420.1m (2024: £425.1m), arising from retained profits less distributions to shareholders and acquisition of Stonebridge Homes with NAV per share³ decreasing 0.9% to 313p (2024: 317p).

	2025 £'m	2024 £'m
Investment properties and assets classified as held for sale	94.6	105.6
Intangible assets	1.3	0.6
Property, plant and equipment, including right-of-use assets	29.8	32.8
Investment in joint ventures and associates	22.9	13.3
	148.6	152.3
Inventories	368.1	332.9
Receivables	126.3	111.6
Payables	(113.8)	(111.5)
Other	(4.1)	(7.3)
Net operating assets	525.1	478.0
Net debt ⁵	(108.0)	(62.7)
Retirement benefit asset	3.0	9.9
Net assets	420.1	425.2
Less: Non-current liabilities and pension asset	137.5	86.4
Capital employed	557.6	511.6

Darren Littlewood
Chief Financial Officer

¹ Adjusted including discontinued operations.

² Underlying profit is an alternative performance measure (APM) and is defined as profit before tax excluding revaluation movements on completed investment properties. Revaluation movement on completed investment properties includes gains of £1.5m (2024: £1.2m) on wholly owned completed investment property and a gain of nil (2024: £0.1m) on completed investment property held in joint ventures. This APM is used as it provides the users with a measure that excludes specific external factors beyond management's controls and reflects the group's underlying results. This measure is used in the business in appraising senior management performance.

³ Return on Capital Employed is an APM and is defined as operating profit/capital employed where capital employed is the average of total assets less current liabilities and pension asset/obligation at the opening and closing balance sheet dates. Before the revised classification of the group's main borrowing facility. Previously presented as current liabilities these borrowings are now classified as non-current. See page 174 for prior year adjustment.

⁴ Net Asset Value (NAV) per share is an APM and is defined as total equity adjusted to remove retirement benefit assets.

⁵ Net debt is an APM and is reconciled to statutory measures in note 7.

⁶ Total property return is a metric that combines capital and income returns for the investment portfolio. It is calculated as the percentage value change plus net income accrual, relative to the capital employed and is calculated on a monthly basis and then indexed in line with the benchmark.

⁷ Total Accounting Return is an APM and is defined as the growth in NAV per share plus dividends paid, expressed as a percentage of NAV per share at the beginning of the period.

⁸ Before the revised classification of the group's main borrowing facility. Previously presented as current liabilities, these borrowings are now classified as non-current.

Principal risks & uncertainties

Managing our risks

For Henry Boot, effective risk management is essential in achieving positive outcomes from our operations and for the delivery of our strategic targets.

Overview

The group takes a considered approach to risk. We invest prudently in pursuit of our strategic targets, maintain financial strength through effective cash management, and aim to be the safest place to work in the markets in which we operate.

The group operates within a structured framework of internal controls and risk management, where long term success is underpinned by the continuous review and assessment of both key business and emerging risks. While a formal annual reporting process is in place, risk identification and response remain ongoing; consequently, significant developments are reported to the Board outside of the annual cycle whenever events dictate that immediate action is necessary and appropriate.

In the event of rapidly changing risks, our business continuity group and crisis management team have established procedures and actions that will support the group's day-to-day response to sudden or developing incidents, providing regular updates to our people, the ExCo and the Board.

The Responsible Business Committee and the Audit and Risk Committee evaluate how ESG-related risks, and the measures in place to mitigate them, may affect both the short and long term value of the group.

Enterprise Risk Management and Governance Framework

The group maintains a robust Enterprise Risk Management (ERM) framework designed to ensure that risk-taking is deliberate, transparent, and aligned with the strategic objectives.

1. Board Accountability and Committee Oversight

The Board is ultimately responsible for the group's risk profile and the effectiveness of the internal control environment:

The Audit and Risk Committee set the group's risk appetite and tolerance levels, this details the acceptable level of risk taking in pursuit of the strategic goals, and provides dedicated oversight of the ERM framework. It is responsible for reviewing the integrity of the financial reporting, monitoring the internal control environment, and ensuring that the group remains resilient under stressed conditions.

2. Three Lines of Defence

To ensure independent challenge and rigorous monitoring, the group operates a Three Lines of Defence model:

- **First Line:** Operational management and subsidiaries are the primary risk owners. They are responsible for identifying, assessing and mitigating risks within their daily operations, ensuring that controls are integrated into business processes.
- **Second Line:** The Risk and Compliance function provides the overarching policies and frameworks for risk management.

This line provides independent oversight to the First Line, reporting to the Audit and Risk Committee on the group's adherence to its risk appetite.

- **Third Line:** Internal Audit provides independent, objective assurance to the Board and the Audit and Risk Committee. It evaluates the effectiveness of both the first and second lines of defence, ensuring that the risk management framework is functioning as intended.

3. Risk Culture and Monitoring

Risk governance is underpinned by a proactive risk culture integrated across all operational levels. Robust oversight is maintained through structured reporting cycles, notably the Audit and Risk Committee, which convenes four times a year, and the monthly ExCo, that has a dedicated agenda item to evaluate and monitor the evolving economic risk landscape.

Details on how the Audit and Risk Committee is preparing for Provision 29 of the UK Corporate Governance Code can be found on [page 118](#)

Principal risks & uncertainties continued

Emerging risks

The group believes that its emerging risks are inextricably linked to emerging trends in our marketplace and more widely to global and economic events. Such trends include urbanisation, demographics, technology, political and environment. Failure to keep pace with these changes could result in additional risk exposure to the group. Management has, therefore, undertaken horizon scanning exercises that form key considerations in the group's risk and strategic planning.

The continued advancement of artificial intelligence and the accelerated digitisation of the group's operations have contributed to an increase in technology-related risk. As the business adopts new digital tools and automates more of its core processes, the complexity and pace of technological change introduce heightened exposure to system vulnerabilities, data integrity challenges and operational dependency on digital platforms. These developments reinforce the need for robust controls, proactive monitoring and ongoing investment in technology governance to ensure the group can fully benefit from innovation while managing the associated risks effectively.

Geopolitical and economic risk levels remain high demonstrated by recent and ongoing conflict in the Middle East and the associated volatility in global oil prices. These events present multilayered risks to Henry Boot with potential impacts in operations and the macroeconomic environment. Their impact is regularly discussed and have been considered across each principal risk area.

The group continues to recognise the importance of climate risk and its impact on our business and the planet; this is recognised as one of the group's principal risks and further information on our assessment of climate risk is detailed on pages 77 to 80.

The financial impact of the above is considered in the going concern and viability section on pages 65 to 66.

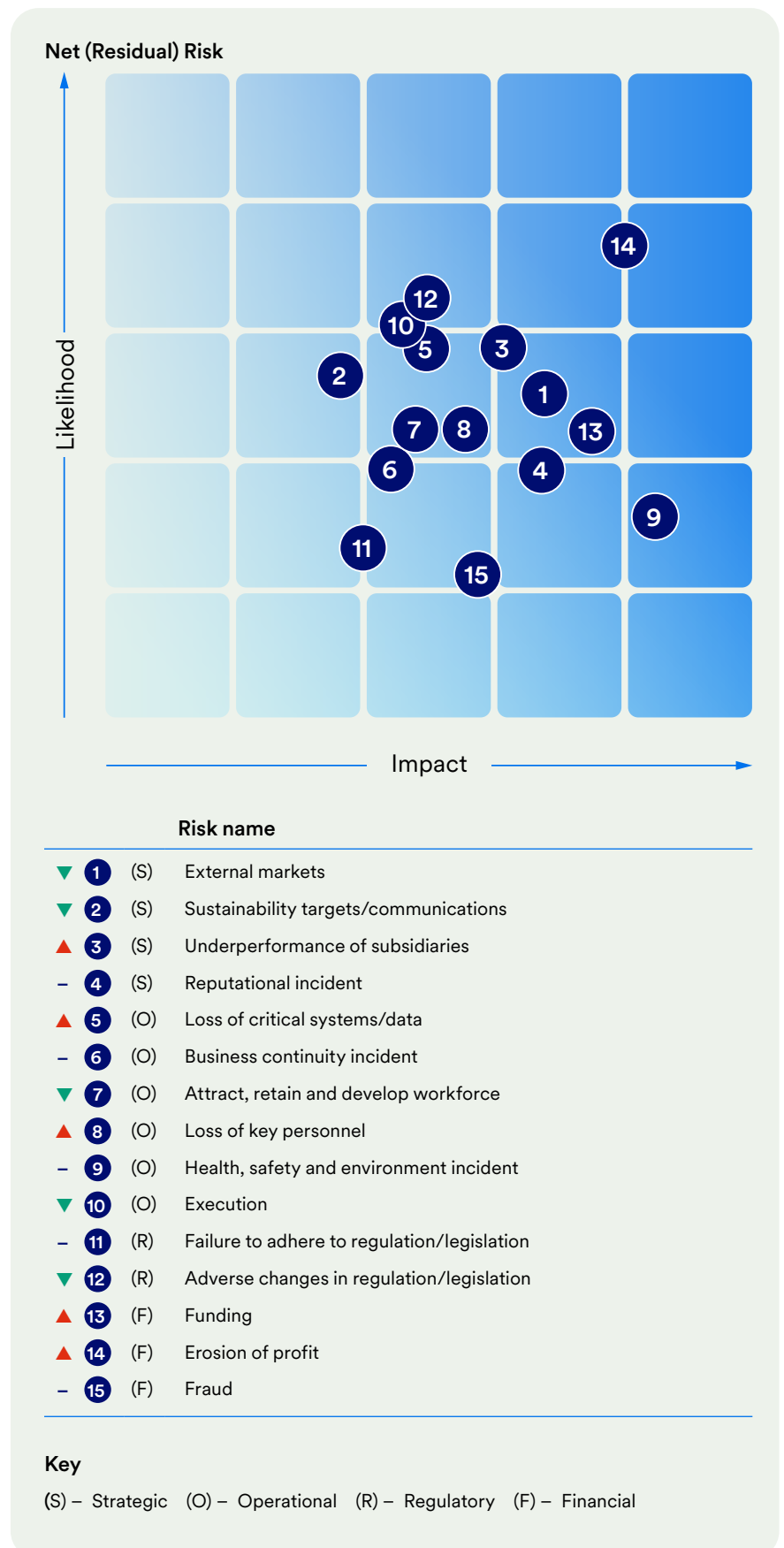


Risk heat map

The risk heat map illustrates the 15 principal risks identified by the Board as having a potential material impact on the group.

The risks have been plotted by the Board/Audit and Risk Committee based on a common understanding of the risk appetite of Henry Boot. The risks are presented net (after taking account of mitigating actions and internal controls).

Movements from the prior year's ranking are indicated by the arrows in the table below.



Our risks

Risk and description	Mitigation	Changes during the year	Link to strategic priorities
1 External markets (Strategic)			
Adverse external challenges within the markets in which Henry Boot operates	- Strong relationships with key supply partners. - Financial stability of Henry Boot is underpinned by diversity of portfolio. - Measures in place to ensure financial resilience such as low gearing ratio, high credit rating, and strong relationship with lenders. - Inflation clause in contracts to pass on inflation-induced costs. - Going concern and viability assessments completed annually. - ExCo regularly review market intelligence, market conditions, inflation reports and intelligence reports on potential regulatory changes to inform decision making.	▼ Gradual recovery and improvement	 
2 Sustainability targets/communications (Strategic)			
Failure (or perceived failure) to achieve sustainability targets/communications	- Responsible Business Committee formed in 2021 to provide oversight of the development and delivery of the Responsible Business Strategy. - ESG Steering Group considers progress against the Responsible Business Strategy including cross-cutting issues such as property environmental performance. - All members of ExCo have ESG-related targets. - Recent re-branding centred around impact on 5Ps (People, Planet, Partners, Places and Performance) and incorporated into Responsible Business Strategy and brand proposition. - Responsible business plans developed annually and linked to Responsible Business Strategy, supported by quarterly reporting.	▼ Lesser focus in current market environment	   
3 Underperformance of subsidiaries (Strategic)			
Material underperformance of one or more of the group's subsidiaries	- Clearly defined and communicated group strategy and business plans for subsidiaries. - Strict legal procedures and protocols regarding authority to sign contracts and accept risks. - Reserve matters process in place, which requires projects over a certain limit at subsidiary level to be approved by the Board. - Thorough assessments conducted of client financial standing (including credit checks and payment guarantees). - Project risk registers/assessments completed, reviewed and considered in budgets. - Diverse nature of subsidiaries and locations spread the risk. - Regular reviews of pipeline and current opportunities. - Delivery risk passed to contractors where possible.	▲ Challenges in reaching market expectation	   

Key

Change during the year

▲ Increased ▼ Decreased – No change

Group strategic priorities



Performance



People



Partners



Places



Planet

Risk and description	Mitigation	Changes during the year	Link to strategic priorities
4 Reputational incident (Strategic)			
Ineffective response to or management of a significant reputational incident	- Recent rebranding centred around impact on 5Ps (People, Planet, Partners, Places and Performance) and incorporated into Responsible Business Strategy and brand proposition. - Increased awareness of the importance of ExCo/senior stakeholders speaking with 'one voice'. - Crisis response arrangements included as part of overall business continuity planning.	–	
5 Loss of critical systems/data (Operational)			
Loss of critical systems and/or data (malicious or non-malicious)	- Key systems backed up regularly. - Preventative approach to risk in IT team. - IT helpdesk system aligned to KPIs. - Dynamics 365 implemented to digitise processes within Henry Boot, store information and support group collaboration. - VPN security is used for connectivity out-of-office. - Henry Boot is accredited by cybersecurity essentials. - Controls in place to see where data is being shared externally. - Project underway to develop an ITDR plan (future state). - Cyber insurance in place.	▲ Increasing threat of cyber and growing use of artificial intelligence	
6 Business continuity incident (Operational)			
Major disruptive event/business continuity incident (internal or external) impacting Henry Boot or subsidiary operations	Business Continuity Plans (BCPs) in place throughout the business (plans are regularly tested and reviewed).	–	

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Our risks

continued

Risk and description	Mitigation	Changes during the year	Link to strategic priorities
7 Attract, retain and develop workforce (Operational)			
Failure to attract, retain and develop an appropriately diverse, skilled and experienced workforce to meet current and future business needs	• Opportunities to move across subsidiaries. • Group employee engagement survey conducted annually to measure morale/staff engagement. • Development/formalisation of People strategy includes initiatives on pay and reward, career progression, agile working, equity, diversity and inclusion, health and wellbeing. • Recent benchmarking and review of remuneration and benefits package. • Work done to address any single points of failure and skills shortages. • Increased internal training (growing our own colleagues) within the operational side of the business. • Emerging talent workstream focusing on strategic engagement with education partners to attract and retain diverse talent. • Relocated head office November 2023 (enhanced working environment to encourage greater collaboration).	▼ Increase in unemployment rates	  
8 Loss of key personnel (Operational)			
Loss of key personnel within Henry Boot subsidiaries/loss of multiple senior employees in short succession	• Formal review of succession planning and plans in place for potential successors for certain senior roles. • Recent benchmarking and review of remuneration. • Contractual protections and retentions in employment contracts of senior management and other key employees. • Introduction of Dynamics 365 to encourage information sharing and storage.	▲ Structural changes to ensure group is fit for the future	  
9 Health, safety and environment incident (Operational)			
Occurrence of a significant health, safety or environmental incident across any of the group's subsidiaries	• Regular testing of health and safety scenarios through business continuity work. • Emergency response protocol in place with risks grouped into three tiers and linked to BCP. • Strong team compliance and safety culture with group impact measured on 5Ps (People, Planet, Partners, Places and Performance). • Staff appropriately trained and report near misses. • KPIs associated with reporting of near misses. • Sub-contractors need to obtain approved status and evidence that they meet required standards. • Health and Wellbeing Strategy launched Feb 2023 with a project team established to oversee implementation and delivery of a range of activities. • Annual health and safety reports (which include targeted recommendations) completed for all subsidiaries. • Regular internal audits and accreditations obtained.	–	 

Key

Change during the year

▲ Increased ▼ Decreased – No change

Group strategic priorities



Performance



People



Partners



Places



Planet

Risk and description	Mitigation	Changes during the year	Link to strategic priorities
10 Execution (Operational)			
Failure to deliver strategic plans in the intended manner	- Annual review of five-year strategy and business plan undertaken with Board and ExCo. - Project teams establish to plan and deliver key initiatives. - Objectives and KPIs aligned with delivery of strategic plans.	▼ Key initiatives well progressed	
11 Failure to adhere to regulation/legislation (Legal/regulatory)			
Breach or failure to adhere to key regulation/legislation	- Group legal department have oversight of key risk areas and develop guidance and systems to ensure requirements are fulfilled (i.e. for BSA and DPA). - Detailed review conducted of exposures under BSA and DPA (i.e. for legacy projects). - Project-level risks discussed in regular meetings. - Risks discussed in meetings with ExCo. - Internal control environment regularly reviewed and updated.	–	
12 Adverse changes in regulation/legislation (Legal/regulatory)			
Breach or failure to adhere to key regulation/legislation	- Advanced notice associated with any upcoming regulatory changes (ongoing monitoring undertaken). - Actively engage with Government (directly and via trade associations). - External legal advisers provide updates and trackers. - Membership and subscription to groups and industry publications such as IOSH, Constructing Excellence and the National Federation of Builders. - The Board undertake legal horizon scanning twice a year.	▼ Lower volume of material changes in legislation	
13 Funding (Financial)			
Failure to secure funding at favourable terms	- Look to ensure balanced leverage/gearing (operate within optimal framework). - Good relationships with banking partners. - Internal audit function in place. - External legal contacts. - Hire purchase agreements with Lombard bank. - Significant amount of equity is retained in the group to lessen the need for external borrowing.	▲ Debt and gearing operating at higher levels	

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Risk and description	Mitigation	Changes during the year	Link to strategic priorities
14 Erosion of profit (Financial)			
Significant and/or sustained erosion of profit and operating margin on the viability of transactions and schemes	• Use of joint ventures to share capital requirements and risk. • Cost-benefit analysis completed for new projects. • Preference for pre-funded and pre-let opportunities. • Viability assessment completed annually.	▲ Margin erosion across housing market	  
15 Fraud (Financial)			
Occurrence of fraud, bribery or corruption	• Anti-Bribery and Corruption Policy in place which sets standards for the group and supply chain members. • Policy regularly reviewed and updated with further guidance issued as required. • Regular anti-bribery training provided. • Fraud and Corruption notices completed across the business on a monthly basis.	–	  

Key

Change during the year

▲ Increased ▼ Decreased – No change

Group strategic priorities

 People
  Partners
  Places
  Planet
  Performance

Going concern

In undertaking their going concern review, which covers the period to December 2027, the Directors considered the group's principal risk areas that they consider material to the assessment of going concern.

As the UK economy continues to prove challenging, the Directors have assessed the group's ability to operate in a more uncertain environment in modelling a base case scenario. They have also modelled what they consider to be a severe downside scenario, including further curtailment in activities. This downside scenario shows a c26% reduction in sales and c90% reduction in operating profits from the base case. Development activity and land sales only take place where already contracted or well progressed. For Stonebridge Homes a 10% decline in house prices is assumed along with a 10% reduction in the number of plots sold and Banner Plant revenue declines c17%. This downside model assumes that acquisition and development spend is restricted other than that already committed and is all consistent with previous experience in recessionary environments. Having started 2026 with net debt of £108.0m, and with c.£118.6m of net debt as at 20 March 2026, against current facilities of £155.0m the Directors have concluded that the group is able to control the level of uncommitted expenditure while delivering contracted schemes. Allowing it to retain and even improve the cash position in the event of a severe downside scenario, although the impact of doing so on the profit and loss account would be unavoidable.

The group meets its day-to-day working capital requirements through a secured loan facility (see note 25 of the Financial Statements). The facility with Barclays Bank PLC, HSBC UK Bank plc and National Westminster Bank Plc runs for three years and includes two one-year extensions. The facility includes an accordion to increase the facility by up to £60.0m, increasing the overall facility to £185m.

None of the modelling undertaken by the Directors gives rise to any breach of bank facility covenants. The most sensitive covenant in our facilities relates to the ratio of EBIT (Earnings Before Interest and Tax) on a 12-month rolling basis to senior facility finance costs. Our downside modelling, which reflects a 26% reduction in revenue and 90% reduction in operating profit from our base case for 2025, demonstrates headroom over this covenant throughout the forecast period to the end of December 2027.

As part of the going concern assessment, the Directors considered a reverse stress test to determine the level of adverse performance required to exhaust debt facility headroom and cause covenant breaches over the assessment period. The Directors concluded that the combination of events required to cause such breaches are remote, and even in a case of worsening economic conditions, the group has several additional levers available to it which remain unmodelled in the stress test scenarios.

The Directors have also considered the current ongoing conflict in the Middle East and the potential impact upon the group should the conflict be prolonged. Whilst the group is not immune to global economic shocks, the Directors believe that the strength of the group balance sheet, the facility headroom demonstrated in the group's downside modelling, and the strong supply and demand fundamentals underpinning our key markets mean the group is well positioned to manage economic deterioration as a result of the conflict.

At the time of approving the Financial Statements the Directors expect that the company and the group will have adequate resources, liquidity and available bank facilities to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

Viability statement

Introduction

The business model and strategy of Henry Boot PLC can be found on pages 20 to 21 and 27 and 45 in the Strategic Report. These documents outline the long term business model and are central to the understanding of how the group operates. We have operated the current business model successfully since 2004 and have a 140-year unbroken trading history. By their nature the group's activities tend to be very long term, especially in the land promotion business and increasingly within property development. The group's strategy and experience in the markets in which we operate has been built up over many years. Over the last ten years, the group has reported an average profit before tax of £38.9m per annum, added over £200m to net assets (an increase of 91%) and paid 70.3p per share in dividends, and at no stage in the last economic downturn, between 2008 and 2010, nor during the CV-19 outbreak, between 2020 and 2021, did the group make a trading loss.

The assessment processes

The group's prospects are assessed through a three-year forecasting process led by the Board, Executive Directors and the boards of the individual subsidiaries. A detailed three-year bottom up base case budget is agreed for the current financial year. This is then reforecast each month throughout the financial year within each business and consolidated at a group level. As a largely deal-driven business, it is considered inappropriate to attempt to prepare detailed bottom-up forecasts over a longer-term period. Whilst our strategic land promotion business commenced 2026 with 9,024 plots with planning permission which, at a five-year average disposal rate of 3,088 plots would imply that we have 2.9 years of sales already in hand, a property development pipeline of over £1.4bn Gross Development Value (GDV) to be delivered over a

Our risks

continued

period extending beyond five years and c1,400 plots with some form of planning in Stonebridge Homes equating to a land supply of over four years, it becomes difficult to accurately forecast the timing of transactions beyond year three.

We have stress tested our financial results based on the downside scenario modelled to December 2027, as described in the Going Concern statement on page 65 followed by an assumed return to planned levels of activity for year three. Our modelling assumes that deferred land sale debtors falling due of c£33m as at 28 February 2026 will continue to be received during the period either directly from the debtors themselves or via the use of our debt purchase facilities or promissory notes which management consider to be viable alternatives facilitated by UK banks. These models highlight that as economic conditions worsen and construction activity, developments and land sales do not happen as envisaged, deferred land sale receipts, reduced investment and tight cost control sees the group retain cash in the short to medium term, although long term profitability would be significantly lower if the aforementioned mitigating actions were required to preserve cash.

 Find out more about how our principal risks have informed the identification of our material controls: Read about our Board's review process and internal controls review on [page 118](#)

Assessment of viability

The long term strategy: the three-year monthly forecasts reflect the Directors' best estimates of the prospects for the business and the Directors consider a three-year period to be appropriate over which to assess the viability of the group. In addition to the downside modelled, we have also reviewed several potential viability risks to the group and consider that the following represent scenarios which, if not carefully managed, could impact on the group's viability.

Firstly, overtrading developments in progress with the attendant increase in leverage, at the same time as the property cycle turns down, asset values are falling, and schemes must be completed to create best value. This creates a potentially damaging scenario where debt is rising, and asset values are falling. Mindful of this scenario, we look to maintain prudent debt levels, pre-let or pre-sell 65% of the committed development pipeline and secure development costs on fixed price contracts. Secondly, a decline in residential property markets where margins decline due to a lack of government support and planning delays or rejections, compounded by lower sales prices, higher build costs and increased legislative costs. Where possible the group mitigates this risk by providing quality products from healthy land banks (including consented land) in prime locations.

Finally, a health and safety-related breach that causes a fatality (or similar serious outcome). We manage this risk through a very robust health and safety policy, zero tolerance towards policy breaches and consider health and safety at all of our company board meetings. Our safety scores continue to be well into the top quartile of the UK construction industry and we have achieved a very safe working environment over the last 20 years.

Viability statement

Based on their assessment of prospects and viability above, the Directors confirm that they have a reasonable expectation that the group will be able to continue in operation over the three-year viability period.



Report on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

An overview of our journey to adapt to climate change

Governance

We have a robust governance framework to oversee and implement how we adapt to climate change.

- **Board** – Has ultimate authority, oversight, and scrutiny of how we are decarbonising, mitigating risk, and pivoting to seize opportunity.
- **Board committees** – The Responsible Business Committee has oversight of our Responsible Business Strategy. The Audit and Risk Committee oversees how we manage and mitigate risks. The Remuneration Committee oversees how we link climate adaptation performance to executive remuneration.
- **ExCo** – Our senior management team have responsibility for implementation of the decarbonisation strategy and climate change adaptation.
- **ESG Steering Group** – formed of senior management and tasked with reviewing ESG related risks and opportunities and reporting to ExCo.
- **Climate Working Group** – employee subject matter body tasked with operational delivery of the decarbonisation strategy.

Strategy

- Group commercial strategy and subsidiary strategies detail how the business would adapt to climate-related risks and opportunities, based on a 1.8°C and a 3.6°C scenario.
- Strategy is annually stress tested to ensure resilience and responsiveness to the identified risks and opportunities.
- Decarbonisation strategy forms part of the Responsible Business Strategy and includes our target to achieve NZC for direct GHG emissions by 2030.

Risk

We routinely review and update our understanding of our climate associated risks and plan mitigation measures to address these.

Our risk categories are:

- Environmental
- Financial
- Supply chain
- Operational

We integrate management of these risks into our robust risk management processes which includes:

- Scheme-level risk management
- Board risk review processes
- Annual climate change risk assessment process
- Internal audits
- Annual external verification

Metrics and Targets

We have a headline target to achieve NZC for direct (Scope 1 and 2) emissions by 2030. This headline target is supported by the following 2030 sub-targets:

- 100% of fleet cars and vans to be electric.
- 20% reduction in business travel.
- 100% of generators to be replaced by sustainable alternatives.

Whilst we have not yet published an indirect (Scope 3) emissions target, we have reviewed our baseline and initial reduction measures. We are continuing to develop plans to publish a Scope 3 reduction target and action plan aligned to our new Responsible Business Strategy.

Compliance Statement

Over the course of 2025, Henry Boot continued to implement the recommendations of the TCFD, and the accompanying guidance notes.

2025 saw a period of transition in the business as we announced the divestment of Henry Boot Construction and the integration of Stonebridge Homes. These significant composition and operational changes have required us to review our approach to ensure that we are effectively adapting our strategy to climate change. For this reason, we delayed further development of the quantitative scenario planning to enable these changes to be enacted – at which point we will model our risk exposure according to the chosen scenario outcomes.

We are also aware of the evolution to the UK's climate reporting framework and are preparing for the future implementation of the UK Sustainability Reporting Standards (SRS). Reporting effectively against this new framework will require further development of our climate reporting which we will be undertaken throughout 2026.

To continue to provide our investors with accurate and useful information on how our business is adapting to climate change, we are continuing to report against the recommendations of the TCFD here.

The table below sets out, in more detail, where we have assessed ourselves in relation to our level of consistency with the recommendations of the TCFD, and an explanation of the steps yet to be taken where we are not currently fully consistent. Where we have indicated 'full' consistency with the recommendations of the TCFD, this means that we believe we have achieved the minimum of the recommendations set out, but, nevertheless, acknowledge that there will be further work to do to refine and enhance this approach in coming years. 'Partial' consistency indicates that we have carried out some work but are not yet fully consistent with the recommendations. We are pleased that all provisions are either fully or partially compliant, with plans in place to progress further in the short term. The table also provides references to other sections and the wider Annual Report where further detail can be found.

Given that the industries represented within our group include construction and property development, we are aware that we are classed as a 'higher-risk business' and acknowledge that we need to continuously develop our level of disclosure to ensure that it is increasingly thorough and progressively advanced.

This will be an area of further development for us over the course of 2026 and beyond, as well as involving appropriate levels of external assurance to the risks and opportunities we identify, the scenario modelling work we undertake, and the materiality of the financial impacts those risks may present to the business.

Report on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) continued

Assessment table

Provision	Consistency level	Achieved to date	Future developments	More information
Governance				
Board oversight of climate related risks and opportunities	F	As set out under 'Governance' below.	Further development of the Board Sponsorship roles to provide additional leadership expertise, scrutiny, and visibility. Further training and upskilling sessions to be held with Responsible Business Committee and ExCo during 2026. Internal subject matter experts to routinely report to the Board and ExCo to ensure the collective understanding of operational delivery is consistent, up to date and scrutinised.	Page 74 below Responsible Business Committee Report, page 129 Governance Structure, page 132 Risk Report page 78
Management's role in assessing and managing climate-related risks and opportunities	F	As set out under 'Governance' below.	Development of ExCo sponsorship roles to provide additional leadership, scrutiny, and visibility. Increased amount of ESG updates to subsidiary businesses and ExCo planned for 2026. Further training and upskilling sessions to be held with ExCo and other senior leaders within the business during 2026.	Page 74 below Responsible Business Committee Report, Management roles on committee and groups page 132 Responsible Business Committee Report, governance arrangements page 133

Key:

F	Fully consistent	P	Partially consistent, progress made
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Provision	Consistency level	Achieved to date	Future developments	More information
Strategy				
Climate-related risks and opportunities identified over the short, medium, and long term.	F	These have been identified and are set out in the table within this report below.	These will remain under review on an annual basis in line with our usual risk review process, with the additional developments regarding the risk review process that are outlined below.	Risk Report page 78
Impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	P	The overarching objective of the Responsible Business Strategy is to embed ESG into the group's commercial decision-making processes and operating procedures. In 2025, our aligned strategic framework gave clear direction for how the commercial and responsible business strategies are to be co-delivered and assessed. This incorporates how we approach risk. The 2025 Strategy Days incorporated assessment of climate-related risks and opportunities and reflected on how decarbonisation and climate change adaptation will be achieved over the medium term via the next phase of the Responsible Business Strategy.	Further work to be carried out to implement the best approach to scenario modelling. Scoping of the remaining scenario modelling work will take place during 2026.	Page 77
Resilience of the strategy, taking into consideration different climate-related scenarios	F	Scenario modelling work to date is captured within the scenario modelling section of this report. The 2025 Strategy Days incorporated assessment of climate-related risks and opportunities into strategies presented to provide resilience, and reflected on how decarbonisation and climate change adaptation will be achieved over the medium term via the next phase of the Responsible Business Strategy.	Qualitative scenario modelling work is ongoing, and consideration will turn next to quantitative scenario modelling and how this could further impact on strategic considerations and further financial planning. Scoping of the remaining scenario modelling work will take place during 2026.	Page 77 Risk Report page 78

Report on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) continued

Provision	Consistency level	Achieved to date	Future developments	More information
Risk				
Processes for identifying and assessing climate-related risks	P	As set out in the accompanying notes to the table within this report. Risks are assessed, once identified, against a risk matrix which reviews the likelihood and severity against a number of factors.	We will continue to deepen our exploration of how these risks are prioritised as against the other principal risks identified, and our assessment of their materiality, over the course of 2026 and beyond.	Page 77
Processes for managing climate-related risks	P	As set out in the table within this report.	Qualitative scenario modelling work relating to the risk identified is ongoing and consideration will turn next to quantitative scenario modelling and how this could further impact on strategic considerations and further financial planning.	Page 78
How processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management	F	The group undertakes an annual review of its principal risks as documented in page 57 of this report. This review which is undertaken at a subsidiary level includes consideration of the risks and opportunities relating to climate change. The financial impact of the risks, is in part, quantified in our NZC transition workings, although is not material to the business. As part of the assessment of the climate-related risks and opportunities, the management and/or mitigation of each item identified sets out the response, and a decision to Treat, Tolerate, Terminate or Transfer each relevant item.	We will continue to deepen our exploration of how these risks are prioritised as against the other principal risks identified, and our assessment of their materiality, over the course of 2026 and beyond.	Principal Risks page 57

Key:

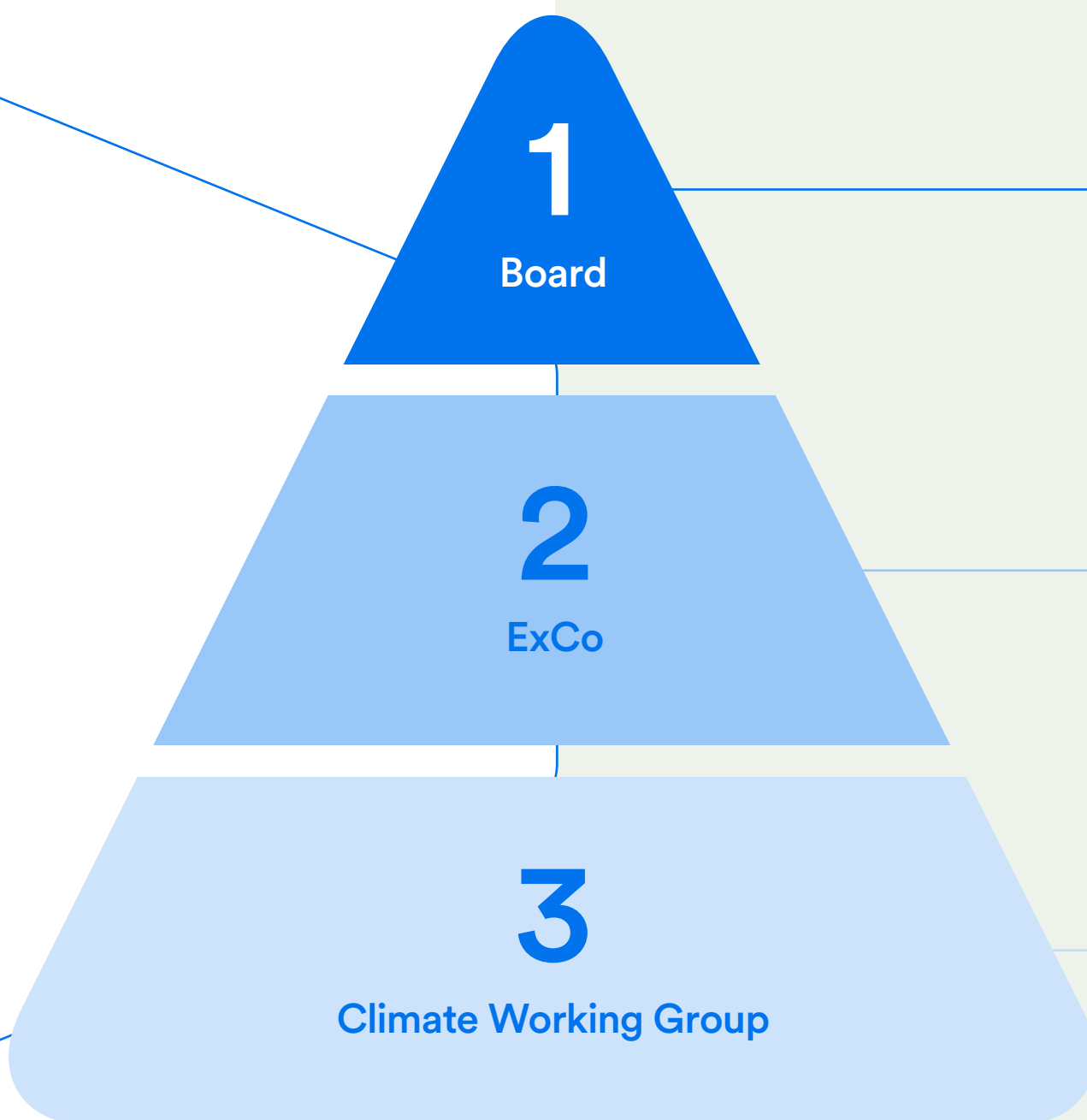
F	Fully consistent	P	Partially consistent, progress made
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Provision	Consistency level	Achieved to date	Future developments	More information
Metrics and targets				
Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	F	Metrics relating to GHG emissions have been adopted as part of overall Responsible Business Strategy – see page 44 and, for further information, see our separate Responsible Business Strategy Report. GHG emissions reduction target supported by sub targets focused on reduction of business travel, fleet electrification, sustainable generator usage and reduction of waste and water usage. Remuneration targets on GHG emissions have been incorporated into the bonus objectives for ExCo members and also incorporated into LTIP objectives for 2025 and 2026.	Scoping of the remaining scenario modelling work will continue into 2026. Further work is being undertaken to understand the impact that these outcomes have on the group's responsible business and commercial strategies and whether this should alter any metrics previously determined. The next phase of the Responsible Business Strategy will incorporate the required cross industry, climate-related metrics to adopt a fully holistic approach to climate change adaptation and align with the forthcoming UK SRS.	Our integrated Strategy page 27 Directors' Remuneration Report page 134 Net Zero Carbon Framework at henryboot.co.uk
Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	P	Scope 1 and Scope 2 GHG emissions are set out below. Also find below a summary of the work carried out to date on assessing our Scope 3 GHG emissions.	The risks related to these have not been fully quantified and will be the subject of further review and assessment. Further work to be carried out to review the baseline and target for Scope 3 GHG emissions. This work is continuing during 2026 as part of the development and implementation of the next phase of the Responsible Business Strategy.	Page 82 Our integrated Strategy page 27
Targets used by the organisation to manage climate-related risks and opportunities and performance against targets	F	Targets relating to a number of environmental factors have been adopted as part of overall Responsible Business Strategy – see page 44 and, for more information, see our separate Responsible Business Strategy Report.	Further work will be required following the climate-related scenario planning work to understand the impact that these outcomes have on the group's responsible business and commercial strategies, and whether this should alter any targets previously determined. Further work to be carried out to review baseline and target for Scope 3 GHG emissions. This work is continuing during 2026 as part of the development and implementation of the next phase of the Responsible Business Strategy.	Our integrated Strategy page 27

Report on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) continued

Our climate governance framework

Integrating decarbonisation and energy actions across our key functions to meet our ultimate goal to be NZC by 2050.



Governance Bodies

Roles

1

Board

Board:

- Responsible Business Committee
- Audit and Risk Committee
- Remuneration Committee

Has ultimate authority, oversight, and scrutiny of how we are decarbonising, mitigating risk, and pivoting to opportunity.

The Responsible Business Committee has oversight of our Responsible Business Strategy. The Audit and Risk Committee oversees how we manage and mitigate risks. The Remuneration Committee oversees how we link climate adaptation performance to executive remuneration.

2

ExCo

ExCo:

- ESG Steering Group
- Executive Sponsors

Our senior management team have responsibility for implementation of the decarbonisation strategy and climate change adaptation.

The ESG Steering Group (formed of senior management) is tasked with reviewing ESG related risks and opportunities and reporting to ExCo.

Executive sponsors are responsible for supporting and overseeing the output of the Climate Working Group and championing climate change adaptation within the business and externally.

3

Climate Working Group

Climate Working Group:

- Chair and Vice-Chair
- Workstream leads

Employee subject matter body tasked with operational delivery of the decarbonisation strategy.

The Chair is responsible for operational delivery and is supported by the Vice-Chair who leads on reporting.

Workstream leads are tasked with overseeing delivery of the component workstreams of our decarbonisation strategy.

Report on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) continued

Henry Boot has a comprehensive governance structure incorporating the Responsible Business Committee of the Board, plus a number of working groups, which is set out in further detail above and on page 133 within the Responsible Business Committee Report.

Through this structure, we can ensure that necessary activities are delegated to the appropriate groups to provide the required focus to these areas, with the Responsible Business Committee, and ultimately the Board, maintaining overall oversight and direction. The Responsible Business Committee receives regular reports regarding the progress of achievement against all ESG-related metrics and targets, and these are also reviewed annually by the Board.

In addition, page 132 of the Responsible Business Committee Report sets out the roles of various senior managers within the business, and their links to the various groups, to outline how senior management has the necessary oversight and involvement with responsible business delivery.

The Responsible Business Committee ultimately provides Board-level importance to all ESG-related matters, including oversight of the group's Climate Change Framework, and achievement of all ESG-related targets within the Responsible Business Strategy.

In addition, there are a number of other measures in place to ensure the best governance of all responsible business-related activities:

- Reporting within the Strategy Days assessed how the subsidiaries assessed their climate related risks and opportunities, based on a 1.8 degree and a 3.6 degree scenario, with detail about how the strategies would respond in these scenarios (details of which are set out on pages 78 to 79). These two scenarios align to scenarios 2 and 4 as described by the IPCC in their most recent assessment report. All strategies include wider ESG-related objectives, and achievement against previous ESG metrics and targets.

- The Remuneration Committee has oversight of the incorporation of ESG-related metrics into executive remuneration.
- Skills and experience in climate issues forms appropriate part of Non-executive Director recruitment and are assessed in the Board Skills Assessment.
- Climate-related risks and opportunities forms part of the annual risk management procedures. Twice a year, the Audit and Risk Committee reviews and discusses the principal risks to the business, including climate-related risks (as captured in the table on pages 78 to 79 below), to determine whether they are appropriate and sufficient, as informed by the views of the subsidiary assessments. In addition to this, at the annual Strategy Days, climate-related risks and opportunities, and their impact on subsidiary strategies, were reviewed by the Board and ExCo.
- Where individual schemes and projects are brought for approval as Matters Reserved for the Board, the Board reports relating to these also contain an assessment of climate-related impacts and mitigations, and any environmental factors that have been taken into account when recommending a particular course of action.

- The budgeting process accounts for all ESG-related expenditure required for the achievement of Responsible Business Strategy.

In relation to the role of senior leaders and managers within the organisation, other measures are taken:

- ExCo members are responsible for delivering against specific targets calibrated to ensure each business contributes to achievement of climate-related goals and are periodically updated about progress against the Responsible Business Strategy and annual Responsible Business Plans.
- The ESG Steering Group (comprising the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, People

Director and the Responsible Business Manager) helps to assess all ESG related issues including climate issues, to support the Board, and brings leaders from across the group together for a multi-disciplinary approach. This considers progress against the Responsible Business Strategy but also crosscutting issues such as property environmental performance and associated objectives. The ESG Steering Group assesses climate-related risks and opportunities, both directly associated with the delivery of the Climate Change Framework and more broadly with regards to our key markets, stakeholder expectations, and compliance. It engages the Managing Directors of the subsidiary businesses to assess their short-, medium- and long term climate-related risks (and mitigation measures) and opportunities, which are then incorporated into their commercial strategy. It then provides recommendations or requests for input from the Responsible Business Committee, on measures such as property improvements, energy-saving initiatives or fuel usage, and the impacts these can have on GHG emissions, together with any associated financial outlay required.

- The Climate Working Group – comprised of subsidiary representatives and subject matter experts, together with Board and ExCo sponsors – implements a number of initiatives relating to climate change and provides knowledge transfer and impact on group strategies. This results in recommendations to the ESG Steering Group, and, ultimately, the Responsible Business Committee, on areas in which environmental improvement activities can be made and innovative measures initiated.
- Senior leaders within the business have established a relationship with the UK Green Building Council, to provide insights specific to the built environment.

- The Chief Executive Officer has ultimate oversight of environmental performance and achievements, which is reported on to ExCo along with the Board and disseminated down to other senior management, and more widely within the business, through planned information releases and interactions with subsidiaries and ExCo. By chairing the ESG Steering Group, the Chief Executive Officer provides executive direction and accountability for environmental undertakings by the group and provides recommendations to the Responsible Business Committee, as well as a steer to subsidiaries on action they should be taking.

Risks and opportunities and the risk management process

A risk and opportunity assessment has been delivered with ExCo and the Board Committees to identify potential risks and review the likelihood and impact against a matrix that scores the risks based on factors such as financial, reputational, legal/regulatory and operational. This focused on each area of physical and transitional risk identified as being pertinent to the industries in which we operate. Once completed, this was compiled into an overall matrix of risk and opportunity, which can be seen in the tables below.

As this exercise has been performed in respect of each part of the business, it has included assessment of risk by sector (and geography to the extent it is relevant). During 2025, we have carried out further work with the various subsidiary businesses to review the risks and opportunities identified and further develop the strategy for whether these climate-related risks should be mitigated, transferred, accepted or controlled. The review also focused on the potential materiality of the financial risks that may be posed, assessed by reference to the two scenarios

that are identified within the table below, and how this is modelled to impact on strategic direction, as well as the opportunities that each part of the business should focus on in developing their strategies. This was then considered within the subsidiaries for the Strategy Days in November 2025. A summary of the results of this strategic review is set out under 'Strategy' below on page 81.

In relation to the time frames considered for the risks and opportunities identified below, the group considers short term to be up to 2030, medium term to be up to 2040, and long term to be up to 2050. The financial commitments required to address the short term risks are embedded in the group's short term budget and five-year business plan. For this reason, 'short term' relates to our group for this period of more certain financial planning. Due to the nature of our business, property and land schemes can often be in the development or planning stages for over ten years, and so this translates into a 'medium term' timescale being to 2040, when some of these schemes may come to fruition. Very few schemes would be currently in development or planning beyond that period, and so 'long term' for our business means beyond the foreseeable scope of our current pipeline of opportunities.

We have taken this approach as we recognise that the response to climate change is evolving rapidly and, while it is essential to deliver cost projections for the investment needed to tackle climate change, we must maintain flexibility to adapt our projections and approach to take into account changes in the regulatory and legislative landscape and the evolving technological response and availability.

Report on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) continued

Risks

Low emissions scenario: 1.8°C warming	Transition risk	Potential financial impact	2030	2040	2050
In this scenario, the business is exposed to significant transition risks, including more stringent reporting, regulation, and short-notice legislative changes with requirements to adopt new or alternative materials and technologies that deliver low-carbon, whole-life infrastructure assets and buildings. It includes associated supply chain impacts and potential cost increases.	Technology	Capital cost of replacing/upgrading plant and vehicles. Subsidiaries affected – BP	■	■	■
	Financial	Increase in supply chain costs as their transition costs (including technological and legislative) are passed through to main contractor/developer. Subsidiaries affected – HBD and SBH	■	■	■
	Market	Demand for sustainable assets rapidly increase/reduced appetite for assets that do not meet sustainability criteria. Subsidiaries affected – HBD, SBH and BP	■	■	■
	Policy and Legal	Government legislation designed to reduce emissions (such as the forthcoming SRS standards, emissions trading schemes/ carbon tax requirements, mandatory biodiversity net gain delivery and the Future Homes Standard) changes specifications and increases costs of schemes impacting viability. Subsidiaries affected – HL, HBD and SBH	■	■	■
		Strategic land values reduce as housebuilders and developers look to pass on additional building standards costs as well as additional site planning and infrastructure cost requirements. Subsidiaries affected – HL	■	■	■
High emissions scenario: 3.6°C warming	Physical risk	Potential financial impact	2030	2040	2050
In this scenario, the business is exposed to significant physical risks, both acute and chronic, including exposure to flooding, strong winds and heat stress resulting in damage to assets, prolonged project delivery timescales, and more onerous whole-of-life obligations on buildings and assets to ensure materials can withstand temperature extremes.	Extreme weather conditions – precipitation, flood, wind.	Delayed build programmes due to extreme weather events, leading to additional risk/costs. Ground or site conditions/ location is affected by climate events which means that they are no longer viable for their intended use. Subsidiaries affected –SBH, HL and HBD	■	■	■
	Heat stress	Design criteria evolved to combat overheating. Construction site conditions and practices will need to ensure worker health and safety and wellbeing. Subsidiaries affected –SBH and HBD	■	■	■
	Flooding	Already a key requirement of planning process. Increased number of flood plains in future may reduce land values. Subsidiaries affected – HL, SBH and HBD	■	■	■

Unmitigated Risk:	Subsidiary:			
 Significant risk	HBC	Henry Boot Construction	BP	Banner Plant
 Elevated risk	HL	Hallam Land	SBH	Stonebridge Homes
 Low risk	HBD	Henry Boot Developments		

Response

A balanced transition to carbon-friendly plant and vehicles considering our customer base, the group's NZC targets and availability of technological advancements. The group has assessed the cost of transitioning as part of our NZC framework, including the transition of cabins, generators and electrification of the fleet. These costs are included in the group's five-year business plan. We will look at scenario modelling the costs of transition in the next 18 months.

It remains difficult to predict the speed and consistency at which our supply chain will transition due to market and political volatility. As a result, the resulting increase in cost, and our ability to share the cost with our customers, can also be difficult to predict. Our aim is to maintain healthy margins on all developments by appropriately fixing costs and pricing accordingly while also supporting the transition of our supply chain (through sharing knowledge and resources) to a low-carbon economy.

We continue to invest in sustainable schemes and assets in line with our targets and to position ourselves favourably in the market. The increasing cost of switching to sustainable options will, in some cases, be passed to customers or be embedded within initial appraisals. We also expect to retain costs in some cases as a responsible business. Where this is the case, provision is made in our budget and business plan.

We closely monitor existing and emerging legislation such as the SRS and the Future Homes Standard in advance of committing to a scheme. Appraisals then fully embed additional legislative costs, which currently remain within accepted targeted return levels.

Strategic land forecasts recognise potential decreases in profit per plot, although we will look to begin modelling the full financial impact.

Impact on strategy

Investment in plant and fleet, which addresses other challenges and cost efficiencies (colder weather/frozen ground, ventilation, ground preparation equipment) is factored into the strategy.

Opportunities are to be assessed more thoroughly based on technology and scheme profile.

Supply chain liaison undertaken to understand capability and offering to support altered requirements as well as any higher risk materials/ supplies to value engineer where possible.

Adjustments to plant and fleet procurement strategy are underway with a short term focus on the utilisation of HVO, and a long term focus on replacing diesel vehicles with electric or hydrogen equivalents where possible. Investments in hydrogen or electric HGVs will be considered when models become more widely available.

For development activity, increasing our knowledge of how to achieve class-leading ESG outcomes for refurbishment or retrofit projects. HBD is already increasing the number of developments that will achieve the highest environmental standards and disposing of properties where high standards cannot be achieved.

On homebuilding schemes, evaluations will include bid/no bid criteria around site location/characteristics and allocation of risk with clients within contracts, as well as customer capacity to cover increased costs.

Residential activity has adopted a follow strategy rather than lead position so the most cost-effective and proven material and technology designs can be utilised without incurring early adopter risk. Modern methods of construction to be explored further rather than traditional build methodology, where design adaptability can be more easily achieved, and on-site, weather-related delays can be more easily mitigated.

Viability of ongoing projects remains under constant scrutiny to understand the impact on profit per plot of evolving climate change requirements in order that S106 obligations can be appropriately negotiated, infrastructure provision phased, and, where necessary, viability assessments mounted at the application stage to assist in the maintenance of profit per plot. We have also increased the volume of plots sold per year which supports offsetting any erosion of profit per plot.

Emerging policies are to be monitored, so as to 'future-proof' longer-term schemes against changing and increasing environmental requirements, and any impacts on sites not yet within the portfolio.

Response

Current scheme appraisals make allowance for delays, and contractual protections are used where possible. We, therefore, do not expect any material short term financial losses. In the longer term, where the group is unable to contractually mitigate the risk, it could result in margin erosion on schemes, although we do not foresee this resulting in scheme losses due to the healthy margins currently achieved.

The group remains mindful to develop sustainable assets and of the health and wellbeing impact on our people. While we do not anticipate significant risk, any associated costs will inevitably be passed on to the end user.

Flood assessments are considered on all schemes with a particular focus on strategic land, which can be held for longer durations. We carry out routine flood risk assessments to maintain an accurate understanding of the risks posed to our landbank and schemes under development.

In the long term, we could experience a reduction in the volume of suitable land available leading to reduced margins or the impairment of land values where flooding becomes more prevalent. This is mitigated in the medium term by the suitable strategic land bank we hold in prime locations. We will look to begin modelling the financial impact.

Impact on strategy

Ongoing viability pressures will increase and will continue to be appropriately monitored and mitigated against, through appraisals, supply chain and customer liquidity checks, and appropriate contractual mechanisms.

On construction schemes, evaluations will continue to include more sophisticated bid/no bid and appraisal criteria around site location, characteristics and allocation of risk with clients within contracts, and customer capacity to cover increased costs.

Land appraisals will be ever-more focused on the optimum size and location of the site, which should be promoted, mindful of maximising profit when set against the environmental agenda and the emerging need to accommodate biodiversity and flood measures on site.

Report on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) continued

We also continue to consider lesser risks, which, if they were to increase in either likelihood or impact, would be elevated to primary risks. These include:

- the cost of investing in new technology to monitor our environmental impact;
- cost of capital;
- the valuation impact of environmental factors on investment property;
- the ability to attract and retain a talented workforce who are committed to climate change adaptation and have the right skillset to deliver it; and
- an increase in insurance costs and reduced availability.

Opportunities

In addition to the opportunities presented through the adaptation of our strategies as set out in the table above, a summary of the principal overarching opportunities we have identified is set out below.

Opportunities	Description	Response
Resources	Recruitment of modern and progressive workforce	The group's delivery on ESG matters, and in particular climate change, has already impacted the recruitment process with candidates often reflecting on this as a reason they join Henry Boot. We will increasingly engage future talent to ensure that learners are aware of our approach and have the skillsets we may require in the future as we adapt to climate change.
Financial	Availability and cost of capital to the group	We routinely discuss potential targets and environmental expectations with our funders
Market	Green credentials support tendering opportunities Diversified offerings to customers (green products, retrofitting, redevelopment) Increased premium on products Access to new markets	Environmental credentials and reporting have supported numerous bids in the year, in particular our position on public sector framework contracts in the construction segment. We adhere to the market expectation of excellent environmental standards in our key property development markets. In residential development, we adopt a 'follow' approach to ensure that we can offer our customers excellent environmental standards that remain viable in the price categories of our house types. Climate change opens up potential new markets which we routinely explore and assess.
Energy source and usage	Ability to attract occupiers Lower operating costs	The group has delivered and is progressing developments that are operationally net zero and BREEAM excellent. This opportunity will be progressed as we recycle and develop assets, including the group's investment property, enabling us to appeal to a diverse range of occupiers through increased standards and cost efficiencies.
Innovation and resilience	Digital transformation	As a group we continue to invest heavily in digital transformation and systems as we believe this will support efficiency and effectiveness as the group grows. This is an ongoing opportunity with key system upgrades currently in process.

Strategy

Our commercial strategy positions us to adapt and thrive in a time of changing climate whilst our Responsible Business Strategy explains how we will achieve this and details our ambitions to decarbonise and holistically adapt.



At the Strategy Days held in November 2025, each of the main subsidiary businesses detailed how their strategies considered both the group's and their own climate-related risks and opportunities, based on a 1.8 degree and a 3.6 degree scenario. This included details about how their particular strategies had responded in these scenarios to ensure resilience, both in terms of mitigation and in order to benefit from opportunities presented.

The 1.8°C and 3.6°C scenarios have been selected as being the most appropriate in the absence of our quantitative scenario modelling having been completed; representing as they do a more probable scenario and then a less probable but more extreme and catastrophic outcome. By carrying out this exercise, each of the subsidiary businesses has ensured that the resilience of its respective strategies has been improved by modelling the impacts of the identified risks and opportunities within their plans. It ensures that products and services are fit for purpose, and any anticipated trends have been catered for when thinking about the longer-term future of the various businesses.

The group now considers each of these strategies to have incorporated the necessary resilience to the two different climate scenarios. We also recognise the importance of our approach on environmental issues to future talent acquisition and monitor any impact this is having on our recruitment activities. When quantitative scenario modelling is concluded, and a more detailed set of assumptions and trends can be explained regarding the scenarios considered, this will be included within the relevant disclosures.

Report on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) continued

Metrics and targets

The metrics we currently set relate predominantly to GHG emissions, though we are conscious that additional metrics may be required in relation to climate-related risks and opportunities, capital deployment, internal carbon pricing and remuneration. We have a target to reach NZC for all direct (Scope 1 and 2) GHG emissions by 2030. In achieving this target, we are aiming to decarbonise operational emissions, and adapt our properties, processes, and engage our workforce to influence behaviour change. Our Decarbonisation Trajectory (see below) plots our projected path to achieve decarbonisation.

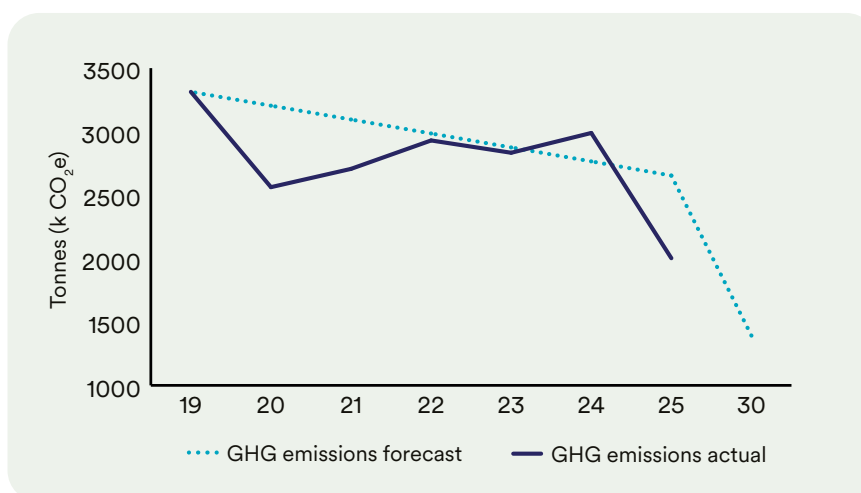
	2019	2020	2021	2022	2023	2024	2025	2030
Total direct emissions – Scope 1 and 2 (tonnes of CO ₂ e)	3,313	2,562	2,706	2,930	2,833	2,989	2,002	
Carbon reduction plan total direct emissions – Scope 1 and 2 (tonnes of CO ₂ e)	3,313	3,204	3,095	2,985	2,875	2,765	2,653	1,392
Total emissions (tonnes of CO ₂ e)	4,404	3,357	3,654	3,958	3,897	3,983	2,724	
Total energy consumed – Scopes 1, 2 and 3 (MWh)	n/a	11,551	12,600	13,647	13,636	14,586	10,692	

In 2020/21, we worked with external consultants to establish a carbon-reduction trajectory. From a 2019 baseline, reductions were forecast in alignment with the NZC strategy, which included fleet electrification, generator replacement and retrofitting of controlled sites, among other activities.

The trajectory forecasts a reduction in direct emissions to 2,653 tonnes by 2025 and to 1,392 tonnes by 2030. Our 2025 direct GHG emissions were 2,002 tonnes (a 40% reduction on our 2019 baseline) and we are pleased to have exceeded our medium-term reduction target.

In 2025, we began work with Nature Positive (part of the RSK Group) to re-align our decarbonisation trajectory to take account of progress to date and the divestment of Henry Boot Construction. The updated decarbonisation trajectory will be published in 2026 and maintains our commitment to achieve NZC for direct emissions by 2030. Whilst our approach to decarbonisation may evolve due to changes in legislation and technology, we are confident that our target can be achieved.

After a successful trial, we have continued to implement the use of HVO for our fleet and HBC's site-based requirements which has led to material emission savings. We are currently reviewing further opportunities to scale up the use of HVO. We are, however, cognisant that using HVO, whilst a good approach to reduce



GHG emissions in the short term, is not a long term sustainable option. We ensure the HVO we use is sourced credibly and is compliant with relevant accreditation. We also continue to review and research alternative longer-term technologies and solutions to reduce the emissions impact of our fleet and site-based requirements.

In addition to our direct emissions, we are committed to reducing our indirect GHG emissions (Scope 3). In 2024, we undertook a project to analyse our indirect emissions ahead of establishing a reduction target and action plan. The setting of this target will require significant collaboration with our people, supply chain and customers to ensure we take a collaborative approach to reaching NZC and will be an activity that is being considered as part of the

development and launch of the next phase of our Responsible Business Strategy in 2026. Scope 3 emissions reported on by the group within total energy consumed include transmission and distribution losses from electricity, well-to-tank emissions from all fuels and employee transport.

In addition to our decarbonisation targets, we have also established a range of additional targets (see our Responsible Business Strategy Progress Report for further information) focused on the reduction of waste, water and plastic usage and creation. Utilising circular economy principles, we seek to expand on our strong existing performance to implement commercial processes that utilise resources and avoid creating waste. We are also committed to implementing nature stewardship

into our commercial delivery and to innovate and work with key partners to enhance natural habitats and ecosystems in the environments in which we work.

This holistic approach to tackling the impacts of climate change will support our business to adapt to the evolving framework of regulation and stakeholder expectations, and to protect natural capital and reduce environmental damage.

Our direct and indirect operational carbon emissions are shown in the tables below. These sources fall within our consolidated financial statements. We do not have responsibility for any emission sources that are not included in our financial statements.

When compared to 2019 pre-COVID-19 levels the group has reduced direct GHG emissions by 40%; this equates to a decrease of 1.9 tonnes per employee.

Our current evaluation (conducted in conjunction with the Carbon Trust) is that our material Scope 3 emission categories will be categories 1a (purchased goods and services (product)), 11a (use of sold products (direct)) and 13 (downstream leased assets). Further development of our understanding of our material Scope 3 emission categories will be undertaken as part of the development of Phase 3 of our Responsible Business Strategy, in which we anticipate setting our Scope 3 baselines and reduction

targets. We plan to report on our Scope 3 reduction target and pathway, as well as report on material emissions categories, in alignment with the forthcoming UK SRS.

Non-financial and sustainability information

The following table sets out where stakeholders can find relevant non-financial and sustainability information within this Annual Report, further to the Financial Reporting Directive requirements contained in sections 414CA and 414CB of the Companies Act 2006. Where possible, it also states where additional information can be found that supports these requirements.

Reporting requirement	Relevant Henry Boot policies and procedures	Where to read more in this report	Page(s)
Business model		Business Model	20-21
Principal risks and impact of business activity		Risks and Uncertainties	57-66
		Audit and Risk Committee Report	116-120
Non-financial KPIs		Strategy	27-45
		Key Performance Indicators	30-32
Employee information	Board Diversity Policy and Board Stakeholder Policy	Nomination Committee Report	124-128
		Our People	35-39
		Section 172 statement	85-89
		Employee engagement	106-107
Human rights	Modern Slavery Statement and Policy, Rights to Work Policy, and Whistleblowing Policy	Our People	39
Social matters	Board Stakeholder Policy	Section 172 statement	85-89
Anti-bribery and corruption	Anti-Bribery and Corruption Policy	Our People	39
Environmental matters	Board Stakeholder Policy and Climate Change Framework	Our Planet	44-45
		TCFD	68-84
		Section 172 statement	85-89
Climate-related Financial Disclosures	Climate-related Financial Disclosures	TCFD	68-84

Report on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) continued

Henry Boot group CO₂ footprint by source

Henry Boot group CO ₂ e emissions	2025 Tonnes	2024 Tonnes	Trend
Scope 1: Combustion of fuel and operation of facilities (Location based)	1,782	2,564	
Combustion of fuel and operation of facilities (Market based)	1,782	2,564	▼
Scope 2: Electricity, heat, steam and cooling purchased for own use (Location based)	220	425	▼
Electricity, heat, steam and cooling purchased for own use (Market based)	32	131	▼
Total direct emissions	2,002	2,989	▼
Total direct emissions per employee ¹	3.9 tonnes CO ₂ e	5.6 tonnes CO ₂ e	▼
Scope 3: Upstream and downstream indirect emissions (Location based) ²	722	994	▼
Upstream and downstream indirect emissions (Market based)	722	931	▼
Total emissions (Location based)	2,724	3,983	▼
Total emissions per employee ^{1,3}	5.3 tonnes CO ₂ e	7.4 tonnes CO ₂ e	▼

¹ Employee numbers are based on the monthly average for the year.

² Scope 3 includes transmission and distribution losses from electricity, well to tank emissions from all fuels and employee transport.

³ 100% of emissions and energy consumed are within the UK and offshore area.

⁴ Out of scope emissions in relation to HVO used in the year amounts to 222 tCO₂e (2024: 52 tCO₂e).

Carbon emissions by segment

Henry Boot group energy usage	2025 mwh	2024 mwh	Trend
Total energy consumed (Scopes 1, 2 and 3)	10,692	14,586	▼

Henry Boot group CO ₂ e emissions	2025 tonnes of CO ₂	2025 intensity ratio tonnes of CO ₂ e	2024 tonnes of CO ₂ e (restated for SBH)	2024 intensity ratio tonnes of CO ₂ e (restated for SBH)	Intensity basis	Trend of intensity
Property investment and development	88	4.79	339	10.94	per 1,000 sq ft of investment property with communal areas	▼
Home building	822	4.44	886	3.28	per plots sold	▲
Land development	28	0.64	33	0.83	per employee	▼
Construction	1,761	20.40	2,687	33.42	per £1m of turnover	▼
Group overheads	25	0.26	38	0.40	per employee	▼
Total gross controlled emissions	2,724		3,983			

Our carbon emissions for the year ended 31 December 2025 were calculated using the GHG Protocol Corporate Accounting and Reporting Standard, which provides requirements and guidance for companies calculating their GHG emissions and in accordance with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting

guidance' and the EMA methodology for SECR Reporting.

Our direct and indirect operational carbon emissions are shown in the tables above. These sources fall within our consolidated financial statements. We do not have responsibility for any emission sources that are not included in our financial statements.

Section 172 statement and stakeholder engagement strategy

Introduction

Our Board and its committees remain committed to taking a balanced and well-informed approach to decision-making, recognising the importance of considering the interests and perspectives of the company's stakeholders. While stakeholders' interests may not always align, the Board believes it important for all issues to be considered and seeks to remain mindful of the broader implications of its decisions on stakeholders and the long term sustainability of the business.

Since adopting our Board Stakeholder Policy in 2019, the Board has continued to refine how stakeholder insight is incorporated into its discussions, encouraging ongoing reflection on how best to understand stakeholder priorities, and bring these into the

boardroom. The Board also recognises that maintaining a responsible culture is vital to the company's long term success and that our purpose, vision and values should drive decision-making.

Set out below are some of the ways in which the Board seeks to take account of stakeholder interests and wider considerations when making decisions. Within this report, we also set out a case study, highlighting a significant decision taken during 2025, and how the Board considered a range of factors under s.172 to shape its approach.

Our stakeholders

Our key stakeholder groups were first identified during the development of the Henry Boot Way in 2017, and have been reviewed regularly since.

As part of the wider refresh of our purpose, vision, and values in 2024, the Board carried out another engagement exercise to reassess these groups and consider whether any new groups should be recognised. Following this review, the Board concluded that the existing stakeholder groups remain relevant.

Board stakeholder engagement strategy

The Board Stakeholder Policy, reviewed annually, sets out current engagement with the group's key stakeholders and prompts discussion as to whether a different approach is needed as the business and strategy evolve. This disclosure only references Board-specific engagements, rather than the broader engagement activity undertaken by management and operational teams.

Board information

- Our Board and senior leaders regularly engage with stakeholders as described on page 85
- Board papers on Reserved Matters include consideration of stakeholder interests and views
 - Peter Mawson's role as designated Board liaison with the Group Employee Forum ensures that the Board considers the views of, and impacts on, the workforce of various decisions
 - Leadership and management receive training on Directors' duties to maintain awareness of the Board's responsibilities under s.172



Long term strategic considerations

- The Board reflects on the Responsible Business Strategy and whether the outcome of its decisions support and contribute to the agreed targets
- The Board remains mindful of the company's corporate objectives and KPIs, which are discussed regularly, and have a wholesale review at each annual set of Strategy Days
- Papers seeking Board approval are required to explain how the matter aligns with the company's long term strategy; any items that deviate from the strategy are given additional scrutiny



Decision making

- The company's culture is a core consideration when making decisions. The Board reflects on whether the action aligns with our culture and our values, and how culture is embedded within our activities – see more on page 108
 - Actions directly brought about as a result of Board engagement – some examples are set out in the Employee Engagement section on page 106
- Where appropriate, outcomes of decisions are reassessed, and further engagement and dialogue is undertaken

For more details on how the Board engages with employees, see [page 106](#)

Section 172 statement and stakeholder engagement strategy continued

Stakeholder	Why is it important for the Board to engage?	How the Board engaged during the year	Outcome of engagement
Shareholders	Dialogue with shareholders is vital in shaping the Board's approach to strategy capital allocation, and returns.	- Board attendance at the AGM, followed by an informal lunch with shareholders - The CEO and CFO lead ongoing engagement with institutional shareholders through results presentations, roadshows and ad hoc meetings. Feedback is shared with the Board outlining key themes, and actions for future engagement are agreed - Regular meetings are held with significant family or individual shareholders either by the Chair, CEO or CFO. Key issues are fed back to the Board - Non-executive Director, James Sykes, provides insight from family shareholders during Board discussions on matters such as the dividend policy, strategy and gearing preferences - The Board also receives in person updates from the brokers on an annual basis and discusses the engagement strategy. A brokers' report is discussed at every meeting including notable share register movements	- Consistent feedback from shareholders was that the group was perceived to be overly complex and that they would welcome a simplification of the equity narrative. This view was considered during the discussions to divest Henry Boot Construction from the group - Shareholders had asked for increased communications on significant operational developments. This led to an increase in RNS Reach announcements from 4 in 2023 to 14 in 2025 - Shareholder presentations were adapted to provide information specifically requested by shareholders e.g. the hidden value within Hallam Land
Employees	Our people are fundamental to the delivery of our strategy and the group's long term success	- The Board held a meeting with the Group Employee Forum (GEF) in September to discuss topical matters, employee sentiment and what the forum had achieved in 2025 - Every Board member individually has conducted site visits, attended subsidiary board meetings or held 1:1 meetings with members of the workforce throughout the year to understand workforce views and understand challenges relevant to them or their role - The Board reviewed the outcomes of the employee engagement survey in December 2025, analysing key themes and trends within the group as a whole and also within each business - Further examples of workforce engagement are shown on page 106	- The Board tasked management with certain actions off the back of the employment survey results, including undertaking regular pulse surveys to understand the mood within the businesses allowing them to react in a more agile way - Having listened to feedback from the workforce on other recent software and process implementations, the Board emphasised to management the importance of preparing the workforce for the cultural change that D365 would present through a programme of considered communication and training - The Board asked that the GEF attend the briefings to the workforce on the sale of Henry Boot Construction
Customers	Long-standing customer relationships and high quality service underpin the group's reputation and performance	- A report on customer insights was discussed with the Board including specific feedback from customers for each business - A Stonebridge Homes customer (also a shareholder) shared some concerns directly with the CEO during the AGM lunch in May	- Following the feedback from the customer at the AGM, the CEO followed up his issues personally, including visiting him at his new home - As discussed on page 111, the Board is going to increase its focus on customers during 2026, particularly for Stonebridge Homes

Stakeholder	Why is it important for the Board to engage?	How the Board engaged during the year	Outcome of engagement
Pensioners	As former employees of the business, pensioner engagement ensures we maintain focus on our investment outcomes and returns	- The Board considers whether there are any notifiable events to report to the pensions regulator at every meeting - Regular governance reports are shared with the Board to provide an overview of the scheme and its performance - Other pension matters are brought to the Board for approval as required by the CFO including the triennial valuation and ad hoc Trustee requests	The Board considered a request from the Trustee in December 2025 to award discretionary increases for certain members. The request was considered but not awarded due to competing capital allocation priorities for the group
Suppliers	Strong supplier relationships support delivery, safety and quality	- Supplier performance and relationships are monitored through H&S reporting and operational updates from the CEO and businesses - Major projects requiring Board approval include discussions on key suppliers and associated risks to project delivery - The Board approves the modern slavery statement annually which seeks to combat any potential slavery and trafficking activities within our supply chain	Where H&S performance is below target level, the Board encourages follow up training with the workforce and suppliers and has requested specific feedback from the H&S manager be included in Board reports to outline what restorative actions will be taken
Communities	Being a responsible business is a core part of our vision and values. We want to create impactful social value for the communities we work alongside	- In July, the Board met with the senior leadership team from BITC to discuss placemaking and social value. They also met with Crisis, our charity partners, to host an event on what the property sector can do to support the Homelessness Alliance - The Board met with the group's Community Investment Committee to discuss their priorities and strategy for allocating funds - Tim Roberts chairs the Sheffield Pride of Place Board established by BITC with the aim of focusing efforts on Sheffield's community priorities - Reports for major projects requiring Board approval contain sections on community consideration and engagement such as the development of additional infrastructure such as schools and parks	- This engagement has helped the Responsible Business Committee and Board to develop a new Responsible Business Strategy which includes priorities across our material issues - You can read more about our Responsible Business Strategy and targets on page 34
Environment	We are committed to being a responsible business in the environments we work in through achieving NZC, reducing waste and protecting nature	- Reports for major projects requiring Board approval contain sections on the environment such as biodiversity net gain targets and the provision of onsite power supply - The Board, through the Responsible Business Committee, receives updates from the Climate Working Group on the Climate Change Framework and projects driving the journey to being fully NZC - The Board, through the Responsible Business and Audit and Risk Committees, reviews the TCFD reporting and debates the climate-related risks and opportunities	- The Board's understanding of environmental issues has helped inform the new Responsible Business Strategy with targets agreed for achieving our NZC ambitions, reducing waste and resource use, and protecting natural habitats and biodiversity - You can read more about our Responsible Business Strategy and targets on page 34

Section 172 statement and stakeholder engagement strategy continued

Stakeholder	Why is it important for the Board to engage?	How the Board engaged during the year	Outcome of engagement
National/Local Media	To promote the Henry Boot brand and manage its reputation	- Tim Roberts has regular meetings with our PR agency and has undertaken interviews with various media outlets - Relevant updates are provided to the Board as part of the CEO Report	Engagement is largely conducted at management level and is only escalated to direct Board engagement where necessary. There are no specific outcomes to report for 2025
Regulators	To build a two-way dialogue and influence potential decisions that may affect the group	Engagements to date have been conducted through the businesses, with no direct Board interactions necessary during the year	There are no specific outcomes to report for 2025
Professional Associations	To liaise with these groups to understand best practice, industry updates and build relationships	- As discussed above, there has been Board engagement through the year with BITC on understanding challenges within the sector and to discuss the Responsible Business Strategy - Interviews with organisations including the CBI, Home Builders Federation and the UK Green Building Council were held to engage during the development phase of the Responsible Business Strategy to understand best practice and industry expectations - ExCo member, Ed Hutchinson, fed back to the Board on lessons learned from an Institute of Directors (IoD) strategy course that he attended with a view to enhance our strategy development processes	- Feedback from the interviews with the associations listed to the left was compiled and fed back to the Responsible Business Committee and Board to help shape the new Responsible Business Strategy - During the IoD feedback session, the Board discussed some best practice examples for strategy development and co-creation. This is helping to shape the evolution of how the Board will shape the group's strategy for 2026 and beyond

Case study

Management buyout of Henry Boot Construction

During the year, the Board gave detailed consideration to the management buyout (MBO) of Henry Boot Construction (HBC), a long-established subsidiary of the group.

The transaction formed a key element of the Board's strategic simplification programme and was considered across multiple Board meetings, allowing the Board to revisit the strategic rationale for the deal, the associated risks, and the stakeholder impacts as negotiations progressed.

The Board recognised the value HBC have delivered value to the group over many years. They, acknowledged, however, that the construction business carried a different risk, workforce, and returns profile compared to the group's evolving business model. This model focuses on high quality land, prime development, and premium homes.

In reaching its decision, the Board was mindful of its duties under section 172 of the Companies Act 2006 to promote the long term success of the Company for the benefit of its members as a whole, while having regard to the interest of a range of stakeholders.

Case study continued

Consideration of s172 factors

Likely consequences of the decision in the long term

The Board considered the long term strategic implications of retaining HBC within the group against pursuing an exit. In doing so, the Board reflected on the historic volatility of returns from the construction sector, the credit and bond requirements, and the level of operational and reputational risk exposure for the group.

The Board also considered the strategic benefits of simplifying the group composition, including clearer focus on core activities with increased synergies and a more straightforward equity narrative for investors.

The Board reviewed detailed financial modelling, the proposed consideration payable by the new management team, and downside scenarios. These included the potential costs and risks associated with a wind-down or third-party disposal, both of which were considered likely to be more value-destructive in the long term. The Board acknowledged that no option was without risk, but concluded that the MBO represented the most strategically aligned outcome when compared with the available alternatives.

The Board recognised that residual exposure would remain over the five year vendor loan repayment period following completion, but was satisfied that this exposure would reduce over time, and was appropriately mitigated through governance arrangements, financial caps and transitional support. Having weighed these factors, the Board concluded that the MBO was most likely to promote the long term success of the Company and create value for its shareholders.

Interest of the Company's workforce

The Board carefully considered the interests of HBC employees and the wider workforce throughout its deliberations. In particular, the Board considered the capability and credibility of the new management team, their understanding of the business, and their ability to lead a sustainable organisation following separation from the group. The Board received assurance that the management team had already built a solid forward pipeline of work and had been encouraged by their actions to stabilise the business following an earlier period of restructuring.

The Board also considered the potential workforce impacts of the alternative outcomes, including the significant disruption and uncertainty that could arise from a wind-down or external sale. In comparison, the MBO was viewed as providing greater continuity for employees, with a motivated leadership team and the business continuing to trade under a familiar structure.

Recognising the importance of clear and timely communication to employees, the Board reviewed the detailed internal and external communications plan to ensure that workforce interests were appropriately considered.

Fostering business relationships with suppliers, customers and others

The Board recognised that HBC's relationships were critical to the ongoing viability of the business and to protect the group's reputation during and after the transition. The Board considered the likely impact on these relationships, including the need to maintain confidence with partners and customers during the period of change. The Board reviewed the proposed transitional service arrangements and oversight mechanisms intended to support operational continuity and minimise disruption.

The Board also considered the ongoing association between group and HBC, including branding arrangements, ensuring that this struck an appropriate balance between risk mitigation and enabling the separated business to operate independently.

Health and safety was a particular focus of the Board's discussions. The Board sought assurance that appropriate standards would be maintained during and following the MBO. The inclusion of health and safety targets within the management team's remuneration arrangements and continued group representation on the board during the transition period were noted as important safeguards that would reinforce the right behaviours.

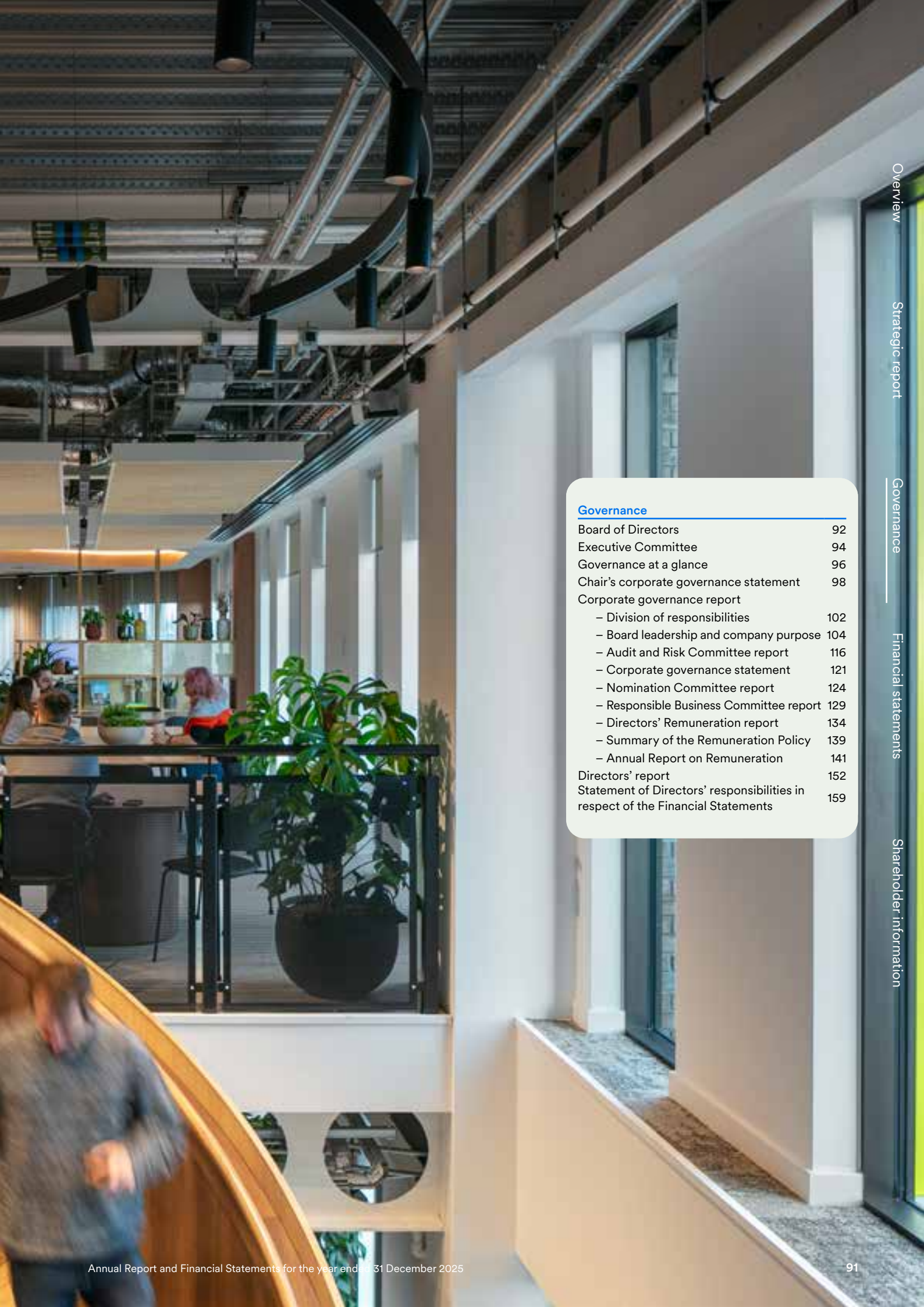
Maintaining a reputation for high standards of business conduct

Given the significance of the transaction, the Board was mindful of the need to maintain high standards of governance and business conduct throughout the process.

The Board ensured that the transaction was subject to appropriate internal challenge and external advice, including financial, legal, and accounting expertise. The Board carefully considered the handling of inside information and ensured that information was managed appropriately in accordance with the Market Abuse Regulations and UK listing requirements.

Governance





Governance

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Board of Directors



Peter Mawson
Chair

(N) (B)

Date of appointment

October 2015

Non-independent

Additional roles held

Non-executive Chairman of Nexus Planning Limited, independent Board Representative for the Paradise Circus Project on behalf of Birmingham City Council.

Brings to the Board

Key strengths:

- Wide-ranging experience in senior leadership and practitioner roles across the built environment
- Property development and planning knowledge in both the public and private sector

Peter has a wealth of experience in the management and leadership of professional service firms, together with senior practitioner expertise across the built environment, from both public and private sector perspectives.



Tim Roberts
Chief Executive Officer

(B)

Date of appointment

January 2020

Non-independent

Additional roles held

Chair of Business in the Community's Sheffield Pride of Place Board.

Brings to the Board

Key strengths:

- Strong strategic and corporate experience accumulated as past longstanding Director
- Strong property and leadership experience
- Extensive experience in delivering significant property development projects

Tim joined Henry Boot as Chief Executive Officer in January 2020. He is responsible for developing and implementing group strategy and has ultimate responsibility for group profitability. Tim leads the engagement with all the Company's stakeholders, including interaction with investors and our people. He is also the Director responsible for all health, safety and environmental matters. Tim was previously a director of The British Land Co PLC where he was responsible for running the London real estate business.



Darren Littlewood
Chief Financial Officer

(B)

Date of appointment

January 2016

Non-independent

Additional roles held

Director and Trustee of South Yorkshire Community Foundation Limited and Member of the CBI Yorkshire and Humber Regional Council.

Brings to the Board

Key strengths:

- In depth group and financial experience
- Establishing and delivering strategy whilst protecting assets in the group

Darren joined the group in 1999 prior to his appointment as Chief Financial Officer in 2016. He became qualified as a member of the Chartered Institute of Management Accountants in 2007 and is responsible for all financial and risk matters relating to the group. He is heavily involved in investor communications and, along with Tim Roberts, is also responsible for communicating strategy and results to both private and institutional investors.



James Sykes
Non-executive Director

(N) (B)

Date of appointment

March 2011

Non-independent

Additional roles held

Partner in the London office of Saffery LLP Chartered Accountants, which he joined in 1987. He is a Non-executive Director of Saffery Trust International business in Guernsey.

Brings to the Board

Key strengths:

- Significant strategic land knowledge
- Sound financial background and experience

As a partner in the Private Wealth and Estates Group at Saffery he has many years' experience in the UK strategic land market and brings that experience to Board decision making generally but particularly to Hallam Land.

Committee membership

N Nomination
 A Audit and Risk
 R Remuneration
 B Responsible Business
 ● Committee Chair

 Talita Ferreira Non-executive Director N A R B Date of appointment January 2024 Independent Additional roles held Non-executive Director and Chair of the Audit Committee of FCE Bank plc, CEO and Founder of Authentic Change Solutions Limited, Course Leader and Facilitator for the Institute of Directors. Brings to the Board Key strengths: • Extensive finance, risk and governance experience • Extensive experience in leadership, culture and transformation programmes • Certification from Cambridge Institute for Sustainability Leadership • Strong strategic and corporate experience across multiple industries Prior to joining Henry Boot, Talita held a Non-executive Director and Chair of Audit role at Tandem Bank Ltd and executive roles as CFO and People Director at BMW UK Ltd, BMW Automotive Ireland Ltd, BMW Group Financial Services Ltd (UK and Ireland) and Alphabet (GB) Ltd.	 Serena Lang Non-executive Director N A R B Date of appointment August 2022 Independent Additional roles held Chair of Trifast plc and Non-executive Director of Ainscough Crane Hire Ltd. Brings to the Board Key strengths: • Extensive strategic leadership, growth and digital transformation experience • Experience in industrial, engineering and construction environments and culturally diverse markets • Strong sustainability credentials, specifically in the built environment • Diversity of thought to the Board having worked across multiple industries Serena was Chair of Eleco plc until 2023 and previously held executive roles as CEO North West Europe & Africa and Enterprise Client Executive at Invensys (now Schneider Electric), Global VP of Transformation at BP plc and as an Executive Consultant at Capgemini Ernst & Young.	 Earl Sibley Non-executive Director N A R B Date of appointment April 2025 Independent Additional roles held Chief Financial Officer of Highbourne Group Limited. Brings to the Board Key strengths: • Extensive leadership experience in the UK listed housebuilding • Experience of strategic transformation, change management and M&A activity Earl joined the board in April 2025. He brings extensive leadership experience in the UK-listed housebuilding sector and is currently Chief Financial Officer of the private equity owned specialist merchant Highbourne Group. Prior to this, he spent ten years with Vistry Group PLC as Chief Financial Officer, Interim Chief Executive and Chief Operating Officer. He has also previously held roles at Barratt Redrow PLC and EY. In addition to his housebuilding and strategic land capabilities, Earl brings experience in strategic transformation, change management and M&A activity, as well as knowledge of the listed environment.	 Jaimie Read Company Secretary Date of appointment December 2025 Non-independent Additional roles held n/a. Jaimie is a Chartered Company Secretary and member of The Chartered Governance Institute. She has FTSE100 and SmallCap experience, having worked across the utilities, construction and property sectors. She started her company secretarial career at National Grid plc before joining Henry Boot in December 2017. Jaimie was appointed Company Secretary in December 2025 and leads the approach to corporate governance.
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 To read our independence assessment, please see [page 128](#)

Executive Committee



Steven Stacey
Henry Boot PLC

Date of appointment
Chief Operating Officer in 2025

Brings to the Executive Committee
Steven is a qualified chartered accountant (ICAEW) who has worked in a variety of finance roles, including at big four firm PwC. He joined Henry Boot in 2017 as Group Financial Controller overseeing the group's finance team, and progressed to Finance Director in 2022. In December 2025, Steven was appointed Chief Operating Officer overseeing the group's Legal, IT, Marketing and Risk teams.



Iain MacSween
Hallam Land Management Limited

Date of appointment
Managing Director in 2026

Brings to the Executive Committee
Iain joined Hallam Land in 2018 and was appointed Managing Director in January 2026. Iain has worked across the UK in the procurement, planning, design and delivery of residentially led and mixed-use development schemes. He is passionate about the strategic land sector, and his experience gives him a deep understanding of its unique challenges.



Edward Hutchinson
Henry Boot Developments Limited / Stonebridge Homes Limited*

Date of appointment
Managing Director in 2018

Brings to the Executive Committee
Edward Hutchinson BSc (Hons), MRICS started his career in quantity surveying before quickly progressing into project management. He joined Henry Boot Developments in 2004 as a Project Manager rapidly rising to the position of Senior Project Manager in 2006. Edward was appointed a Director in 2012 and became Managing Director in 2018. In January 2021, he became a board member of the Yorkshire and Humber Regional Board for LandAid, following which he assumed the position of Chair in January 2023. Ed is currently serving as interim Managing Director of Stonebridge Homes.

* Acting Stonebridge Homes Limited Managing Director.

Additional Executive Committee members



Jonathan Fisher
Banner Plant Limited

Date of appointment

Managing Director in 2021

Brings to the Executive Committee

Jonathan Fisher's most recent role prior to joining the Henry Boot Group was with the Algeco Group, where he progressed from Account Director to Regional Director, overseeing commercials, operations, and strategic development. He was subsequently promoted to UK Sales Director before moving into his current position as Managing Director at Banner Plant.

Earlier in his career, Jonathan gained valuable experience in hospitality and facilities management, beginning as a General Manager with Whitbread before transitioning into sales and operational leadership roles within the FM sector.

Alongside his professional responsibilities, Jonathan serves as Chair of Governors at his local high school and is actively involved in the charity sector as a mentor.



Rachel White
Henry Boot PLC

Date of appointment

People Director in 2022

Brings to the Executive Committee

Rachel White joined Henry Boot PLC in 2001 as a graduate. She has held a number of roles in the People team, before taking the role of People Director in July 2022. Rachel leads the delivery of our People Strategy to meet the requirements of our internal stakeholders including employee relations, succession planning, talent management, diversity and inclusion, wellbeing, reward and recognition, employee benefits and employee engagement.

Rachel is also a Trustee Director for Henry Boot Pension Trustees Limited and is a member of the Governance Committee for the Henry Boot PLC Group Stakeholder Pension Plan. In 2022 Rachel became a Trustee and Vice-Chair of Sheffield Children's Hospital Charity.



Tim Roberts
Chief Executive Officer



Darren Littlewood
Chief Financial Officer

Read the biographies on [page 92](#)

Governance at a glance

How the Board spent it's time this year

The Board debated and approved the 2025 budget and met with former MD, Nick Duckworth, to discuss the planning environment and Hallam Land's approach to increase planning applications. A separate Board session was held on the company's risk management and internal controls framework.

The 2024 financial results were approved along with discussions on going concern and the dividend strategy. Our H&S Manager attended to discuss H&S performance and culture over the year.

Earl Sibley joined the Board on 1 April 2025.

We held the AGM and shareholder lunch with over 70 people in attendance. Senior leaders within HBD attended the Board meeting to deliver a briefing on the Golden Valley development at Cheltenham.

The Board meeting was held in our London office and the Board spent time with the group's Community Investment Committee understanding their strategy and engagement with our partners. The Board also met with BITC and co-hosted an event with Crisis on how the property sector can help to tackle homelessness.



FEBRUARY

MARCH

APRIL

MAY

JULY

Name	Board	Audit and Risk	Nomination	Remuneration	Responsible Business
Peter Mawson	7/7		3/3	2/2	3/3
Tim Roberts	7/7				2/3**
Darren Littlewood	7/7				2/3**
Talita Ferreira	7/7	4/4	3/3	4/4	3/3
Serena Lang	7/7	4/4	3/3	4/4	3/3
Earl Sibley	4/4	1/2*	2/2	2/2	1/2*
James Sykes	7/7		3/3		3/3

* Earl missed the July round of committee meetings due to a personal commitment that had been arranged before joining Henry Boot. He received the papers in advance and fed back comments to the respective Chairs for discussion in the meetings.

**Tim and Darren missed the March Responsible Business Committee meeting due to other business commitments.



The MBO of Henry Boot Construction was formally approved in September as well as the interim results. The Board met with senior leaders from Stonebridge Homes and approved the acquisition of land at Carlton. Recent feedback and insights from customers was debated.

SEPTEMBER

A two-day strategy session was held to review group strategy, future ways of working and the individual business strategies. External attendees delivered sessions to lead discussions on the economy, the property market and investor strategy.

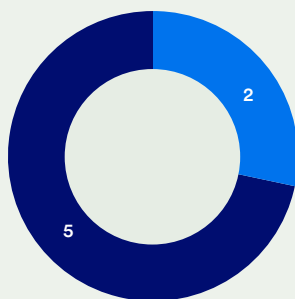
NOVEMBER

Changes to the ExCo and other senior leadership positions were agreed alongside a restructuring of the group functions. The People Director attended to share the employee engagement survey results and debate the trends and agree actions to address improvement areas.

DECEMBER

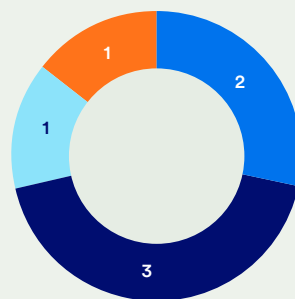
Board composition as at 31 December 2025

Gender diversity



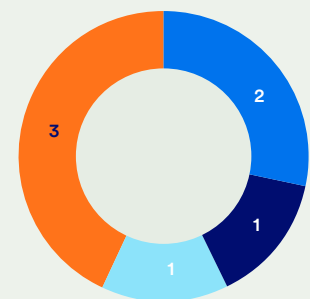
● Female
● Male

Independence



● Executive Directors
● Independent Non-executive Directors
● Non-Independent Non-executive Directors
● Chair

Board tenure



● 0-2 years
● 3-5 years
● 6-8 years
● 9+ years

Chair's corporate governance statement



“

The Board has driven significant strategic progress this year as we evolve the composition of the group. The MBO of Henry Boot Construction, the continued acquisition of Stonebridge and the end of the Road Link contract have resulted in a targeted shift towards our three core businesses.”

Peter Mawson
Chair

Following a competitive recruitment process, we welcomed Earl Sibley on 1 April as a Director and a member of our four committees. Earl's extensive housebuilding experience has already proved invaluable at a time when we are fully integrating Stonebridge Homes into the group. We said goodbye to Amy Stanbridge in December 2025 and welcomed Jaimie Read as our new Company Secretary. We thank Amy for her many years of service and excellent guidance.

Strategic progress

The Board has driven significant strategic progress this year as we evolve the composition of the group. The MBO of Henry Boot Construction, the continued acquisition of Stonebridge and the end of the Road Link contract have resulted in a targeted shift towards our three core businesses. To support the growth of these businesses, we have taken the opportunity through our Future Ways of Working initiative to reflect and debate on the right organisational structure of the group to deliver the next phase of our strategy. Through sessions at Board meetings and 1:1 interviews with the specialist change management lead, the Board has shaped the new structure to leverage skills across the group and encourage

working in a more dynamic and collaborative way, driven by business partnering and better use of data.

As an organisation with 140 years of history, we know that we need to keep evolving, modernise our processes and embrace technology.

Leadership changes

This year, the Nomination Committee and the Board have overseen several changes to our ExCo. Throughout the summer, the Nomination Committee led a recruitment process with our external recruitment partners for the new MD of Hallam Land after the long serving MD, Nick Duckworth, indicated he wished to step down. Nick leaves the group with our best wishes and the Hallam business in a very strong position. We were delighted to appoint an internal candidate, Iain MacSween, as his successor and a member of ExCo. You can read more about this on page 125.

Future Ways of Working also led to the creation of a new Chief Operating Officer role, a key position that sits on ExCo. Steve Stacey was appointed in December 2025 and leads the drive for efficiency, collaboration and alignment across the group. Ed Hutchinson, MD of HBD, is currently serving as interim MD of Stonebridge Homes whilst the

search is underway for a permanent successor. The Nomination Committee is overseeing this recruitment process and we will be able to share more details in next year's report.

Capital allocation

Activity in our core markets has been subdued against a backdrop of general economic uncertainty. This has narrowed our focus on the capital allocation strategy and resulted in the creation of a management-led Investment Committee, chaired by the CFO.

Over 2025, the Board sanctioned additional investment within Hallam Land to progress planning applications and approved key land acquisitions for Stonebridge Homes to strengthen its land bank to enable future delivery. We know our markets are cyclical and we believe this approach stands us in good stead for when the markets recover.

In 2026, the Investment Committee will evaluate investment opportunities against our strategy, assess risk and returns and review the responsible business implications. Major decisions are then recommended to the Board in line with our agreed authority limits.

Board development

We have increased the emphasis in recent months on how we can continually improve our effectiveness as directors. We have refreshed our agendas and papers to spend less time receiving operational updates from management and focus more on collaborating and having forward-looking, strategic conversations. We now reflect at the end of every meeting on what went well, and where improvements could be made in terms of preparation, the agenda and the debate. In 2026, we have commenced a programme of Board development work, held a session with PwC on cyber governance and will start to evolve our approach to strategy development; more of this to come in next year's report.

Engagement

The following section sets out our structure, governance processes and key activities undertaken by the Board and its committees during 2025. We welcome feedback from our stakeholders, and I would encourage you to get in touch with us on any governance matters.

I hope to see many of you at our AGM on 21 May 2026 which will be held at the same venue as last year: DoubleTree by Hilton Sheffield City, Bramall Lane, Sheffield S2 4SU. (see pages 236 to 239 for full details)

Peter Mawson
Chair

14 April 2026

UK Corporate Governance Code compliance

For 2025, the Company was subject to the 2024 UK Corporate Governance Code and the following report sets out how we have complied with the Principles.

Given our long history as a family business, and as a FTSE Small Cap company, we have adopted alternative solutions to the provisions where we believe this is appropriate. The Code recognises that good governance can be achieved by other means, and the Board believes the approach we have taken is the most appropriate for our company and shareholders, while remaining consistent with the spirit of the Code.

 You can read our full compliance statement on [page 121](#).

For information on how we have been preparing for compliance with Provision 29, see page 118.

Pictured: The Board meeting with the Group Employee Forum in September 2025.



Corporate governance report

Board activities in 2025: Enabling long term sustainable success

Strategy

- In November 2025, the Board set a 5-year strategy for the group and the individual businesses for 2026-2030. The Board invited ExCo and external experts to join some sessions to debate the market outlook, long term trends and the economy
- The strategy lays out the five-year strategic priorities which in turn are broken down into annual group and subsidiary corporate objectives
- The Board reviews progress against the annual corporate objectives at every Board meeting, focussing on any areas where improvement is required and corrective action may need to be taken
- The corporate objectives also flow down into ExCo members' objectives and then cascade down throughout the business so that every team member has personal objectives that are clearly linked to the strategy. We have found this helps motivate individuals to understand how their role plays a part in delivering success

 Read more on [page 27](#)

Link to Risk:

[1](#) [3](#) [10](#) [12](#) [14](#)

Responsible Business

- The forthcoming 2030 Responsible Business Strategy is intertwined with our commercial strategy in supporting the long term resilience and reputation of Henry Boot
- Done well, being a responsible business creates value and impact for our stakeholders by addressing key issues for our people and our partners
- Guided by our vision “to grow sustainably, creating transformational places and spaces for generations to come”, we understand that success is not just defined by financial gain
- The strategy sets out five priorities linked to our people, partners, planet and places, with specific targets underpinning them
- Delivery of this strategy should attract and retain talented people, build strong relationships with our partners, increase our ability to win work and create value for shareholders

 Read more on [page 129](#)

Link to Risk:

[2](#) [4](#) [7](#) [8](#)

Risk and Internal Control Framework

- The Board and Audit and Risk Committee review the group's principal and emerging risks twice a year and determine the appropriate risk appetite and tolerance levels
- In February 2025, the Board held a workshop to discuss a more strategic risk management process that resulted in an updated risk register and revised principal risks
- During 2025, internal controls across the group have been documented and mapped, ready for testing to be implemented during 2026 ahead of the director declaration in 2027
- The internal audit plan, agreed annually by the Audit and Risk Committee, reviews past and scheduled audits to ensure coverage of the principal risks
- On an operational level, any significant projects coming to the Board for approval must include information on the key risks and outline how the risks are to be mitigated

 Read more on [page 118](#)

Link to Risk:

[3](#) [5](#) [6](#) [13](#)

Culture

- The Board set the group's revised vision, purpose and values in 2024. The Board is proud of the Henry Boot culture and regularly references the company's values during discussions, considering the impact of its decision-making on key stakeholders
- During a period of significant change for the businesses, we have delivered our 'Leading Change' programme to grades 2 and 3 (those immediately below ExCo) to equip our senior leaders with the skills and mindset needed to manage through a period of transition
- The Board receives updates on the work of the Group Employee Forum at every meeting and meets with the forum in person at least once a year to gauge employee sentiment and seek feedback on certain topics
- Tim Roberts reports on H&S at every Board meeting. The Board has overseen a cultural shift in the attitude towards H&S for Banner Plant over recent years with increased training, reporting to the Board and site visits from Board members

 Read more on [page 108](#)

Link to Risk:

[4](#) [9](#) [11](#) [15](#)

Diversity

- One of the five key priorities of our forthcoming 2030 Responsible Business Strategy is to "recruit, retain and progress diverse talented people". We have set out goals we want to achieve by 2030 such as quantifying and reducing our ethnic pay gap and inclusive recruitment training for all hiring managers
- Our Board Diversity Policy sets out gender and ethnicity targets and procedures around recruitment practices which are monitored by the Nomination Committee
- Over the last four years (January 2022 to December 2025), female representation of the workforce has increased to 30%

 Read more on [page 126](#)

Link to Risk:

[2](#) [4](#) [7](#) [8](#)

Remuneration

- The Remuneration Policy is designed to motivate management over the long term and align their interests with shareholders. If the company does well, everyone benefits
- The Remuneration Committee is always cognisant of the wider business performance when making decisions and has reduced the FY25 annual bonus award for the CEO and CFO to reflect this
- During 2025, the Remuneration Committee oversaw a salary benchmarking review across all ExCo and workforce grades to ensure our packages remain attractive to new and existing talent
- The LTIP for Executive Directors and grades 1-4 includes targets on diversity and GHG emissions, as well as financial measures, to drive positive, sustainable behaviours
- Holdings periods apply to the annual bonus and LTIP schemes as well as post-employment holding requirements to align executives' with the longer-term interests of shareholders
- Work will begin on designing the new Remuneration Policy in the second half of 2026 and will include consultations with key stakeholders

 Read more on [page 134](#)

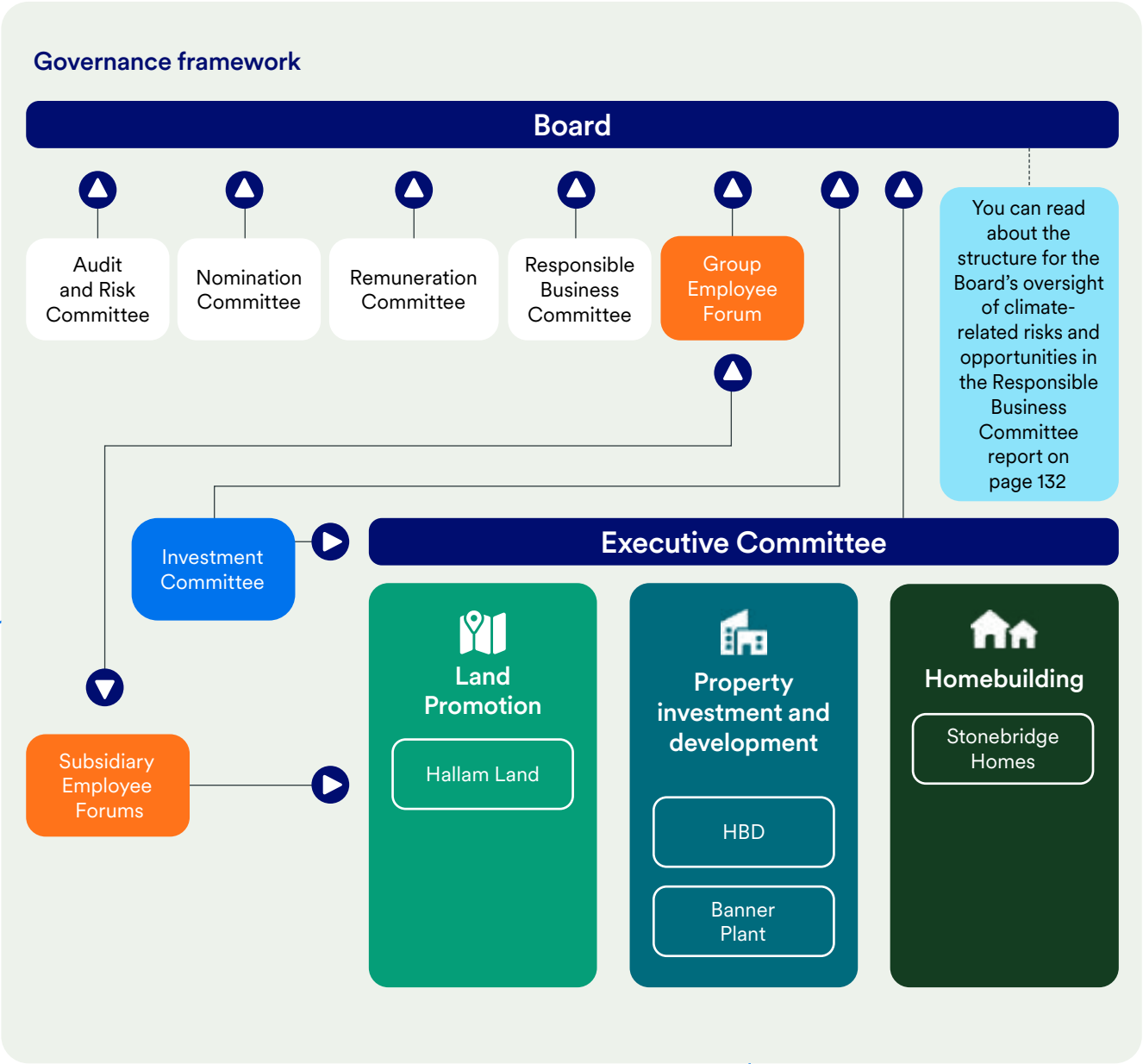
Link to Risk:

[7](#) [8](#)

Corporate governance report

continued

Division of responsibilities



Board Committee structure and responsibilities

Board responsibilities are clearly defined, set out in writing and are regularly reviewed. See page 92 for Director roles and biographies.

Key features	Responsibilities
Board	The Board maintains a formal schedule of matters reserved for its decision that cannot be delegated elsewhere (available to view on the website) - This schedule is reviewed at least annually and includes: - establishing long term strategy and objectives - overseeing culture and stakeholder engagement - approval of annual budgets, financial results and the dividend policy - approval of capital expenditure above an agreed amount - the determination and monitoring of the company's principal and emerging risks, and reviewing the effectiveness of the internal controls framework - When matters require Board approval, management is required to present a detailed paper that includes any input or feedback received from stakeholders, assessment of key risks and how the matter links to group strategy
Board committees	- Delegated authority from the Board to look after specific areas of responsibility - Each committee operates under its own written Terms of Reference, which are reviewed at least annually and are available on the website - Report to the Board and work alongside the other committees, e.g. the Responsible Business Committee works alongside the Audit and Risk Committee to fully consider the TCFD reporting requirements - Have access to external consultants where necessary - See each committee report for more detail on their work during the year
ExCo	Members are set out on pages 94 to 95. - The Board has reviewed and approved its updated Terms of Reference and delegated levels of authority - Meets at least ten times a year to debate strategic issues that affect the group, to collaborate and share best practice and make recommendations to the Board - Appointments to the ExCo are overseen by the Nomination Committee and the Board. Members of the ExCo attend the Board meetings regularly and are part of the Strategy Days
Investment Committee	- Established in 2025 as the group's principal forum for evaluating, approving, and monitoring investments, disposals and capital allocation decisions - Membership comprises the Chief Executive Officer, Chief Financial Officer, Managing Directors of Hallam Land, HBD and Stonebridge Homes together with the Head of Investment at HBD, Head of Strategy and Investor Relations and Head of Finance - The Committee ensures that investment activity remains aligned with the group's strategic objectives and governance standards - It meets fortnightly to assess the financial, commercial, legal, ESG and operational impacts of proposed investments - It reviews group-wide cash flow forecasts to ensure liquidity is effectively managed and emerging pressures are identified early - The Committee debates key investment topics, oversees the implementation of agreed initiatives and promotes best practices to enhance investment processes - It works closely with the PLC Board, ExCo, subsidiary boards and other committees to ensure that investment decisions are aligned across the group
Subsidiary boards	- Day-to-day operational management of the subsidiary companies sits with their respective boards and MDs - The CEO and CFO sit on all the principal subsidiary company boards - The MDs are invited to attend the Strategy Days and the Board meetings on a rotational basis to discuss business plans and strategy

Corporate governance report

continued

Board leadership and company purpose

The Board has a rolling 12-month forward business schedule, which is regularly reviewed to check there is appropriate balance across the year between strategy, risk, operations and governance. There are routine items included on every agenda such as a CEO Update and H&S Report, and one-off, topical items that need Board input or approval. The schedule ensures that all stakeholder groups are discussed throughout the year, and includes attendees such as senior leaders and the Group Employee Forum. In addition to the Board activities shown on page 100, listed below are some of the key priority areas for the Board in 2025.

Key areas of strategic focus for 2025

Area	What was reviewed and considered
Overseeing and reinforcing health and safety practices Stakeholders considered E S En Co Cu Link to strategy	The safety of our people is paramount particularly given the industries in which we operate. The Board monitors performance against industry standards and business specific KPIs. In 2025, we achieved our main group KPI (Accident Incident Rate) with the businesses hitting most of their respective targets too. H&S reporting is at the forefront of every Board agenda and the Chair, CEO and Non-executive Directors have visited many sites and depots during the year to understand the H&S culture and drive the right behaviours. In March 2025, the Head of Health and Safety discussed his annual H&S reports for each of the principal businesses and outlined his recommendations for improvement.
Approval of strategic projects Stakeholders considered E S Sh En Cu Co Link to strategy	2025 has been a year of strategic progress and the Board has overseen the continued acquisition of Stonebridge Homes and approved the MBO of Henry Boot Construction in line with our agreed strategy. You can read more about what they considered in relation to the MBO on page 88. Throughout the year, the Board also reviewed and approved major investment proposals which included land acquisitions for Stonebridge Homes at Kingston Village and Carlton, and monitoring progress of HBD's Golden Valley Development at Cheltenham.
Oversight of systems implementation Stakeholders considered E Cu S Link to strategy	During 2025, the Board has overseen and guided the launch of a Microsoft Dynamics 365 solution which has digitised many of the processes used in the land and development businesses. The system has modernised ways of working and is leading to much improved use and analysis of data to bring about smarter decision making. Having experienced other software and system implementations in recent years, the Board encouraged management to consider the cultural change that would be needed to ensure the software is a success. The Board has overseen the roll-out programme and training and will continue to monitor usage and sentiment to ensure it's properly embedded in to the business.

Group strategic priorities

Performance People Partners Places Planet

Stakeholders

E

 Employees

S

 Suppliers

Sh

 Shareholders

En

 Environment

Cu

 Customers

P

 Pensioners

Co

 Communities

Area	What was reviewed and considered
Managing the budget, gearing and financing Stakeholders considered Sh E Cu S Link to strategy 	In a challenging market and uncertain economic environment, the Board has dedicated more time during meetings to discussing cash flow, gearing levels and capital allocation. The budget was approved at the start of the year and financial updates discussed at every meeting. Project approvals have come under extra scrutiny with the Board reviewing cash flow requirements and the level of risk and mitigation involved. The Board approved an extension of the group's banking facilities in March 2025 and again in March 2026, increasing headroom over the going concern period. The Board will continue to monitor gearing levels to balance strategic investment while remaining prudent and maintaining a strong balance sheet.
Stakeholder engagement Stakeholders considered S Co E En Link to strategy   	In July, the Board spent time with our internal Community Investment Committee to understand their role and how they are prioritising funding to our partners and communities. The Board also met with BITC to discuss their place making programme and co-hosted an event in London with Crisis on how the property sector can help to engage with homelessness. We also held in person sessions with the GEF and discussed the results of the employee engagement survey results. The interactions and feedback gained from engaging with our stakeholders helped to understand their perspectives and were pivotal in shaping the next phase of our Responsible Business Strategy. You can read more about our Board Stakeholder Policy on page 85 and our Responsible Business Strategy on page 130.

Pictured: The Board visiting Crisis' London office in July 2025.



Corporate governance report

continued

Employee engagement

We measure company performance against our five strategic pillars, with one of those pillars being 'People'. People are the heart of our business and one of our core three values is 'Put people first'. As such, it's a key focus for the Board to ensure that employee views are heard and taken into account when making decisions. The Board has established two key methods of direct Board employee engagement, which demonstrate compliance with Provision 5 of the Code:

- a network of employee forums across the group; and
- a designated Non-executive Director to liaise with the Group Employee Forum.

You can read more about our people strategy and employee engagement on pages 35 to 39 and 106 to 107 respectively. In this section, we outline the ways in which the Board, in particular, engages with our people.

Employee forum

Our group and subsidiary employee forums, launched in 2019, have continued to meet to discuss a range of key issues during 2025. Hallam Land, HBD, Banner Plant and the Henry Boot group functions have their own Subsidiary Employee Forum (SEF) and the Chair of each SEF meets quarterly to form the Group Employee Forum (GEF). As part of the integration plan, we are reviewing the most appropriate way to include our colleagues at Stonebridge Homes as part of this network.

The group is constantly looking to develop and strengthen its approach to employee engagement, and recognises the employee forums as a pivotal route to hearing the voice of employees. The GEF and SEFs refresh their memberships over time and rotate their Chair, to ensure there is representation from across the group and to add

new voices to the discussions.

The Chair, as the designated Non-executive Director to the GEF, attends the meetings to facilitate two-way engagement. During the year, the Board has sought feedback on a number of issues and Peter Mawson has also fed back in Board meetings when problems or key themes have been raised.

The CEO and other senior leaders are invited to meetings to present on key initiatives and seek feedback on matters such as the brand relaunch, a revamped intranet and the introduction of key systems and policies. The GEF has worked with the marketing and communications team to ensure that the outcomes of their work and engagements are communicated more widely to the workforce.

Pictured: The Board meeting with the Group Employee Forum in September 2025.



Outcomes

A number of the key employee issues discussed the Board during 2025 are outlined below.

Consultation activities	Method and outline of engagement	How the Board responded and outcomes
GEF Role	The GEF meets formally with the Board at least once a year. In September 2025, GEF representatives met with the Board to present their priorities and reflections on how their role has developed.	The Board reviewed the GEF's priorities and agreed that their terms of reference needed adjusting, comms should be refreshed, and that future meetings should include attendance from the People/Responsible Business teams. The Board also asked that further work be completed during 2026 to maximise the forum's effectiveness and profile.
Site and workplace visits	The Chair and the CEO undertake regular visits to sites, offices and depot locations to engage more informally with employees and gauge sentiment and culture. The Non-executive Directors periodically attend sites and subsidiary board meetings to further their knowledge of operations and meet talent from all levels of the business. At least one Board meeting a year is scheduled to take place away from head office so that the Board can interact with colleagues from different regions.	Peter Mawson and Tim Roberts have undertaken a series of visits to the majority of the group's locations during 2025 to talk to colleagues they do not see on a regular basis to understand their successes and challenges. Most Board members have visited Stonebridge Homes' office or sites to welcome them to the group and to understand how the integration is progressing. Engagements such as these are important and help Directors to understand the on-the-ground culture and morale, and to know where to prioritise strategic oversight and leadership.
NED sponsor engagements	In 2024, the Responsible Business Committee members were allocated sponsorship roles aligned to the pillars of the integrated strategic framework. In fulfilling these positions, the sponsors liaised with employee working groups and external subject matter specialists to discuss key issues and reviewed how they could champion and support their respective focus area.	Key highlights of this engagement included: -Serena Lang, in her role as Planet Sponsor, attended and supported the Yorkshire Climate Action Coalition 5th anniversary dinner in Leeds. -Talita Ferreira, in her role as People Sponsor, routinely attended the EDI Working Group and sat on the review panel for the EDI Research Assistant's presentation of their report into practical actions Henry Boot could adopt to support long term diversity of the workforce.
Group-wide system implementations	The Board has gathered feedback anecdotally and through the GEF in relation to recent software implementations including the roll out of a new HR system during 2024.	Cognisant of this feedback, the Board requested that management prioritise the cultural change needed to successfully introduce group wide systems as well as the operational requirements. The Board shaped the training and cultural change programme, emphasising the need for proper embedding of systems, training and championing from managers and feedback loops.
Working Group Governance	The GEF discussed the effectiveness of working groups across the businesses, including overlaps, participation levels, and barriers to engagement. Representatives flagged the need for clearer reporting lines into ExCo and the Board, and raised these structural points as part of the September GEF-Board engagement.	As part of the Future Ways of Working programme, the Board approved a review into working-group governance during 2026 and endorsed the need for clearer governance structures and reduced duplication across working groups and forums. This work will continue into 2026 and we will provide an update on next year's report.
Branding and values embedding	In September, the Board asked the GEF for feedback on whether the refreshed branding and company values had been embedded across the businesses one year on. Follow-up discussions took place at the October GEF meeting where the representatives agreed a plan to collect structured feedback for the next Board cycle.	In early 2026, the GEF presented their findings back to the Board. Overall, the workforce had welcomed the refresh and found that the new branding supported to create a share group identity. It was felt that the values had been embedded and adopted. Some minor points about templates and inconsistencies were raised with the Executive Directors taking away actions to resolve some of these issues.

Corporate governance report

continued

Our culture

At Henry Boot, people are at the heart of our company. Our culture is shaped by our three core values: put people first; do the right thing; and be open to change. The Board has an important role to play in recognising the company's rich heritage but also driving our people to adapt and grow to continue delivering a positive impact for all our internal and external stakeholders. We are guided by our purpose in 'Creating great places today, to build a better tomorrow'.

Following the company's updated purpose, vision and values launched in 2024, the Board oversees how the culture is embedded throughout the business, taking action where standards are not met.

The Board's role in culture

	Action	Link to culture and effectiveness
Employee engagement survey	We carried out our annual engagement survey across all our businesses to understand how our people feel about all aspects of life at Henry Boot. You can read more about the survey on page 35.	The results provide quality insight into how people view working for the group. The questions cover a range of topics such as the integrity of leadership, company communications, relationships with managers and collaboration with peers. The survey is anonymous, which helps to facilitate honest feedback and uses a mixture of 1–10 scoring and open text answers, giving a rounded assessment into the culture. The engagement survey provides an important check-in for the Board to reflect on important issues affecting our people.
Purpose, vision, values and behaviour	The updated purpose, vision and values, approved by the Board, was launched to the business during 2024. Both Peter Mawson and Tim Roberts spoke at the internal launch event to set the tone and future direction for the group.	With input from internal and external stakeholders, the Board set the updated purpose, vision and values along with the new branding during 2024. This project also included establishing a behaviours framework, linked to our values, which clearly articulates how everyone should behave when at work or representing the company.
Leading change	The Board has overseen the Leading Change programme which takes the learning from the ExCo's development journey and shares it with those in Grades 2 and 3, to ensure a cohesive and aligned approach to leadership.	The Board and ExCo are keen to instil a growth mindset into our senior leaders, which encourages a learning and collaboration culture. In a world of constant change, we want to empower leaders to have the skills they need to tackle adversity and uncertainty, with a no-blame culture.
Whistle-blowing	The Board receives reports of any whistleblowing reports or calls. There were no such instances during 2025.	The Board monitors any matters reported to the whistleblowing helpline and is provided with updates at each stage of the investigation. Calls can be raised anonymously and, therefore, our people can be confident that any issues are reported without fear of consequences.
Health and safety	The Board receives progress on all health and safety KPIs at every Board meeting and updates are given on major and minor accidents.	Due to the industries we work in, attitudes to health and safety are particularly critical to ensure that our people and suppliers are kept safe. The Board retains an oversight of all trends and issues, intervening where necessary. Banner Plant missed some of its KPI targets the previous year and the Board focused on what could be done to improve the health and safety culture in the business and keep driving high standards.
Responsible Business Strategy	The Responsible Business Strategy, is set by the Responsible Business Committee and the Board and outlines our priorities for our people and stakeholders.	The strategy aims to embed responsible business practices in the DNA of the business at every level and measures success beyond commercial performance. This guides the culture of the business and encourages the workforce to perform in a way aligned to our values and our vision of growing sustainably.

Board's role in culture

Outcomes and addressing cultural issues

Assess Monitor Embed	The Board reviewed the survey results for 2025 which gave an eNPS score of +29, which is classed as 'very good' and was +15 higher than the average sector score in the same period. Most of the questions in the survey are repeated year-on-year, so that the Board can monitor trends. Our external partners help to digest the data, highlighting groups of people who score particularly low for certain topics so that the Board can explore solutions alongside the GEF and/or SEFs. Given the amount of change within the group over the last 12 months, the Board identified that ensuring people feel valued is a key priority.
Set Embed	The company purpose and vision allows each individual to understand how their role fits into the organisation and how they can contribute to the strategy. Alongside this, the behaviours framework guides conversations around performance and encourages managers to consider not only what people do, but how they do it when assessing performance and remuneration outcomes.
Set Embed	The Board has seen the Leading Change programme as a key engagement and communication driver in 2025 following the changes to the group businesses. During periods of change, it is critical to keep leaders informed, motivated and aligned with the group strategy. This cohort of leaders have been pivotal in relaying messages throughout the organisation and monitoring culture
Assess Monitor Embed	Fortunately, we do not receive many whistleblowing calls, but we take the ones we do have very seriously. Where claims have been raised and substantiated in the past, actions are put in place to address the issues, which have included training programmes for affected parts of the workforce on appropriate conduct and behaviours, as well as disciplinary procedures where necessary. Regular follow ups are provided to the Board so it can determine whether any more action needs to be taken.
Monitor Embed	Following on from some RIDDORs in 2024, the Banner Plant MD attended the Board in March 2025 to give an update on the new measures put in place to reinforce best practices and safety awareness. 2025 has seen standards improve and good behaviours being celebrated. The Chair and CEO have conducted routine visits to plant depots during the year, in addition to ad hoc visits from other Non-executive Directors. The site visits emphasise the importance of health and safety to our colleagues and encourage good behaviours. A safety checklist has been compiled so Directors feel confident they know what is expected at the sites.
Set Monitor Embed	The Responsible Business Strategy sets out priorities to prioritise our people's health and wellbeing, encourage diversity, reduce carbon emissions and support those at risk of homelessness. These goals have been set by taking feedback from the employee engagement survey results and engaging with our partners and communities about their priorities and how to drive positive change. You can read more about the strategy on page 130.

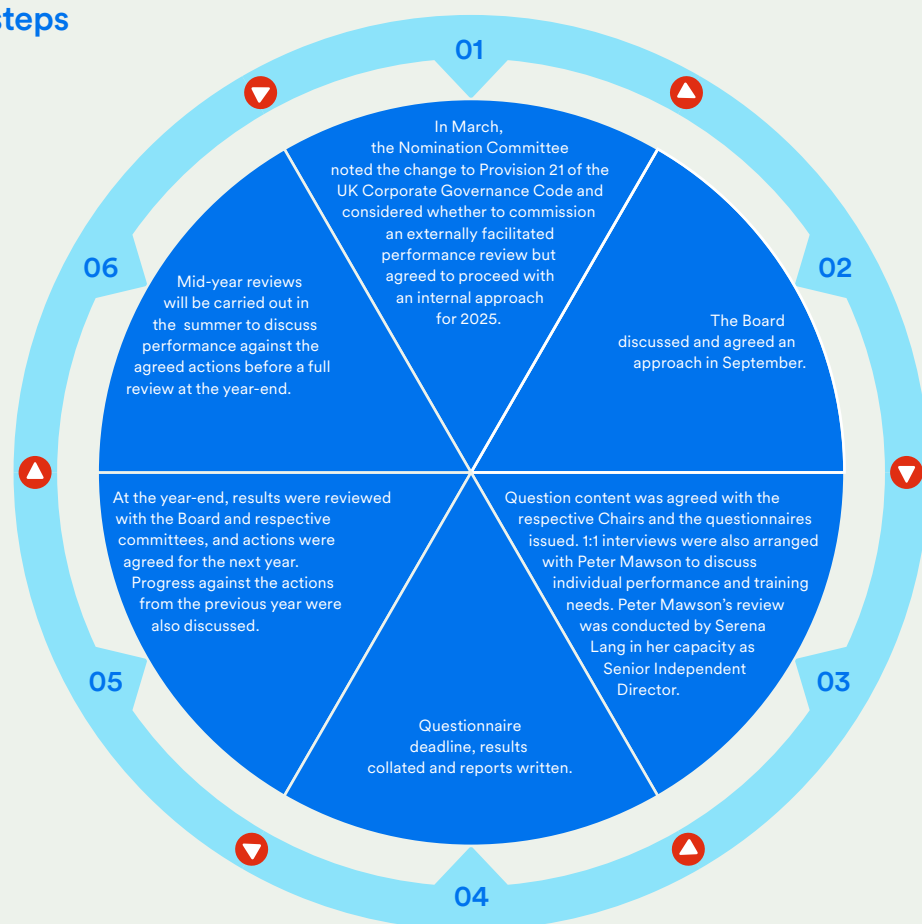
Composition, succession and evaluation

Board performance review

During 2025, a formal and rigorous internal performance review was undertaken by the Board, its committees, the Chair and each individual Director. This included structured questionnaires, 1:1s with the Chair and Senior Independent Director and confidential feedback from meeting attendees on preparation, participation and post-meeting follow-ups. These steps provided a robust assessment of effectiveness and informed ongoing development priorities. The process and results are set out below.

In line with Provision 21 of the UK Corporate Governance Code, the Nomination Committee considered whether to conduct an externally facilitated performance review for 2025. As was reported last year, the Committee is engaging with external providers in 2026 to develop Board dynamics and embed the new Board members and then plans to commission an externally facilitated performance review in 2027.

Process steps



Areas where the Board scored strongly:

- Collective responsibility for decision-making considering long term success.
- Consideration is given to the macro-economic landscape when setting the Company's strategy.
- Board attendees feel comfortable and welcomed to the meeting, with an open and collaborative environment.

Board focus areas:

- Introduce earlier and more regular debates on strategic issues throughout the year to enhance strategic co-creation.
- Develop the reporting and discussions on the customer.
- Review the Board agenda to maximise the areas where the Board can challenge and add value.

Board

2025 action areas		Progress in the year
Meeting experience Enhance the Board meeting experience for the Directors and attendees, by reviewing the agenda, upskilling presenters to maximise their time in the boardroom, and scheduling time to reflect on performance after every meeting.	• New templates were developed for MD reports, Matters Reserved for the Board papers, and general updates. • Upskilling sessions were held with regular presenters to improve focus, and maximise time in the boardroom. • Reflection time was scheduled at the end of every Board agenda.	
Board dynamics Undertake a Board dynamics exercise following the new NED arrival to understand how best to work together.	• An approach was agreed during 2025 and commenced in 2026. Since the start of the year, Directors have undertaken psychometric profiling assessments and the February 2026 Board meeting was observed.	
Strategy innovation Explore ways in which the strategy development process could be innovated, both at the Strategy Days and in regular Board meetings.	• The forward business schedule has been revamped to allow more time for strategic conversations. • Institute of Directors workshops were attended to redesign the approach to strategy for 2026. The Board and ExCo have agreed to implement a co-creation process to allow the Non-executive Directors to contribute to strategy at an earlier stage. • The format of the 2026 Strategy Days will evolve with more interactive sessions and breakouts.	
Action areas for 2026		
Customer Insight: Enhance the Board’s understanding of the group’s customers, with a particular focus on Stonebridge Homes.	Oversight of Stonebridge Homes: Monitor the integration of the business into the group, providing support and strategic direction so that it can deliver on its medium term growth ambitions.	Strategic focus: Reflect on the Board agendas and the strategy process to prioritise high-value discussions in the boardroom and facilitate more opportunities for strategic co-collaboration throughout the year.

Composition, succession and evaluation continued

Audit and Risk Committee

2025 action areas		Progress in the year	
Internal control framework Continue to review and define the internal control framework so that the Directors are comfortable attesting to the material controls' effectiveness.	• The internal controls of the subsidiary business and central functions were fully documented during H2 2025 with over 250 controls identified. • Testing of the material controls is planned for 2026. • The Committee oversaw the appointment of increased internal resource to support the new processes.		
Risk management Continue to embed a refreshed risk management approach and ensure appropriate visibility of outcomes.	• New principal risks were adopted and then embedded during the annual risk exercise. • A structured review of the risk management framework, including a workshop, was carried out.		
Internal audit Consider the best division of resources between internal and external in relation to the carrying out of internal audit activities, within the next 18 months.	• The review was completed, and it was agreed that a hybrid approach remains the most effective for the business, with external specialists to lead on the process and internal resource to support.		
Action areas for 2026			
Internal controls: Oversee the enhanced testing over the internal control framework over 2026 ahead of the 2027 director attestation.	Stonebridge Homes focus: Pay particular attention to strengthening the internal control and risk management framework as Stonebridge Homes further integrates into the group to bring it in line with group standards and processes.	Horizon scanning: Evolve the risk agenda items in February and July to include a more dynamic discussion on horizon scanning for emerging risks.	AI governance framework: Establish a framework for AI governance.

Nomination Committee

2025 action areas		Progress in the year	
ExCo succession Develop the succession plans and protocols for their broader dissemination and usage, for ExCo and below.	• The approach to talent management and succession planning has evolved during 2025. • Updated talent grids were presented to the Committee in September and gaps discussed. • Succession planning was aligned with wider organisational changes and people strategies. • Development plans are in place for succession candidates.		
Skills matrix Assess the skills needed for the future success of the group and review the current position of the Board and ExCo against them.	• An approach for an updated skills matrix based on the Institute of Directors' framework was agreed. • The information was collated in Q1 2026 and will be analysed. • The Nomination Committee confirmed that the skills, knowledge and experience of the Board and its committees were effective.		
Inclusive behaviours Create a framework for defining what inclusive behaviours are.	• The framework development was underway, and it was agreed to continue its development alongside a broader inclusive leadership development and BITC follow-up session in 2026.		
Action areas for 2026			
Succession planning: Strengthen internal pipelines by developing individual development plans for key executive roles and completing the remaining work for Stonebridge Homes and other priority areas.	Board development: Undertake the planned development programme for 2026, focusing on self-discovery and team dynamics to deliver a high performing Board which adds strategic value.	Upskilling Directors: Deliver targeted sessions and information to increase Board knowledge in areas identified as requiring development.	Inclusive behaviours: Create a framework for defining what inclusive behaviours are.

Composition, succession and evaluation continued

Remuneration Committee

2025 action areas	Progress in the year	
Reward Strategy Review the Reward Strategy and principles set in 2022 remain appropriate.	• The Reward Strategy was reviewed as part of the wider 2025 benchmarking process and the principles remained true to the organisational values. • The workforce bonus framework will be reviewed during 2026 along with the alignment of Stonebridge Homes’ reward structure.	
Workforce benchmarking Oversee the benchmarking exercise across the workforce grades during 2025.	• A comprehensive benchmarking review was conducted in 2025 using external consultants and sector-specific market data. Updates were provided to the Committee in September and December ahead of 2026 implementation. • Only one workforce grade required adjustment, confirming overall continued alignment with market benchmarks.	
Board and ExCo benchmarking Undertake a benchmarking review of salaries / fees for all ExCo members, the Chair and Non-executive Directors during 2025 to apply from 1 January 2026.	• Korn Ferry benchmarked data for ExCo roles, the Chair, and Non-executive Directors was reviewed in September. • An updated salary and fee proposal was agreed in December, including the new ExCo roles and the Company Secretary. • A consistent pay-setting principle was adopted recognising current market conditions.	
Action areas for 2026		
Remuneration policy: Work with advisers to understand current best practice and market expectation ahead of the next policy review. Explore alternative approaches to executive remuneration to align shareholder interests while motivating management.	Stakeholder engagement: Engage with stakeholders including key shareholders and the workforce to shape the new Remuneration Policy for approval at the 2027 AGM.	Stonebridge Homes: Oversee and guide the alignment of the Stonebridge Homes workforce reward with the group’s workforce Reward Strategy, balancing the desire for full integration with commerciality.

Responsible Business Committee

2025 action areas		Progress in the year	
Responsible Business Strategy Support the development of the Responsible Business Strategy, including providing advice on benchmarking against peers, best market practice, and oversight of the development of the climate transition plan and climate scenario analysis.	• Strategy workshops and engagement sessions, including a materiality workshop. • The Committee provided guidance on material issues, stakeholder consultation and strategic direction. • Phase 3 of the strategy development was thoroughly reviewed against best practice and internal and external stakeholder feedback. • Climate-related priorities and the need for targets and alignment between the Responsible Business Strategy, commercial practicality and resource availability was discussed.		
Data assurance Embed an assurance process for Responsible Business data in alignment with the Audit and Risk Committee.	• It was agreed that data would be subject to an internal audit and verification process in conjunction with the Audit and Risk Committee.		
Profile awareness Support the business to raise profile around responsible business practice and non-financial performance.	• The Committee supported the collaboration between the internal marketing and communications team and external communications agency, to raise the group’s responsible business profile. • A video from Serena Lang was featured in the internal communications newsletter.		
Action areas for 2026			
Pilot a business unit initiative: Introduce a pilot within a selected business unit to test a practical, operational approach to embedding responsible business principles. The pilot will focus on strengthening leadership ownership, demonstrating commercial benefits, and establishing clearer accountability. Learning from the pilot will inform a group wide framework.	Sharpen focus: Refine and reduce the number of responsible business priorities and KPIs to concentrate on a smaller set of high impact areas. This will support clearer progress, more meaningful outcomes, and better alignment across business units.	Embedding ESG: Improve the quality and consistency of ESG, community engagement, and sustainability considerations across all significant Board and Committee papers. This includes clearer requirements for authors to set out ESG impacts, associated risks, and potential commercial benefits.	Technical capability and confidence: Provide targeted briefings or development sessions for Committee members on technically complex ESG areas to support a consistent baseline understanding and increased confidence.

Audit and Risk Committee report



“

2025 was a pivotal year in strengthening the group's governance foundations. The Committee dedicated time to formalising the internal controls framework in preparation for Provision 29 of the UK Corporate Governance Code coming into force.”

Talita Ferreira

Chair of the Audit and Risk Committee

Other Committee members:

Serena Lang

Earl Sibley (from 1 April 2025)

Talita is a fellow of the Institute of Chartered Accounts for England and Wales and has recent and relevant financial experience. The Committee as a whole has competence relevant to the property development and housebuilding sectors.

2025 Key achievements:

- Defined new principal risks and embedded the revised risk management processes
- Mapped out our internal control framework including identifying over 250 internal controls
- Overseen improvements to the year end audit processes for Stonebridge Homes
- Reviewed and approved the FY25 Results including a thorough going concern assessment

Areas of focus in 2026:

- Provision 29 preparation and overseeing testing of the internal control framework
- Overseeing the continuing integration and governance of Stonebridge Homes
- Developing an AI governance framework
- Development of the Business Continuity Plan and IT Disaster Recovery Plans

Review of the year

On behalf of the Board and the Audit and Risk Committee (the Committee), I am pleased to present the Directors' Audit and Risk Committee Report for the year ended 31 December 2025.

2025 was a pivotal year in strengthening the group's governance foundations. The Committee dedicated time to formalising the internal controls framework in preparation for Provision 29 of the UK Corporate Governance Code (the Code) coming into force. We have overseen increased assurance over the integration of Stonebridge Homes, monitoring data quality

and resource, and enhancing audit readiness through early-cycle work.

Four meetings were held across the year addressing the integrity of our financial results alongside our external auditor, EY, and agreeing and monitoring delivery of the internal audit plan with our internal auditor, KPMG. Other topics included risk oversight, business continuity planning and cyber resilience.

Those serving as members of the Committee were myself and Serena Lang, with Earl Sibley joining us from 1 April 2025.

Internal audit

Given the size of the group and extent of the internal audit activities required, the Committee considers that an externally appointed internal auditor is appropriate. This provides independence to the internal audit activities, as well as ensuring that any required areas of specialism and knowledge of audit processes can be provided. The Committee considers a range of potential audit areas including those linked to the company's principal risks, routine financial and operational processes and specific requests from the Committee to determine which audits to prioritise in any given year.

From early 2022 onwards, our internal audit partner has been KPMG LLP (KPMG). During 2025, internal audit reviews carried out by KPMG included:

Topic	Outline
IT General Controls	This audit assessed the design and maturity of the group's IT General Controls, recognising the Board's increasing responsibility under the Code to assure the effectiveness of material controls. The review examined IT operations, access to programmes and data, and change management programmes in place, with additional high level assessment of Stonebridge Homes to support its integration into the wider group environment. The audit found that the IT service has continued to mature, supported by the formalisation of policies, introduction of an IT Service Desk and improvements to security process and threat detection. Four medium or low risk findings were identified relating primarily to gaps in policy documentation, incomplete incident management playbooks, limited trend analysis of service desk data and the absence of periodic physical access reviews. Management has acknowledged these findings and is taking action to strengthen the controls, improve resilience, and ensure consistent alignment between the group and Stonebridge Homes environments.
Joint Ventures	This audit was undertaken in response to the increasing strategic use of JVs and their link to the group's principal risk relating to potential subsidiary underperformance. The audit assessed the governance, risk management, oversight and operational controls applied throughout the JV lifecycle, supported by interviews, document review and testing across four live JVs: Origin, Rainham, Island and MVNE. The review found that while processes were generally effective, improvements were required to strengthen consistency and reduce risk. Two medium rated and two low rated findings were identified, including the need to standardise due diligence procedures, formalise JV checklists, clarify stakeholder roles and responsibilities, and develop standardised contractual clauses. Management demonstrated good awareness of these issues and has committed actions which will enhance the end to end JV process, improve coordination between group and HBD teams, and embed lessons learned from recent JV activity.
Business Continuity Planning (BCP)	A group wide internal audit was undertaken to assess the design and maturity of Henry Boot's BCP and Disaster Recovery Plan. The audit was commissioned due to the criticality of these frameworks to the group's operational resilience and the link to the principal risk of a major business continuity incident. The review covered business continuity, disaster recovery arrangements and supporting policies across all business units, including Stonebridge Homes. It identified two medium rated findings, concluding that while the BCP has been finalised, some elements – such as KPIs, testing requirements, governance documentation and Business Impact Assessments – require further development. Management demonstrated good awareness of the issues and has plans in place to make improvements and continue testing during 2026.
Follow-up action tracking	Twice a year, KPMG independently assesses the previously agreed internal audit actions to allow the Committee to understand the level of progress made and provide comfort that recommendations had been followed through. Where any deadlines had been extended, KPMG reviewed whether there was a clear rationale for doing so. The tracker document sits as a regular item on the Committee's agenda so progress can be monitored.

Audit and Risk Committee report continued

Risk management and internal control framework

After substantial developments during 2024 to review and calibrate the group's risk assessment and management reporting processes, the Board held a dedicated session in February 2025 to debate the updated principal risks and the associated risk heat map and to set priorities for the year ahead. The new and emerging risks were also discussed in the Committee meeting that followed and some minor changes agreed to the group's internal risk appetite. Details of the key risks that the group faces, the key controls in place to manage and mitigate those risks, and the enhanced system of risk management adopted by the company is shown on pages 57 to 64.

The February session also dedicated time to reflect on the current status of the group's internal control framework and the assurance roadmap ahead to deliver the director attestation for 31 December 2026. Throughout 2025, the Committee noted progress at every meeting, included a full mapping of over 250 internal controls across the businesses and group departments. This had resulted in a more refined list which the Committee debated and then agreed upon a final list of material controls. A formal testing plan is being put in place for 2026 which will include the material controls and will provide robust evidence and assurances to the Board to support the director attestation. The Committee oversaw the appointment of a new, internal Risk and Compliance Officer who will provide additional resource to support this process.

Cybersecurity and AI

Cybersecurity is one of the group's key risks (see loss of critical systems/ data risk on page 61) and continues to be an area of focus for the Committee. Its position on the heat map was discussed and elevated given the increasing threat of cyber attacks. In February 2026, a session was held with the Committee, the IT senior leadership team and external consultants, PwC, on cyber resilience

and readiness, and the Board's role in cyber governance and oversight. It was a productive session which prompted much debate and identified a key list of actions for management and the Committee to progress this year. We will provide updates in next year's report.

The group has not been subject to an information security breach within the past three years (the last incident having occurred in 2018), and is accredited by Cyber Essentials (IASME), an externally audited certification recognised within the security industry. We have cyber insurance in place to mitigate financial losses and liabilities resulting from potential cyberattacks, data breaches or other cybersecurity incidents.

The group mitigates these risks in other ways too, through the annual provision of detailed security e-learning, supplemented by an AI-powered human risk management platform. This AI-powered platform combines personalised, scalable training with gamification to engage our people and change behaviours by focusing on real world threats and measurable risk reduction. Where training is not passed successfully, we carry out additional, targeted training, which sits alongside our suite of information security policies and protocols, which have been recently updated in line with ISO27001 recommendations.

National Cyber Security Centre (NCSC) and Centre for Internet Security (CIS) frameworks are also now being followed as part of our cyber strategy to ensure that the measures we have are in line with best practice, and any investment in future technologies is focused on where we can add the most value and improve our security posture.

Following the recommendations of KPMG during the 2022 internal audit, the group has put additional measures in place, including: USB disablement; multi-factor authentication for all of our people and cloud systems; procurement of new back-up technologies; and data migrated from

on premise to cloud storage to help visibility and cleansing exercises.

The Committee is also keenly monitoring the group's approach to the adoption of AI, noting the crossovers between this and data hygiene, as well as data security and cybersecurity issues. One of the Committee actions arising out of the performance review for 2026 is to establish an AI governance framework which we hope to progress over the year.

Internal audit effectiveness review

The Committee undertook a performance review of the internal auditor's effectiveness at the July 2025 meeting. The review consisted of questionnaires with each of the Committee members and the sponsors and main contacts for each of the audits in that period. Under review was their scope, expertise and resource, responsiveness, clarity of reporting and communication, value for money and access to the Committee. KPMG scored highly in most areas with positive comments noted on their professionalism and no major concerns identified. The results were shared with the internal auditor and feedback taken on board. The Committee is satisfied that the internal auditor is performing to a high standard and adds value to the business.

External audit effectiveness review

The Committee also oversaw a full review of the effectiveness of the external auditor in July 2025, which collated feedback from the Committee, finance teams, subsidiary MDs and other key stakeholders within the group on the 2024 full year audit. A detailed questionnaire sought views on the external auditor's understanding of the business, engagement levels of senior audit staff, how risks are assessed, working relationships, constructive challenge, audit planning and hitting deadlines.

 See more details on our principal risks and how we manage them on [page 57](#)

The survey results were very positive and concluded that EY conducted a thorough and comprehensive audit. Strong scores were received in relation to the audit plan identifying and addressing areas of higher risk and the open lines of communication with the Committee. Feedback and suggestions for enhancements to the process for the 2025 audit were discussed in a debrief meeting. The Committee is confident that there are no concerns that impact the quality of audit work or audit opinion.

Independence of the external auditor

In order to ensure the independence of the external auditor, the Committee monitors the non-audit services provided by EY to the group, and has adopted a policy on the provision of non-audit services by the external auditor with the objective that such services do not compromise the independence or objectivity of the external auditor. Our External Auditor Independence Policy was developed to supplement our approach on external auditor independence, and is reviewed annually in line with FRC and Code guidance.

The Committee is required to approve services provided by the external auditor in excess of £25,000. All other services below this threshold are also monitored to ensure that

the performance of regulatory requirements is not impaired by the provision of permissible non-audit services. EY did not provide any non-audit services to the group during the year. Details of amounts paid to the auditor for audit services are set out in note 3 to the Financial Statements.

In accordance with best practice, the company requires its external audit partner to rotate every five years. After five years with Victoria Venning, we welcomed Paul Copland as the statutory auditor signing the 2025 Audit Report. EY has been the group's auditor for five previous financial years, having been appointed in February 2020 after a competitive tendering exercise, and the first full financial year of their audit services being 2020.

The Committee members meet with the audit partner and other members of the audit team without management present to discuss any potential areas of concern. There are no issues to report in relation to this. The Committee also reviews a letter from the external auditor on an annual basis outlining the measures taken to ensure that its independence is not compromised from their side. The Committee reviews the safeguards and policies in place to maintain a high level of objectivity.

Following a review of all these elements, the Committee is satisfied that the independence and objectivity of the external auditor is not impaired and that the amount of non-audit fees is at a level that does not compromise the overall quality and rigour of the work undertaken.

Extent to which external auditor challenged management

Following discussions earlier in the year, a letter from EY to Stonebridge Homes was shared with the Committee in July 2025 which outlined some areas for observation that EY had identified during Stonebridge Homes's FY24 audit. This included a number of reconciliation processes and implementation issues with new accounting software. The Committee reviewed EY's observation and stressed to management the importance of these issues being addressed ahead of the FY25 audit. The Committee has received updates on remedial actions, all of which will be closed by the end of this audit cycle.

The external auditor has provided robust challenge in other areas across the year, particularly around revenue recognition, property valuations, maturity of borrowings, house building inventories, contract balances as well as going concern and viability.

Significant issues

The Committee considered the following key accounting issues and matters of judgement in relation to the group's Financial Statements and disclosures. In addition to these disclosures, the Independent Auditor's Report on pages 162 to 169 discusses other key audit matters, which were also considered by the Committee.

Focus	Matters considered	Committee outcome
Valuation of investment properties	The investment property portfolio accounts for a large proportion of the group assets and the assessment is subject to a degree of judgement and assumptions. In line with our accounting policy, completed investment properties are held at fair value. Other than houses, the portfolio is valued twice a year by external, independent valuers. Assets under construction are valued by management at fair value using the residual method.	The Committee critically reviewed the valuations and any key movements during the year. Having discussed the valuations during the meeting and considered EY's independent valuations, the Committee was comfortable with the values adopted.

Audit and Risk Committee

report continued

Focus	Matters considered	Committee outcome
Valuation of housebuilder inventories and profit recognition	Inventories are stated at the lower of cost and net realisable value. Inventories comprise all the direct costs incurred in bringing the individual inventories to their present state at the reporting date, less the value of any impairment losses. Net realisable value of inventories is determined by reference to expected future sales, value, and costs to complete assumptions, which are subject to estimation.	During the year, the Committee has overseen resource changes in the Stonebridge Homes' finance team and instigated a programme to strengthen controls in response to EY's observations from the FY24 audit. Following discussions with EY on the improved internal processes and EY's thorough testing programme, the Committee was satisfied that the carrying values are appropriate.
Valuation of contract balances and associated revenue and profit recognition	As explained more fully in our accounting policy on construction contracts on page 177, a significant element of turnover is attributable to construction contracts. Contract costs and revenues may be affected by a number of uncertainties that are dependent on the outcome of future events and, therefore, estimates may need to be revised as events unfold and uncertainties are resolved.	During the year, the Committee examined the judgements and methodologies applied to uncertainties, reviewed the sensitivity analysis around the future costs on construction contracts and agreed that the valuation of contract balances and associated revenue are not materially misstated.

The Committee was made aware of an observation to present the group's main borrowing facility as a non-current liability in accordance with IAS 1 Presentation of Financial Statements. Previously, these borrowings had been stated as current liabilities based on contractual maturity but a review had suggested they should be presented as non-current as, at the reporting date, the group had the right to defer settlement of the liability for at least twelve months after the reporting date. The Committee, along with management, supported this observation and agreed to restate comparative information from the prior year. The definitions of capital

employed and ROCE have also been revised to make the adjustments clear.

The group has prepared the consolidated Financial Statements in accordance with UK-adopted International Accounting Standards. They have been prepared on the historical cost basis, except for financial instruments, investment properties and group-occupied land and buildings, which are measured at fair value.

The Committee is satisfied that this basis of preparation is appropriate given the nature of the group and its activities.

Tax arrangements

The Committee also reviewed the group's tax strategy and arrangements during the year. Deloitte provided the corporation taxation services for the year ended 31 December 2025.

Terms of Reference

In early 2025, the Committee reviewed its Terms of Reference in line with the scope of its operations, and the requirements of the Code, to ensure that they remained appropriate and, in particular, that they complied with the requirements of the FRC's Audit Committees and the External Audit: Minimum Standard. The updated Terms of Reference are available on the company's website.

Approved by the Board and signed on its behalf by

Talita Ferreira

Chair of the Audit and Risk Committee

14 April 2026

Corporate governance statement

Compliance statement

During 2025, the company has been subject to compliance with the 2024 UK Corporate Governance Code (the Code).

Principles

The company has complied with all the principles of the Code for the year ended 31 December 2025. Details on how we have applied the principles in a way that feels authentic for Henry Boot are demonstrated throughout the Annual Report, particularly in the sections shown below.

1 Board leadership and company purpose

A	Long term sustainable success	Pages 92–93, 98–101, 85–89, 27–32, 20–21
B	Purpose, values, strategy and culture	Pages 02–03, 27–32, 108–109
C	Governance reporting	Pages 100–101, 104–105, 122
D	Stakeholder engagement	Pages 85–89, 106–107
E	Workforce policies and practices	Pages 35–39, 108

2 Division of responsibilities

F	Chair role	Pages 92, 98–99, 125
G	Independence	Pages 92–93, 128, 102–103
H	Non-executive Directors	Pages 92–93, 128
I	Processes and resources	Page 128

3 Composition, succession and evaluation

J	Succession planning and appointments	Pages 124–128
K	Skills, experience and knowledge	Pages 92–93, 97, 128
L	Annual evaluation	Pages 110–115, 128

4 Audit, risk and internal control

M	Internal and external audit	Pages 116–120, 57–58
N	Fair, balanced and understandable assessment	Pages 16–89, 159
O	Risk management and internal control framework	Pages 57–64, 116–120

5 Remuneration

P	Link to long term strategy and values	Pages 134–151 2023 Annual Report pages 123–130
Q	Remuneration Policy	Pages 139–140 2023 Annual Report pages 123–130
R	Independent judgement and discretion	Pages 134, 141–151

Corporate governance statement continued

Provisions

As in previous years, there are some instances where the company has chosen to take advantage of the flexibility offered with the 'comply or explain' rule when applying certain provisions.

Given our 140-year history as a family business and as a FTSE SmallCap company, we have adopted alternative

solutions to the provisions where we believe this is appropriate. The Code recognises that good governance can be achieved by other means and the Board believes the approach we have taken is the most appropriate for the company and its shareholders while remaining consistent with the spirit of the Code. Set out below are some provisions where we have deviated from the Code.

Provision	Commentary	Timeframe to compliance
11	As described in last year's Nomination Committee Report on page 123, the Board's intention was to recruit a new independent Non-executive Director in summer 2024, when Joanne Lake and Gerald Jennings stepped down from the Board having served for nine years. The initial recruitment process took a pivot to focus on candidates with housebuilding experience in light of the Stonebridge Homes acquisition. This resulted in a new independent Non-executive Director, Earl Sibley, only joining from 1 April 2025. For 2025, during the period between 1 January to 31 March, excluding the Chair, there were three non-independent and only two independent Board members, however this has now been rectified.	Resolved 1 April 2026.
17	Due to the reasons mentioned above, between 1 January and 31 March 2025, there were two independent and two non-independent Nomination Committee members. A majority of independent Non-executive Directors was restored when Earl Sibley joined the Committee.	Resolved 1 April 2026.
19	Peter Mawson reached his nine-year tenure as Chair on 1 October 2024. He was an existing Non-executive Director when appointed and, as previously disclosed, we expect that Peter will remain as Chair to oversee the integration of Stonebridge Homes to provide consistency over this period. The Board has determined that Peter remains an excellent Chair, who demonstrates objective judgement and adds significant value to the company.	Chair recruitment expected to commence within the next four years.
20	As previously explained, an external search consultancy was not used for the appointment of Peter Mawson as Chair. The Board's preference at the time was to appoint one of its existing independent Non-executive Directors into the role to ensure consistency after a period where the last Chair, a Boot family member, served on the Board for almost 37 years. External recruitment agencies have been used for all other recent appointments. The method of recruitment for the next Chair is still to be determined.	Executive Director and Non-executive Director roles are compliant. The method for the next Chair appointment is still TBC.

Provision	Commentary	Timeframe to compliance
21	As a FTSE SmallCap company, the Chair should now commission a regularly externally facilitated board performance review - this is not something we have done recently. In 2026, the Board is undergoing a development programme with support from external providers (see more on page 125). We expect to undertake an externally facilitated review in 2027 when the most recent Non-executive Directors are more embedded and the Board has benefited from the development work over 2026.	31 December 2027.
29	Provision 29 which relates to the enhanced risk management and internal control framework applies from 1 January 2026 and therefore we are not reporting on this for the 2025 financial year but will do so in next year's report.	The 2026 financial year.
32	Peter Mawson, who was independent on appointment but is now deemed non-independent, remained as a Remuneration Committee member until Earl Sibley joined on 1 April 2025. Therefore, during 1 January to 31 March 2025, we were not compliant with this provision.	Resolved 1 April 2026.

DTR 7.2.8A

The Board's Diversity Policy, including its objectives, how these have been implemented and the results is reported on pages 126 to 127.

20% vote against – AGM

At the AGM in 2025, no resolution proposed received more than 20% of the vote against it.

Approved by the Board and signed on its behalf by

Jaimie Read

Company Secretary

14 April 2026

Nomination Committee report



“

Our ongoing conversations on Board and ExCo succession over recent years enabled the Committee to make considered and informed decisions on the skills and experience required to support the group's future strategy.”

Peter Mawson
Chair of the Nomination Committee

Other Committee members:

Talita Ferreira
Serena Lang
Earl Sibley (from 1 April 2025)
James Sykes

2025 Key achievements:

- Approved the appointment of Non-executive Director, Earl Sibley
- Approved a host of executive appointments including a new MD for Hallam Land, the creation of a COO role and a new Company Secretary
- Oversaw a refreshed approach to executive succession planning and talent management
- Agreed a programme of Board development for 2026

Areas of focus in 2026:

- Strengthen development plans for key individuals in executive succession planning
- Oversee a campaign to update employee personal data to support compliance with forthcoming legislation and to support monitoring of diversity targets
- Prepare for external performance review in 2027
- Undertake Board development programme

Review of the year

The Nomination Committee (the Committee) met three times during 2025 and oversaw a variety of matters. This included the appointment of a new Non-executive Director, a new MD for Hallam Land and various ExCo and senior leadership changes as a result of our Future Ways of Working programme. Our ongoing conversations on Board and ExCo succession over recent years enabled the Committee to make considered and informed decisions on the skills and experience required to support the group's future strategy.

Diversity remains a key priority, and we continue to undertake recruitment processes with our Board Diversity Policy targets in mind. Our forthcoming Responsible Business Strategy outlines key diversity targets and initiatives that we want to achieve by 2030 to encourage a more diverse workforce and leadership team.

During the year, we spent time discussing Board development and agreeing an approach for 2026 which aims to drive high performance and maximise value added in the boardroom. Linked to this, we considered ExCo development and

how the two initiatives should complement each other.

More details of 2025's activity can be found below. Those serving as members of the Committee for the year were myself, Talita Ferreira, Serena Lang and James Sykes with Earl Sibley joining us from 1 April 2025.

On behalf of the Board and the Committee, I am pleased to present the Directors' Nomination Committee Report for the year ended 31 December 2025.

Non-executive Director appointment

For our latest Non-executive Director appointment, we engaged an external recruitment partner, Warren Partners, to lead the process. Recruitment activity commenced in H1 2024; however, during this initial search, the Committee took the decision to pivot its focus on candidates with volume housebuilder expertise in light of the developing acquisition of Stonebridge Homes. Warren Partners were briefed on our requirements and asked to act in line with our Board Diversity Policy (shown on pages 126 to 127). A range of candidates from diverse backgrounds was present on the long list and interview stages. The Board will continue to pursue making progress on its diversity targets during future appointment processes.

The recruitment exercise concluded in Q1 2025 with Earl joining the Board from 1 April 2025. Earl has added significant value to our group over the past twelve months.

Board and Chair succession

The Committee reviewed Board succession plans for each director, taking into account their respective lengths of service amongst other matters. Hypothetical scenarios were discussed to ensure the Committee is proactively considering possible future requirements.

The Committee is fully supportive that I remain as Chair past the nine-year tenure period, which I reached in October 2024. As reported in previous years, it is not yet known exactly how long this will continue for, but it is envisaged that I will remain in post until the conclusion of the Stonebridge Homes acquisition in 2030. This is to ensure consistency of approach and oversight of the integration into the wider portfolio of businesses. We will agree nearer the time whether the successor will be chosen from the existing group of Non-executive Directors or whether an external recruitment exercise will be commissioned.

ExCo Succession and Future Ways of Working (FWoW)

Over the summer, we undertook a search process in partnership with external recruiters, Page Executive, to appoint a new MD for Hallam Land. Page Executive undertook a full

market mapping exercise to identify possible candidates externally, to be considered alongside a number of internal candidates. Following a thorough assessment and interview process, Iain MacSween was recommended by the Committee for the MD role and to become a key member of ExCo. The Committee was encouraged by the strong pool of internal and external candidates which included male and female representation.

In September, the Committee considered a revised and more sophisticated approach to talent management and succession planning for ExCo members. The Committee discussed where gaps had been identified, how to mitigate risks and development plans for key individuals. EDI initiatives to encourage more diverse representation throughout the business are discussed in connection with the Responsible Business Committee who establish goals and processes to drive progress through the Responsible Business Strategy.

In response to the changing composition of the group, the FWoW programme was established to strengthen our agility, resilience and responsiveness whilst efficiently managing the cost base and improving the sharing of expertise and resources between Henry Boot's businesses. This led to changes within ExCo and the group functions which were discussed and approved by the Nomination Committee, based on the knowledge of the individuals and the skills and expertise that would be required to support the next phase of the group strategy.

Board Development and Skills Matrix

In December 2025, the Committee discussed a programme of Board development work and agreed the scope, goals, timeline and external providers. Having welcomed three new Non-executive Directors in recent years, the development is designed to drive high performance, facilitate group effectiveness and deliver "value add" to boardroom decisions. Diagnostic assessments have already been carried out in early 2026, along with a Board observation at the February meeting, with the intention of increasing self-awareness and exploring group level dynamics.

Further sessions are planned for the rest of the year to discuss the results and embed the development. Some sessions will also involve ExCo who have been on a similar development journey through a specialised programme. Both programmes will align thought leadership, language and principles to support the business to deliver its strategic aims. It is expected that an externally facilitated performance review will follow during 2027.

The Committee has also recently approved an updated skills matrix assessment which is based on the Institute of Directors' framework. The results are currently being gathered and monitored and will be shared in next year's report. The Chair and the Committee will address any areas for improvement through an upskilling programme with targeted sessions, information and support.

Board Diversity Policy

The Committee reviewed the Board Diversity Policy in September, which is aligned to the recommendations of the Hampton-Alexander Review regarding gender diversity on boards, and the Parker Review on ethnic minority board representation, as well as reflecting the targets stated in the UK Listing Rules. The full policy is available to view at henryboot.co.uk/our-responsibility. The Committee ensured that the objectives set out within the Board Diversity Policy were incorporated into the recruitment activity undertaken over the year.

We are committed to improving our position on Board diversity when opportunities arise. It is recognised that there will be periods of change on the Board and that these objectives may be reliant upon the Board being refreshed; however, it is our longer-term intention to achieve these objectives. The Board and Nomination Committee also considers the skills and diversity of the current directors and the wider group when seeking to appoint a new director to the Board.

Nomination Committee

report continued

Objective

1

The Board will ensure that it is made up of an appropriate mix of skills, experience and knowledge required to effectively oversee and support the management of the group.

2

The Board has set a target to meet the objective of the Hampton Alexander Review, in that at least 40% of our Board members are women.

3

In addition, the Board shall have as its objective that at least one of the four senior Board positions (Chair, Chief Executive Officer (CEO), Chief Financial Officer (CFO) or Senior Independent Director (SID)) shall be a woman, as per the UK Listing Rules objective.

4

The Board has set a target to meet the objectives of the Parker Review for at least one Board member to be from an ethnic minority background excluding white ethnic groups (as set out in categories used by the Office for National Statistics).

5

The Board will consider candidates for appointment as Non-executive Directors from a wider pool, including those with little or no previous FTSE Board experience.

6

The Board will work with external recruitment consultants to provide support for Board appointments and will ensure that Non-executive Director longlists include both women and candidates from an ethnic minority background excluding white ethnic groups.

7

The Board (in conjunction with the Committee and the Responsible Business Committee) will support and monitor group activities to increase the percentage of senior management roles held by women and other underrepresented groups. Activities may include the hiring of diverse external senior managers and internal promotion activity, but also continued emphasis on developing a diverse talent pipeline and entry level recruitment to support this objective long term.*

8

The Committee (together with the Responsible Business Committee), on behalf of the Board, will monitor, challenge and support internally set targets for diversity and inclusion at all levels across the organisation.

9

The Committee (together with the Responsible Business Committee), on behalf of the Board, will report annually against these objectives and other initiatives taking place within the company that promote gender and other forms of diversity.

* The gender balance of those in senior management positions is shown on page 37.

Key:



Objective achieved



Objective achieved in part



Objective remains a work in progress

Overview

Strategic report

Governance

Financial statements

Shareholder information

Progress against objective

Status

Detailed review of effectiveness undertaken confirming that the Board is adequately resourced and performing well.

The appointment of Earl has added housebuilding experience to the Board, something which was identified as a gap last year.



Female Board representation stands at 29%.

At least 40% female representation remains our goal and we will continue to ensure that our recruitment processes prioritise gender diversity in our long and shortlists.

We are fully committed to achieving and exceeding this goal with future Non-executive Director succession planning and group-wide diversity initiatives.



The role of Senior Independent Director is held by Serena Lang.



We currently have no members on the Board from an ethnic minority background. We will continue consider this over future rounds of recruitment and by progressing internal EDI initiatives.



We have consciously worked with our recruitment partners to ensure that our briefs for Non-executive Director appointments encourage diverse candidates, in particular those without previous FTSE Board experience, which has been represented in our candidate pool. We will continue to ensure that previous FTSE experience is not a specified requirement in future recruitment rounds in order to attract a broad number of applicants.



We have continued to appoint external recruitment partners to work with us on our latest Non-executive Director appointment which spanned 2024 and 2025. This resulted in individuals from diverse backgrounds on the longlist.



As previously disclosed, we did not engage an external recruiter for the appointment of Peter Mawson in 2022. This was a considered decision to prioritise the continuity of the Board after Jamie Boot, a major shareholder and Boot family member, retired as a director after almost 37 years' service.

The Board has recently reviewed the new Responsible Business Strategy. The strategy establishes five priorities; one of which is to "recruit, retain, and progress diverse talented people". Behind this priority sits proposed targets to achieve by 2030 including refreshing our EDI strategy (utilising updated workforce data), developing mentoring programmes, and inclusive recruitment training for hiring managers.



The Board and its committees will monitor activities and champion diversity initiatives.

While there is still more to do in this area, our intention is to develop a diverse pipeline of talent across all levels in the group.

The Responsible Business Committee and the Board will monitor the targets referenced above from the Responsible Business Strategy.



The annual corporate objectives also include people-related targets including diversity. Performance against these objectives is discussed at every Board meeting as part of the CEO's Report.

We have improved disclosure of progress against our targets for this year. Activities may include the hiring of diverse external senior managers and internal promotion activity, but also a continued emphasis on a diverse pipeline and graduate and apprentice recruitment to support this objective long term.



You can read more about our EDI strategy and workforce diversity initiatives on page 37.

Nomination Committee

report continued

Board diversity disclosures

In accordance with the UK Listing Rules, the disclosures relating to gender identity and ethnic background are set out in the table below as at 31 December 2025. The company has not met the targets relating to having 40% of women on the Board and at least one director from a minority ethnic background. Commentary on why these targets have not been met is included above in the Board Diversity Policy table. The information below was collected by members of the Board and ExCo selecting which of the categories they identified as. We have chosen 31 December as the reference date to ensure that the date falls within the relevant accounting period.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5	71%	3	6	86%
Women	2	29%	1	1	14%
Not specified/prefer not to say	–	–	–	–	–

Board composition and independence

The governance structures in place are designed to reflect the individuality of the Company and the composition of both its institutional and individual shareholders, many of whom have family ties to the Company. The Board believes it has an appropriate balance of Executive and Non-executive Directors, and independent and non-independent Directors, having regard to the size and nature of the business. The Company values its independent Non-executive Directors who provide objective advice, expertise and challenge the executive team. Their diverse backgrounds in various sectors and knowledge of the wider business environment are critical when it comes to strategy development. The Non-executive Directors meet without the Executive Directors present, usually the evening before the Board meetings and on other occasions throughout the year.

James Sykes is classed as non-independent, having been appointed to represent the substantial shareholdings of the Reis family interests (see page 154). Peter Mawson is also classed as

non-independent having served more than nine years on the Board, you can read more about our Chair succession plans on page 125. During our annual review, the Committee did note that Earl Sibley had provided support to Stonebridge Homes Interim MD, Ed Hutchinson, totalling 8 days across December 2025 – January 2026. He received additional, non-performance-related remuneration on a day rate basis. As the additional support was for a limited period which has concluded, and was seen as him carrying out his Non-executive Director duties albeit on a more regular basis, the Committee determined Earl to be independent. Talita Ferreira and Serena Lang are also independent Non-executive Directors.

Board effectiveness and time commitment

The Committee reviewed the following matters in detail:

- Independence
- Diversity
- Skills, experience and knowledge
- Director tenure
- Other time commitments for each Director

The Committee also examined the results of the Chair, individual, Board and committee performance reviews (see pages 110 to 115 for more information). Following the review, I can confirm on behalf of the Committee and the Board that the performance of the Directors, the Board and its committees continue to be effective and that all individuals bring expertise and enthusiasm to their roles. All directors will seek re-election at the upcoming AGM – biographies are shown on pages 92 to 93 – and a further summary of Board roles and responsibilities can be found on our website at henryboot.co.uk.

Terms of Reference

In September, the Committee reviewed its Terms of Reference in line with the scope of its operations, and the requirements of the Code, to ensure that they remained appropriate. Some minor amendments were proposed and approved. The full Terms of Reference are available to view on the company's website.

Peter Mawson

Chair of the Nomination Committee

14 April 2026

Responsible Business Committee report



“

The environmental landscape and socio-economic issues we face today require a different response than they did even five years ago. But what hasn't changed is our belief that businesses have a responsibility beyond commercial gain – to our people, to the communities we work in, and to the environments we shape.”

Serena Lang

Chair of the Responsible Business Committee

Other Committee members:

Peter Mawson

James Sykes

Talita Ferreira

Tim Roberts

Darren Littlewood

Earl Sibley (from 1 April 2025)

2025 Key achievements:

- Oversaw and monitored ongoing development of the EDI Working Group and employee networks, supporting the Board's oversight of culture, inclusion, and employee engagement.
- Reviewed and provided oversight of management's delivery of the Climate Change Framework, including progress against decarbonisation initiatives and actions to strengthen climate resilience, in support of the group's long-term sustainability.
- Advised the Board and provided constructive challenge on the development of the next Responsible Business Strategy, ensuring alignment with the group's purpose, values, and long-term stakeholder interests.

- Promoted effective stakeholder engagement by supporting participation in external partnerships, including BITC, Crisis, and Homewards, reinforcing the group's commitment to responsible business practices and community impact.

Areas of focus in 2026:

- Overseeing the launch and implementation of phase 3 of the Responsible Business Strategy.
- Overseeing and supporting the development of the Climate Transition Plan.
- Supporting further integration of Stonebridge Homes into Henry Boot with aligning responsible business priorities.

Review of the year

In 2025, the Responsible Business Committee (the Committee) met three times, providing oversight and leadership on the company's strategic approach to, and performance on, all responsible business practices. The Committee's responsibilities include independent review and challenge of progress against the Responsible Business Strategy and support for the

effective integration of ESG priorities into the group's operations.

During the year, the Committee oversaw the final phase of delivery of the group's 2022-2025 Responsible Business Strategy. The Committee also reviewed the initial planning stages for development of the next iteration of the strategy, ensuring alignment with evolving regulatory expectations.

Those serving as members of the Committee during the year were myself, Peter Mawson, James Sykes, Talita Ferreira, Earl Sibley, Tim Roberts and Darren Littlewood. Earl Sibley joined the Committee from 1 April 2025, following his appointment to the Board.

On behalf of the Board and the Committee, as Chair of the Committee, I am pleased to present

Responsible Business

Committee report continued

the Directors' Responsible Business Committee Report for the year ended 31 December 2025.

Responsible Business Strategy

2025 marked the final year of the group's 2022-2025 Responsible Business Strategy, a framework that has guided our ESG priorities and long term responsible business ambitions over the past four years. Each year, the Strategy is embedded through a group Responsible Business Plan, with subsidiary businesses developing their own Plans to translate group-wide

goals into business-specific actions. These Plans set out annual milestones, provide clarity and accountability for delivery, and ensure a consistent approach to embedding responsible business through the group. Progress is monitored by ExCo, the ESG Steering Group, and the Responsible Business Manager, with regular reporting to the Committee.

In anticipation of the conclusion of the 2022-2025 cycle, the Committee also oversaw the development of the next iteration of the Responsible Business Strategy. This included:

- Commissioning benchmarking and stakeholder engagement to compare the group's approach to market peers and sector leaders;
- Reviewing proposals for engagement with colleagues, leaders, and external stakeholders to develop the new Strategy;
- Supporting the integration of the group's maturing Climate Change Framework.

The Committee was satisfied that the organisation remained focused on strengthening its responsible business performance while preparing the foundations for the next strategic cycle.

Case study

Board led engagement with community partners

In July, the Board took part in a dedicated responsible business away day in London, designed to strengthen its understanding of the social impact of the group's activities and to inform the development of the next Responsible Business Strategy.

The programme brought together Board members, senior management, and external partners working across placemaking, community investment, and homelessness, focussing on giving the Board direct exposure to how responsible business priorities are delivered on the ground and how insight from partners can shape commercial decision-making.

The day opened with a session at BITC's London headquarters, where the Board met with the senior leadership team to explore their Place programme and the role businesses can play in embedding social value into placemaking. The discussion focused on how community engagement, skills development, and local partnerships can be integrated into development activity from the earliest stages, reinforcing the link between long term social value and commercial success.

This engagement supported the Committee's wider work during the year to promote effective stakeholder

engagement and ensure that external insight informs strategy development and oversight.

Addressing homelessness through sector collaboration

Homelessness remains a priority issue within the group's responsible business activity, aligning with our Purpose and our responsibility to support our communities.

At the away day, the Board visited Crisis' Skylight centre in London, meeting with the Crisis' senior leadership team and hearing directly from colleagues working on the frontline of the homelessness response. The visit provided practical insight into the challenges faced by people experiencing homelessness and the impact of early intervention, tailored support, and cross-sector collaboration.

The visit was followed by a property sector event, co-hosted with Crisis, bringing together industry partners to explore what the sector can do collectively to support the Homelessness Alliance. The discussion reinforced the value of collaboration and shared learning in addressing complex societal challenges that cannot be solved by individual organisations acting alone.

Learnings from this engagement informed the Committee's review of community partnerships during the year and was endorsed for incorporation into the next iteration of the Responsible Business Strategy, under the Places pillar. The Committee continues to oversee the group's national partnership with Crisis, ensuring that engagement remains focused on areas where the group can add the greatest value.

Keeping strategy grounded in lived experience

Across all elements of the away day, a consistent theme emerged around the importance of listening and learning from those closest to the issues the group seeks to address. Direct engagement with community partners and sector experts provided the Board with a deeper understanding of the real-world impact of its decisions and reinforced the need for responsible business priorities to be both focused and actionable.

This approach supports the Committee's role in providing oversight and challenge, ensuring that responsible business activity remains aligned with the group's purpose, values, and long term stakeholder interests.

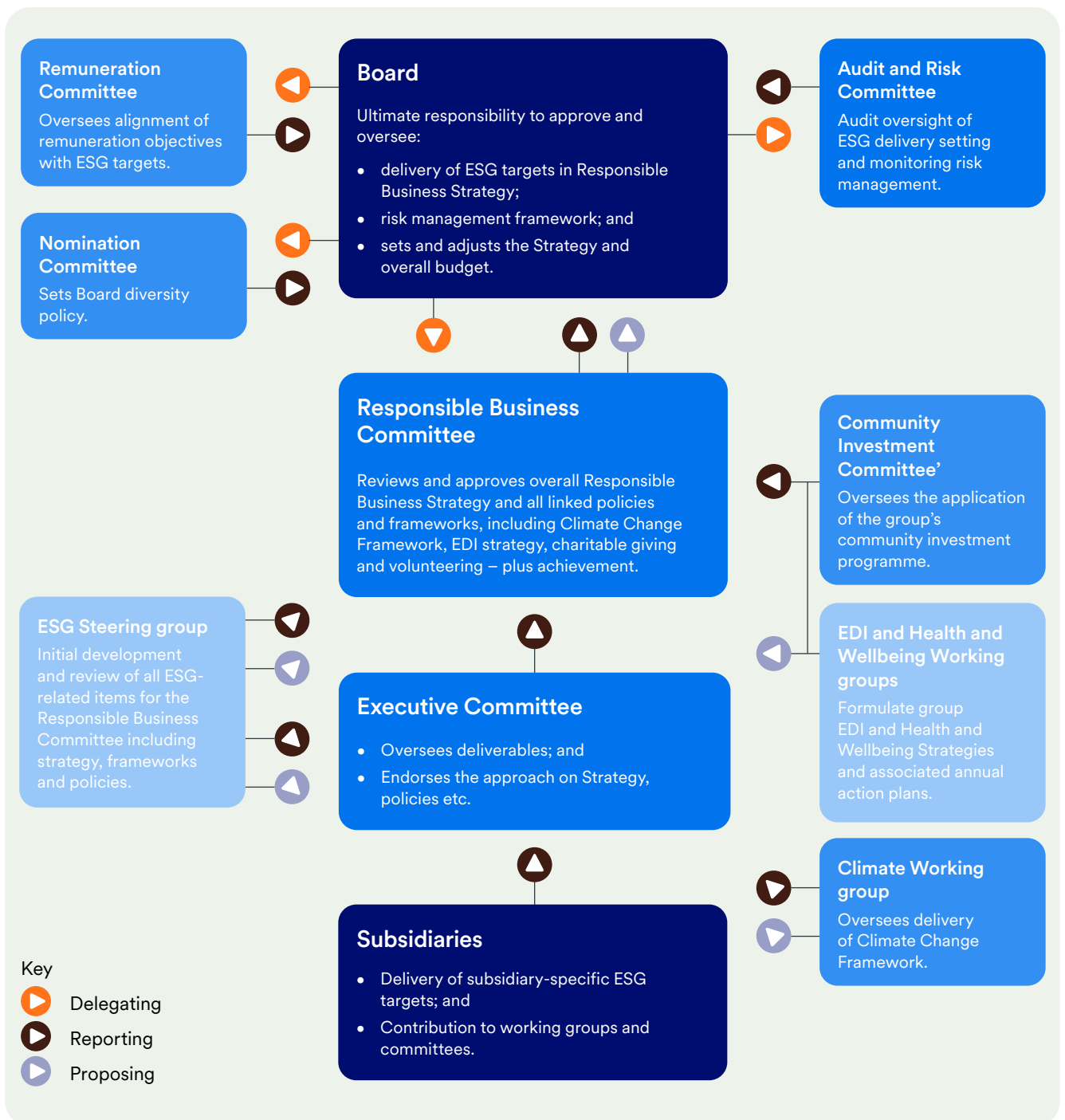
Other significant issues considered

Focus	Matters considered	Committee outcome
Culture, leadership responsibility, and training needs	The Committee discussed the varying levels of cultural influence across ExCo, explored whether culture is consistently promoted across the group, and identified a need for clearer cultural ownership. Members also requested continued ESG-related training.	It was agreed that further clarity on cultural leadership roles would support the new strategy and that ongoing training and development for Committee members would be scheduled.
Climate Change Framework	Updates were received on climate scenario modelling, fleet transition, subsidiary engagement and the need for more robust data to support decarbonisation pathway modelling.	The Committee endorsed, annual stress-testing, and development of a more detailed and commercially aligned decarbonisation plan for inclusion in the next strategy cycle.
Stakeholder engagement and investor expectations	The Committee discussed engagement with MDs, identification of key external contacts, strengthening investor ESG engagement, and incorporating external insights into strategy planning.	The Committee requested targeted 1:1 MD interviews, improved investor outreach, and circulation of relevant external materials. These actions were added to the Forward Business Schedule.
Community partnerships and impact initiatives	Members reviewed progress with community initiatives, including engaging with BITC on strategic placemaking, supporting the Homewards programme, and attending a property sector homelessness workshop delivered with Crisis.	The Committee endorsed continued involvement and requested that insight gained from community partners informs the next strategy, particularly under the Places pillar.

Responsible Business Committee report continued

Responsibilities of senior leaders and management

Senior leader	Membership	Summary of role
Chief Executive Officer	Board Responsible Business Committee ESG Steering Group ExCo	The Chief Executive Officer assumes overall responsibility for the delivery of the group's Responsible Business Strategy and responsible business performance.
Chief Financial Officer	Board Responsible Business Committee ESG Steering Group ExCo	The Chief Financial Officer supports the Chief Executive Officer to monitor and lead the group's responsible business performance and to embed ESG within commercial decision making.
Responsible Business Manager	Responsible Business Committee (attendee) ESG Steering Group ExCo (attendee) EDI Working Group Climate Working Group	The Responsible Business Manager: • is responsible for preparing the Responsible Business Strategy and annual Responsible Business Plans, monitoring the group's performance against the Strategy/Plans and routinely updating ExCo and the Responsible Business Committee; • assumes responsibility for ensuring that working groups such as those discussing EDI, health and wellbeing, climate change and charitable giving are functioning and operating with good governance; and • assists with preparation of the group's TCFD report.
Chief Operating Officer	Responsible Business Committee (attendee) ESG Steering Group	The Chief Operating Officer: • is responsible for supporting data-led processes that enable the integrated strategic framework to demonstrate value. • aligns responsible business with the outputs of other central functions. • scrutinises and guides on risk identification and mitigation.
People Director	ExCo EDI Working Group ESG Steering Group Responsible Business Committee (attendee)	The People Director is an Executive Sponsor for the People pillar of the Responsible Business Strategy, assumes responsibility for overseeing the alignment of the Responsible Business Strategy with the group People Strategy, and leads on emerging talent and health and wellbeing.
Managing Directors	ExCo	The MDs all advise on the group's strategic approach to ESG and assume responsibility for the responsible business performance for their respective businesses.



Terms of Reference

During 2025, the Committee reviewed its Terms of Reference in line with the scope of its operations and key areas of focus to ensure that they remained appropriate; minor amendments were approved. The Terms of Reference are available on the company's website.

Serena Lang

Chair of the Responsible Business Committee

14 April 2026

Directors' Remuneration report



“

We delivered a resilient performance in 2025 and made significant strategic progress simplifying the group. The Committee is comfortable that the outturns were appropriate and balanced the interests of all stakeholders.”

Serena Lang
Chair of the Remuneration Committee

Other Committee members:

Talita Ferreira
Peter Mawson
(to 1 April 2025)
Earl Sibley (from 1 April 2025)

2025 Key achievements:

- Undertook a benchmarking exercise for all Board and ExCo roles
- Oversaw a benchmarking exercise for the workforce
- Reviewed the workforce Reward Strategy, confirming it remains appropriate
- Reward packages agreed for new ExCo roles

Areas of focus in 2026:

- Reviewing the Remuneration Policy ahead of the 2027 AGM where approval for a new policy will be sought
- Consulting with internal and external stakeholders on the new policy
- Overseeing a re-design of the workforce annual bonus framework
- Monitoring the alignment of Stonebridge Homes workforce into the group reward structure

Annual Statement from the Chair of the Remuneration Committee

I am pleased to present the Directors' Remuneration Report (the Report) for the year ended 31 December 2025.

This report is divided into three sections:

- This Annual Statement, which summarises the work of the Committee and our approach to Directors' remuneration.
- The Remuneration Policy section, which provides a summary of the Policy approved at the 2024 AGM. The full Remuneration Policy can

be found on pages 123 to 130 of the 2023 Annual Report.

- The Annual Report on Remuneration, which sets out the remuneration outcomes for the financial year ended 31 December 2025 and the proposed implementation of the Remuneration Policy for the upcoming year.

Remuneration outcomes

Annual Bonus

The 2025 annual bonus was based on underlying profit before tax (66.6%) and individual strategic objectives (33.3%).

Henry Boot delivered a resilient performance in 2025, despite ongoing global political and economic uncertainty. As a result, the underlying PBT achieved was £27.5m, leading to a formulaic outcome of 16.67% of the maximum under the profit element.

The personal objectives were individually-based and centred on the execution of the planned strategic reorganisation including the divestment of HBC and our Future Ways of Working project to streamline the business, enhance performance and strengthen our leadership capabilities. These objectives have driven progress towards our long term ambitions and contributed to a successful year operationally. For the CEO, objectives were set based on optimisation of the portfolio of businesses, modernisation, embedding a high-performance culture and further improving our group-wide health and safety practices. For the CFO, different objectives were set to the CEO in relation to the optimisation of the portfolio, digital transformation with AI integration, leading the rollout of the modernisation agenda with the support functions and refreshing the Responsible Business Strategy. There was strong performance across these objectives and based on a careful evaluation of each measure, the Executive Directors achieved 75% of maximum under their overall individual personal objectives. Therefore, the formulaic outcome under the bonus was 36.11% of maximum for both the CEO and the CFO, across both profit and individual measures.

The Committee reviewed the formulaic outcome under the bonus, taking into account the broader stakeholder experience, including the bonus level more broadly across the workforce and the level of absolute profitability delivered over the year, and the market environment. After careful consideration, the Committee felt that despite strong performance, it would be appropriate to use discretion to reduce the formulaic bonus outcome from 36.11% to 25% of maximum for the CEO and the CFO. As a result, the CEO will receive a bonus of £149,650 and the CFO will receive £98,345. One third of the bonus is deferred into shares and held for three years.

LTIP award for performance period FY23–25

The three-year performance period for the 2023 LTIP award ended on 31 December 2025. Performance was based on EPS (30%), ROCE (30%), Total Shareholder Return (TSR) (30%), greenhouse gas emissions (5%) and workforce gender balance (5%).

In what has been a challenging period for the industry and our markets the EPS and ROCE did not achieve the stretching target ranges that were set. Recognising this sector underperformance, despite our TSR being positive over the period, Henry Boot's TSR did not achieve the target range either. However, we performed well against our greenhouse gas emissions and workforce gender balance targets, delivering significant improvements under both and so the 10% element of the award based on these two measures will vest in full. After reviewing wider business performance over the period, the Committee considered that a payout of 10% of maximum was appropriate and did not apply discretion to adjust the outcome.

The Committee is comfortable that actions taken on pay during the year across the company were appropriate and balanced the interests of all stakeholders and that the Remuneration Policy operated as intended.

Application of the Directors' Remuneration Policy for 2026

The key decisions for 2026 are set out below.

Salary for Executive Directors and fees for Non-executive Directors

The CEO received a salary increase of 3% in line with the standard increase for the wider workforce.

In reviewing the CFO's salary against similarly sized companies, the Committee considered market positioning, which indicated that the CFO's salary was positioned around the lower quartile. The Committee also took into account the additional responsibilities assumed by the CFO during the year, including those arising from the implementation of the Future Ways of Working programmes. Having regard to these factors, the Committee determined that the CFO's salary be increased by 4%, resulting in a salary of £340,931. We intend to review the CFO's base salary positioning again as part of the policy review that will take place in 2026 ahead of AGM approval for a new policy in 2027.

The Committee also reviewed the Board Chair fee, which was increased as a first step from £112,476 to £140,000 in 2025. The Committee again considered market benchmarks and the scope and responsibilities of the role, including chairing the Nomination Committee. As a result, the Committee determined that the Chair fee should be increased from £140,000 to £150,000 to move the fee closer to, but still below a mid-market benchmark.

The Board reviewed the fees for the Non-executive Directors and determined that the fees should be increased by 3%.

During the year, we faced significant operational difficulties with Stonebridge Homes, our housebuilding division. The Board moved swiftly to appoint Ed Hutchinson as interim MD of the division, moving him across from Henry Boot Developments. Also, recognising Earl Sibley's significant experience in the sector, in late

Directors' Remuneration report continued

2025 and early 2026 Earl provided consultancy support to Stonebridge Homes, which the Board considered went well beyond the standard time commitments of a Non-executive Director. Accordingly, exceptionally, Earl received fees in respect of his consultancy services on a reasonable day rate basis. As these services are outside the scope of his duties as a Non-executive Director, these were approved by the Board. Further fees have been payable in 2026 and the consultancy arrangement has now ended (albeit Earl continues to support Stonebridge Homes as part of his remit as a NED).

Annual bonus

The maximum annual bonus for Executive Directors will remain at 120% of salary. We have reviewed the performance measures and, recognising the financial priorities for the year, we have introduced a new measure based on the debt to equity gearing of the business, and reduced the individual objectives element from one third to 25% of the overall bonus. The annual bonus will therefore be based 65% on underlying profit before tax, 10% on gearing and 25% on individual strategic objectives. One-third of the bonus is deferred into shares and held for three years. Recognising the ongoing challenging market conditions, we have increased the level of challenge in the sliding scale for the PBT element by reducing the amount payable from on-target performance from 50% to 10% of the maximum, will pay nothing below this and have significantly increased the level of stretch required to earn a maximum bonus.

We have also added a specific requirement for any payout under the individual objectives and gearing elements of the FY26 annual bonus to be subject to an overall affordability assessment by the Committee. Full details of the target ranges will be contained in next year's Report.

LTIP

The 2026 LTIP awards will be granted at 150% of salary for the CEO and 125% of salary for the CFO. The measures will be unchanged with 40% based on TSR, 25% based on EPS, 25% based on ROACE and 10% based on ESG. For EPS, recognising the very challenging market conditions, the target range is lower than the range that was set for last year's award but is entirely ahead of current analyst consensus for FY27 and is considered no less stretching than the target ranges set in prior years. For ROACE, we have changed the basis for measurement from being the average over the three-year performance period to the figure in the final year only and on this basis have set a target range requiring ROACE to be 8%–10% in FY28. The carbon emissions and senior management gender balance continue to require material improvements from the current position.

The stretching targets that have been set are considered by the Committee to be at least as challenging as targets set for prior years' awards, taking into account internal business plans and current market conditions. We will review the suite of measures for the annual bonus and LTIP as part of the policy review later in 2026.

Wider workforce considerations

The Committee has oversight of the salary increases, annual bonus budgets and the long term incentive schemes across the business and ensures that a consistent approach is taken between executive schemes and those applying to the workforce generally.

Peter Mawson, who is the designated Non-executive Director for workforce engagement and also joins the Committee meetings as an attendee, meets regularly with the Group Employee Forum (GEF) and discusses remuneration and reward matters. During all discussions, executive remuneration was not raised as an issue. Engagement will take place over the next 12 months with the GEF on the design of the next remuneration policy.

Shareholder engagement

The Committee consults with the company's larger shareholders on executive pay matters, where considered appropriate. The operation of the policy remained in line with previous years and it was not necessary to consult with investors during the year. As we move into the final year of the current policy period, and ahead of seeking shareholder approval for a new policy at the 2027 AGM, I look forward to engaging with our largest shareholders later in 2026. More generally, on behalf of the Committee, I am always happy to make myself available to shareholders to discuss any concerns or feedback they may have.

Closing remarks

I look forward to engaging with you on remuneration matters. Should you have any queries or comments, please do not hesitate to contact me, or the Company Secretary, as we do value your input.

I hope that you will be able to support the Directors' Remuneration Report at this year's AGM.

Serena Lang

Chair of the Remuneration Committee

14 April 2026

Remuneration at a glance

Performance snapshot

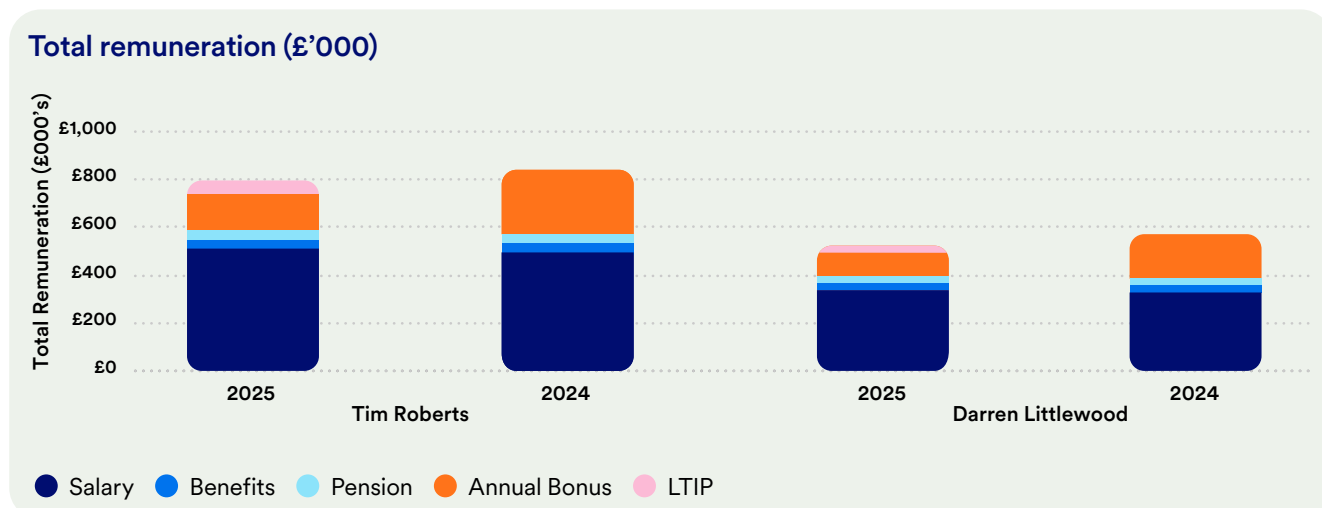
2025 Annual bonus performance

Measure	Performance	Achievement (% of max for each element)
Underlying PBT (66.6%)	£27.5m	CEO and CFO: 16.67%
Individual Strategic objectives (33.3%)	See page 143	CEO 75%
	See page 144	CFO 75%
Total formulaic outcome		CEO and CFO: 36.11%
Total outcome following Committee discretion		CEO and CFO: 25%

LTIP performance for 2023 award based on performance over three years to 31 December 2025

Measure	Performance	Achievement (% of max for each element)
Relative TSR vs FTSE Small Cap (30%)	Below median	0%
EPS in 2025 (30%)	17.6p	0%
ROCE average across 2023–25 (30%)	8.2%	0%
Greenhouse gas emissions in 2025 (5%)	2,002 tonnes	100%
Workforce gender balance at 31 December 2025 (5%)	70:30	100%

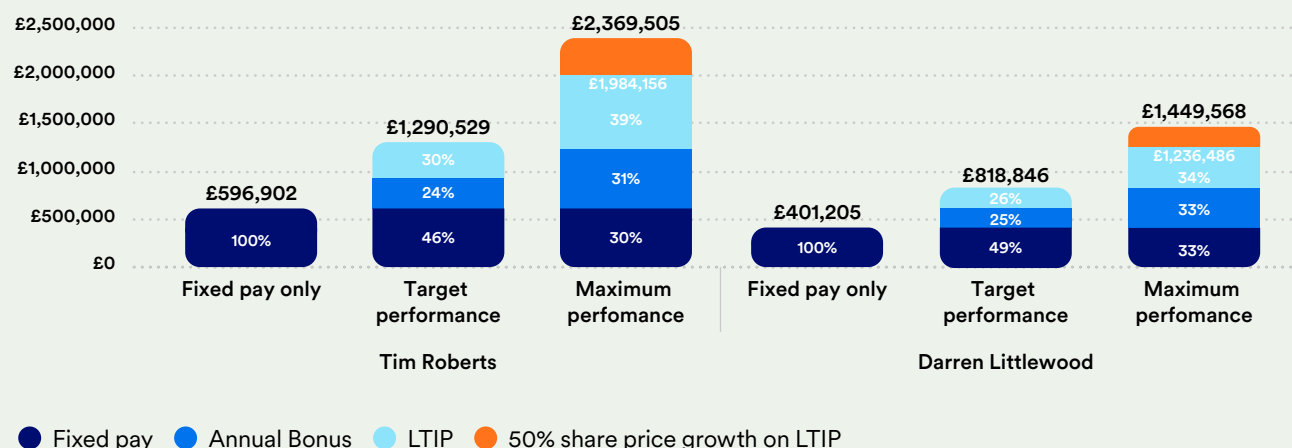
Executive pay in 2025 and compared to prior year



Directors' Remuneration

report continued

Scenario charts



Fixed pay only: Comprises the salary for 2026, an estimate of the value of benefits and pension contribution in line with the policy.

Target performance: Fixed pay plus an annual bonus payout of 50% of maximum (60% of salary for the CEO and CFO) and LTIP vesting at 50% of face value (75% of salary for the CEO and 62.5% of salary from the CFO).

Maximum performance: Comprises fixed pay and assumes full payout under the annual bonus (120% of salary for the CEO and CFO) and the LTIP grant vests in full (150% of salary for the CEO and 125% of salary for the CFO). The maximum scenario includes an additional element to represent 50% share price growth on the LTIP award from the date of grant to vesting.

Implementation of Policy for 2026

Base salary	3% increase to the CEO and 4% increase to the CFO - CEO – £513,798 - CFO – £340,931
Benefits	No change
Pension	8% of salary (in line with the wider workforce)
Annual bonus	- Maximum opportunity: 120% of salary - Subject to underlying profit, debt to equity gearing and strategic objectives
LTIP	- CEO – 150% of salary - CFO – 125% of salary - Subject to EPS, ROACE, TSR and ESG targets - Two-year holding period applies after vesting
Shareholding guidelines	200% of salary (to be held for two years post-employment)

Summary of the Remuneration Policy

The Remuneration Policy was approved by shareholders at the 2024 AGM held on 23 May 2024. Set out below is a summary of the Remuneration Policy. The full Policy is set out in the 2023 Annual Report on pages 123 to 130.

Element	Purpose and link to strategy	Key elements
Salary	Core element of fixed remuneration reflecting the role, experience, market rates and internal relativities.	- The Committee reviews base salaries annually. - Salary increases will normally be in line with the workforce average.
Benefits	These are provided on a market competitive basis to assist in recruiting and retaining Executive Directors.	Benefits include (but are not limited to): a car allowance, private health insurance, permanent health insurance, death in service cover and the offer of participation in the SAYE Scheme.
Pension	To provide a contribution towards retirement income.	Executive Directors will receive a pension contribution in line with the rate applying to the majority of the workforce, currently 8% of salary.
Annual bonus	To incentivise the delivery of financial performance, operational targets and individual objectives over the financial year.	- The maximum bonus opportunity is 120% of salary. - The majority of the bonus will be based on financial metrics. - No more than 10% of the maximum bonus opportunity will pay out for threshold performance and no more than 50% for target performance where practicable. - The Committee has the discretion to adjust the formulaic outcome of the bonus. - At least one-third of the bonus earned will be invested into shares and deferred for three years (during which time the shares cannot be sold). - Malus and clawback provisions apply.
Long term incentive plan	Provides a clear and strong link between the remuneration of Executive Directors and the creation of value for shareholders.	- Maximum opportunity of 150% of salary. - Performance conditions and targets will be set each year linked to business KPIs in line with the strategy, or a measure of total shareholder return. - No more than 25% of the award will vest for threshold performance where practicable. - The Committee has the discretion to adjust the formulaic outcome. - To the extent awards vest, the value of dividends payable over the vesting period will be added, usually in the form of an additional award of shares. - After awards vest, subject to selling sufficient shares to pay tax, shares must be held for a further two years. - Malus and clawback provisions apply.
Shareholding guidelines	Direct share ownership by Executive Directors aligns their long term interests to those of shareholders.	- During employment, Executive Directors are required to build and maintain a shareholding equivalent to 200% of base salary. - Executive Directors are expected to retain at least 50% of any LTIP awards or deferred bonus awards until holdings reach the required level. - Any Executive Director leaving the company will be expected to retain the lower of the shares held at cessation of employment and shares to the value of 200% of salary, for a period of at least two years. Shares purchased voluntarily by the individual will be excluded from this requirement and the requirement only applies to awards made after the May 2021 AGM.

Directors' Remuneration report continued

Element	Purpose and link to strategy	Key elements
Non-executive Director fees	Fee levels are set in order to recruit and retain high calibre Non-executive Directors.	- The fees of the Chair are determined by the Committee and the fees of the Non-executive Directors are determined by the Board (minus the Non-executive Directors). - The company may pay any reasonable expenses. - Non-executive Directors are paid a basic fee. Additional fees may be paid for chairing committees or taking additional roles such as the Senior Independent Director or Director responsible for the Group Employee Forum liaison.

Service contracts and letters of appointment

The Executive Directors have a service contract requiring 12 months' notice of termination from either party as shown below:

Executive Director	Date of appointment	Date of current contract	Notice from company	Notice from the individual	Unexpired period of service contract
Tim Roberts	1 January 2020	1 August 2019	12 months	12 months	Rolling
Darren Littlewood	1 January 2016	1 January 2016	12 months	12 months	Rolling

Contractual compensation in the event of early termination provides for compensation of basic salary, pension and benefits for the notice period, which would be payable on a phased monthly basis.

Non-executive Directors have letters of appointment and their appointment and subsequent reappointment is subject to approval by shareholders. Non-executive Director appointments are typically for three years, subject to a maximum of three terms totalling nine years; however, they may be terminated without compensation at any time.

The table below details the letters of appointment for each Non-executive Director.

Non-executive Directors	Date of appointment	Date of current letter of appointment	Notice from the company	Notice from the individual
Peter Mawson	1 October 2015	30 July 2015	3 months	3 months
James Sykes	22 March 2011	21 August 2019	3 months	3 months
Serena Lang	1 August 2022	28 July 2022	3 months	3 months
Talita Ferreira	1 January 2024	21 December 2023	3 months	3 months
Earl Sibley	1 April 2025	18 March 2025	3 months	3 months

Copies of Executive Directors' service contracts and Non-executive Directors' letters of appointment are available on request.

The policy on remuneration when recruiting new Executive Directors is included in full in the 2023 Remuneration Policy.

Annual Report on Remuneration

The following section provides details of how Henry Boot's Remuneration Policy was implemented during the financial year. The labelled parts of the Directors' Remuneration Report are subject to audit.

The Remuneration Committee

The primary role of the Committee is to:

- review, recommend and monitor the level and structure of the remuneration packages of the Executive Directors and senior management;
- set and approve the remuneration package for the Executive Directors; and
- determine a balance between base pay and performance-related elements of the remuneration package to align the interests of stakeholders more widely (including shareholders) with those of the Executive Directors.

The members of the Committee are shown on page 134 and attendance at meetings is set out on page 96. The key activities of the Committee during the year are listed below:

- Oversight of the Remuneration Policy and its implementation.
- Reviewed and approved salaries for the Executive Directors and senior management.
- Reviewed formulaic incentive outcomes for the Executive Directors, senior management and the wider workforce. Considered whether they were aligned to company performance over the short and long term.
- Reviewed the LTIP awards for the Executive Directors and senior management.
- Reviewed the performance and determined the award for the inflight 2024 LTIP grant for the Henry Boot Construction employees leaving the group at 31 December 2025.
- Engaged with the wider workforce on the alignment between executive pay and the wider workforce.

External advisers

During the year, the Committee received independent advice on Directors' remuneration from Korn Ferry who are a member of the Remuneration Consultants Group and adhere to its Code of Conduct which requires its advice to be objective and impartial. Korn Ferry, who were appointed by the Committee, provided advice on market practice, benchmarking and supported management with undertakings such as producing the Directors' Remuneration Report and reviewing the implementation of the Policy to the extent this did not impact the independence of its advice. The fees paid to Korn Ferry for providing advice to the Committee in relation to Directors' remuneration was £43,960. In 2025, Korn Ferry also provided implementation advice in drafting the 2025 LTIP Rules. The Committee is satisfied that the advice received was objective and independent.

Statement of voting at the last Annual General Meeting (AGM)

At the 2025 AGM, shareholders were asked to approve the 2024 Annual Report on Remuneration. The Directors' Remuneration Policy was approved by shareholders at the 2024 AGM. The votes received are set out below:

2025 AGM (22 May 2025)	Nature of vote	Votes for	%	Votes against	%	Votes total	Votes withheld
Approve the 2024 Directors' Remuneration Report	Advisory	75,824,093	99.53	360,177	0.47	76,184,270	1,712,436
2024 AGM (23 May 2024)	Nature of vote	Votes for	%	Votes against	%	Votes total	Votes withheld
Approve the Directors' Remuneration Policy	Binding	84,106,729	97.06	2,544,271	2.94	86,651,000	26,734

Directors' Remuneration

report continued

Single total figure of remuneration (audited)

The table below reports the total remuneration receivable by Directors in respect of qualifying services during the year.

Year ended 31 December 2025	Salary and fees ¹ £'000	Taxable benefits ² £'000	Pension- related benefits £'000	Other £'000	Total fixed £'000	Annual bonus £'000	Long term incentives ⁴ £'000	Total variable £'000	Total remuneration £'000
Tim Roberts	499	42	40	0	581	150	55	205	786
Darren Littlewood	328	33	26	0	387	98	29	127	514
James Sykes	56	0	0	0	56	0	0	0	56
Peter Mawson	143	0	0	0	143	0	0	0	143
Serena Lang	68	0	0	0	68	0	0	0	68
Talita Ferreira	61	0	0	0	61	0	0	0	61
Earl Sibley ³	49	0	0	0	49	0	0	0	49

Year ended 31 December 2024	Salary and fees ¹ £'000	Taxable benefits ² £'000	Pension- related benefits £'000	Other £'000	Total fixed £'000	Annual bonus £'000	Long term incentives £'000	Total variable £'000	Total remuneration £'000
Tim Roberts	484	41	39	–	564	280	–	280	844
Darren Littlewood	318	32	25	–	376	187	–	187	563
James Sykes	54	–	–	–	54	–	–	–	54
Joanne Lake	48	–	–	–	48	–	–	–	48
Gerald Jennings	47	–	–	–	47	–	–	–	47
Peter Mawson	113	–	–	–	113	–	–	–	113
Serena Lang	60	–	–	–	60	–	–	–	60
Talita Ferreira	56	–	–	–	56	–	–	–	56

¹ Salary includes the value subject to salary sacrifice.

² Taxable benefits include the provision of a company car or a cash allowance alternative and private medical insurance. The value of benefits is not pensionable.

³ Earl Sibley was appointed as a Non-executive Director with effect from 1 April 2025. The fees shown are pro-rated for his period of appointment during the year. Earl Sibley undertook additional consultative work for Stonebridge Homes in 2025 separate to his NED role, the fee paid for this service totalled £7,500 (see page 128 for more details).

⁴ Value of shares based on a three-month average share price of 222p to 31 December 2025. This value will be restated next year based on the actual share price on the date of vesting and will include dividend equivalent shares.

The information in the single total figure of remuneration in the table above is derived from the following:

Salary or fees	The amount of salary or fees received in the year.
Taxable benefits	The taxable benefits received in the year by Executive Directors.
Annual bonus	The value of bonus payable and the calculations underlying this are disclosed on pages 143 to 144.
Long term incentives	The value of LTIP awards are those related to shares that vested as a result of the performance over the three-year period ended 31 December of the reporting year.
Pension-related benefits	Pension-related benefits represent the cash value of pension contributions or salary in lieu of contributions received by Executive Directors at a rate of 8% of salary for both Tim Roberts and Darren Littlewood.
Other	SAYE awards granted to Executive Directors during the year.

Individual elements of remuneration

Pension entitlement

Tim Roberts and Darren Littlewood receive a salary supplement in lieu of pension contribution equivalent to 8% of salary, in line with the workforce rate.

2025 bonus

The maximum annual bonus opportunity for the Executive Directors was 120% of salary. Two-thirds of the bonus was subject to stretching PBT targets and one-third personal strategic objectives. Performance against the targets is set out in the table below.

Measure	Weighting (% of salary)	Threshold	Target	Stretch	Outcome (% of Maximum)		
		10% of maximum	50% of maximum	100% of maximum	Actual result	Tim Roberts	Darren Littlewood
Financial							
Underlying PBT	80%	£27m	£30m	£33m	£27.5m	16.67%	16.67%
Non-financial							
Personal objectives	40%		See below			75%	75%
Formulaic outcome						36.11%	36.11%
Outcome following Committee discretion						25%	25%

The proportion of personal strategic objectives achieved was assessed by the Committee as follows:

2025 personal objectives – Tim Roberts

Objective	Details	Weighting (% of salary)	Performance against objective	Outcome (% of max)
1	Evaluate and oversee implementation of group strategy	18%	Strong: Completed the MBO of Henry Boot Construction leading to a simplified equity narrative for the group. Progressed the Future Ways of Working initiative and oversaw the initial integration of Stonebridge Homes including a new leadership team.	72%
2	Support modernisation agenda and key internal changes across group support functions to achieve a more aligned business partner model	6%	Strong: Reviewed resource and organisational structure across the group and completed phase 1 of the restructure of the group functions. Successfully rolled out Microsoft D365 to Hallam Land and HBD and associated change management initiatives.	83%
3	Oversee and drive culture of high performance through enhancing leadership capabilities and developing strategic capacity	3%	Reasonable: Integrated new ExCo members and progressed the ExCo development work with external support. Oversaw the delivery of a development programme for Grades 2 and 3. Scheduled work for Grades 4 and 5 was paused due to competing priorities in the year.	67%
4	Oversee and direct group wide Health and Safety practices to avoid Health and Safety incidents	5%	Strong: The group was well ahead of its main H&S KPI, Accident Incident Rate, scoring 405 against a target of <750. Overall, strong performance across the group and particular improvement seen at Banner Plant.	80%
5	Oversee implementation of ESG Policy and embracing new ways of working	8%	Strong: Established the framework for the new Responsible Business Strategy through membership of the ESG Steering Group, ExCo and Responsible Business Committee. Led the 'Planet' Pillar of the strategy and acted as a mentor to the Chair of the Climate Working Group.	75%
Total		40%		75%

Directors' Remuneration report continued

2025 personal objectives – Darren Littlewood

Objective	Details	Weighting (% of salary)	Performance against objective	Outcome (% of max)
1	With CEO, support the implementation of the group strategy	18%	Strong: Completed the MBO of Henry Boot Construction leading to a simplified equity narrative for the group. Supported the Future Ways of Working initiative and evolved the investor relations policy.	78%
2	Lead on key initiatives for the group's digital transformation, security and AI integration, with a focus on culture and change management	7%	Reasonable: Oversaw the successful implementation of Microsoft D365 including a programme of change management. Developed the group's approach to AI, establishing an AI working group and strengthened the IT security framework.	57%
3	Support modernisation agenda and key internal changes across group support functions to achieve a more aligned business partner model	7%	Strong: Operational efficiencies and synergies identified and monitored as HBC leaves and Stonebridge integrates into the group. Oversaw the evolution of the IT department to adopt a business partner model and provide a programme of training and upskilling.	71%
4	Support the delivery of our Responsible Business priorities, refreshing our strategy and ensuring we maintain an effective risk and compliance framework	8%	Excellent: Good progress made on the 2025 Responsible Business Strategy targets including specific initiatives to align with our decarbonisation targets. An internal controls register has been established for all group departments ahead of the director attestation in 2027.	88%
Total		40%		75%

As detailed in the Chair's letter, after careful consideration, the Committee felt that, despite strong performance in challenging market conditions, it would be appropriate to use discretion to reduce the formulaic bonus outcome. As a result, the bonus outcome was reduced to 25% of maximum for the CEO and 25% for the CFO. The adjusted annual bonus outcomes for Executive Directors are shown below.

Executive	Annual bonus outcome		
	% of maximum	% of salary	Bonus outcome (£)
Tim Roberts	25%	30%	£149,650
Darren Littlewood	25%	30%	£98,345

Two-thirds of the bonus will be payable in cash. The remaining one-third will be invested in shares and deferred for three years. No further performance conditions or service requirements apply.

Long term Incentive Plan (LTIP)

LTIP awards were granted to Tim Roberts and Darren Littlewood on 26 April 2023. The LTIP shares in this award were subject to the performance criteria set out in the table below.

Performance condition	Weighting (% of award)	Threshold (25% vesting)	Maximum (100% vesting)	Actual performance	Outcome (% of maximum)
EPS in 2025	30%	20p	28p	17.6p	0%
ROCE (averaged over three years)	30%	9.5%	12%	8.2%	0%
TSR vs FTSE Small Cap (excluding investment trusts)	30%	Median	Upper quartile	Below median	0%
Greenhouse gas emissions in 2025	5%		2,650 tonnes	2,002 tonnes	5%
Workforce gender balance at 31 December 2025	5%		70 male : 30 female*	70:30	5%
Total vesting (out of 100%)					10%

*The Committee based this assessment on the workforce gender balance before the organisational and management changes instigated as part of the Future Ways of Working programme, which was accelerated from Q1 2026 to December 2025. Through several management initiatives there has been a sustained improvement in gender balance over the performance period from a start point of 75:25 on 1 January 2023.

After reviewing wider business performance over the period, the Committee considered that this result was appropriate and did not apply discretion to adjust the outcome.

Executive Director	Number of shares granted	Number of shares due to vest	Estimated number of shares for dividend equivalents	Total
Tim Roberts	249,397	24,940	2,923	£61,856.37
Darren Littlewood	131,117	13,112	1,537	£32,520.48

- The share price was 237p at the time of grant, compared to the three-month average share price of 222p to 31 December 2025. Therefore, no part of the award is currently attributable to share price appreciation.

-After awards vest, subject to selling sufficient shares to pay tax, shares must be held for a further two years.

-Dividend equivalent shares will be awarded on the shares that vest and will be valued on an average share price for the three business days before the vest date of 26 April 2026. For the purpose of the table above, the estimated number of dividend equivalents has been based on the three-month average share price up to 31 December 2025. For the FY26 Annual Report, this figure will be restated.

-The total value above has been calculated based on the three-month average share price up to 31 December 2025 of 222p.

LTIP awards granted in the year (audited)

LTIP awards were granted during the year to Tim Roberts and Darren Littlewood on 24 April 2025.

	Type of award	% of salary	Number of shares	Face value of grant at 213.67p per share ¹	% of award vesting at threshold
Tim Roberts	LTIP – nil cost options	150%	350,194	£748,248	25%
Darren Littlewood	LTIP – nil cost options	125%	191,781	£409,772	25%

¹ The share price is calculated based on the average share price for the three business days preceding the grant.

The awards are subject to the following performance conditions which will be measured over the three-year period ending 31 December 2027:

Directors' Remuneration

report continued

Measure	Weighting	Threshold (25% of max)	Maximum (100% of max)
TSR relative to the FTSE Small Cap Index (excluding investment trusts)	40%	Median performance	Upper quartile
EPS in 2027	25%	20p	27p
Return on Average Capital Employed (average over three years)	25%	8%	10%
Scope 1 and 2 Greenhouse Gas Emissions in 2027	5%	2,456 tonnes	
Management gender balance by 2027	5%	72 male : 28 female ¹	

¹ Individuals identifying as male or female.

Payments to past Directors

There were no payments made to past Directors during the year.

Payments made for loss of office

There were no payments made for loss of office.

Statement of Directors' shareholdings and share interests (audited)

The following table sets out the shareholdings and share interests in ordinary shares of the Directors and connected persons in the company as at 31 December 2025. The Executive Directors are subject to a shareholding requirement of 200% of salary under the Remuneration Policy. Executive Directors are expected to retain at least 50% of any LTIP awards or deferred bonus awards until holdings reach the required level. There are no holding requirements for Non-executive Directors.

At 31 December 2025							
Director ²	Beneficially owned at 1 January 2025	Beneficially owned	Unvested options with performance conditions ¹	Unvested options without performance conditions ¹	Vested unexercised options	Total interests	Shareholding as a % of salary or fees ³
Tim Roberts	440,367	463,467	1,000,209	11,967	–	1,475,643	203
Darren Littlewood	299,562	314,799	542,293	11,967	–	869,059	208
Peter Mawson	13,200	13,200	–	–	–	13,200	20
Talita Ferreira	–	–	–	–	–	–	–
Serena Lang	–	–	–	–	–	–	–
Earl Sibley ⁴	n/a	–	–	–	–	–	–
James Sykes	20,000	20,000	–	–	–	20,000	78

¹ All outstanding scheme interests are in the form of options.

² The table above includes the holdings of persons connected with each of the Directors.

³ The shareholding as a percentage shown above is based on the share price at 31 December 2025 (225p). The salary/ fee used for this calculation is that which commences on 1 January 2026.

⁴ Earl Sibley joined the Board on 1 April 2025.

There have been no other transactions between 31 December 2025 and 31 March 2026.

LTIP

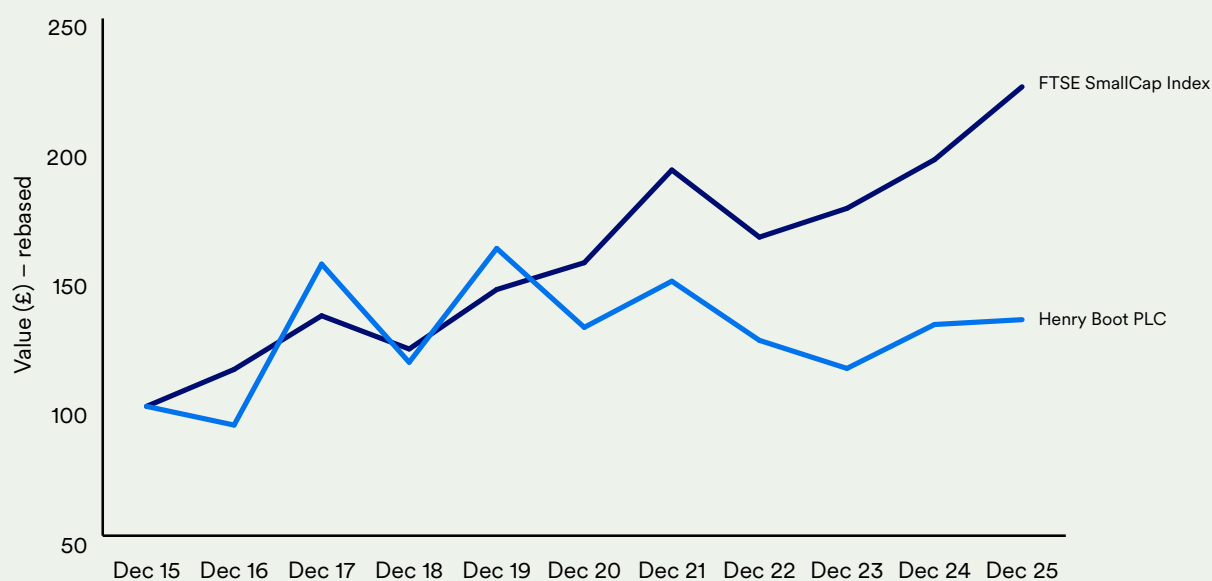
	Date of grant	Market price at date of grant	At 1 January 2025	Granted during the year	Exercised during the year	Lapsed during the year	At 31 December 2025	Actual exercise date/earliest vesting date
Tim Roberts	29/04/2022	324.33p	175,938	–	–	175,938	–	29/04/2025
	26/04/2023	235.67p	249,397	–	–	–	249,397	26/04/2026
	25/04/2024	181.33p	400,618	–	–	–	400,618	25/04/2027
	24/04/2025	213.67p	–	350,194	–	–	350,194	24/04/2028
			825,953	350,194	–	175,938	1,000,209	
Darren Littlewood	29/04/2022	324.33p	92,497	–	–	92,497	–	29/04/2025
	26/04/2023	235.67p	131,117	–	–	–	131,117	26/04/2026
	25/04/2024	181.33p	219,395	–	–	–	219,395	25/04/2027
	24/04/2025	213.67p	–	191,781	–	–	191,781	24/04/2028
			443,009	191,781	–	92,497	542,293	

Sharesave plan

	Date of grant	At 1 January 2025	Granted during the year	Exercised during the year	Lapsed during the year	At 31 December 2025	Exercise price	Date from which exercisable	Expiry date
Tim Roberts	20/10/2023	11,967	–	–	–	11,967	155p	01/12/2026	01/06/2027
Darren Littlewood	20/10/2023	11,967	–	–	–	11,967	155p	01/12/2026	01/06/2027

Ten-year TSR performance graph

The chart below shows the TSR for the company compared to the FTSE SmallCap Index over ten years. The FTSE SmallCap index has been chosen as Henry Boot is a constituent of the FTSE SmallCap index.



Directors' Remuneration report continued

CEO remuneration for the previous ten years

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Name	Jamie Boot	John Sutcliffe	John Sutcliffe	John Sutcliffe	John Sutcliffe	Tim Roberts	Tim Roberts	Tim Roberts	Tim Roberts	Tim Roberts	Tim Roberts
Total Remuneration (£'000)	981	1,118	1,277	1,250	912	715	982	929	1,001	844	786
Annual bonus (% of max)	87.8	91.1	99.2	76.8	64.8	50.0	83.3	61.6	64.3	48.2	25%
LTIP (% of max)	25	67	100	87	65	nil	nil	15.1	18.15	nil	10%

Percentage change in Directors' remuneration

The table below sets out in relation to salary, taxable benefits and annual bonus the percentage increase in remuneration for Directors compared to the wider workforce.

	Average percentage change 2024/25			Average percentage change 2023/24			Average percentage change 2022/23			Average percentage change 2021/22			Average percentage change 2020/21		
	Salary/ fees	Taxable Benefits	Annual Bonus	Salary/ fees	Taxable Benefits	Annual Bonus	Salary/ fees	Taxable Benefits	Annual Bonus	Salary/ fees	Taxable Benefits	Annual Bonus	Salary/ fees	Taxable Benefits	Annual Bonus
Chief Executive Officer	3%	2%	-47%	3%	2%	-23%	3%	8%	7%	-5%	6%	-22%	5%	0%	68%
Chief Financial Officer	3%	3%	-47%	3%	1%	-21%	3%	3%	5%	0%	11%	-19%	9%	0%	87%
James Sykes	3%	n/a	n/a	3%	n/a	n/a	4%	n/a	n/a	6%	n/a	n/a	5%	n/a	n/a
Peter Mawson	26%	n/a	n/a	4%	n/a	n/a	22%	n/a	n/a	85%	n/a	n/a	28%	n/a	n/a
Serena Lang	14%	n/a	n/a	8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Talita Ferreira	9%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Earl Sibley ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Workforce	3%	0%	-12%	3%	0%	-5%	3%	0%	-9%	6%	0%	55%	10%	0%	0%

¹ Earl Sibley was appointed to the Board on 1 April 2025 and so the percentage change cannot be calculated.

CEO pay ratio

The CEO pay ratio comparing the CEO single total figure of remuneration to the equivalent pay for the lower quartile, median and upper quartile of UK employees (calculated on a full-time equivalent basis). The ratios have been calculated in accordance with the Companies (Miscellaneous Reporting) Regulations.

	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2025	Option A	20:1	14:1	9:1
2024	Option A	23:1	16:1	11:1
2023	Option A	28:1	21:1	13:1
2022	Option A	28:1	20:1	12:1
2021	Option A	31:1	22:1	14:1
2020	Option A	26:1	18:1	11:1
2019	Option A	41:1	27:1	17:1

The Committee selected Option A as the method of calculation as it is generally recognised as the most statistically robust and is consistent with the approach used historically. The pay and benefits for UK employees have been determined by reference to the last day of the financial year (31 December 2025) using the same method as used for the single total figure.

Each employee's pay and benefits were calculated using each element of remuneration on a full-time basis, consistent with the CEO. No adjustments (other than the approximate up-rating of pay elements to achieve full-time equivalent rates) were made. No components of pay have been omitted.

	25th Percentile	50th Percentile	75th Percentile
Salary/wages	£34,099	£43,000	£63,644
Total remuneration	£37,768	£55,505	£83,264

The pay ratio decreased in 2025, predominantly due to a lower bonus award. There have been no changes to the company's employment models or the calculation methods used in both periods. The Committee is satisfied that the median pay ratio reported this year is consistent with our wider pay, reward and progression policies for employees.

Relative importance of the spend on pay

The following table sets out the percentage change in dividends, and the overall spend on pay across our whole organisation:

	2025 £'000	2024 £'000	Change %
Ordinary dividends	10,516	10,300 ¹	2.1
Overall expenditure on pay	34,539	34,326 ²	0.6

¹ Figure reinstated with the 2024 actual dividends over the period.

² Figure reinstated without Henry Boot Construction Limited who are now classed as a discontinued operation.

Implementation of Remuneration Policy in 2026

There are no material changes to the implementation of the Remuneration Policy in 2026. The following section sets out the implementation of the Remuneration Policy in 2026.

Executive Directors

Base salary

Tim Roberts received an increase of 3%, in line with the standard increase for the wider workforce. Darren Littlewood received a 4% increase to reflect an increase in his responsibilities and market positioning. The base salaries for 2026 are set below:

	Salaries effective from		
	1 January 2026 £	1 January 2025 £	Change %
Tim Roberts	£513,798	£498,833	3%
Darren Littlewood	£340,931	£327,818	4%

Pension

The Executive Directors will continue to receive cash in lieu of pension contribution at a level of 8% of base salary in line with the majority of employees.

2026 bonus

The maximum bonus opportunity for Executive Directors is 120% of salary. The Committee has reviewed the performance measures and, recognising the financial priorities for the year, has introduced a new measure based on the debt to equity gearing of the business. The annual bonus will therefore be based 65% on underlying profit before tax, 10% on gearing and 25% on individual strategic objectives. For context, the 2025 bonus was based on two-thirds underlying profit before tax and one-third on individual strategic objectives. One-third of the bonus is deferred into shares and held for three years. Recognising the ongoing challenging market conditions, we have increased the level of challenge in the sliding scale for the PBT element by reducing the amount payable from on-target performance from 50% to 10% of the maximum and significantly increased the level of stretch required to earn a maximum bonus. Full details of the target ranges will be contained in next year's report.

Directors' Remuneration

report continued

The profit targets are considered to be commercially sensitive and will therefore be disclosed retrospectively in next year's report. The new gearing measure will require our gearing to be within our preferred 10%–20% range and an overview of the high-level strategic personal objectives for each Executive Director is set out below. The Committee has reviewed the detail and sub-objectives that sit behind the overarching personal objectives below and is satisfied that they are stretching, robust and are aligned to the achievement of the company's medium term strategy.

2026 strategic personal objectives – Tim Roberts

	Objective	Weighting (%)
1	Progress the group strategy, oversee the reset within Stonebridge Homes and support the businesses with their growth plans	40%
2	Realise planned cost savings and efficiencies and establish collaborative and strategic practices across the group	30%
3	Develop the ExCo and senior management teams and launch Phase 3 of the Responsible Business Strategy	30%

2026 strategic personal objectives – Darren Littlewood

	Objective	Weighting (%)
1	Support the reset of Stonebridge Homes and oversee the transition of services from the group to Henry Boot Construction	30%
2	Establish the Investment Committee to oversee the capital allocation strategy and develop the data analytics, IT and investor relations teams	40%
3	Oversee the restructured group functions and the internal controls framework	30%

Two-thirds of any bonus earned will be payable in cash and for the remaining one-third of the bonus, Executive Directors will be required to invest this into shares which must be held for three years.

2026 LTIP awards

The 2026 LTIP awards will be granted at 150% of salary for the CEO and 125% of salary for the CFO.

The 2026 LTIP awards will be subject to relative TSR, EPS, ROACE and ESG-related targets, based on a reduction in Scope 1 and 2 emissions and improvements to the senior management gender balance.

The detailed performance metrics, which will be measured over the three-year period to 31 December 2028, are as follows:

Total Shareholder Return (TSR) relative to constituent companies of the FTSE Small Cap Index excluding Investment Trusts (40% weighting)	We strive to achieve high shareholder returns. TSR reflects the extent to which shareholders and the market consider that the company strategy is appropriate and is being implemented and articulated well by the Executive Directors.
EPS (25% weighting)	Our ambition is to grow earnings per share sustainably over the long term. This should give rise to an ability to grow dividends faster than inflation; a key driver to long term growth in shareholder value.
Return on Average Capital Employed (25% weighting)	We aim to deliver strong ROACE performance. This is a further driver to long term shareholder value growth.
ESG – Scope 1 and 2 Greenhouse Gas Emissions (5% weighting)	We strive to ensure that our business decisions create sustainable and long term value for all our stakeholders. We want to deliver our commercial purpose while leaving a lasting positive legacy. With regards to diversity, our focus for this award is on senior management and the differing life experiences and strategic perspectives our female colleagues can bring.
Senior Management Gender Balance (5% weighting)	

These performance criteria provide a good balance between financial and stock market performance and broader stakeholder interests. Set out below are the target ranges.

	Weighting	Threshold target (25% of maximum)	Maximum target (100% of maximum)
Henry Boot TSR relative to the FTSE Small Cap Index (excluding Investment Trusts)	40%	Median performance	Upper quartile performance or above
EPS in 2028	25%	17p	23p
Return on Average Capital Employed in 2028 ¹	25%	8.0%	10.0%
Scope 1 and 2 Greenhouse Gas Emissions in 2028	5%	1,688 tonnes	
Senior management gender balance in 2028	5%	70 male : 30 female ²	

¹ Including discontinued operations and before the revised classification of the group's main borrowing facility.

² Individuals identifying as male or female. Senior management for this purpose is defined as those in grades 1-4 and anyone in grades 5-9 with line management responsibilities.

The target ranges for the EPS and Return on Average Capital Employed elements have been set to be at least as challenging to prior years' awards, taking into account internal business plans, consensus analyst estimates and the challenging market conditions.

Awards will be subject to a two-year holding period post vesting.

Operation of malus and clawback

Details of malus and clawback are set out in the Directors' Remuneration Policy. The approach to malus and clawback was deemed appropriate based on governance standards, best practice and the business cycle of Henry Boot. Malus and clawback were not operated in respect of the Executive Directors during 2025.

Non-executive Directors

The Committee reviewed the Board Chair fee taking into account market data and the time commitment. As a result of the review the Chair fee was increased from £140,000 to £150,000.

The Board reviewed the fees for the Non-executive Directors. This resulted in an increase of 3%, in line with the increase in base salary for the Executive Directors.

As noted in the Chair letter, Earl Sibley provided additional consultancy support in early 2026, for which fees were payable. No further services are anticipated.

	Fees effective from		
	1 January 2026 £	1 January 2025 £	Change %
Chair fee ¹	150,000	140,000	7%
Base Non-executive Director fee	57,537	55,861	3%
Remuneration and Audit and Risk Committee Chair fee	5,683	5,517	3%
Responsible Business Committee Chair fee	2,841	2,758	3%
Non-executive Director designated to workforce engagement fee	2,841	2,758	3%
Senior Independent Director fee	3,978	3,862	3%

¹ Fee includes role as Chair of Nomination Committee.

Approved by the Board and signed on its behalf by

Serena Lang

Chair of the Remuneration Committee

14 April 2026

Directors' report

The Directors' Report for the financial year ended 31 December 2025 is detailed below.

Activities of the group

The principal activities of the group are land promotion, property investment and development, and home building.

Strategic Report

In accordance with the Companies Act 2006, we are required to present a fair review of the group's business along with a description of the principal risks and uncertainties it faces. The Strategic Report for the year ended 31 December 2025 is set out on pages 16 to 89.

Corporate governance statement

The Disclosure Guidance and Transparency Rules of the Financial Conduct Authority require certain information to be included in a corporate governance statement in the Directors' Report. Information that fulfils the requirements of the Corporate Governance Statement can be found in the Governance section on pages 90 to 169, and also within this Directors' Report.

Results for the year and dividends

The results are set out in the Consolidated Statement of Comprehensive Income on page 170. The companies affecting the profit or net assets of the group in the year are listed in note 36 to the Financial Statements.

The Directors recommend that a final dividend of 4.62p per ordinary share be paid on 29 May 2026, subject to shareholder approval at the 2026 AGM to be held on 21 May 2026, to ordinary shareholders on the register at the close of business on 1 May 2026. If approved, this, together with the interim dividend of 3.24p per ordinary share paid on 24 October 2025, will make a total dividend of 7.86p per ordinary share for the year ended 31 December 2025. Further details are disclosed in note 10 to the Financial Statements on page 191.

Financial instruments

The group's policy in respect of financial instruments is set out within the Accounting Policies on page 181 and details of credit risk, capital risk management, liquidity risk and interest rate risk are given respectively in notes 18, 25 and 26 to the Financial Statements.

Going concern and viability statement

The Directors have, at the time of approving the Financial Statements, a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Further detail is contained in the Strategic Report on pages 65 to 66.

Fair, balanced and understandable

The Audit and Risk Committee and the Board have assessed the tone, balance and language of the Annual Report and Financial Statements, being mindful of the requirements of the UK Corporate Governance Code and the need for consistency between the narrative section of the document and the Financial Statements. The Board's formal statement on the Annual Report and Financial Statements being fair, balanced and understandable is contained within the Statement of Directors' Responsibilities which can be found on page 159.

Political donations

The company made no political donations in the year or in the previous year.

Directors and their interests

Details of the Directors who held office during the financial year ending 31 December 2025 and as at the date of this Annual Report and Financial Statements can be found on pages 92 and 93. At no time during the year has any Director had any interest in any significant contract with the company.

The interests of Directors and persons closely associated with them in the share capital of the company as at 31 December 2025, are disclosed in the Directors' Remuneration Report on page 146. Between 31 December 2025 and 31 March 2026, being a date not more than one month prior to the date of the Notice of the AGM, there were no changes in the beneficial interests of any of the current Directors during this period.

Details of Directors' long term incentive awards and share options are provided in the Directors' Remuneration Report on pages 146 to 147.

Directors' service contracts and letters of appointment

Details of unexpired terms of Directors' service contracts and/or letters of appointment of the Non-executive Directors proposed for reappointment at the AGM on 21 May 2026 are set out in the Directors' Remuneration Policy.

Tim Roberts and Darren Littlewood each have a one-year rolling service agreement in accordance with our policy on Directors' contracts. Termination of these arrangements would therefore be subject to their contractual terms and conditions which require a notice period of one year to the Director. Contractual compensation in the event of early termination provides for compensation at basic salary, pension and benefits for the notice period.

Non-executive Directors, including the Chair, do not have service contracts. All Non-executive Directors have letters of appointment and their appointment and subsequent reappointment is subject to approval by shareholders.

Non-executive Director appointments are typically for three years; however, they may be terminated without compensation at any time. The full Directors' Remuneration Policy can be viewed on pages 123 to 130 of the 2023 Annual Report.

Training and development

Formal and tailored inductions are arranged for all new Directors and continued development is monitored by the Chair as part of the performance review process. The programme of induction includes attendance at PLC Board and subsidiary meetings, meetings with key internal and external stakeholders including the Group Employee Forum Chair, site visits, training on director duties and other personalised development to encourage a seamless integration into the business.

Non-executive Directors are encouraged to familiarise themselves with the company's business, and they do this throughout the year by engaging with the workforce, attending subsidiary board and other management meetings and by visiting sites and depots. You can read more about engagement with employees and other stakeholders on pages 106 to 107 and 85 to 89 respectively.

Specific training requirements were considered as part of the Board's performance review, details of which can be found on pages 110 to 115. General updates on regulations and best practice are provided through a mixture of briefings, Board papers and specialist training. Board development plans for 2026 are described on page 125.

Employment policy and involvement

Employees

Employees are at the heart of all that we do; our culture ensures that employees can grow, thrive and succeed. Details of how we seek to promote and achieve this are set out in our people section on pages 35 to 39, the employee engagement report on pages 106 to 107 and Nomination Committee Report on pages 124 to 128. Our policy on equal opportunities for all employees, including disabled employees, can be found under our Equality and Diversity Policy at henryboot.co.uk.

Employee engagement

Details of our employee engagement activities can be found on pages 106 to 107.

People engagement and internal communications

We continued to take a strategic approach to our people engagement in 2025, working closely with leaders from across the business to deliver day-to-day communications and also guide our people through business changes, most notably the management buyout of Henry Boot Construction.

A robust approach was taken, analysing key audiences from across the business including risk factors associated with each cohort of people, their communication preferences, timing and language. The approach was well received throughout the group, gaining positive feedback in the Hive employee engagement survey results.

Regular monthly cross-departmental collaboration meetings encouraged a joined-up approach between all group service functions, ensuring a consistent and timely year-round plan of internal communications. Other areas of focus for the year included the introduction of D365, supporting our responsible business agenda through targeted communications in direct relation to the 5Ps (Performance, People, Partners, Planet, Places), increased awareness of physical and mental health support, and the completion of digital screen installation.

Our monthly internal newsletter 'the lowdown' hit its annual target for engagement after gaining feedback from the business through a series of focus groups across the country, and iterative changes reflecting best practice. We also made movements to engage with a new internal communications platform provider, now appointed for 2026. They offer an improved emailing platform allowing us to better optimise campaigns, respond to device type, and manage engagement metrics more accurately.

Employee share schemes

The group encourages participation in the company's employee share schemes to share in the potential growth and future success of the group. Eligible employees are invited to participate in Sharesave and, depending on the grade, either the Company Share Option Plan or the Long term Incentive Plan on an annual basis. Details of employee share schemes are set out in note 30 to the Financial Statements.

Directors' report

continued

Directors' indemnity provisions

Directors risk personal liability under civil and criminal law for many aspects of the company's main business decisions. As a consequence, the Directors could face a range of penalties, including fines and/or imprisonment. In keeping with normal market practice, the company believes that it is prudent and in the best interests of the company to protect the individuals concerned from the consequences of innocent error or omission. As a result, the company operates a directors' and officers' liability insurance policy in order to indemnify Directors and other senior officers of the company and its subsidiaries. This insurance policy does not provide cover where the Director or officer has acted fraudulently or dishonestly.

In addition, subject to the provisions of and to the extent permitted by relevant statutes, under the Articles of Association of the company, the Directors and other officers throughout the year, and at the date of approval of these Financial Statements, were indemnified out of the assets of the company against liabilities incurred by them in the course of carrying out their duties or the exercise of their powers.

Health and safety

The health and safety of our employees and others is paramount.

Further information on our approach to health and safety is provided in the 'our people' section on page 38.

Relationship with stakeholders

Details of how we engage with stakeholders and uphold our Directors' duties more widely under s.172 of the Companies Act 2006, including our suppliers, customers and other stakeholders, can be found on pages 85 to 89.

Shareholder relations

The company actively communicates with its institutional and private shareholders and values a two-way conversation on key company issues. It is this close relationship with shareholders that is viewed as one of the company's particular strengths.

During the year, a number of formal presentations were made by members of the Board to institutional shareholders and meetings were held with other major shareholders. Feedback from these meetings was provided to the Board by our brokers, through written reports or verbal updates from the CEO, CFO or the Chair. At every Board meeting, an update is given to the Non-executive Directors on any feedback from investors, particularly after investor roadshow programmes. The Board receives a report at every meeting on share movements during the period and market trends. The company uses the Investor Relations section of its website, henryboot.co.uk, to publish statutory documents and communications to shareholders, such as the Annual Report and Financial Statements. The website is designed to communicate with both present and potential investors and includes all London Stock Exchange announcements, investor presentations and press releases. Following feedback, the company has increased the frequency of RNS reach announcements to give updates on operational successes and other company news.

Greenhouse gas emissions

The greenhouse gas emissions disclosures required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 are included within the Strategic Report on page 84. This information is incorporated by reference into (and shall be deemed to form part of) this report.

Substantial interests in voting rights

Excluding Directors, as at 31 March 2026, being a date not more than one month prior to the date of the Notice of the AGM, the information in the table below had been disclosed to the company in accordance with the requirements in the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

	Voting rights over ordinary shares	
	Number	% of issued
Rysaffe Nominees and J J Sykes (joint holding) ¹	20,012,155	14.93
David John Gladman	14,760,550	11.02
The London & Amsterdam Trust Company Limited	8,487,371	6.37
FIL Limited	7,010,581	5.23
The Fulmer Charitable Trust ²	5,739,580	4.40

¹ Rysaffe Nominees and James Sykes are joint registered holders on behalf of various Reis family trusts and are therefore not included under the beneficial interests of James Sykes set out in the Directors' Remuneration Report.

² The shares of the Fulmer Charitable Trust, a recognised charity, are registered in the names of Mr John Spencer Reis, Mrs Sally Anne Reis and Mrs Caroline Mary Mytum as Trustees.

These figures represent the number of shares and percentage held as the date of notification to the company.

Details of Directors' holdings can be found on page 146.

Shares held by the Henry Boot PLC Employee Trust

The company has an established Employee Trust (the Trust) for the benefit of the group's employees to satisfy existing grants by the company under various share-based payment arrangements. Details of the company's share-based payment arrangements are provided in note 30 to the Financial Statements. The Trustee of the Trust, a subsidiary of the company of which the Directors throughout 2025 were Tim Roberts, Darren Littlewood, Jaimie Read (from 2 December 2025) and Amy Stanbridge (until 2 December 2025), exercises the voting rights in relation to shares held as it, in its absolute discretion, thinks fit, but having regard to the interests of the beneficiaries. In respect of the financial year of the company ended on 31 December 2025, the Trust has waived the right to receive from the company all dividends (if any) in respect of the shares held within the Trust.

During 2025, the Trust did not purchase any ordinary shares in the company, although it does from time to time in order to satisfy upcoming grants. Further details are provided in note 32 to the Financial Statements.

Share buy-backs

The Company did not acquire any of its own shares (including treasury shares) through the Trust or by any other means during the period. As referenced above, it does make purchases of ordinary shares through the Trust from time to time in order to satisfy upcoming share plan requirements.

Future developments

Important events since the financial year end and likely future developments are described in the Strategic Report on pages 16 to 89 and in note 35 to the Financial Statements.

Research and development

During the year, the Company has not undertaken any material research and development activity.

Company branches

Details of the Company's office and depot locations are shown on page 09. The Company does not have any overseas branches.

Statement of disclosure of information to the auditor

The Directors of the company who held office at the date of approval of this Annual Report each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditor in connection with preparing their report) of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent auditor

The external auditor, Ernst & Young LLP, has carried out the audit of the 2025 financial results. Resolutions re-appointing Ernst & Young LLP as auditor (Resolution 11) and authorising the Audit and Risk Committee to fix their remuneration (Resolution 12) will be proposed at the AGM.

Accountability and audit

Details of the Directors' responsibilities and the Statement of Directors' Responsibilities are contained on page 159. The Independent Auditor's Report is given on pages 162 to 169.

Annual General Meeting (AGM)

The Notice of the AGM can be found on pages 236 to 239, which also details methods of shareholder engagement to take place in conjunction with the AGM. It is also available at henryboot.co.uk, where a copy can be viewed and downloaded.

Additional shareholder information

This section sets out details of other matters on which the Directors are required to report annually, but which do not appear elsewhere in this document.

The information below summarises certain provisions of the current Articles of Association of the company (as adopted by special resolution on 22 May 2025) (the Articles) and applicable English law concerning companies (the Companies Act 2006). This is a summary only and the relevant provisions of the Companies Act 2006 or the Articles should be consulted if further information is required.

Directors' report

continued

Share capital

The company's issued share capital comprises two classes of shares being, respectively, ordinary shares of 10p each (ordinary shares) and cumulative preference shares of £1 each (preference shares). Further details of the share capital of the company are set out in note 30 to the Financial Statements. As at 7 April 2026, the ordinary shares represent 97.11% of the total issued share capital of the company by nominal value and the preference shares represent 2.89% of such total issued share capital. The ordinary shares and the preference shares are in registered form. Both classes of share are admitted to the Official List of the Financial Conduct Authority.

The Notice of the AGM on pages 236 to 239 includes the following resolutions:

- An ordinary resolution (Resolution 13) to renew the authority of the Directors to allot shares up to a maximum nominal amount of £4,482,935 representing approximately one-third (33.33%) of the company's issued ordinary share capital at 7 April 2026. The authority will expire on 21 August 2027 or at the conclusion of the next AGM, whichever is the earlier, but it is the present intention of the Directors to seek annual renewal of this authority. The Directors do not have any present intention of exercising the authority.
- A special resolution (Resolution 14) to enable the Directors to continue to allot equity securities for cash in connection with a rights or other issue pro rata to the rights of the existing shareholders, but subject to certain exceptions, and for any other purpose provided that the aggregate nominal value of such allotments does not exceed £672,440 (approximately 5% of the company's issued ordinary share capital at 7 April 2026). The authority will expire on 21 August 2027 or at the conclusion of the next AGM, whichever is the earlier, but it is the present intention of the Directors to seek annual renewal of this authority. The Directors also confirm their intention that, in line with the Pre-Emption Group's Statement of Principles, no more than 7.5% of the issued ordinary share capital of the company (excluding treasury shares) will be issued for cash on a non pre-emptive basis during any rolling three-year period without prior consultation with shareholders.
- A special resolution (Resolution 15) to renew the authority of the company to make market purchases of up to 13,448,805 of its own issued ordinary shares (10% of the company's issued ordinary share capital at 7 April 2026). The minimum price that may be paid under the authority for an ordinary share is 10p and the maximum price is limited to not more than 5% above the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days before the purchase is made. The Directors will exercise the authority only if they are satisfied that it would be likely to result in an increase in expected earnings per share of the ordinary share capital in issue and that any purchase will be in the best interests of shareholders generally. If the Directors do decide to exercise the authority, ordinary shares so acquired will either be cancelled or held as treasury shares, depending upon the circumstances prevailing at the time.

Rights and obligations attaching to shares

Subject to the Companies Act 2006 and other shareholders' rights, any share may be issued with such rights and restrictions as the company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board of Directors for the time being of the company (the Board) may decide. Subject to the Companies Act 2006, the Articles and any resolution of the company, the Board may deal with any unissued shares as it may decide.

Rights of preference shares

The preference shares carry the following rights (subject to Board approval) in priority to the ordinary shares but carry no further right to participate in profits or assets:

- the right to receive out of the profits of the company a fixed cumulative preferential dividend at the rate of 5.25% per annum on the capital paid up thereon;
- the right on a return of assets on a winding up to payment of the capital paid up thereon together with a sum calculated at the rate of 6.00% per annum in respect of any period up to the commencement of the winding up for which such preferential dividend as referred to above has not been paid; and
- the right on a return of assets in a reduction of capital to repayment of the capital paid up thereon together with a sum equal to all arrears (if any) of such preferential dividend as referred to above. The preference shares shall not confer on the holders of them any right to receive notice of or to be present or to vote at any general meeting unless either:
 - a resolution is proposed directly affecting the rights or privileges of the holders of the preference shares as a separate class; or
 - at the date of the notice convening the general meeting, the fixed cumulative preferential dividend provided in the Articles shall be in arrears for more than six months.

Voting

Voting on each resolution will be conducted by way of a poll in accordance with the terms of the Articles. The results of the poll will be announced to the London Stock Exchange and will be made available on the company's website at www.henryboot.co.uk as soon as practicable following the conclusion of the AGM. Under the Companies Act 2006, shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at a general meeting or class meeting.

Restrictions on voting

A shareholder shall not be entitled to vote at any general meeting or class meeting in respect of any shares held by him unless all calls and other sums presently payable by him in respect of that share have been paid. In addition, holders of default shares (as defined in the Articles) shall not be entitled to vote during the continuance of a default in providing the company with information concerning interests in those shares required to be provided (following relevant notification) under the Companies Act 2006.

Deadlines for voting rights

Full details of the deadlines for exercising voting rights in respect of the resolutions to be considered at the AGM to be held on 21 May 2026 are set out in the Notice of AGM on pages 236 to 239.

Documents available for inspection at and prior to the AGM

Copies of contracts of service and letters of appointment of the Directors with the company and the Articles are available for inspection at the company's registered office on any weekday (Saturdays, Sundays and Bank Holidays excepted) during normal business hours.

Dividends and distributions

The company may, by ordinary resolution, declare a dividend to be paid to the shareholders but no dividend shall exceed the amount recommended by the Board. The Board may pay interim dividends and also any fixed rate dividend whenever the financial position of the company justifies its payment in the opinion of the Board. If the Board acts in good faith, none of the Directors shall incur any liability to the holders of shares with preferred rights for any loss they may suffer in consequence of the payment of an interim dividend on other shares.

Variation of rights

The Articles specify that the special rights attached to any class of shares may, either with the consent in writing of holders of three-quarters of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of such holders (but not otherwise), be modified or abrogated.

Transfer of shares

Under and subject to the restrictions in the Articles, any shareholder may transfer some or all of their shares in certificated form by transfer in writing in any usual form or in any other form which the Board may approve. Uncertificated shares must be transferred by means of a relevant system, such as CREST. The Board may, save in certain circumstances, refuse to register any transfer of a certificated share not fully paid up.

The Board may also refuse to register any transfer of certificated shares unless it is:

- in respect of only one class of shares;
- duly stamped or exempt from stamp duty;
- delivered to the office or at such other place as the Board may decide for registration; and
- accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may reasonably require to show the right of the intending transferor to transfer the shares.

In addition, the Board may refuse to register any transfer of shares which is in favour of more than four transferees.

Repurchase of shares

Subject to the provisions of the Companies Act 2006 and to any rights conferred on the holders of any class of shares, the company may purchase all or any of its shares of any class, including any redeemable shares.

Amendment to the Articles of Association

Any amendments to the Articles may be made in accordance with the provisions of the Companies Act 2006 by way of special resolution.

Directors' report

continued

Appointment and replacement of Directors

The Directors shall not, unless otherwise determined by an ordinary resolution of the company, be less than three nor more than 15 in number. Directors may be appointed by the company by ordinary resolution or by the Board. A Director appointed by the Board shall retire from office at the next AGM of the company but shall then be eligible for reappointment. The Board may appoint one or more Directors to hold any office or employment under the company for such period (subject to the Companies Act 2006) and on such terms as it may decide and may revoke or terminate any such appointment.

At each AGM, each Director shall retire from office in accordance with the Articles. A Director who retires may, if willing to act, be reappointed.

In addition to any power of removal conferred by the Companies Act 2006, the company may by ordinary resolution remove any director before expiration of his period of office. A Director may also be removed from office by the service on them of a notice to that effect signed by all the other Directors. The office of a Director shall be vacated if:

- i. they cease to be a director by virtue of the Companies Act 2006 or are otherwise prohibited by law from being a Director;
- ii. they become bankrupt or make any arrangement or composition with their creditors generally;
- iii. they are, in the opinion of a registered medical practitioner who is treating them, physically or mentally incapable of acting as a Director and may remain so for more than three months, and the board resolves that their office be vacated;
- iv. their contract of service as a director expires or is terminated for any reason and is neither renewed nor a new contract granted within 14 days;
- v. for more than six months they are absent, without permission from the Board, from meetings of the Board held during that period, and the Board resolves that their office be vacated; or
- vi. they serve on the company notice of their wish to resign.

Powers of the Directors

The business of the company shall be managed by the Board which may exercise all the powers of the company, subject to the provisions of the Articles and any resolution of the company's shareholders.

The Articles specify that the Board may exercise all the powers of the company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets and uncalled capital and to issue debentures and other securities, subject to the provisions of the Articles.

Conflicts of interest

Directors are asked to declare any conflicts of interests at the start of any board and committee meeting if they relate to any agenda items, and a register of standing conflicts of interests is also maintained.

Takeovers and significant agreements

The company is a party to the following significant agreements that take effect, alter or terminate on a change of control of the company following a takeover bid:

- the company's share schemes and plans; and
- bank facilities whereby upon a 'change of control' the lenders shall consult with the company for a period not greater than 30 days (commencing on the date of the change of control) to determine whether and on what basis the lenders are prepared to continue the facility.

Information rights

Beneficial owners of shares who have been nominated by the registered holder of those shares to enjoy information rights under Section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares, rather than to the company's registrars, Computershare Investor Services PLC or to the company directly.

Approved by the Board and signed by its order by

Jaimie Read
Company Secretary

14 April 2026

Statement of Directors' responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the group and parent company Financial Statements in accordance with UK-adopted international accounting standards (IFRSs). Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company, and of the profit or loss of the group and the company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- in respect of the group Financial Statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent company Financial Statements, state whether UK-adopted international accounting standards, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company and/or the group will continue in business.

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

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and corporate governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

The Directors confirm, to the best of their knowledge:

- that the consolidated Financial Statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole;
- that the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy.

Approved by the Board and signed on its behalf by

Tim Roberts
Director

Darren Littlewood
Director

14 April 2026

Financial Statements



Pictured: INTER, Welwyn Garden City, 71,000 sq ft of Grade-A Industrial and Logistic space across 3 units.



Financial Statements

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Independent auditor's report

to the members of Henry Boot PLC

Opinion

In our opinion:

- Henry Boot PLC's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Henry Boot (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise:

Group	Parent Company
Group statement of financial position as at 31 December 2025	Parent Company statement of financial position as at 31 December 2025
Consolidated statement of comprehensive income for the year ended 31 December 2025	Parent Company statement of changes in equity for the year ended 31 December 2025
Group statement of changes in equity for the year ended 31 December 2025	Parent Company statement of cash flows for the year ended 31 December 2025
Group statement of cash flows for the year ended 31 December 2025	Related notes 1 to 38 to the financial statements including material accounting policy information
Related notes 1 to 38 to the financial statements, material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

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

Independence

We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial close process, obtaining an understanding of management's going concern assessment process and challenging management to ensure key factors were considered in their assessment. We obtained an understanding of each of management's modelled scenarios, including the base case and a severe downside case.
- Assessing the appropriateness of the duration of the going concern assessment period to 31 December 2027 and considering our knowledge of significant events or conditions beyond this period, based on our procedures on the Group's business plan, cash flow forecasts and from knowledge arising from other areas of the audit.
- Obtaining management's going concern assessment, including the cash flow forecasts and forecast covenant compliance, for the going concern period through to 31 December 2027. The Group has modelled a base case and severe but plausible downside scenarios. The downside scenario models significant curtailment of activity in 2026 followed by modest growth through 2027.
- Assessing the historical accuracy of forecasting and challenging the appropriateness of key assumptions in management's forecasts;
- Considering the mitigating factors included in management's downside scenario and assessing whether they are within control of the Group, for example, reducing uncommitted development and acquisition expenditure

- Verifying the inputs into the cash flow forecasts, the debt facility terms, and reconciling the available liquidity (cash and available facilities) as at 31 December 2025. We further reviewed signed borrowing agreements to confirm both availability to the Group and the forecast debt repayments through the going concern assessment period.
- Assessing management's break case which focuses on a breach in the EBIT cover covenant;
- Performing an independent reverse stress test to consider other factors which could lead to the Group utilising all liquidity or breaching the financial covenants during the going concern period and assessing how likely these are to materialise; and
- reviewing the Group's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 31 December 2027.

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of six components and audit procedures on specific balances for a further fifteen components and central procedures on intercompany, payroll and cash.
Key audit matters	• Valuation of contract balances and associated revenue and profit recognition • Valuation of house building inventories and profit recognition • Valuation of investment properties
Materiality	• Overall group materiality of £1.46m which represents 5% of profit before tax.

An overview of the scope of the parent company and group audits

In the current year our audit scoping has continued to reflect the requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We then identified five components as individually relevant to the Group due to relevant events and conditions underlying the identified risks of material misstatement of the group financial statements being associated with the reporting components.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the group significant financial statement account balance.

We then considered whether the remaining group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the group financial statements. We selected sixteen components of the group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the six components selected, we designed and performed audit procedures on the entire financial information of ones component ("full scope components"). For fifteen components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components").

Across these twenty-one components we performed centralised audit procedures on intercompany, payroll and cash.

Our scoping to address the risk of material misstatement for each key audit matter covered 100% of each key audit matter.

Independent auditor's report

to the members of Henry Boot PLC [continued](#)

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact Henry Boot PLC. The Group has concluded that the property development industry is one of the higher risk sectors and they continuously monitor the risks and opportunities arising and the materiality of the financial impacts of those risks may present to the business. This is explained on pages 68 to 84 in the required Task Force on Climate related Financial Disclosures and on page 60 in the principal risks and uncertainties. They have also explained their climate commitments on page 44. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the basis of preparation note their articulation of how climate change has been reflected in the financial statements. There are no significant judgements or estimates relating to climate change in the notes to the financial statements. The Group has concluded that the environmental impact on the Group's operations is relatively low and no issues were identified that would materially impact the carrying values of such assets or have any other impact on the financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating whether management's assessment of the impact of the physical climate risk of flooding has been appropriately reflected in inventory asset values and that the Group's relevant transition costs have been appropriately reflected in the investment property valuation. We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, include other relevant steps to our risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, whilst we have not identified the impact of climate change on the financial statements to be a standalone key audit matter, we have considered the impact on the valuation of investment properties. Details of the impact, our procedures and findings are included in our explanation of the key audit matter below.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Valuation of contract balances and associated revenue and profit recognition <i>Refer to the Audit Committee Report (pages 119 to 120); Accounting policies (page 176); and Notes 1,17 and 22 of the Consolidated Financial Statements (pages 184, 206 and 210)</i> The group has reported revenues from construction and development contracts for the year of £38.9m (2024 - £17.9m). The group has reported contract assets of £8.4m (2024- £12.7m) and contract liabilities of nil (2024 - £4.9m). For construction and development contract activity the performance obligation is satisfied over time. This means that revenue is recognised by measuring the progress towards completing the performance obligation satisfactorily. This assessment requires management to estimate the stage of completion of construction and development contract activity and assess costs to complete. Forecasting is highly subjective and is an area that could lead to misstatement of revenue, profit and related construction and development contract balances either through error or management bias.	• Walkthroughs to understand the key process and identify key controls; • For a sample of contracts in progress at the year end, we recalculated the percentage completion, revenue recognised in the year and corresponding contract assets and liabilities; • For cost plus contracts, we verified the accuracy and allowability of costs by tracing a sample of incurred costs to third party support and recalculating revenue using the agreed cost plus margin to confirm the correctness of amounts recognised • We analysed the historical accuracy by comparing original forecast margins to their final actual margins on completed contracts; • We performed look back margin analysis (focused on completed contracts) to identify any historic trends related to deterioration of margin and actual margin levels achieved to identify whether there is a history of not achieving forecast margin; • We challenged the total cost to complete assumptions (including cost contingencies), for a sample of incomplete projects, by: • Holding discussions with project managers and quantity surveyors to understand the basis for the assumptions and attending the year end valuation meetings where the costs to complete are challenged internally; • Understanding the nature of costs to come and evaluating the split between fixed and variable costs to assess the cost volatility risk; • Testing a sample of costs to complete by agreeing through to purchase order, contract or other 3rd party evidence; • Assessing management's consideration of key supplier resilience for contracts where costs with sub-contractors are fixed; and • Obtaining the post year end CVRs (Cost Variance Reports) to identify any margin movements that should have been reflected at year end. • Checking level of contracted costs against estimates to identify cost inflation not being factored into estimates. • We performed sensitivity analysis for the incomplete contracts to determine what level of cost increase would exhaust the annual contingency or result in a material impact to the amounts recognised as revenue and cost of sales in the year; • We performed sensitivity analysis for project delay would result in a material impact to the amounts recognised as revenue and cost of sales in the year (See Appendix A); • We visited a sample of sites to gain a deeper understanding of the projects and to identify any contra-indicators of the stage of completion through discussion with the onsite project managers.
Key observations communicated to the Audit Committee Based on our audit procedures we have concluded that the valuation of contract balances and associated revenue and profit recognition recognised in the year are not materially misstated.	

Independent auditor's report

to the members of Henry Boot PLC [continued](#)

Risk	Our response to the risk
Valuation of house building inventories and profit recognition <i>Refer to the Audit Committee Report (page 120); Accounting policies (page 180); and Note 20 of the Consolidated Financial Statements (page 209)</i> The Group holds house building inventories of £156m (2024- £112m). There is a risk that the margin used to recognise profit on each development is incorrect and that the carrying value of inventory could be overstated. The carrying value of inventory is determined by reference to assumptions inherent in the site forecasts, such as costs to complete and expected selling price. These are used to calculate the expected margin on each development and the cost of sale recorded when a plot is sold. There is a risk that these assumptions may be subject to management override or error.	We performed the following audit procedures to challenge management's judgements over costs to complete and expected selling prices on material incomplete sites: • Performed walkthroughs to understand the key process and identify key controls • For completed sites, we compared budgeted and actual costs and margin to assess the historical accuracy of management's forecasting; • Tested a sample of costs incurred in the period by agreeing to third party invoices and ensuring the cost allocation to the correct site • Challenged the cost to complete assumptions on all material incomplete sites: • We met with the Commercial Director to review site status and performance to date, and to understand the basis for cost to complete assumptions, including any excess costs or savings recognised since the initial forecasts. • We tested a sample of cost to complete estimates by tracing them to third party supporting documentation (such as tenders and purchase orders), with particular focus on cost categories subject to higher levels of estimation. • We compared original budgeted margins to current expected site margins to assess the historical accuracy of management's forecasting and its impact on cost of sales. • We tested for inventory impairment where the total expected selling price of a development was lower than the combined carrying value of inventory and estimated costs to complete. • We reviewed post year end site forecasts and attended relevant management meetings to identify any cost increases that should have been reflected in the year end estimates. • We assessed the appropriateness of material journal entries recorded between sites. We evaluated the historical accuracy of management's cost assumptions by analysing variances between budgeted and final margins on completed developments. • Challenged the expected selling price assumptions on all material incomplete sites: • Met with the Commercial Director to understand the basis for expected selling price assumptions applied to material incomplete sites. • Reviewed industry publications to identify any contradictory market evidence in relation to expected selling prices. • Tested a sample of expected selling prices to current market prices, using external property websites and the most recent selling prices for comparable house types.
Key observations communicated to the Audit Committee Based on our audit procedures we have concluded that the house building inventory balance and profit recognised in the year are not materially misstated.	

Risk	Our response to the risk
Valuation of investment properties <i>Refer to the Audit Committee Report (page 119); Accounting policies (page 179); and Note 14 of the Consolidated Financial Statements (pages 198 to 202).</i> The Group holds Investment property of £94.6m (2024 - £96.3m). The change in fair value of investment properties is a £2.1m gain (2024: £4.5m gain) There is a risk that the carrying value of investment properties is misstated, given that the carrying value of these assets is based on a number of assumptions which contain inherent uncertainties and which require management judgement. Uncertainties in the valuations include yields, market rent, actual rent achieved and commercial property values amongst other building specific assumptions. In addition, there is a risk that management inappropriately override the valuation determined by the external valuer.	To address the significant risk, we have performed the following procedures: • Walkthroughs to understand the key process and identify key mitigating controls • For a sample of investment properties, we engaged our internal EY valuation specialists to assess the appropriateness of valuations prepared by managements external valuer. This was inclusive of reviewing external valuation reports and testing the underlying data and assumptions that are used in forming these valuations. This involved independently validating the key assumptions, including rental levels, yields and wider commercial property market inputs against third party evidence and general market activity. • Engaged in discussions with managements external valuers to confirm their approach, including their considerations of climate risk and considered contrary evidence. We additionally challenged valuers on their assumptions. • We assessed the competence and objectivity of managements specialist valuers; and • We reconciled third party property valuations to the property book values (IP) and tested any material reconciling items.
Key observations communicated to the Audit Committee Based on our audit procedures we have concluded that the investment property balance is not materially misstated.	

Our application of materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £1.46 million (2024: £1.5 million), which is 5% (2024: 5%) of Profit before Tax. We believe that Profit before Tax provides us with us with an appropriate basis of materiality and is the most relevant measure for stakeholders as it is a focus of both management and investors.

We determined materiality for the Parent Company to be £3.2 million (2024: £2.7 million), which is 2% (2024: 2%) of Equity. However, we have capped the materiality for our audit testing to the allocated materiality of the Group.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2024: 75%) of our planning materiality, namely £0.73m (2024: £1.1m). We have set performance materiality at this

percentage due to this being a recurring audit with a history of few misstatements. Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.15m to £0.44m (2024: £0.2m to £0.7m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £73k (2024: £80k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Independent auditor's report

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Other information

The other information comprises the information included in the annual report set out on pages 1 to 233, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance statement and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the strategic report or the directors' report; or

- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- a Corporate Governance Statement has not been prepared by the company

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 65 to 66;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 65 to 66;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 65 to 66;
- Directors' statement on fair, balanced and understandable set out on page 152;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 57 to 64;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 116 to 120; and
- The section describing the work of the audit committee set out on page 116 to 120.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 159, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006), the relevant tax compliance regulations in the UK, employment law and building safety regulations. We understood how Henry Boot PLC is complying with those frameworks by making enquiries of management, Internal Audit, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee. We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the

business to understand where it considered there was a susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk, as set out in the Key Audit Matters section above. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud and error. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual consolidation journals, and journals indicating large or unusual transactions based on our understanding of the business; enquiries of Group management and Internal Audit; and focused testing, as referred to in the key audit matters section above. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards, UK legislation and the UK Corporate Governance Code 2018.

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

Other matters we are required to address

- Following the recommendation from the audit committee, we were appointed by the company on 22 May 2025 to audit the financial statements for the year ending 31 December 2025 and subsequent financial periods
- The period of total uninterrupted engagement including previous renewals and reappointments is five years, covering the years ending 31 December 2020 to 31 December 2025.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Copland (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

14 April 2026

Consolidated statement of comprehensive income

For the year ended 31 December 2025

	Note	2025 £'000	2024 £'000 (Restated ¹)
Revenue	1	251,549	266,192
Cost of sales		(185,725)	(194,257)
Gross profit		65,824	71,935
Other operating income	1	16,040	12,609
Administrative expenses		(40,296)	(42,023)
Other operating expenditure	1	(16,329)	(13,018)
		25,239	29,503
Increase in fair value of investment properties	14	2,087	4,464
Profit on sale of investment properties		512	102
Profit on sale of assets held for sale		887	–
Share of profit of joint ventures and associates	16	1,727	2,431
Operating profit	3	30,452	36,500
Finance income	5	3,940	5,115
Finance costs	6	(7,975)	(8,664)
Profit before tax		26,417	32,951
Tax	7	(8,062)	(7,434)
Profit for the year from continuing operations		18,355	25,517
Profit for the year from discontinued operations	38	2,176	(1,887)
Profit for the period		20,531	23,630
Other comprehensive (expense)/income not being reclassified to profit or loss in subsequent years:			
Revaluation of group occupied property	12	25	64
Deferred tax on property revaluations	19	63	(67)
Actuarial (loss)/gain on defined benefit pension scheme	28	(6,927)	2,196
Deferred tax on actuarial (loss)/gain	19	1,732	(549)
Total other comprehensive (expense)/income not being reclassified to profit or loss in subsequent years		(5,107)	1,644
Total comprehensive income for the year		15,424	25,274
Profit for the year attributable to:			
Owners of the Parent Company		23,517	23,333
Non-controlling interests		(2,986)	297
		20,531	23,630
Total comprehensive income attributable to:			
Owners of the Parent Company		18,410	24,977
Non-controlling interests		(2,986)	297
		15,424	25,274
Earnings per share			
Basic, profit attributable to the ordinary equity holders of the Parent	9	17.6p	17.4p
Diluted, profit attributable to the ordinary equity holders of the Parent	9	17.1p	17.0p
Earnings per share from continuing operations			
Basic, profit attributable to the ordinary equity holders of the Parent		15.9p	18.9p
Diluted, profit attributable to the ordinary equity holders of the Parent		15.5p	18.4p

¹ See 'prior year restatements' on page 174

Statement of financial position

As at 31 December 2025

		Group		Parent Company	
			2024		2024
			(Restated ¹)		(Restated ¹)
	Note	2025	£'000	2025	£'000
		£'000	£'000	£'000	£'000
Assets					
Non-current assets					
Intangible assets	11	1,265	617	1,145	–
Property, plant and equipment	12	26,913	29,293	1,887	2,495
Right-of-use assets	13	2,929	3,460	1,261	1,615
Investment properties	14	94,646	96,275	–	–
Investments	15	–	–	38,973	38,906
Investment in joint ventures and associates	16	22,886	13,280	–	–
Retirement benefit asset	28	3,009	9,930	3,009	9,930
Trade and other receivables	18	47,920	8,458	198,833	193,366
Deferred tax assets	19	–	219	177	244
		199,568	161,532	245,285	246,556
Current assets					
Inventories	20	368,065	332,871	–	–
Contract assets	17	8,419	12,693	–	–
Trade and other receivables	18	69,920	90,467	61,166	25,803
Cash		8,399	16,764	4,803	9,535
Current tax receivable		–	–	–	2,664
Assets held for sale	21	–	9,315	–	–
		454,803	462,110	65,969	38,002
Liabilities					
Current liabilities					
Trade and other payables	23	86,411	89,820	23,411	66,490
Contract liabilities	22	–	4,882	–	–
Current tax liabilities		4,701	2,909	7,434	–
Borrowings	26	871	1,943	9	42
Lease liabilities	13	882	895	399	392
Provisions	27	857	1,723	–	–
		93,722	102,172	31,253	66,924
Net current assets/(liabilities)		361,081	359,938	34,716	(28,922)
Non-current liabilities					
Trade and other payables	23	21,722	11,991	1,210	197
Borrowings	26	112,222	73,592	112,000	72,500
Lease liabilities	13	2,450	3,017	1,179	1,579
Deferred tax liability	19	4,115	7,568	986	2,845
Provisions	27	–	154	–	–
		140,509	96,322	115,375	77,121
Net assets		420,140	425,148	164,626	140,513
Equity					
Share capital	30	13,811	13,801	13,811	13,801
Property revaluation reserve	31	856	1,008	–	–
Retained earnings	31	409,918	399,791	141,853	117,927
Other reserves	31	(1,271)	8,293	9,607	9,430
Cost of shares held by ESOP trust	32	(645)	(645)	(645)	(645)
Equity attributable to owners of the Parent Company		422,669	422,248	164,626	140,513
Non-controlling interests	37	(2,529)	2,900	–	–
Total equity		420,140	425,148	164,626	140,513

¹ See 'prior year restatements' on page 174

The Parent Company made a profit for the year of £38,559,000 (2024: £21,855,000).

The Financial Statements on pages 170 to 233 of Henry Boot PLC, registered number 160996, were approved by the Board of Directors and authorised for issue on 14 April 2026.

On behalf of the Board

Tim Roberts
Director

Darren Littlewood
Director

Statement of changes in equity

For the year ended 31 December 2025

Attributable to owners of the Parent Company

Group	Note	Share capital £'000	Property revaluation reserve £'000	Retained earnings £'000	Other reserves £'000	Cost of shares held by ESOP trust £'000	Total £'000	Non- controlling interests £'000	Total equity £'000
At 31 January 2024		13,799	1,011	383,219	8,248	(875)	405,402	4,716	410,118
Profit for the year	31	–	–	23,333	–	–	23,333	297	23,630
Other comprehensive income		–	(3)	1,647	–	–	1,644	–	1,644
Total comprehensive income		–	(3)	24,980	–	–	24,977	297	25,274
Equity dividends	10	–	–	(10,019)	–	–	(10,019)	(2,113)	(12,132)
Proceeds from shares issued	2	–	–	–	45	–	47	–	47
Share-based payments	31, 32	–	–	1,611	–	230	1,841	–	1,841
		2	–	(8,408)	45	230	(8,131)	(2,113)	(10,244)
At 31 December 2024		13,801	1,008	399,791	8,293	(645)	422,248	2,900	425,148
Profit for the year	31	–	–	23,517	–	–	23,517	(2,986)	20,531
Other comprehensive income		–	88	(5,195)	–	–	(5,107)	–	(5,107)
Total comprehensive income		–	88	18,322	–	–	18,410	(2,986)	15,424
Realised gain on disposal of revalued property		–	(240)	240	–	–	–	–	–
Acquisition of non- controlling interest		–	–	–	(9,741)	–	(9,741)	(309)	(10,050)
Equity dividends	10	–	–	(10,535)	–	–	(10,535)	(2,134)	(12,669)
Proceeds from shares issued		10	–	–	177	–	187	–	187
Share-based payments	31	–	–	2,100	–	–	2,100	–	2,100
		10	(240)	(8,195)	(9,564)	–	(17,989)	(2,443)	(20,432)
At 31 December 2025		13,811	856	409,918	(1,271)	(645)	422,669	(2,529)	420,140

Parent Company	Note	Share capital £'000	Retained earnings £'000	Other reserves £'000	Cost of shares held by ESOP trust £'000	Total equity £'000
At 31 January 2024		13,799	102,833	9,385	(875)	125,142
Profit for the year	8	–	21,855	–	–	21,855
Other comprehensive income		–	1,647	–	–	1,647
Total comprehensive income		–	23,502	–	–	23,502
Equity dividends	10	–	(10,019)	–	–	(10,019)
Proceeds from shares issued	2	–	–	45	–	47
Share-based payments	32	–	1,611	–	230	1,841
		2	(8,408)	45	230	(8,131)
At 31 December 2024		13,801	117,927	9,430	(645)	140,513
Profit for the year	8	–	38,559	–	–	38,559
Other comprehensive income		–	(5,195)	–	–	(5,195)
Total comprehensive income		–	33,364	–	–	33,364
Equity dividends	10	–	(10,535)	–	–	(10,535)
Proceeds from shares issued		10	–	177	–	187
Share-based payments		–	1,097	–	–	1,097
		10	(9,438)	177	–	(9,251)
At 31 December 2025		13,811	141,853	9,607	(645)	164,626

Statement of cash flows

For the year ended 31 December 2025

		Group		Parent Company	
	Note	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash flows from operating activities					
Cash used in operations	33	(16,077)	42,573	494	3,935
Interest paid		(7,082)	(7,772)	(6,556)	(6,859)
Tax paid		(7,751)	(9,235)	(6,315)	(6,500)
Net cash flows from operating activities		(30,910)	25,566	(12,377)	(9,424)
Cash flows from investing activities					
Disposal of subsidiary	38	(9,050)	–	–	–
Purchase of intangibles	11	(1,229)	–	(1,229)	–
Purchase of property, plant and equipment (excluding equipment for hire)	12	(153)	(1,391)	(13)	(68)
Capital expenditure on investment property	14	(3,539)	(96)	–	–
Investment in joint ventures and associates	16	(4,944)	–	–	–
Proceeds on disposal of property, plant and equipment (excluding equipment held for hire)		685	272	–	–
Proceeds on disposal of assets held for sale		13,054	–	–	–
Proceeds on disposal of investment properties		5,170	625	–	–
Advances of loans to joint ventures and associates		(8,266)	(17,410)	–	–
Repayment of loans from joint ventures and associates		13,654	13,456	–	–
Advances made to subsidiary undertakings		–	–	(50,241)	(13,427)
Repayments received from subsidiary undertakings		–	–	24,426	21,948
Interest received		2,139	3,695	433	352
Dividends received from joint ventures and subsidiaries	8, 16	–	2,850	46,694	35,484
Net cash flows from investing activities		7,521	2,001	20,070	44,289
Cash flows from financing activities					
Acquisition of non-controlling interest	37	(10,050)	–	–	–
Proceeds from shares issued		187	47	187	47
Repayment to joint ventures and associates		939	(75)	–	–
Advances received from subsidiary undertakings		–	–	879	9,466
Repayments made to subsidiary undertakings		–	–	(42,030)	(18,675)
Repayment of borrowings		(59,442)	(56,117)	(57,500)	(54,500)
Proceeds from new borrowings		97,000	45,134	97,000	43,500
Principal elements of lease payments		(941)	(694)	(393)	(161)
Dividends paid – ordinary shares	10	(10,514)	(9,998)	(10,514)	(9,998)
– non-controlling interests	10	(2,134)	(2,113)	–	–
– preference shares	10	(21)	(21)	(21)	(21)
Net cash flows from financing activities		15,024	(23,837)	(12,392)	(30,342)
Net (decrease)/increase in cash and cash equivalents		(8,365)	3,730	(4,699)	4,523
Cash and cash equivalents at beginning of year		16,764	13,034	9,493	4,970
Cash and cash equivalents at end of year		8,399	16,764	4,794	9,493

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For the year ended 31 December 2025

The principal Accounting Policies adopted in the preparation of the group's Financial Statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The company is a public limited company, listed on the London Stock Exchange and incorporated and domiciled in the United Kingdom. The address of its registered office is Isaacs Building, 4 Charles Street, Sheffield, England, United Kingdom S1 2HS.

Basis of preparation and statement of compliance

The Consolidated Financial Statements of the group and the Financial Statements of the Parent Company have been prepared in accordance with UK-adopted International Accounting Standards (IASs). They have been prepared on the historical cost basis, except for financial instruments, investment properties and group occupied land and buildings, which are measured at fair value.

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act and not presented a statement of comprehensive income for the Parent Company alone. See note 8.

The group has considered the impact of climate change when preparing the Financial Statements. In particular, the potential effect on balance sheet assets arising from either future physical or transition risk. Having undertaken this process, we are satisfied no impairments are required at this time, largely due to the natural churn and development of property assets, continued investment and replacement of plant hire equipment, and the consideration of appraisal processes on land acquisitions.

Prior year restatements

Discontinued operations - As described in note 38, on 31 December 2025, the group disposed of HBC Construction Limited (formerly Henry Boot Construction Limited) which has been classified as a discontinued operation in the year. In accordance with IFRS 5, the results of the discontinued operation have been presented as a single amount within the income statement. Consequently, the group has restated its comparative information for the year ended 31 December 2024 to reflect the discontinued classification.

Part exchange properties - Prior year restatement of revenue and costs of sale relating to the sale of part exchange homes have been restated for the period ended 31 December 2024. The group previously recognised consideration on disposal of part exchange homes in revenue and the related expense in cost of sales. The increase in volume of part exchange sales has resulted in the consideration received being reclassified as other operating income and expenditure being reclassified as other operating expenditure separating out the trading of non-core operations. There is no impact on the Statement of Financial Position, Statement of Changes in Equity or Statement of cash flows. The impact on the 31 December 2024 income statement is to decrease revenue and cost of sales by £12,609,000 and £13,018,000 respectively and increase other operating income and other operating expenditure by the same.

Non-current borrowings - Comparative information has been restated in respect of the classification of the groups main borrowing facility. In the prior year, the group presented these borrowings as current liabilities based on contractual maturity. Following a review of the terms of the group's financing arrangements, and in accordance with IAS 1 Presentation of Financial Statements, borrowings are now presented as non-current where, at the reporting date, the group had the right to defer settlement of the liability for at least twelve months after the reporting date. This reclassification has no impact on profit for the year, earnings per share or cash flows. The impact on the statement of financial position as at 31 December 2024 is to decrease current borrowings and increase non-current borrowings by £72,500,000. Comparative figures have been restated accordingly.

Consolidation

The Consolidated Financial Statements are a consolidation of the Financial Statements of the Parent Company and all entities controlled by the company (its subsidiaries) made up to 31 December each year. Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the Accounting Policies used in line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or to the effective date of disposal. Non-controlling interests in the fair value of the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination.

In the Parent Company's Financial Statement, investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment.

Going concern

In undertaking their going concern review, which covers the period to December 2027, the Directors considered the group's principal risk areas that they consider material to the assessment of going concern.

As the UK economy continues to prove challenging, the Directors have assessed the groups ability to operate in a more uncertain environment in modelling a base case scenario. They have also modelled what they consider to be a severe downside scenario, including further curtailment in activities. This downside scenario shows a c26% reduction in sales and c90% reduction in operating profits from the base case. Development activity and land sales only take place where already contracted or well progressed. For Stonebridge Homes a 10% decline in house prices is assumed along with a 10% reduction in the number of plots sold and Banner Plant revenue declines c17%. This downside model assumes that acquisition and development spend is restricted other than that already committed and is all consistent with previous experience in recessionary environments. Having started 2026 with net debt of £108.0m, and with c.£118.6m of net debt as at 20 March 2026, against current facilities of £155.0m the Directors have concluded that the group is able to control the level of uncommitted expenditure while delivering contracted schemes. Allowing it to retain and even improve the cash position in the event of a severe downside scenario, although the impact of doing so on the profit and loss account would be unavoidable.

The group meets its day-to-day working capital requirements through a secured loan facility. The facility with Barclays Bank PLC, HSBC UK Bank plc and National Westminster Bank Plc runs for three years and includes two one-year extensions. The facility includes an accordion to increase the facility by up to £60.0m, increasing the overall facility to £185m.

None of the modelling undertaken by the Directors gives rise to any breach of bank facility covenants. The most sensitive covenant in our facilities relates to the ratio of EBIT (Earnings Before Interest and Tax) on a 12-month rolling basis to senior facility finance costs. Our downside modelling, which reflects a 26% reduction in revenue and 90% reduction in operating profit from our base case for 2025, demonstrates headroom over this covenant throughout the forecast period to the end of December 2027.

As part of the going concern assessment, the Directors considered a reverse stress test to determine the level of adverse performance required to exhaust debt facility headroom and cause covenant breaches over the assessment period. The Directors concluded that the combination of events required to cause such breaches are remote, and even in a case of worsening economic conditions, the group has several mitigations available to it which remain unmodelled in the stress test scenarios

The Directors have also considered the current ongoing conflict in the Middle East and the potential impact upon the group should the conflict be prolonged. Whilst the group is not immune to global economic shocks, the Directors believe that the strength of the group balance sheet, the facility headroom demonstrated in the groups downside modelling, and the strong supply and demand fundamentals underpinning our key markets mean the group is well positioned to manage economic deterioration as a result of the conflict.

The Directors have also performed a break case scenario that sees the EBIT cover covenant breached. This scenario is considered to be remote.

The Directors expect that the company and the group will have adequate resources, liquidity and available bank facilities to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

Operating segments

The chief operating decision maker is the person or group that allocates resources to, and assesses the performance of, the operating segments of an entity. The group has determined that its chief operating decision maker is the Board of Henry Boot PLC (the 'Board').

Management has determined the operating segments based on the reports reviewed by the Board in making strategic decisions.

The Board considers the business based on the following operating segments:

- Property investment and development, inclusive of property investment, property development and associated trading activities;
- Home building, inclusive of housebuilding and related activities;
- Land promotion, inclusive of land management, development and trading activities; and
- Construction, inclusive of its PFI company and plant hire activities.

While the following is not a reportable segment, information about it is considered by the Board in conjunction with the reportable segments:

- Central overheads, comprising central services, pensions, head office administration and financing activities.

Notes to the financial statements

For the year ended 31 December 2025 *continued*

Joint ventures and associates

Joint ventures are all entities in which the group has shared control with another entity, established by contractual agreement. Associates are all entities over which the group has significant influence, but not control, generally accompanied by a share of between 20% and 50% of the voting rights. Joint ventures and associates are accounted for using the equity method of accounting and are initially recognised at cost. The group's share of profits or losses is recognised in the Consolidated Statement of Comprehensive Income. If the share of losses equals its investment, the group does not recognise further losses, except to the extent that there are amounts receivable that are long term and may not be settled in the foreseeable future. Unrealised gains on transactions between the group and its joint ventures and associates are eliminated to the extent of the group's interest in them. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of the joint ventures and associates are consistent with those of the group.

Business combinations and goodwill

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration agreement. Subsequent changes in fair value of contingent consideration classified as a financial asset or financial liability are accounted for in accordance with IFRS 9. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured, initially, at their fair values at the acquisition date. Acquisition-related costs are recognised in the Consolidated Statement of Comprehensive Income as incurred.

Goodwill arising on consolidation of subsidiary undertakings is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is, subsequently, measured at cost less any accumulated impairment losses. Goodwill is subjected to an impairment test at the reporting date or when there has been an indication that the goodwill should be impaired; any loss is recognised immediately through the Consolidated Statement of Comprehensive Income and is not, subsequently, reversed. For the purpose of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which goodwill arose.

Critical judgements and estimates

The critical judgements and estimates in applying the group's Accounting Policies that have the most significant effect on the amounts recognised in the Financial Statements, apart from those noted below, relate to revenue recognition and inventories. These are referred to on 178 and 180, and each is interpreted by management in the light of IFRS 15 'Revenue from Contracts with Customers' and IAS 2 'Inventories'.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, are:

- Retirement benefit costs – the estimates used in retirement benefit costs are arrived at in conjunction with the scheme's actuary and advisers, those having the most significant impact being the liabilities discount rate, RPI and mortality rates. Note 28 to the Financial Statements gives details of the sensitivity surrounding these estimates;
- Fair value of investment properties and of group occupied properties – the fair value of completed investment property and of group occupied property is determined by independent valuation experts using the yield method valuation technique. The fair value of investment property under construction has been determined using the residual method by the Directors of the company. The most significant estimates used in these valuations are rental values, yields and costs to complete. Notes 12 and 14 to the Financial Statements give details of the valuation methods used and the sensitivity surrounding these estimates. In determining fair value measurement, the impact of climate-related matters, including legislation, which may affect the fair value measurement of investment property, has been considered; and
- Provisions – amounts recognised in relation to provisions are based on assumptions in respect of cost estimates, the timing of cash flows and discount rates used. Note 27 to the Financial Statements gives details of the sensitivity surrounding these estimates.

The reference to estimates in policy notes on IFRS 15 'Revenue from Contracts with Customers' and IAS 2 'Inventories' is not intended to comply with the requirements of paragraph 125 of IAS 1 'Presentation of Financial Statements', as it is not expected there is a significant risk of a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer and excluding amounts collected on behalf of third parties. The group recognises revenue when it transfers control over a product or service to a customer. Where consideration is not specified within the contract and, therefore, subject to variability, the group estimates the amount of consideration to be received from its customer. The consideration recognised is the amount that is highly probable not to result in a significant reversal in future periods. Where a modification to an

existing contract occurs, the group assesses the nature of the modification and whether it represents a separate performance obligation required to be satisfied by the group or whether it is a modification to the existing performance obligation.

The group has some contracts for which the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. The group adjusts its transaction price for the time value of money.

The group's activities are wide ranging and, as such, depending on the nature of the product or service delivered and the timing of when control is passed to the customer, the group will account for revenue over time or at a point in time. Where revenue is measured over time, the group uses the input method to measure progress of delivery.

Product and service	Nature, timing of satisfaction of performance obligations and significant payment terms
Construction contracts	Typically, the group's construction contracts consist of one performance obligation, being the delivery of construction works. However, for certain contracts (for example, where contracts involve separate phases or products that are not highly interrelated), multiple performance obligations exist. Where multiple performance obligations exist, total transaction price is allocated to performance obligations based on the relative stand-alone selling prices of each performance obligation. Revenue attributed to each performance obligation is recognised over time based on the percentage of completion, as the benefit is transferred to the customer, reflecting the enhancement in value of the customer's asset. The percentage of completion is calculated as the costs incurred to date as a percentage of the total costs expected to satisfy the performance obligation. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the percentage of completion calculation in the period in which the circumstances that give rise to the revision become known. Losses are recorded in full when the unavoidable costs of fulfilling a contract exceed the economic benefits. Any revenues recognised in excess of amounts invoiced are recognised as contract assets within current assets. Any payments received in excess of revenue recognised are recognised as contract liabilities within current liabilities.
Sale of land and properties	Revenue from the sale of land and properties is generally a single performance obligation, which is satisfied at the point in time when control of the land and properties has passed, typically on legal completion when the legal title has transferred. Land and properties are treated as disposed when control of the asset is transferred to the buyer. Typically, this will either occur on unconditional exchange or on completion. Where completion is expected to occur significantly after exchange, or where the group continues to have significant outstanding obligations after exchange, the control will not usually transfer to the buyer until completion. Variable consideration such as overages are estimated based on the amount of consideration the group expects to be entitled to, taking into account the terms which may give rise to variability and it is only recognised where it is highly probable there will not be a significant future reversal. This is estimated at contract inception and reassessed over the life of the contract. Revenue includes the fair value of consideration received or receivable on the sale of part exchange properties.
PFI concession	Revenue from the group's PFI concession is recognised at the point in time, by the calculation of 'shadow tolls' based on individual vehicle usage of the A69. The concession is accounted for in accordance with IFRIC 12 'Service Concession Arrangements' using the intangible asset model.
Operating leases (recognised as income under IFRS 16 'Leases')	Revenue from operating leases is recognised on a straight-line basis over the lease term, except for contingent rental income, which is recognised in the period in which it was earned. When the group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction to revenue.
Plant and equipment hire (recognised as income under IFRS 16 'Leases')	Revenue from plant and equipment hire is measured as the fair value of rental proceeds, which relate to the period of account.

Notes to the financial statements

For the year ended 31 December 2025 *continued*

Judgements and other estimates in applying IFRS 15 'Revenue from Contracts with Customers'

The following are the judgements and other estimates in applying accounting policies that the Directors have made in the process of applying IFRS 15 'Revenue from Contracts with Customers' and that have the most significant effect on the amounts recognised in the Consolidated Financial Statements.

Estimates in determining the recognition of revenue on construction contracts over time – construction contract revenue is recognised in accordance with the stage of completion of the contract where the contract's outcome can be estimated reliably. The principal method used to recognise the stage of completion is the input method using cost incurred to date as a percentage of estimated total costs to complete. The assessment of the final outcome of each contract is determined by regular review of the revenues and costs to complete that contract by an in-house or external survey of the work.

Judgement in determining the recognition of revenue at a point in time on land sale contracts – there is often judgement involved in evaluating when a customer obtains control of land during a sale, particularly where the contract includes licensing (or the granting of early access to housebuilders before completion), risk or deferred payment term clauses. In determining the revenue recognition, the Directors consider the present right for payment, legal title, physical possession, risks and rewards of ownership and acceptance of the asset in forming their opinion. Where necessary, third-party advice is taken.

Interest income and expense

Interest income and expense are recognised within 'Finance income' and 'Finance costs' in the Consolidated Statement of Comprehensive Income using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalised as part of the cost of that asset. The group has chosen not to capitalise borrowing costs on all qualifying assets, which are measured at fair value.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

Leasing

Where the group acts as a lessor in the case of operating leases, rentals receivable are recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases

The group assesses whether a contract is, or contains, a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability: The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses an incremental borrowing rate, which is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Right-of-use assets: The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are, subsequently, measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in line with the group's existing impairment accounting policy.

Sale and leaseback

The group's sale and leaseback of assets are accounted for such that the transfer of the asset is not deemed a sale under IFRS 15, this is on the basis that control of the assets remain with the group as the group has the right to repurchase the assets.

As the transfers do not qualify as a sale, the group accounts for the transaction as a financing transaction. This means that the group continues to recognise the asset on its balance sheet within property, plant and equipment, and that the proceeds from the sale and leaseback are recognised as a financial liability at amortised cost in accordance with IFRS 9. This arrangement is similar to a loan secured over the underlying asset. Cash flows are reported in new borrowings and repayment of borrowings on the group's cash flow statement.

Share-based payments

Equity-settled share-based payments to employees of the company and its subsidiary undertakings are measured at fair value of the equity instruments at the date of grant and are expensed on a straight-line basis over the vesting period. Fair value is measured using a Monte Carlo pricing model, taking into account any market performance conditions, and excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 30. At each reporting period date, the group estimates the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision, if any, is recognised in the Consolidated Statement of Comprehensive Income with a corresponding adjustment to equity reserves.

SAYE share options are treated as cancelled when employees cease to contribute to the scheme. This results in accelerated recognition of the expenses that would have arisen over the remainder of the original vesting period.

Intangible assets excluding goodwill

Intangible assets are stated at cost less accumulated amortisation and impairment. The PFI asset, which is accounted for under IFRIC 12 'Service Concession Arrangements', represents the capitalised cost of the initial project, together with the capitalised cost of any additional major works to the road and structures, which are then amortised, on a straight-line basis, over 20 years or the remaining life of the concession. The concession lasts a period of 30 years and is now in its final year.

Software relates to the groups D365 implementation, a digital transformation programme to standardise processes, enhance data integrity, and consolidate core operational and financial systems across the business. Expenditure on software is recognised as an intangible asset when it is probable that the expected future economic benefits attributable to the asset will flow to the group and the cost of the asset can be measured reliably. This includes direct costs incurred in configuring and customising the D365 platform, licence fees, implementation support, and other costs directly attributable to preparing the software for its intended use. Costs relating to preliminary project activities, research, scoping, training, and general process redesign are expensed as incurred. Capitalised software is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation is charged on a straight-line basis over the asset's estimated useful economic life, reflecting the period over which the group expects to obtain economic benefit from the digital platform. D365-related software costs are amortised over five years. The amortisation period and method are reviewed at each reporting date and adjusted if necessary.

The group assesses capitalised software for indicators of impairment whenever events or changes in circumstances suggest that the carrying amount may not be recoverable. An impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount.

Property, plant and equipment

Group occupied properties are stated in the Statement of Financial Position at their revalued amounts, being the fair value, based on market values, less any subsequent accumulated depreciation or impairment loss. Fair value is determined annually by independent valuers. Surpluses on revaluations are recorded in OCI and credited to the revaluation reserve. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. Deficits on revaluations are charged against the revaluation reserve to the extent that there are available surpluses relating to the same asset and are otherwise charged to profit or loss in the Consolidated Statement of Comprehensive Income. The residual value of group occupied properties is deemed to be the lower of fair value and original cost of the properties which are held for capital appreciation.

Equipment held for hire, vehicles and office equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Cost includes the original purchase price of the asset plus any costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, mainly at the following annual rates:

- Land and buildings – 4%
- Leasehold improvements – between 10% and 20% or based on lease term
- Equipment held for hire – between 6% and 50%
- Vehicles – between 10% and 25%
- Office equipment – between 25% and 33%

Investment property

Investment properties are those properties that are not occupied by the group and are held for long term rental yields, capital appreciation or both. Investment property also includes property that is being constructed or developed for future use as investment property.

Notes to the financial statements

For the year ended 31 December 2025 [continued](#)

Investment properties are, initially, measured at cost, including related transaction costs.

At each subsequent reporting date, investment properties are remeasured to their fair value; further information regarding the valuation methodologies applied can be found in note 14 to the Financial Statements. Movements in fair value are included in the Consolidated Statement of Comprehensive Income.

Where the group employs professional valuers, the valuations provided are subject to a comprehensive review to ensure they are based on accurate and up-to-date tenancy information. Discussions are also held with the valuers to test the valuation assumptions applied and comparable evidence utilised to ensure they are appropriate in the circumstances.

Subsequent expenditure is capitalised to the asset's carrying value only where it is probable that the future economic benefits associated with the expenditure will flow to the group. All other expenditure is expensed to the Consolidated Statement of Comprehensive Income in the period in which it arises.

Investment property is derecognised when it is disposed of at its carrying value.

Where specific investment properties have been identified as being for sale within the next 12 months, a sale is considered highly probable and the property is immediately available for sale, their fair value is shown under assets classified as held-for-sale within current assets, measured in accordance with the provisions of IAS 40 'Investment Property'.

Inventories

Inventories are stated at the lower of cost and estimated net realisable value and are subject to regular impairment reviews.

Inventories comprise developments in progress, land held for development or sale, options to purchase land and planning promotion agreements.

- Property developments in progress includes properties being developed for onward sale.
- Housebuilder land and work in progress includes construction of residential housing for onward sale.
- Land held for development or sale is land owned by the group that is promoted through the planning process in order to gain planning permission, adding value to the land.
- Options to purchase land are agreements that the group entered into with the landowners whereby the group has the option to purchase the land within a limited time frame. The landowners are not generally permitted to sell to any other party during this period, unless agreed to by the group. Within the time frame, the group promotes the land through the planning process at its expense in order to gain planning permission. Should the group be successful in obtaining planning permission, it would trigger the option to purchase and subsequently sell on the land.
- Planning promotion agreements are agreements that the group has entered into with the landowners, whereby the group acts as promoter for the landowners in exchange for a fee of a set percentage of the proceeds or profit of the eventual sale. The group promotes the land through the planning process at its own expense. If the land is sold, the group will receive a fee for its services.
- The group capitalises various costs in promoting land held under planning promotion agreements. In some instances, the agreements allow for the group to be reimbursed certain expenditure following the conclusion of a successful sale, at which point the reimbursed costs are recognised as revenue. These costs are held in inventory at the lower of cost and estimated net realisable value.

Inventories comprise all the direct costs incurred in bringing the individual inventories to their present state at the reporting date, including any reimbursable promotion costs, less the value of any impairment losses.

Impairment reviews are considered on a site-by-site or individual development basis by management at each reporting date; write-downs or reversals are made to ensure that inventory is then stated at the lower of cost or net realisable value.

Net realisable value is considered in the light of progress made in the planning process, feedback from local planning officers, development appraisals and other external factors that might be considered likely to influence the eventual outcome. Where it is considered that no future economic benefit will arise, costs are written off to the Consolidated Statement of Comprehensive Income.

Where individual parcels of land held for development are disposed of out of a larger overall development site, costs are apportioned based on an acreage allocation after taking into account the cost or net realisable value of any remaining residual land that may not form part of the overall development site or that may not be available for development. Where the group retains obligations attached to the development site as a whole, provisions are made relating to these disposals on the same acreage allocation basis.

Other estimates in applying IAS 2 'Inventories'

The following are the estimates in applying accounting policies that the Directors have made in the process of applying IAS 2 'Inventories', and that have the most significant effect on the amounts recognised in the Consolidated Financial Statements.

Estimates in determining the carrying value of work in progress inventory – there is often estimation involved in forecasting future costs to complete and selling prices, which can be affected by market conditions and unexpected events. In determining the carrying value, the Directors consider previous experience, communications with suppliers and market trends in forming their opinion. Where necessary, third-party advice is taken.

Assets classified as held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered, principally, through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell, or fair value in the case of Investment Property, if their carrying amount is to be recovered, principally, through a sale transaction rather than through continuing use and a sale is considered highly probable.

Tax

The tax charge on the profit or loss for the year comprises the sum of tax currently payable and any deferred tax movements in the year.

Tax currently payable is based on taxable profit for the year adjusted for any tax payable or repayable in respect of earlier years. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and items that may never be taxable or deductible.

The group's liability for current taxation is calculated using tax rates that have been enacted, or substantively enacted, by the reporting date.

Corporation tax liabilities of wholly owned subsidiary companies are, generally, transferred to and paid by the Parent Company and credit is given by the Parent Company for loss relief surrendered.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in computing taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits or gains will be available to allow all or part of the assets to be recovered.

The carrying value of the group's investment property is assumed to be realised by sale and the deferred tax is then calculated based on the respective temporary differences and tax consequences arising from this assumption.

Deferred tax is calculated at tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on rates that have been enacted, or substantively enacted, at the reporting date. Deferred tax is charged or credited in the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and deferred tax liabilities are offset where the group has a legally enforceable right to do so and when the deferred tax assets and liabilities relate to tax levied by the same tax authority where there is an intention to settle the balances on a net basis.

Financial instruments

The group retains such financial instruments as are required, together with retained earnings, in order to finance the group's operations.

Financial assets or financial liabilities are recognised by the group in the Statement of Financial Position only when the group becomes a party to the contractual provisions of the instrument.

The principal financial instruments are:

- Trade and other receivables are measured initially at fair value and then amortised cost – where the time value of money is material, receivables are amortised using the effective interest rate method (see Interest income and expense in notes 5 and 6). IFRS 9's simplified approach to provisioning is used to calculate the group's lifetime expected credit loss;
- Cash and cash equivalents, which comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value with an original maturity of three months or less;
- Trade and other payables, which are on normal credit terms, are not interest bearing and are stated at their nominal values – where the time value of money is material, payables are carried at amortised cost using the effective interest rate method (see Interest income and expense in notes 5 and 6); and
- Borrowings – see below.

Notes to the financial statements

For the year ended 31 December 2025 [continued](#)

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

Borrowings

Borrowings are recognised, initially, at fair value, net of transaction costs incurred. Borrowings are, subsequently, carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Consolidated Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some, or all, of the facility will be drawn down. In this case, the fee is deferred and amortised until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Government grants

Government grants are recognised at their fair value in the Consolidated Statement of Financial Position, within deferred income, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to revenue items are released to the Statement of Comprehensive Income and recognised within cost of sales over the period necessary to match the grant on a systematic basis to the costs that they are intended to compensate.

Government grants relating to capital items are released against the carrying value of the grant supported assets when the completion conditions of those assets are met.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event. It is probable that the group will be required to settle that obligation with an outflow of economic benefits and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Onerous contracts are provided for at the lower of costs or termination.

When some, or all, of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The land promotion provision represents management's best estimate of the group's liability to provide infrastructure and services as a result of obligations that remain with the group following the disposal of land. Where the infrastructure and services obligations relate to developments on which land is being disposed of over a number of phases, provisions are calculated based on an acreage allocation methodology, taking into account the expected timing of cash outflows to settle the obligations.

The group regularly reviews its contract obligations and whether they are considered to be onerous. In the event that the costs of meeting the obligations exceed the economic benefits expected to be received through the life of the development, a provision would be recognised based on the lower of the cost of fulfilling the contract or terminating the contract.

The road maintenance provision represents management's best estimate of the group's liability under a five-year rolling programme for the maintenance of the group's PFI asset.

Other provisions include any liabilities for which the Directors anticipate that a present obligation would result in a future outflow of resources, including legal and regulatory penalties or claims, being taken into account in the Financial Statements.

Specific details of the group's provisions relating to land promotion and road maintenance can be found in note 27.

Retirement benefit costs

Payments to the defined contribution retirement benefit scheme are charged as an expense as they fall due.

The cost of providing benefits under the defined benefit retirement scheme is determined using the Projected Unit Credit Method, with actuarial calculations being carried out at each reporting date. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised within 'Other comprehensive income' within the Consolidated Statement of Comprehensive Income. The net periodic benefit cost, comprising the employer's share of the service cost and the net interest cost, is charged to the Consolidated Statement of Comprehensive Income. The group's net obligations in respect of the scheme are calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. This is then discounted to present value and the fair value of the scheme's assets is then deducted.

Share capital

Ordinary share capital is classified as equity. Preference share capital is classified as equity as it is non-redeemable or is redeemable only at the company's option and any dividends are discretionary. Dividends on preference share capital classified as equity are recognised as distributions within equity.

Dividends

The group recognises a liability to pay a final dividend when the distribution is authorised and the distribution is no longer at the discretion of the group. Under UK company law, a distribution is authorised when it is approved by the shareholders. An interim dividend is recognised when paid. A corresponding amount is then recognised directly in equity.

Impact of new or amended accounting standards and interpretations

At the date of authorisation of these Financial Statements, the following standards, amendments and interpretations to existing standards are effective or mandatory for the first time for the accounting year ended 31 December 2025:

		Effective from
IAS 21 (amended 2023)	'Lack of Exchangeability'	1 January 2025

The adoption of these standards and interpretations has not had a significant impact on the group.

At the date of the authorisation of these Financial Statements, the following standards, amendments and interpretations were in issue, but not yet effective:

		Effective from
IFRS 7 and IFRS 9 (amended 2024)	'Classification and Measurement of Financial Instruments'	1 January 2026
Annual improvements (Volume 11)	'Annual Improvements to IFRS Standards'	1 January 2026
IFRS 7 and IFRS 9 (amended 2024)	'Contracts Referencing Nature-Dependent Electricity'	1 January 2026
IFRS 18 (issued 2024)	'Presentation and Disclosures in Financial Statements'	1 January 2027
IFRS 19 (issued 2024)*	'Subsidiaries without Public Accountability: Disclosures'	1 January 2027
IAS 21 (issued 2024)*	'The effects of foreign exchange rates: Translation to a Hyperinflationary Presentation Currency'	1 January 2027

*Not yet endorsed by the UK Endorsement Board.

A review of the impact of these standards, amendments and interpretations has been conducted and the Directors do not believe that they will give rise to any significant financial impact. A more detailed assessment of IFRS 18 will be performed in 2026.

In 2025, the company did not early adopt any new or amended standards and does not plan to early adopt any of the standards issued but not yet effective.

Notes to the financial statements

For the year ended 31 December 2025 *continued*

1. Revenue

Analysis of the group's revenue is as follows:

Activity in the United Kingdom	2025 £'000	Timing of revenue recognition		2024 £'000	Timing of revenue recognition (restated ⁵)	
		At a point in time £'000	Over time £'000		At a point in time £'000	Over time £'000
Construction contracts:						
– Property investment and development ²	38,888	–	38,888	17,882	–	17,882
Sale of land and properties:						
– Property investment and development ²	24,423	24,423	–	45,015	45,015	–
– Housebuilder unit sales ³	69,747	69,747	–	88,123	88,123	–
– Land Promotion ⁴	82,799	82,799	–	77,888	77,888	–
PFI concession ¹	14,963	14,963	–	14,864	14,864	–
Revenue from contracts with customers	230,820	191,932	38,888	243,772	225,890	17,882
Plant and equipment hire ¹	14,824			15,962		
Investment property rental income ²	5,717			6,298		
Other rental income – Property investment and development ²	–			12		
Other rental income – Land Promotion ⁴	188			148		
	251,549			266,192		

¹ Construction segment.

² Property investment and development segment.

³ Home building segment

⁴ Land promotion segment.

⁵ See 'prior year restatements' on page 174

There were no contingent rents recognised as investment property rental income during the year (2024: £nil).

Other income of £16,040,000 (2024: £12,609,000) relates to part exchange property sales in the home building segment, the related expense is included in other operating expenditure and amounts to £16,329,000 (2024: £13,018,000).

There are no customers that individually account for 10% or more of group revenue.

2. Segment information

For the purpose of the Board making strategic decisions, the group is currently organised into four operating segments: Property investment and development; Home building; Land Promotion; and Construction. Central overheads are not a reportable segment; however, information about them is considered by the Board in conjunction with the reportable segments.

During the year, the group added a new operating segment – Home building – following the acquisition of a further 12.5% interest in Stonebridge Homes which now stands at 62.5%. The segment was identified based on the internal reporting provided to the chief operating decision maker, being the Board of Henry Boot. The Home building segment is managed separately due to its distinct nature and customer profile. Comparative results have been restated.

Operations are carried out entirely within the United Kingdom. Inter-segment sales are charged at prevailing market prices.

The accounting policies of the reportable segments are the same as the group's Accounting Policies. The group's Principal Accounting Policies are described on pages 174 to 183.

Segment profit represents the profit earned by each segment before tax and is consistent with the measure reported to the group's Board for the purpose of resource allocation and assessment of segment performance.

Revenues from external sales are detailed in note 1.

2. Segment information continued

	2025						
	Property Investment and Development £'000	Home Building £'000	Land Promotion £'000	Construction £'000	Central overheads £'000	Eliminations £'000	Total £'000
Revenue							
External sales	69,028	69,747	82,987	29,787	–	–	251,549
Inter-segment sales	335	–	–	16,291	84	(16,710)	–
Total revenue	69,363	69,747	82,987	46,078	84	(16,710)	251,549
Gross profit/(loss)	14,871	(2,208)	43,760	9,415	(9)	(5)	65,824
Other operating income	–	16,040	–	–	–	–	16,040
Administrative expenses	(10,648)	(6,659)	(10,864)	(2,754)	(9,376)	5	(40,296)
Other operating expenditure	–	(16,329)	–	–	–	–	(16,329)
Increase in fair value of investment properties	2,087	–	–	–	–	–	2,087
Profit on sale of investment properties	512	–	–	–	–	–	512
Profit on sale of assets held for sale	887	–	–	–	–	–	887
Share of profit of joint ventures and associates	1,727	–	–	–	–	–	1,727
Operating profit/(loss)	9,436	(9,156)	32,896	6,661	(9,385)	–	30,452
Finance income	1,353	2	1,306	531	50,053	(49,305)	3,940
Finance costs	(57)	(170)	(1,022)	(362)	(6,651)	287	(7,975)
Profit/(loss) before tax	10,732	(9,324)	33,180	6,830	34,017	(49,018)	26,417
Tax	(2,818)	2,158	(8,398)	(1,733)	2,729	–	(8,062)
Profit/(loss) for the year	7,914	(7,166)	24,782	5,097	36,746	(49,018)	18,355
Other information							
Capital additions	3,539	16	17	3,277	14	–	6,863
Depreciation of plant, property and equipment, and right-of-use assets	335	110	6	3,263	1,067	–	4,782
Amortisation of intangible assets	–	–	–	581	–	–	581
Increase in fair value of investment properties	(2,087)	–	–	–	–	–	(2,087)
Provisions	–	–	379	2,709	–	–	3,088
Pension scheme debit/(credit)	–	–	–	–	530	–	530

Notes to the financial statements

For the year ended 31 December 2025 *continued*

2. Segment information *continued*

	2024 (restated ¹)						
	Property Investment and Development £'000	Home Building £'000	Land Promotion £'000	Construction £'000	Central overheads £'000	Eliminations £'000	Total £'000
Revenue							
External sales	69,194	88,136	78,036	30,826	–	–	266,192
Inter-segment sales	387	–	–	777	150	(1,314)	–
Total revenue	69,581	88,136	78,036	31,603	150	(1,314)	266,192
Gross profit	17,848	9,539	33,747	10,806	4	(9)	71,935
Other operating income	–	12,609	–	–	–	–	12,609
Administrative expenses and pension	(9,929)	(7,270)	(9,456)	(3,641)	(11,736)	9	(42,023)
Other operating expenditure	–	(13,018)	–	–	–	–	(13,018)
Increase in fair value of investment properties	4,464	–	–	–	–	–	4,464
Profit on sale of investment properties	102	–	–	–	–	–	102
Share of profit of joint ventures and associates	2,431	–	–	–	–	–	2,431
Operating profit/(loss)	14,916	1,860	24,291	7,165	(11,732)	–	36,500
Finance income	5,486	45	1,784	486	36,183	(38,869)	5,115
Finance costs	(85)	–	(1,517)	(492)	(6,891)	321	(8,664)
Profit before tax	20,317	1,905	24,558	7,159	17,560	(38,548)	32,951
Tax	(3,681)	1,023	(6,482)	(1,883)	3,589	–	(7,434)
Profit for the year	16,636	2,928	18,076	5,276	21,149	(38,548)	25,517
Other information							
Capital additions	175	325	12	4,999	159	–	5,670
Depreciation of plant, property and equipment, and right-of-use assets	491	3	3	3,159	1,067	–	4,722
Impairment	199	–	–	1,040	–	–	1,239
Amortisation of intangible assets	–	–	–	522	–	–	522
Increase in fair value of investment properties	(4,464)	–	–	–	–	–	(4,464)
Provisions	–	–	554	2,272	–	–	2,826
Pension scheme debit/(credit)	–	–	–	–	338	–	338

¹ See 'prior year restatements' on page 174

2. Segment information continued

	2025 £'000	2024 £'000
Segment assets		
Property investment and development ¹	231,251	246,892
Home building	159,869	120,770
Land promotion	210,435	183,539
Construction	28,536	37,896
Central overheads	12,872	7,632
	642,963	596,729
Unallocated assets		
Deferred tax assets	–	219
Retirement benefit asset	3,009	9,930
Cash and cash equivalents	8,399	16,764
Total assets	654,371	623,642
Segment liabilities		
Property investment and development	23,463	24,870
Home building	45,500	21,948
Land promotion	30,086	38,767
Construction	4,034	18,082
Central overheads	5,907	4,903
	108,990	108,570
Unallocated liabilities		
Current tax liabilities	4,701	2,909
Deferred tax liabilities	4,115	7,568
Current lease liabilities	882	895
Current borrowings	871	1,943
Non-current lease liabilities	2,450	3,017
Non-current borrowings	112,222	73,592
Total liabilities	234,231	198,494
Total net assets	420,140	425,148

¹ Includes investment in joint ventures and associates of £22,886,000 (2024: £13,280,000).

Notes to the financial statements

For the year ended 31 December 2025 *continued*

3. Operating profit

Operating profit has been arrived at after charging/(crediting):

	2025 £'000	2024 (restated¹) £'000
Depreciation of property, plant and equipment (note 12)	3,899	3,864
Depreciation of right-of-use assets (note 13)	883	673
Impairment of goodwill included in administrative expenses	–	1,040
Impairment of land and buildings included in administrative expenses (note 12)	–	199
Amortisation of PFI assets included in cost of sales (note 11)	581	522
Amortisation of capitalised letting fees (note 14)	19	34
Impairment losses recognised on trade receivables (note 18)	70	–
Increase in fair value of investment property (note 14)	(2,087)	(4,464)
Cost of inventories recognised as expense	139,584	174,265
Employee costs	34,539	34,326
Amounts payable to Mazars LLP by Road Link (A69) Limited in respect of audit services	19	17
Gain on sale of equipment held for hire	(66)	(1,156)
Gain on sale of other property, plant and equipment	(596)	(151)

¹ See 'prior year restatements' on page 174

The remuneration paid to Ernst & Young LLP, the company's external auditor, was as follows:

	2025 £'000	2024 £'000
Fees payable for the audit of the company's Annual Financial Statements and Consolidated Financial Statements	230	240
Fees payable to the auditor and its associates for other services:		
– Audit of the company's subsidiaries pursuant to legislation	342	315
Total audit fees	572	555

4. Employee costs

	Group		Parent Company	
	2025 £'000	2024 (restated¹) £'000	2025 £'000	2024 £'000
Wages and salaries	24,114	24,794	5,748	5,915
Share-based payment expense	1,514	1,423	778	706
Social security costs	3,602	3,362	1,006	871
Defined benefit pension costs (see note 28)	797	734	790	698
Defined contribution pension costs (see note 28)	3,539	3,438	679	606
Other pension costs	87	89	31	60
Other employee costs	886	486	303	–
	34,539	34,326	9,335	8,856

See 'prior year restatements' on page 174

4. Employee costs continued

The average monthly number of employees during the year, including Executive Directors, was:

	2025 Number	2024 (restated ¹) Number
Property investment and development	43	48
Home building	86	87
Land promotion	41	38
Road Link	5	5
Plant hire	121	133
Parent company	84	90
	380	400

5. Finance income

	2025 £'000	2024 £'000
Interest on bank deposits	746	574
Interest on other loans and receivables	1,393	3,121
Interest credit on defined benefit pension scheme	536	347
Unwinding of discounting: trade receivables	1,265	1,073
	3,940	5,115

6. Finance costs

	2025 £'000	2024 (restated ¹) £'000
Interest on bank loans and overdrafts	6,716	7,282
Interest on other loans and payables	481	507
Unwinding of discounting: trade payables and borrowings	778	875
	7,975	8,664

¹ See 'prior year restatements' on page 174

Notes to the financial statements

For the year ended 31 December 2025 *continued*

7. Tax

	2025 £'000	2024 (restated) £'000
Current tax:		
UK corporation tax on profits for the year	8,023	6,519
Adjustment in respect of earlier years	1,510	(654)
Total current tax	9,533	5,865
Deferred tax (note 19):		
Origination and reversal of temporary differences	(1,471)	1,569
Total deferred tax	(1,471)	1,569
Total tax	8,062	7,434

¹ See 'prior year restatements' on page 174

The group has applied a corporation tax rate of 25% (2024: 25%) in determining current tax charges, which has been the enacted and in force since 1 April 2023.

Deferred tax balances at the year end have been measured at 25% (2024: 25%), being the rate at which timing differences are expected to reverse.

The charge for the year can be reconciled to the profit per the Consolidated Statement of Comprehensive Income as follows:

	2025 £'000	2024 £'000
Profit before tax	26,417	32,951

	2025 %	2024 %
Tax at the UK corporation tax rate	25.00	25.00
Effects of:		
Permanent differences	3.56	2.47
Capital gains	0.49	0.03
Other temporary timing differences	(2.09)	(0.14)
Corporation tax adjustment in respect of earlier years	5.83	(2.45)
Joint venture results reported net of tax	(1.67)	(1.98)
Effective tax rate	31.12	22.93

The tax charge in the year is higher (2024: lower) than the standard rate of corporation tax, predominantly due to prior year adjustments in respect of capital taxes and allowances (2024: due to prior year adjustments in respect of capital taxes and allowances and profits from joint ventures and associates reported net of tax).

In addition to the amount charged to profit for the year, the following amounts relating to tax have been recognised in other comprehensive income:

	2025 £'000	2024 £'000
Deferred tax:		
– property revaluations	63	(67)
– actuarial (loss)/gain	1,732	(549)
Total tax recognised in other comprehensive income/(expense)	1,795	(616)

8. Results of the Parent Company

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the Parent Company is not presented as part of these Financial Statements. The profit dealt with in the Financial Statements of the Parent Company, and approved by the Board on 11 April 2026, is £38,559,000 (2024: £21,855,000) and includes dividends received from subsidiaries of £46,694,000 (2024: £35,484,000).

9. Earnings per ordinary share

The calculation of the basic and diluted earnings per share is based on the following information:

	2025 £'000	2024 £'000
Profit for the year from continuing operations	18,355	25,220
Profit/(loss) for the year from discontinued operations	2,176	(1,887)
Profit for the year	20,531	23,630
Non-controlling interests	2,986	(297)
Preference dividend	(21)	(21)
	23,496	23,312

	2025 Number	2024 Number
Weighted average number of shares in issue	134,032,136	133,992,175
Less shares held by the ESOP on which dividends have been waived	(267,730)	(314,250)
Weighted average number for basic earnings per share	133,764,405	133,677,925
Adjustment for the effects of dilutive potential ordinary shares	3,929,112	3,314,322
Weighted average number for diluted earnings per share	137,693,517	136,992,247

	2025	2024
Basic earnings per share	17.6p	17.4p
Diluted earnings per share	17.1p	17.0p

The group has two types of dilutive potential ordinary shares, being: those share options granted to employees where the exercise price is less than the average market price of the company's ordinary shares during the year; and expected future vesting of shares under the 2015 Long Term Incentive Plan.

10. Dividends

	2025 £'000	2024 £'000
Amounts recognised as distributions to equity holders in the year:		
Preference dividend on cumulative preference shares	21	21
Final dividend for the year ended 31 December 2024 of 4.62p per share (2023: 4.40p)	6,180	5,879
Interim dividend for the year ended 31 December 2025 of 3.24p per share (2024: 3.08p)	4,334	4,119
	10,535	10,019

The proposed final dividend for the year ended 31 December 2025 of 4.62p per share (2024: 4.62p) makes a total dividend for the year of 7.86p (2024: 7.70p).

The proposed final dividend is subject to approval by shareholders at the AGM and has not been included as a liability in these Financial Statements. The total estimated dividend to be paid is £6,200,000.

Notice has been received from Moore Street Securities Limited waiving its right as corporate trustee for the Employee Share Ownership Plan (ESOP) to receive all dividends in respect of this and the previous financial year.

Dividends paid to non-controlling interests during the year amounted to £2,134,000 (2024: £2,113,000).

Notes to the financial statements

For the year ended 31 December 2025 *continued*

11. Intangible assets

	Goodwill £'000	PFI asset £'000	Software £'000	Total £'000
Cost				
At 1 January 2024 and 31 December 2024	4,973	19,176	–	24,149
Additions at cost	–	–	1,229	1,229
At 31 December 2025	4,973	19,176	1,229	25,378
Accumulated impairment losses and amortisation				
At 1 January 2024	3,933	18,037	–	21,970
Amortisation	–	522	–	522
Impairment losses for the year	1,040	–	–	1,040
At 31 December 2024	4,973	18,559	–	23,532
Amortisation	–	497	84	581
At 31 December 2025	4,973	19,056	84	24,113
Carrying amount				
At 31 December 2025	–	120	1,145	1,265
At 31 December 2024	–	617	–	617

The group acquired the trade and assets of Premier Plant Tool Hire & Sales Limited on 30 March 2017. They were immediately hived up into the immediate Parent Company Banner Plant Limited, which sits in the Construction segment. The goodwill arising on the acquisition of £900,000 is now fully impaired.

The group's investment in Road Link (A69) Holdings Limited is 61.2%. The goodwill arising on the acquisition of £4,073,000 is now fully impaired. This company's subsidiary, Road Link (A69) Limited, operates a PFI concession, which comprises managing and maintaining the A69 Carlisle to Newcastle trunk road. The company receives payment from National Highways based on the number and type of vehicles using the road. The concession lasts for a period of 30 years and will revert to National Highways on 31 March 2026.

Although the Companies Act 2006 Section 390(5) requires a coterminous year end, the subsidiary company's accounting reference date is 31 March in order to align with National Highways financial year end and, hence, interim Financial Statements are prepared for incorporation into these Consolidated Financial Statements.

Amortisation of the PFI asset and Software is recognised within cost of sales in the Consolidated Statement of Comprehensive Income.

Parent Company	Software £'000
Cost	
Additions at cost	1,229
At 31 December 2025	1,229
Accumulated amortisation	–
Amortisation	84
At 31 December 2025	84
Carrying amount	
At 31 December 2025	1,145
At 31 December 2024	–

12. Property, plant and equipment

Group	Land and buildings £'000	Leasehold improvements £'000	Equipment held for hire £'000	Vehicles £'000	Office equipment £'000	Total £'000
Cost or fair value						
At 1 January 2024	5,467	2,469	45,185	5,230	4,298	62,649
Additions at cost	39	38	4,183	907	407	5,574
Transfer to assets held for sale	(985)	–	–	–	–	(985)
Disposals	–	–	(4,534)	(727)	(490)	(5,751)
Decrease in fair value in year	64	–	–	–	–	64
At 31 December 2024	4,585	2,507	44,834	5,410	4,215	61,551
Additions at cost	(45)	5	1,942	135	58	2,095
Disposals	–	–	(2,464)	(856)	(292)	(3,612)
Disposal of subsidiary	–	–	–	(104)	(401)	(505)
Increase in fair value in year	25	–	–	–	–	25
At 31 December 2025	4,565	2,512	44,312	4,585	3,580	59,554
Being:						
Cost	–	2,512	44,312	4,585	3,580	54,989
Fair value at 31 December 2025	4,565	–	–	–	–	4,565
	4,565	2,512	44,312	4,585	3,580	59,554
Accumulated depreciation and impairment						
At 1 January 2024	802	77	26,330	2,799	3,423	33,431
Charge for year	–	359	2,484	594	427	3,864
Impairment	199	–	–	–	–	199
Eliminated on disposals	–	–	(4,140)	(608)	(488)	(5,236)
At 31 December 2024	1,001	436	24,674	2,785	3,362	32,258
Charge for year	–	412	2,593	572	322	3,899
Eliminated on disposals	–	–	(2,021)	(768)	(291)	(3,080)
Disposal of subsidiary	–	–	–	(35)	(401)	(436)
At 31 December 2025	1,001	848	25,246	2,554	2,992	32,641
Carrying amount						
At 31 December 2025	3,564	1,664	19,066	2,031	588	26,913
At 31 December 2024	3,584	2,071	20,160	2,625	853	29,293

At 31 December 2025, the group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £883,000 (2024: £84,000).

One property was transferred to 'assets held for sale' during the prior year.

Included within equipment held for hire are assets with a book value of £4,387,000 (2024: £4,871,000) that are held under sale and leaseback financing arrangements. The original cost of these assets was £5,705,000 (2024: £5,705,000). Financial liabilities associated with the assets are disclosed in note 26.

Notes to the financial statements

For the year ended 31 December 2025 *continued*

12. Property, plant and equipment *continued*

Fair value measurements of the group's land and buildings

Land and buildings have been revalued at 31 December 2025 by Jones Lang LaSalle Limited (2024: by Jones Lang LaSalle Limited) in accordance with the Practice Statements contained in the RICS Appraisal and Valuation Standards on the basis of market value at £3,564,000 (2024: £4,570,000), including accumulated impairment of £1,001,000 (2024: £1,001,000) this also includes £nil (2024: £985,000) transferred to assets held for sale in the year. Jones Lang LaSalle Limited are professional valuers who hold recognised and professional qualifications, and have recent experience in the location and category of the land and buildings being valued.

The valuation conforms to International Valuation Standards and was based on recent market transactions with similar characteristics and location using the yield method valuation technique. The yield method of valuation involves applying market-derived capitalisation yields, and the actual or market-derived future income streams, where appropriate, with adjustments for letting voids or rent-free periods as applicable to each item of land and buildings.

On the historical cost basis, the land and buildings would have been included at a carrying amount of £2,680,000 (2024: £2,725,000).

The following table provides an analysis of the fair values of land and buildings by the degree to which the fair value is observable:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2025 £'000	2024 £'000	Decrease in year £'000
Freehold land	–	–	60	60	60	–
Buildings	–	–	3,504	3,504	3,524	(20)
Total fair value	–	–	3,564	3,564	3,584	(20)

The group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that causes the transfer. The Directors determine the applicable hierarchy that land and buildings fall into by assessing the level of comparable evidence in the market which that asset falls into and the inherent level of activity. As at the reporting date and throughout the year, all land and buildings were determined to fall into Level 3 and so there were no transfers between hierarchies.

Explanation of the fair value hierarchy:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – fair value measurements are those derived from the use of a model with inputs (other than quoted prices included in Level 1) that are observable from directly or indirectly observable market data

Level 3 – fair value measurements are those derived from use of a model with inputs that are not based on observable market data

Information about fair value measurements using significant unobservable inputs (Level 3):

Class		2025 Buildings	2024 Buildings
Valuation technique		Yield	Yield
Rental value per sq ft (£)	– weighted average	6.52	6.69
	– low	1.46	3.91
	– high	15.00	15.00
Yield %	– weighted average	11.10	11.22
	– low	3.30	7.54
	– high	19.88	18.65

12. Property, plant and equipment *continued*

The sensitivity analysis to significant changes in unobservable inputs relating to fair value measurements (Level 3) are set out below:

	2025 Impact on valuation £'000 Buildings	2024 Impact on valuation £'000 Buildings
Yield – improvement by 0.5%	167	160
Rental value per sq ft – increase of £1 average	597	555

The sensitivities have been selected by management on the basis that they consider these measures to be a reasonable expectation of likely changes to the significant unobservable inputs in the next 12 months.

Parent Company	Leasehold improvements £'000	Office equipment £'000	Total £'000
Cost			
At 1 January 2024	2,469	1,827	4,296
Additions	38	30	68
Disposals	–	(486)	(486)
At 31 December 2024	2,507	1,371	3,878
Additions	5	8	13
Disposals	–	(273)	(273)
At 31 December 2025	2,512	1,106	3,618
Accumulated depreciation			
At 1 January 2024	77	1,198	1,275
Charge for year	359	234	593
Disposals	–	(485)	(485)
At 31 December 2024	436	947	1,383
Charge for year	412	209	621
Disposals	–	(273)	(273)
At 31 December 2025	848	884	1,732
Carrying amount			
At 31 December 2025	1,664	222	1,887
At 31 December 2024	2,071	424	2,495

Notes to the financial statements

For the year ended 31 December 2025 *continued*

13. Leases

The group as lessee

	Group		Parent Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Right-of-use assets				
Land and buildings	2,562	2,926	949	1,168
Vehicles	56	75	–	6
Office equipment	311	459	312	441
	2,929	3,460	1,261	1,615
Lease liabilities				
Due within one year	882	895	399	392
Due after more than one year	2,450	3,017	1,179	1,579
	3,332	3,912	1,578	1,971
Contractual maturities of lease liabilities including future interest:				
On demand or within one year	1,023	1,060	475	486
In the second year	963	950	467	476
In the third to fifth years inclusive	1,563	2,110	818	1,229
In more than five years	136	255	–	57
Total contractual cash flows	3,685	4,375	1,760	2,248
Future finance charges on lease liabilities	(353)	(463)	(182)	(277)
Present value of contractual cash flows	3,332	3,912	1,578	1,971

Additions to the right-of-use assets during the 2025 financial year were £959,000 (2024: £(82,000)) for the group and £nil (2024: £nil) for the Parent Company.

The statement of profit or loss shows the following amounts relating to leases:

	Group		Parent Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Depreciation charge of right-of-use assets				
Land and buildings	714	664	219	198
Vehicles	22	4	4	7
Office equipment	147	190	129	121
	883	858	352	326
Interest expense (included in finance cost)	180	209	95	187

The total cash outflow for leases in 2025 was £1,120,000 including interest expense of £180,000 (2024: £904,000) for the group and £488,000 including interest expense of £95,000 (2024: £297,000) for the Parent Company.

The group leases various offices, equipment and vehicles. Rental contracts are, typically, made for fixed periods of 4–10 years and may have extension options.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and, instead, accounts for these as a single lease component.

13. Leases *continued*

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the group under residual value guarantees.
- The exercise price of a purchase option if the group is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at, or before, the commencement date less any lease incentives received; and
- Any initial direct costs and restoration costs.

Right-of-use assets are, generally, depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the group.

Payments associated with short term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss and amount to £nil (2024: £nil) in the period. Short term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Cash outflows during the period related to these leases equal the rent expense and are included within operating activities in the Statement of Cash Flows.

The group as lessor

The group has entered into operating leases on its investment property portfolio, which, typically, have lease terms between one and 25 years, and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Ordinarily, the lessee does not have an option to purchase the property at the expiry of the lease period and some leases contain options to break before the end of the lease term.

Future aggregate minimum rentals receivable under non-cancellable operating leases at 31 December are as follows:

	2025 £'000	2024 £'000
Within 1 year	5,364	6,800
Between 1 and 2 years	4,726	6,209
Between 2 and 3 years	4,055	5,360
Between 3 and 4 years	4,014	4,627
Between 4 and 5 years	3,993	4,510
More than 5 years	29,912	37,529
	52,064	65,035

Notes to the financial statements

For the year ended 31 December 2025 *continued*

14. Investment properties

Fair value measurements recognised in the Statement of Financial Position

The following table provides an analysis of the fair values of investment properties recognised in the Statement of Financial Position by the degree to which the fair value is observable:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2025 £'000	2024 £'000	Increase/ (decrease) in year £'000
Completed investment property						
Industrial	–	–	74,911	74,911	70,692	4,219
Leisure	–	–	5,743	5,743	5,585	158
Residential	–	–	3,282	3,282	3,783	(501)
Office	–	–	–	–	2,418	(2,418)
Retail	–	–	10,710	10,710	13,797	(3,087)
	–	–	94,646	94,646	96,275	(1,629)
Investment property under construction						
Industrial	–	–	–	–	–	–
Total carrying amount	–	–	94,646	94,646	96,275	(1,629)

The group's policy is to recognise transfers into, and out of, fair value hierarchy levels as of the date of the event or change in circumstances that causes the transfer. The Directors determine the applicable hierarchy that a property falls into by assessing the level of comparable evidence in the market which that asset falls into and the inherent level of activity. As at the reporting date and throughout the year, all property was determined to fall into Level 3 and so there were no transfers between hierarchies.

Explanation of the fair value hierarchy:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – fair value measurements are those derived from the use of a model with inputs (other than quoted prices included in Level 1) that are observable from directly or indirectly observable market data

Level 3 – fair value measurements are those derived from use of a model with inputs that are not based on observable market data

14. Investment properties continued

Investment properties have been split into different classes to show the composition of the investment property portfolio of the group as at the reporting date. Management has determined that aggregation of the results would be most appropriate, based on the type of use that each property falls into, which is described below:

Class	
Industrial	Includes manufacturing and warehousing, which are usually similar in dimensions and construction method.
Leisure	Includes restaurants and gymnasiums or properties in which the main activity is the provision of entertainment and leisure facilities to the public.
Residential	Includes dwellings under assured tenancies.
Office	Includes buildings occupied for business activities not involving storage or processing of physical goods.
Retail	Includes any property involved in the sale of goods.
Land	Includes land held for future capital appreciation as an investment.

Investment properties under construction are categorised based on the future anticipated highest and best use of the property.

Completed investment property

Class	Industrial Level 3 £'000	Leisure Level 3 £'000	Residential Level 3 £'000	Office Level 3 £'000	Retail Level 3 £'000	2025 £'000	2024 £'000
Fair value hierarchy							
Carrying value							
At 1 January	70,692	5,585	3,783	2,418	13,797	96,275	100,602
Subsequent expenditure on investment property	636	–	–	72	–	708	73
Capitalised letting fees	–	–	–	–	–	–	20
Amortisation of capitalised letting fees	(12)	(6)	–	–	(1)	(19)	(34)
Disposals	(1,030)	–	(520)	–	(3,107)	(4,657)	(523)
Transfer to assets held for sale	–	–	–	(2,851)	–	(2,851)	–
Transfers from/(to) investment property under construction	3,660	–	–	–	–	3,660	(5,030)
Increase in fair value in year	965	164	19	361	21	1,530	1,167
At 31 December	74,911	5,743	3,282	–	10,710	94,646	96,275
Adjustment in respect of tenant incentives	1,643	117	–	522	363	2,645	2,867
Market value at 31 December	76,554	5,860	3,282	522	11,073	97,291	99,142

One property was transferred to 'assets held for sale' during the year.

Tenant incentives are included in trade receivables.

There is no actively traded market for the group's commercial property and, as such, the adopted valuation is completed using the professional judgement of the group's professional valuers, who use the yield method to determine fair value. The calculation of the capital value of a property under this method uses a yield to multiple against the rental income stream with due allowance for a fixed assumed purchaser's cost. The primary variables of the yield method are thus: the yield, which is based on historic yields for properties that are similar but to which there may be adjustment to take into account; factors such as geographical location and lease terms; and the contracted rent, which is based on contracted rents that exist at the balance sheet date, but may also include a provision for rents that may be achieved in the future after accounting for a period of vacancy, such rents being based on rental income terms that exist in similar properties, adjusted for geographic location and lease terms.

Notes to the financial statements

For the year ended 31 December 2025 *continued*

14. Investment properties *continued*

With the exception of the residential class, completed investment property has been revalued at 31 December 2025 by Jones Lang LaSalle Limited in accordance with the Practice Statements contained in the RICS Valuation – Global Standards (the ‘Red Book’) on the basis of market value at £93,345,000 (2024: £95,360,000). Jones Lang LaSalle Limited are professional valuers who hold recognised and professional qualifications and have recent experience in the location and category of the investment property being valued. The valuation conforms to International Valuation Standards, as incorporated within the Red Book and was based on recent market transactions with similar characteristics and location using the yield method valuation technique. The yield method of valuation involves applying market-derived capitalisation yields, and the actual or market-derived future income streams where appropriate, with adjustments for letting voids or rent-free periods as applicable to each property. For all completed investment properties, their current use equates to the highest and best use.

Residential properties are valued using recent comparable sales transactions with a significant unobservable input being the discount used, to reflect the lower value achieved where properties are held under an assured tenancy, which, typically, earn a low market level of rent. The discount applied recognises that the value is higher where the house is offered with the benefit of vacant possession at the end of the assured tenancy.

The fair value of the residential class at 31 December 2025 has been determined by the Directors of the company at £3,282,000 (2024: £3,783,000). The fair value takes into account market evidence based on recent comparable sale transactions adjusted to take into account the tenanted nature of the properties.

Information about fair value measurements using significant unobservable inputs (Level 3):

		2025				
Class		Industrial	Leisure	Residential	Office	Retail
Valuation technique		Yield	Yield	Sales comparison	Yield	Yield
Rental value per sq ft (£)	– weighted average	7.79	21.51	–	–	12.79
	– low	0.65	1.82	–	–	7.27
	– high	15.50	48.00	–	–	18.50
Yield %	– weighted average	6.33	7.12	–	–	6.49
	– low	3.60	5.79	–	–	6.19
	– high	7.86	9.83	–	–	7.05
% discount applied to houses held under assured tenancies		–	–	25.00	–	–

		2024				
Class		Industrial	Leisure	Residential	Office	Retail
Valuation technique		Yield	Yield	Sales comparison	Yield	Yield
Rental value per sq ft (£)	– weighted average	7.12	26.58	–	13.44	14.97
	– low	0.65	1.82	–	–	7.25
	– high	16.00	45.00	–	25.00	26.00
Yield %	– weighted average	6.01	8.99	–	13.78	6.51
	– low	3.65	8.26	–	–	4.87
	– high	7.26	10.07	–	24.57	18.01
% discount applied to houses held under assured tenancies		–	–	25.00	–	–

There is considered to be no inter-relationship between observable and unobservable inputs.

14. Investment properties continued

The sensitivity analysis to significant changes in unobservable inputs relating to fair value measurements (Level 3) is set out below:

	Impact on valuation 2025 £'000				
	Industrial	Leisure	Residential	Office	Retail
Yield – improvement by 0.5%	5,697	383	–	–	784
Rental value per sq ft – increase by £1 average	10,448	255	–	–	838
Tenancy discount – increase by 1%	1	–	557	–	–

	Impact on valuation 2024 £'000				
	Industrial	Leisure	Residential	Office	Retail
Yield – improvement by 0.5%	5,641	300	–	96	1,031
Rental value per sq ft – increase by £1 average	10,654	214	–	205	922
Tenancy discount – increase by 1%	–	–	41	–	–

The sensitivities have been selected by management on the basis that it considers these measures to be a reasonable expectation of likely changes to the significant unobservable inputs in the next 12 months.

The property rental income earned by the group from its occupied investment property, all of which is leased out under operating leases, amounted to £5,733,000 (2024: £6,298,000). Direct operating expenses arising on investment property generating rental income in the year amounted to £311,000 (2024: £432,000). Direct operating expenses arising on the investment property, which did not generate rental income during the year, amounted to £61,000 (2024: £101,000).

At 31 December 2025, the group had entered into no contractual commitments for the acquisition and repair of investment property (2024: £nil).

Investment property under construction

Class	Industrial Level 3	2025	2024
Fair value hierarchy	£'000	£'000	£'000
Carrying value			
At 1 January	–	–	–
Subsequent expenditure on investment property	2,788	2,788	3
Capitalised letting fees	43	43	–
Transfer from inventory	272	272	–
Transfer (to)/from completed investment property	(3,660)	(3,660)	5,030
Transfers to assets held for sale	–	–	(8,330)
Increase in fair value in year	557	557	3,297
At 31 December	–	–	–
Adjustment in respect of tenant incentives	–	–	–
Market value at 31 December	–	–	–

Notes to the financial statements

For the year ended 31 December 2025 *continued*

14. Investment properties *continued*

Investment property under construction

Information about fair value measurements using significant unobservable inputs (Level 3):

Class		2025 Industrial
Valuation technique		Residual
Rental value per sq ft (£)	– weighted average	–
	– low	–
	– high	–
Yield %	– weighted average	–
	– low	–
	– high	–

Class		2024 Industrial
Valuation technique		Residual
Rental value per sq ft (£)	– weighted average	–
	– low	–
	– high	–
Yield %	– weighted average	–
	– low	–
	– high	–

The sensitivity analysis to significant changes in unobservable inputs relating to fair value measurements (Level 3) is set out below:

	Impact on valuation 2025 £'000
Industrial	
Yield – improvement by 0.5%	–
Rental value per sq ft – increase by £1 average	–

	Impact on valuation 2024 £'000
Industrial	
Yield – improvement by 0.5%	–
Rental value per sq ft – increase by £1 average	–

Investment properties under construction are developments that have been valued at 31 December 2025 at fair value by the Directors of the company using the residual method at £nil (2024: £nil). The residual method of valuation involves estimating the gross development value of the property using market-derived capitalisation yields and market-derived future income streams. From this gross development value, the remaining gross development costs to be incurred are deducted, using market-derived data cost estimates or the actual known costs and including cost contingencies for construction risk, as appropriate. In addition, a deduction for the anticipated development profits yet to be earned is made, taking into account the progress of the development to date in line with key milestones.

15. Investments

Parent Company – shares in group undertakings	Total £'000
Cost	
At 1 January 2024	37,771
Additions	1,135
At 31 December 2024	38,906
Additions	735
Disposals	(668)
At 31 December 2025	38,973
Carrying amount	
At 31 December 2025	38,973
At 31 December 2024	38,906

Additions in the current and prior year related to capital contributions made by Henry Boot PLC relating to subsidiary share schemes settled by the parent company. Disposals relate to HBC Construction Limited, see note 38.

Amounts due from, and to, subsidiary companies are listed in notes 18 and 23 and details of all subsidiary companies are listed in note 36.

All trading subsidiaries operate in the United Kingdom and are wholly owned, with the exception of:

- Road Link (A69) Holdings Limited and its subsidiary Road Link (A69) Limited, which is 61.2% owned by Henry Boot Construction Limited; and
- Stonebridge Homes Group Limited and its wholly owned subsidiaries (as indicated in note 37), which is 62.5% owned by, Henry Boot Land Holdings Limited.

They are all incorporated in the United Kingdom. All subsidiary companies have only one class of ordinary issued share capital.

16. Investment in joint ventures and associates

Group	2025			2024		
	Joint ventures £'000	Associates £'000	Total £'000	Joint ventures £'000	Associates £'000	Total £'000
Cost						
At 1 January	8,449	4,831	13,280	8,000	2,484	10,484
Share of profit/(loss) for the year	1,168	559	1,727	3,073	(642)	2,431
Dividends received	–	–	–	(2,850)	–	(2,850)
Additions	87	7,792	7,879	–	2,989	2,989
Dividends waived by partner	–	–	–	226	–	226
At 31 December	9,704	13,182	22,886	8,449	4,831	13,280

During the year, the group increased its equity investment in Rainham Holdco SARL, an associate undertaking, by a further £2,935,000 (2024: 2,989,000), which maintains our interest at 20%. This was settled by offsetting a corresponding loan. The group also increased investment in a number of joint ventures under our Origin Platform of £4,944,000 (2024: £nil).

Notes to the financial statements

For the year ended 31 December 2025 *continued*

16. Investment in joint ventures and associates *continued*

The group's share of its joint ventures' and associates' aggregated assets, liabilities and results are as follows:

	2025			2024		
	Joint ventures £'000	Associates £'000	Total £'000	Joint ventures £'000	Associates £'000	Total £'000
Investment property	747	23,271	24,018	–	5,633	5,633
Current assets	43,336	18,372	61,708	35,121	19,479	54,600
Non-current assets	–	–	–	710	–	710
Total assets	44,083	41,643	85,726	35,831	25,112	60,943
Current liabilities	(29,329)	(1,169)	(30,498)	(5,135)	(1,808)	(6,943)
Non-current liabilities	(5,050)	(27,292)	(32,342)	(22,247)	(18,473)	(40,720)
Net investment	9,704	13,182	22,886	8,449	4,831	13,280

	2025			2024		
	Joint ventures £'000	Associates £'000	Total £'000	Joint ventures £'000	Associates £'000	Total £'000
Revenue	4,513	–	4,513	8,809	–	8,809
Administration and other expenses	(2,602)	(398)	(3,000)	(4,383)	(24)	(4,407)
Increase in fair value of investment properties	–	1,987	1,987	77	–	77
Operating profit/(loss)	1,911	1,589	3,500	4,503	(24)	4,479
Finance costs	(331)	(564)	(895)	(200)	(618)	(818)
Profit/(loss) before tax	1,580	1,025	2,605	4,303	(642)	3,661
Tax	(412)	(466)	(878)	(1,230)	–	(1,230)
Share of profits/(losses) after tax	1,168	559	1,727	3,073	(642)	2,431

Details of the group's investments in joint ventures and associates are listed in note 36.

Material joint ventures and associates

The Directors do not consider any of the joint ventures or associates they hold an interest in to be material in the current year. In the previous year, the directors considered Newmarket Lane Holdings Limited (NML Group) to be the only material joint ventures or associates they held an interest in.

When determining materiality, only joint ventures and associates where Henry Boot PLC's share of net assets or share of profit before tax were greater than 5% of the groups results, were deemed material.

The NML Group is a property development joint venture between the group, two individual shareholders and Hazeltine Limited. The NML Group includes three legal entities: Newmarket Lane Holdings Limited, Newmarket Lane Limited, and Newmarket Lane Management Company Limited. The NML Group is incorporated in England, and the group has ownership of 50% of the NML Group. The joint venture is accounted for using the equity method of accounting.

The table over provides summarised financial information for Newmarket Lane Holdings Limited (Group). The information disclosed reflects the amounts presented in the financial statements of Newmarket Lane Holdings Limited (Group) and not the group's share of those amounts.

16. Investment in joint ventures and associates continued

Summarised balance sheet

	Newmarket Lane Holdings Limited (Group)	
	2025 £'000	2024 £'000
Investment properties (non-current)	–	–
Inventories	13,000	12,883
Trade and other receivables	256	217
Cash and cash equivalents	942	1,227
Trade and other payables	(497)	(673)
Borrowings (non-current)	–	(240)
Net assets	13,701	13,414
Reconciliation to carrying amount:		
Opening net assets 1 January	13,414	13,882
Profit/(loss) for the period	287	4,775
Other distribution	(5,244)	(5,243)
Closing net assets	8,457	13,414
Group's share in %	50%	50%
Group's share in £'000	4,228	6,707
Carrying amount £'000	4,228	6,707

Summarised statement of comprehensive income

	2025 £'000	2024 £'000
Revenue	564	12,186
Interest income	–	52
Interest expense	(48)	–
Profit before tax	383	6,674
Tax	(96)	(1,899)
Profit for the year	287	4,775
Group's share in %	50%	50%
Group's share in £'000	143	2,388
Carrying amount £'000	143	2,388

Notes to the financial statements

For the year ended 31 December 2025 *continued*

17. Contract assets

	2025 £'000	2024 £'000
Construction contracts – Construction segment	–	8,329
Construction contracts – Property investment and development segment	8,419	4,364
	8,419	12,693
Due within one year	8,419	12,693
Due after more than one year	–	–
	8,419	12,693

Amounts relating to construction contracts are balances due from customers under construction contracts that arise when the group receives payments from customers in line with a series of performance-related milestones. The group will, previously, have recognised a contract asset for any work performed, but not yet invoiced, as conditional to reaching certain agreed milestone. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Contract assets have decreased following the disposal of HBC Construction Limited on 31 December 2025.

There were no significant impairment losses recognised on any contract asset in the reporting period or in the prior year.

The group does not recognise any assets arising from the costs incurred to obtain a contract as the related amortisation period would have been less than one year.

18. Trade and other receivables

	Group		Parent Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade receivables	70,978	50,688	631	378
Loss allowance	(654)	(703)	–	–
Prepayments	17,128	10,230	2,893	2,893
Amounts owed by joint ventures and associates	30,388	38,710	–	–
Amounts owed by group undertakings	–	–	256,475	215,898
	117,840	98,925	259,999	219,169
Due within one year	69,920	90,467	61,166	25,803
Due after more than one year	47,920	8,458	198,833	193,366
	117,840	98,925	259,999	219,169

Amounts due after more than one year relate to deferred consideration included in trade receivables on inventory sold that are discounted to present value and are due for payment between March 2026 and September 2029 (2024: January 2025 and July 2028), and amounts owed by joint ventures and associates that are not expected to be recovered in the next 12 months (2024: not expected to be recovered in the next 12 months).

Group

Movement in the trade receivables loss allowance

	2025 £'000	2024 £'000
At 1 January	703	1,347
Impairment losses recognised	70	–
Amounts written off as uncollectable (utilisation)	36	–
Amounts recovered during the year	(6)	(682)
Impairment losses reversed	(149)	38
At 31 December	654	703

18. Trade and other receivables continued

The loss allowance as at 31 December 2025 and 31 December 2024 for trade receivables and contract assets was determined as follows:

	Expected loss rate %	Gross carrying amount £'000	Loss allowance £'000
2025			
0–30 days	1.2	40,991	438
30–60 days	0.1	9,990	8
60–90 days	0.1	3,014	2
90–120 days	1.4	148	2
120+ days	0.8	25,254	204
		79,397	654
2024			
0–30 days	0.3	57,336	173
30–60 days	0.7	1,509	11
60–90 days	0.7	539	4
90–120 days	10.7	103	11
120+ days	12.9	3,894	504
		63,381	703

The Directors consider that the carrying amount of trade and other receivables of the group and Parent Company approximates to their fair value.

Parent Company

Amounts owed by group undertakings include loans of £239.1m (2024: £213.2m) and are repayable on demand, unsecured and are stated net of provisions for impairment of £448,000 (2024: £1,519,000), of which no significant impairment (2024: £nil) has been provided in the year, £1,071,000 (2024: £1,000) has been recovered in the year and £nil (2024: £nil) was written off. Expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. Where there are insufficient liquid assets, the Parent Company considers the expected manner of recovery to measure expected credit losses. This might be a 'repay over time' strategy, or a fire sale of fewer liquid assets. No interest was charged on loans in the current or prior year.

The Parent Company has no significant impaired trade receivables in the current or prior year.

Credit risk

The group's principal financial assets are bank balances and cash, contract assets and trade and other receivables, which represent the group's maximum exposure to credit risk in relation to financial assets. The group's credit risk is, primarily, attributable to its trade receivables. The amounts presented in the Statement of Financial Position are net of loss allowances for doubtful receivables, estimated by the group's management based on prior experience and forward-looking assessments of the economic environment in accordance with IFRS 9 'Financial Instruments'. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. Recovery of amounts owed by joint ventures and associates is based on delivery of the intended scheme and realisation of asset values, forecast appraisal are prepared periodically, which support recoverability.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Notes to the financial statements

For the year ended 31 December 2025 *continued*

19. Deferred tax

Deferred tax assets and deferred tax liabilities are offset where the group has a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to tax levied by the same tax authority where there is an intention to settle the balances on a net basis. The amounts after offsetting are as follows:

Group	Accelerated capital allowances £'000	Property revaluations £'000	Retirement benefit scheme £'000	Other timing differences £'000	Total £'000
At 1 January 2024	(1,384)	(2,056)	(1,932)	213	(5,159)
Recognised in profit or loss	(731)	(847)	(2)	6	(1,574)
Recognised in other comprehensive income	–	(67)	(549)	–	(616)
At 31 December 2024	(2,115)	(2,970)	(2,483)	219	(7,349)
Deferred tax asset	–	–	–	219	219
Deferred tax liability	(2,115)	(2,970)	(2,483)	–	(7,568)
Recognised in profit or loss	(100)	(379)	(2)	1,952	1,471
Recognised in other comprehensive income	–	63	1,732	–	1,795
Disposal of subsidiary	(32)	–	–	–	(32)
At 31 December 2025	(2,247)	(3,286)	(753)	2,171	(4,115)
Deferred tax asset	–	–	–	–	–
Deferred tax liability	(2,247)	(3,286)	(753)	2,171	(4,115)

Parent Company

At 1 January 2024	(230)	–	(1,932)	244	(1,918)
Recognised in profit or loss	(132)	–	(2)	–	(134)
Recognised in other comprehensive income	–	–	(549)	–	(549)
At 31 December 2024	(362)	–	(2,483)	244	(2,601)
Deferred tax asset	–	–	–	244	244
Deferred tax liability	(362)	–	(2,483)	–	(2,845)
Recognised in profit or loss	129	–	(2)	(67)	60
Recognised in other comprehensive income	–	–	1,732	–	1,732
At 31 December 2025	(233)	–	(753)	177	(809)
Deferred tax asset	–	–	–	177	177
Deferred tax liability	(233)	–	(753)	–	(986)

Deferred tax assets relating to deductible temporary differences are recognised if it is probable that they can be offset against future taxable profits or existing temporary differences.

Deferred tax balances at the year end have been measured at 25% (2024: 25%), being the rate at which timing differences are expected to reverse. Management does not expect any significant reversal of deferred tax assets or liabilities in the next 12 months.

20. Inventories

	2025 £'000	2024 £'000
Property developments in progress	57,761	66,605
Housebuilder land and work in progress	156,379	111,639
Land held for development or sale	60,096	73,963
Options to purchase land	9,032	9,209
Planning promotion agreements	84,797	71,455
	368,065	332,871

Within property developments in progress, £342,000 (2024: £nil) has been written down and recognised as an expense in the year. These costs relate to development projects no longer likely to proceed. Within land held for development or sale, options to purchase land and planning promotion agreements, £507,000 (2024: £1,511,000) has been written down and recognised as an expense in the year. These costs relate to land, options and planning promotion agreements where planning permission for development has been refused or is deemed to be doubtful.

21. Assets classified as held for sale

Assets classified as held for sale are investment properties and land and buildings within the Property investment and development segment, which are individually being actively marketed for sale with expected completion dates within one year. The gain recognised after measurement at fair value to sell on the transfer of assets during the year was £nil (2024: £nil).

Assets classified as held for sale comprise the following:

	Investment Property and Land and Buildings	
	2025 £'000	2024 £'000
Fair value		
At 1 January	9,315	–
Transfer from property, plant and equipment (note 12)	–	985
Transfer from investment property (note 14)	2,851	8,330
Disposals	(12,166)	–
At 31 December	–	9,315
Adjustment in respect of tenant incentives	–	–
Market value at 31 December	–	9,315

Assets classified as held for sale have been valued at 31 December 2025 at fair value by the Directors of the company at £nil (2024: £9,315,000).

Notes to the financial statements

For the year ended 31 December 2025 *continued*

22. Contract liabilities

	2025 £'000	2024 £'000
Construction contracts – Construction segment	–	4,882
Construction contracts – Property investment and development segment	–	–
	–	4,882
Due within one year	–	4,882
	2025 £'000	2024 £'000
<i>Revenue recognised that was included in the contract liability balance at the beginning of the period</i>		
Construction contracts – Construction segment	–	1,060
Construction contracts – Property investment and development segment	–	–
<i>Revenue recognised from performance obligations satisfied in previous periods</i>		
Construction contracts – Construction segment	–	–
Construction contracts – Property investment and development segment	–	–

Contract liabilities have decreased in the year as the group disposed of its contracting business, HBC Construction Limited.

23. Trade and other payables

	Group		Parent Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade payables ¹	89,595	83,595	3,725	2,043
Social security and other taxes	11,102	9,733	614	606
Accrued expenses	4,273	5,481	1,563	2,250
Deferred income	1,922	2,700	–	–
Amounts owed to joint venture and associates	1,241	302	–	–
Amounts owed to group undertakings	–	–	18,719	61,788
	108,133	101,811	24,621	66,687
Due within one year	86,411	89,820	23,411	66,490
Due after more than one year	21,722	11,991	1,210	197
	108,133	101,811	24,621	66,687

¹ Trade payable includes financial liabilities guaranteed as part of the disposal of HBC Construction Limited. See note 38.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

Amounts due after more than one year include £nil (2024: £379,000) of deferred income, £902,000 (2024: £nil) of amounts owed to joint venture and associates, £19,610,000 (2024: £11,611,000) relating to deferred land payments and 1,210,000 (2024: £nil) of trade payables relating to financial guarantees.

Included within deferred income is £nil relating to an advanced payment from National Highways (2024: £862,000). This is being released as revenue and interest within the income statement under the terms of the A69 Road Link contract. During the year, £825,000 (2024: £707,000) has been recognised as revenue and £145,000 (2024: £226,000) recognised as interest. The balance of deferred income represents advanced rental receipts from investment property tenants in the Property investment and development segment, relating to the first quarter of 2026.

Parent Company

Amounts owed to group undertakings (including loans of £12.5m (2024: £53.9m) are repayable on demand, unsecured and bear no interest (2024: 0–0.60%).

24. Financial liabilities

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments.

Group 2025	Note	On demand £'000	<1 year £'000	1–2 years £'000	3–5 years £'000	>5 years £'000	Total £'000
Bank loans	26	–	–	–	112,000	–	112,000
Other loans – sale and leaseback	26	–	880	213	–	–	1,093
Lease liabilities	13	–	882	860	1,459	131	3,332
Trade and other payables	23	–	73,387	21,722	–	–	95,109
		–	75,149	22,795	113,459	131	211,534

Group 2024	Note	On demand £'000	<1 year £'000	1–2 years £'000	3–5 years £'000	>5 years £'000	Total (restated ¹) £'000
Bank loans	26	–	–	–	72,500	–	72,500
Other loans – sale and leaseback	26	–	1,943	880	212	–	3,035
Lease liabilities	13	–	895	822	1,940	255	3,912
Trade and other payables	23	–	77,767	11,611	–	–	89,378
		–	80,605	13,313	74,171	255	168,825

Parent Company 2025	Note	On demand £'000	<1 year £'000	1–2 years £'000	3–5 years £'000	>5 years £'000	Total £'000
Bank loans	26	–	–	–	112,000	–	112,000
Lease liabilities	13	–	393	400	1,122	56	1,971
Trade and other payables	23	–	22,797	1,210	–	–	24,007
		–	23,190	1,610	113,122	56	137,978

Parent Company 2024	Note	On demand £'000	<1 year £'000	1–2 years £'000	3–5 years £'000	>5 years £'000	Total (restated ¹) £'000
Bank loans	26	–	–	–	72,500	–	72,500
Lease liabilities	13	–	393	400	1,122	56	1,971
Trade and other payables	23	–	65,884	197	–	–	66,081
		–	66,277	597	73,622	56	140,552

¹ See 'prior year restatements' on page 174

Notes to the financial statements

For the year ended 31 December 2025 [continued](#)

25. Capital risk management

The group's objectives when managing capital are:

- to safeguard the group's ability to continue as a going concern and have the resources to provide returns for shareholders and benefits for other stakeholders; and
- to maximise returns to shareholders by allocating capital across our businesses based on the level of expected return and risk.

The group sets the amount of capital in proportion to risk. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of net debt to equity. Net debt is total debt less cash and cash equivalents and, at 31 December 2025, this was £108.0m (2024: £62.7m). Equity comprises all components of equity and, at 31 December 2025, this was £420.1m (2024: £425.1m).

During 2025, the group achieved its strategy, which was to maintain the debt to equity ratio below 30% (2024: 30%). This level was chosen to ensure that we can access debt relatively easily and inexpensively if required.

In May 2024, the group concluded negotiations with three banking partners to put in place a £125m facility to replace the £105m facility it had in place at 31 December 2013. The renewed facilities commenced on 24 May 2024, with a renewal date of 24 May 2027 and an option to extend the facilities by one year, each year, for the next two years occurring on the anniversary of the facility. The first of these extensions was called upon on 31 March 2025 extending the facility to 21 March 2028. Bank facilities in place at 31 December 2024 totalled £125m with an accordion to extend the facility by up to £60m taking the facility to £185m. The accordion was called on 21 March 2025 extending the facility to £140m and again on 5 March 2026 to £155m. The group had drawn £112.0m of the facility at 31 December 2025 (2024: £72.5m).

The group's secured bank facilities are subject to covenants over the loan-to-market value of investment properties, EBIT cover, gearings and minimum consolidated tangible assets value. The group operated comfortably within all of its requirements throughout the year and continues to do so over forecast periods.

On 27 June 2024, the group extended a £25.0m Receivables Purchase Agreement with HSBC Invoice Finance UK Limited (HSBC). The Receivables Purchase Agreement allows the group to sell eligible deferred receivables generated through its land sale activities to HSBC Invoice Finance (UK) Limited. Under the terms of the agreement, the group irrevocably assigns all rights to HSBC Invoice Finance (UK) Limited and all tangible risks and rewards of ownership of the financial asset are transferred. Upon transfer of contractual rights, the deferred receivable asset is derecognised in the financial statements of the group. There is a maximum agreement limit of £25.0m of which receivables due from eligible housebuilders can be sold. Amounts of £13.4m (2024: £15.9m) were sold under the agreement at the year end.

The group's capital risk management disclosures are consistent with the Parent Company.

26. Borrowings

	Group		Parent Company	
	2025 £'000	2024 (restated ¹) £'000	2025 £'000	2024 (restated ¹) £'000
Bank overdrafts	–	–	9	42
Bank loans	112,000	72,500	112,000	72,500
Other loans – sale and leaseback	1,093	3,035	–	–
	113,093	75,535	112,009	72,542
Due within one year	871	1,943	9	42
Due after one year	112,222	73,592	112,000	72,500
	113,093	75,535	112,009	72,542

The weighted average interest rates paid were as follows:

	2025 %	2024 %
Bank overdrafts	6.80	6.80
Bank loans – floating rate	5.84	6.67
Other loans – sale and leaseback	6.02	5.97

¹ See 'prior year restatements' on page 174

Bank overdrafts are repayable on demand and bank loans are drawn for periods of between one and six months.

Other loans relate to sale and leaseback arrangement entered into by the group. The loan draw downs in 2025 amounted to £nil (2024: £1,633,000) and are all repayable over 36 months from the date when the loans were drawn down.

Borrowings are recognised at amortised cost. The fair value of the group's borrowings is not considered to be materially different from the carrying amounts.

Liquidity risk

The company's objectives when managing liquidity are:

- to safeguard the group's ability to meet expected and unexpected payment obligations at all times; and
- to maximise the group's profitability.

At 31 December 2025, the group had available £33,000,000 (2024: £52,500,000) undrawn committed borrowing facilities.

Interest rate risk

Interest on floating rate borrowings is arranged for periods from one to six months. These borrowings are secured by a fixed and floating charge over the assets of the group, excluding those of Road Link (A69) Limited.

The bank overdraft is at floating rates, thus exposing the group to cash flow interest rate risk.

Based on approximate average borrowings during 2025, a 1.0% (2024: 1.0%) increase or decrease in interest rates, which the Directors consider to be a reasonably possible change, would affect profitability before tax by £1,058,000 (2024: £949,000).

Other loans – sales and leaseback – are arranged at fixed rates, thus not exposing the group to cash flow interest rate risk.

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For the year ended 31 December 2025 *continued*

27. Provisions

	Land promotion £'000	Road maintenance £'000	Total £'000
At 1 January 2024	3,131	1,268	4,399
Additional provisions in year	554	2,272	2,826
Utilisation of provisions	(2,571)	(2,777)	(5,348)
At 31 December 2024	1,114	763	1,877
Included in current liabilities	960	763	1,723
Included in non-current liabilities	154	–	154
	1,114	763	1,877
Additional provisions in year	379	2,709	3,088
Utilisation of provisions	(747)	(3,361)	(4,108)
At 31 December 2025	746	111	857
Included in current liabilities	746	111	857
Included in non-current liabilities	–	–	–
	746	111	857

The Land Promotion provision represents management's best estimate of the group's liability to satisfy outstanding S106 infrastructure/planning obligations, arising from obtaining planning consent on the relevant schemes. These obligations are contracted independently between the group and the relevant planning authorities, and are not assumed by the customer at the point the land is subsequently disposed and, therefore, remain an obligation of the group. These obligations are expected to be fully satisfied within the next 18 months.

The provision is calculated using the present value of the estimated cash flows required to settle the present obligations, pro rata on an acreage allocation basis where disposals occur over a number of phases, such that provisions are only made in relation to the land that has been disposed of. Based on a 1.0% change in the discount rate and a 5.0% change in the estimated cash outflows, both of which the Directors consider to be a reasonably possible change, land promotion provisions would change and affect profitability before tax by £3,000 and £37,000 respectively (2024: £7,000 and £57,000).

The group maintains rigorous forecasting and budgeting for the S106 infrastructure/planning obligations to which its provisions relate. The group's outstanding obligations are not considered to be 'onerous' contracts, as the costs of meeting the obligations are not anticipated to exceed the economic benefits expected to be received throughout the life of the developments.

The Road Maintenance provision represents management's best estimate of the group's liability under a five-year rolling programme for the maintenance of the group's PFI assets. Based on a 5.0% change in the estimated cash outflows, which the Directors consider to be a reasonably possible change, the Road Maintenance provision would change and affect profitability before tax by £187,000 (2024: £176,000).

Off balance sheet arrangements

The group is currently undertaking the infrastructure of land promotions at Bridgwater and Cranbrook, spanning 122 and 53 acres respectively (2024: 122 and 53). The group is liable for various planning and infrastructure obligations required to be met under section agreements imposed by the local councils. The group shares its planning and infrastructure obligations relating to the Cranbrook site with two other parties – the group's share being 30%. These shared obligations are secured by performance bonds and legal charges. The group deems the possibility of default by the other parties as highly remote. The infrastructure of these developments is anticipated to continue until 2025 and 2026 respectively, with costs being incurred throughout these periods.

The group has cumulatively disposed of 122 and 50 acres respectively (2024: 122 and 50), and has, subsequently, recognised provisions to the value of £745,000 (2024: £1,113,000), being the group's best estimate of the consideration required to settle the present obligations at the reporting date. Subsequent disposals are expected to occur over a number of phases; provisions are made in relation to the land that has been disposed of. The present value of the estimated cash flows relating to future disposals, amounting to £41,000 (2024: £24,000), has, therefore, not been recognised in these Financial Statements.

Contingent liabilities

Contingent liabilities may arise in respect of subcontractor and other third-party claims made against the group, in the normal course of trading. These claims can include those relating to cladding/legacy fire safety matters and defects. A provision for such claims is only recognised to the extent that the Directors believe that the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation. However, such claims are predominantly covered by the group's insurance arrangements.

28. Retirement benefit obligations

Defined contribution pension plan

The group operates a defined contribution pension plan for all qualifying employees. The plan is administered and managed by Aviva and the group matches member contributions, providing a minimum of 5% (2024: 5%) of salary is paid by the employee, on a pound-for-pound basis up to a maximum of 8% (2024: 8%).

The total cost charged to income of £3,539,000 (2024: £3,438,000) represents contributions payable to the plan by the group.

Defined benefit pension scheme

The group sponsors a funded defined benefit pension scheme in the UK. The scheme is administered within a Trust, which is legally separate from the group. Trustees are appointed by both the group and the scheme's membership, and act in the interest of the scheme and all relevant stakeholders, including the members and the group employers. The Trustees are also responsible for the investment policy for the scheme's assets.

The scheme closed to the future accrual of benefits on 18 March 2021. Until this date, members accrued an annual pension of either 1/45th or 1/60th of final pensionable salary for each year of pensionable service. Increases in pensionable salary were limited to 1% per annum. Once in payment, pensions increase in line with inflation. The scheme also provides a two-thirds spouse's pension on the death of a member.

Members of the scheme who were active up to 18 March 2021 paid contributions at the rate of either 5% or 7% of pensionable salary, and the group employers paid the balance of the cost as determined by regular actuarial valuations. The Trustee is required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

The group has not recognised any obligation under a minimum funding requirement as it is entitled to a refund of any residual assets once all members have left the scheme.

The scheme poses a number of risks to the group. These include:

Investment risk

The present value of obligations is calculated using a discount rate determined by reference to high quality corporate bond yields. If the return on the scheme's assets is below this rate, the scheme deficit will increase.

Interest rate risk

A decrease in the yield on high quality corporate bonds will reduce the discount rate and, thus, increase the value placed on the scheme's liabilities.

Inflation risk

The present value of the liabilities is calculated by reference to a best estimate of future inflation. If inflation turns out to be higher than this estimate, then the deficit will increase.

Longevity risk

The present value of the liabilities is calculated using a best estimate of the life expectancy of scheme members. An increase in life expectancies will increase the scheme's liabilities.

The scheme is subject to regular actuarial valuations, which are usually carried out every three years. The next actuarial valuation is due to be carried out with an effective date of 31 December 2025. These actuarial valuations are carried out in accordance with the requirements of the Pensions Act 2004 and so include deliberate margins for prudence. This contrasts with these accounting disclosures, which are determined using best estimate assumptions.

A formal actuarial valuation was carried out as at 31 December 2024. The results of that valuation have been projected to 31 December 2025 by a qualified independent actuary, and the next formal valuation will be 31 December 2027. The figures in the following disclosure were measured using the Projected Unit Method.

	2025 %	2024 %
Retail Prices Index (RPI)	2.85	3.05
Consumer Prices Index (CPI)	2.45	2.65
Rate in increase to pensions in payment liable for Limited Price Indexation (LPI)	2.45	2.65
Revaluation of deferred pensions	2.45	2.65
Liabilities discount rate	5.60	5.55

Notes to the financial statements

For the year ended 31 December 2025 *continued*

28. Retirement benefit obligations *continued*

Mortality assumptions	2025 Years	2024 Years
Retiring today (aged 65)		
Male	21.8	21.1
Female	23.8	23.4
Retiring in 20 years (currently aged 45)		
Male	23.5	22.1
Female	25.0	24.6

The mortality assumptions adopted are the Self Administered Pension Schemes (SAPS) tables with allowance for future improvements in line with Continuous Mortality Investigation (CMI) 2022 with an annual improvement of 1% per annum.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Impact on scheme liabilities		
	Change in assumption	Increase in assumption £'000	Decrease in assumption £'000
Rate of inflation	0.25%	2,839	(3,018)
Liabilities discount rate	0.25%	(3,498)	3,667
Rate of mortality	1 year	5,299	(5,209)

Amounts recognised in the Consolidated Statement of Comprehensive Income in respect of the scheme are as follows:

	2025 £'000	2024 £'000
Service cost:		
Ongoing scheme expenses	790	698
Net interest income	(536)	(347)
Pension protection fund	7	36
Pension expenses recognised in profit or loss	261	387
Remeasurement on the net-defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	6,091	12,978
Actuarial loss/(gain) arising from changes in demographic assumptions	2,091	(255)
Actuarial gain arising from changes in financial assumptions	(2,820)	(15,088)
Actuarial loss arising from experience assumptions	1,565	169
Actuarial loss/(gain) recognised in other comprehensive income	6,927	(2,196)
Total	7,188	(1,809)

The amount included in the Statement of Financial Position arising from the group's obligations in respect of the scheme is as follows:

	2025 £'000	2024 £'000
Present value of scheme obligations	(137,682)	(138,220)
Fair value of scheme assets	140,691	148,150
	3,009	9,930

28. Retirement benefit obligations *continued*

This amount is presented in the Statement of Financial Position as follows:

	2025 £'000	2024 £'000
Non-current assets	3,009	9,930

Movements in the present value of scheme obligations in the year were as follows:

	2025 £'000	2024 £'000
At 1 January	138,220	155,264
Interest on obligation	7,427	6,940
Actuarial losses	836	(15,174)
Benefits paid	(8,801)	(8,810)
At 31 December	137,682	138,220

Movements in the fair value of scheme assets in the year were as follows:

	2025 £'000	2024 £'000
At 1 January	148,150	162,990
Interest income	7,963	7,287
Actuarial losses on scheme assets	(6,091)	(12,978)
Employer contributions	260	360
Benefits paid	(8,801)	(8,811)
Ongoing scheme expenses	(790)	(698)
At 31 December	137,682	148,150

The categories of plan assets are as follows:

	2025 £'000	2024 £'000
Quoted investments, including pooled diversified growth funds:		
Equity	12,395	18,100
Diversified credit funds	29,316	39,381
Asset backed securities	10,471	–
Cash and net current assets	4,831	4,052
Unquoted investments:		
Direct lending	5,116	8,502
Multi-asset credit	15,340	12,154
Liability-driven investment	40,641	37,816
Infrastructure	10,583	10,784
Special situations	11,998	17,361
At 31 December	140,691	148,150

The weighted average duration of the defined benefit obligation is 11 years (2024: 11 years).

The current estimated amount of total contributions expected to be paid to the scheme during the 2025 financial year is £nil, being £nil payable by the group and £nil payable by scheme members.

The company's level of recovery plan funding to the scheme is £nil per month from January 2026 to December 2026, with an ongoing provision to increase contributions to £300,000 if the scheme is in deficit over £3.0m for two quarters. In addition to this, the company contributes a further £260,000 per annum towards the administration expenses of the scheme.

Notes to the financial statements

For the year ended 31 December 2025 *continued*

28. Retirement benefit obligations *continued*

On 16 June 2023, the High Court handed down a judgement in the case Virgin Media vs. NTL Trustees II Limited. The case centred on changes to the rules of pension schemes that were contracted out of SERPS. The law required that, before amending a scheme's rules, the trustees needed to obtain written confirmation from the scheme actuary that the amended benefits would still meet the minimum level. The actuary's written confirmation is commonly known as a Section 37 certificate.

The judgement handed down in the Virgin Media case confirmed the position under the law and held that any rule amendments made without the actuarial confirmation having been obtained would be void.

The group's scheme was contracted out over the relevant period and several rule amendments that affected members' benefits were made in that time. The Trustees have conducted a preliminary search of their records and have located most, but not all, of the Section 37 certificates. An exhaustive search has not yet been completed.

In June 2025, the UK government announced its intention to introduce legislative changes to give affected pension schemes the ability to retrospectively obtain the required actuarial confirmation. These changes are part of the current Pension Schemes Bill, which is expected to be enacted in mid to late 2026. If the original Section 37 certificates cannot be located for the group's scheme, then it is expected that these new provisions will be used to provide retrospective confirmation.

29. Related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are disclosed below:

	2025 £'000	2024 £'000
Parent Company		
Management charges receivable	7,693	6,552
Interest payable	(221)	(264)
Rents payable	(29)	(108)
Recharge of expenses	(6)	(10)

Transactions between the company and its remaining related parties are as follows:

	2025 £'000	2024 £'000
Purchases of goods and services		
Related companies of key management personnel (amounts paid for Non-executive Director services)	56	54

Amounts owing by related parties (note 18) or to related parties (note 23) are unsecured, repayable on demand and will be settled in cash. The group is committed to the ongoing funding of some joint ventures and associates where the entity has made commitments to deliver specific schemes. No guarantees have been given or received. No significant provisions have been made for impaired receivables in respect of the amounts owed by related parties. Other than as disclosed above and in note 16, there are no further related party transactions with joint ventures and associates.

Remuneration of key management personnel

The key management personnel of the group are the Board of Directors and members of the Executive Committee, as presented on pages 92 to 93 and 94 to 95. They are responsible for making all of the strategic decisions of the group and its subsidiaries, as detailed on pages 27 and 45. The remuneration of the Board of Directors is set out in the Remuneration Report on pages 134 to 151. The remuneration of the relevant eight (2024: six) members who served in the Senior Management Team is set out below, in aggregate, for each of the categories specified in IAS 24 'Related Party Disclosures'.

	Board of Directors		Other key management	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Short term employee benefits	1,537	1,730	1,937	2,027
Post-employment benefits	68	10	177	138
Share-based payments	–	–	36	–
	1,605	1,740	2,150	2,165

There were no termination payments or long term benefits paid to the Board of Directors or key management personnel.

30. Share capital

	Authorised, allotted, issued and fully paid	
	2025 £'000	2024 £'000
400,000 5.25% cumulative preference shares of £1 each (2024: 400,000)	400	400
134,110,155 ordinary shares of 10p each (2024: 134,010,541) ¹	13,411	13,401
	13,811	13,801

¹ Including treasury shares.

The company has one class of ordinary share, which carries no rights to fixed income, but which entitles the holder thereof to receive notice of and attend and vote at general meetings or appoint a proxy to attend on their behalf. During the year, 99,614 ordinary shares (2024: 24,778) were issued in satisfaction of share option exercises.

Subject to Board approval, the preference shares carry the right to a cumulative preferential dividend payable half yearly at the rate of 5.25% per annum. They also carry a right, in priority to the ordinary equity, on a return of assets on a winding-up or reduction of capital, to repayment of capital, together with the arrears of any preferential dividend. With the exception of any resolution proposed to directly affect the rights or privileges of the holders of the preference shares, the holders thereof are not entitled to receive notice of, be present or vote at any general meeting of the company.

Share-based payments

The company operates the following share-based payment arrangements:

(i) The Henry Boot 2010 Sharesave Plan

This savings-related share option plan was approved by shareholders in 2010 and is HMRC approved. Grants of options to participating employees were made on 3 October 2019 at a price of 224.0p at a discount of 9.7%, on 5 October 2020 at a price of 237.0p at a discount of 6.0%, on 15 October 2021 at a price of 225.0p at a discount of 20.5%, on 21 October 2022 at a price of 198.0p at a discount of 15.7%, on 20 October 2023 at a price of 155.0p at a discount of 15.3%, on 3 October 2024 at a price of 183.0p at a discount of 20.4% and on 17 October 2025 at a price of 1.76 at a discount of 18.5%. These become exercisable for a six-month period from 1 December 2022, 1 December 2023, 1 December 2024, 1 December 2025, 1 December 2026, 1 December 2027 and 1 December 2028 respectively. There are no performance criteria attached to the exercise of these options, which are normally capable of exercise up to six months after the third anniversary of the Sharesave contract commencement date. The right to exercise options terminates if a participating employee leaves the group, subject to certain exceptions.

	Options outstanding at 1 January 2025	Options granted	Options lapsed	Options exercised	Options outstanding at 31 December 2025
2025					
October 2021 grant	50,400	–	(8,960)	(1,840)	39,600
October 2022 grant	157,451	–	(13,452)	(65,356)	78,643
October 2023 grant	1,428,751	–	(100,777)	(35,617)	1,292,357
October 2024 grant	297,477	–	(78,883)	–	218,594
October 2025 grant	–	213,539	(4,665)	–	208,874
Weighted average exercise price	164p	176p	172p	184p	164p

The weighted average share price at the date of exercise for share options exercised during the year was 216.00p (2024: 222.34p).

Notes to the financial statements

For the year ended 31 December 2025 *continued*

30. Share capital *continued*

	Options outstanding at 1 January 2024	Options granted	Options lapsed	Options exercised	Options outstanding at 31 December 2024
2024					
October 2019 grant	1,607	–	(1,607)	–	–
October 2020 grant	80,824	–	(80,824)	–	–
October 2021 grant	99,136	–	(42,000)	(6,736)	50,400
October 2022 grant	234,716	–	(76,811)	(454)	157,451
October 2023 grant	1,587,303	–	(151,973)	(6,579)	1,428,751
October 2024 grant	–	297,477	–	–	297,477
Weighted average exercise price	167p	183p	192p	191p	164p

(ii) The Henry Boot 2015 Long Term Incentive Plan

This plan was approved by shareholders at an AGM held on 21 May 2015. Details of the plan and the vesting requirements are also set out in the Directors' Remuneration Policy, which is available to view on the website.

In respect of (ii) above, the aggregate total of movements in share options granted and awards of shares is as follows:

	2025 Number	2024 Number
Share options granted at 1 January	3,147,462	2,202,108
Lapses of share options in year	(748,000)	(433,560)
Awards of shares in year	–	(95,130)
Share options granted in year	1,176,282	1,474,044
Share options granted at 31 December	3,575,744	3,147,462

The weighted average share price at the date of exercise for share options exercised during the year was nil (2024: 205.00p). The weighted average exercise price of all share options issued in the scheme is £nil. Additional shares have been awarded in the year based at a dividend equivalent value over the vesting period.

30. Share capital continued

(iii) The Henry Boot PLC 2010 and 2020 Approved Company Share Options Plans

These plans, more commonly known as CSOPs, were approved by shareholders in 2010 for grants before May 2020, and in 2020 for grants after 2020. Any full-time Director or employee (full-time or part-time) is eligible to participate at the discretion of the Remuneration Committee of the Board. Options are granted by deed with no consideration payable by the participant. The aggregate subscription price at the date of grant of all outstanding options granted to any one participant under the plan and any other HMRC-approved plan operated by the company (but excluding options granted under any savings-related share option plan) must not exceed £60,000. The aggregate market value at the date of grant of ordinary share options, which may be granted to any one participant in any one financial year of the company, shall not normally exceed two times the amount of a participant's remuneration for that financial year. The Remuneration Committee may impose objective conditions as to the performance of the group, which must normally be satisfied before options can be exercised. Options are normally exercisable only within the period of 3–10 years after the date of grant. The right to exercise options, generally, terminates if a participant leaves the group, subject to certain exceptions. The second grant of options under the plan was made to certain senior employees (none of whom, at the time, were Directors of group companies) on 1 October 2014 at an option price of 191.0p. The third grant of options under the plan was made to certain senior employees (none of whom, at the time, were Directors of group companies) on 6 October 2017 at an option price of 298.9p. The fourth grant of options under the plan was made to certain employees (two of whom, at the time, were Directors of group companies) on 14 September 2018 at an option price of 291.0p. The fifth grant of options under the plan was made to certain employees (two of whom, at the time, were Directors of group companies) on 3 October 2019 at an option price of 249.0p. The sixth grant of options under the plan was made to certain employees (none of whom, at the time, were Directors of group companies) on 5 October 2020 at an option price of 263.0p. The seventh grant of options under the plan was made to certain employees (none of whom, at the time, were Directors of group companies) on 29 September 2021 at an option price of 281.0p. The eighth grant of options under the plan was made to certain employees (none of whom, at the time, were Directors of group companies) on 5 October 2022 at an option price of 247.0p. The ninth grant of options under the plan was made to certain employees (none of whom, at the time, were Directors of group companies) on 4 October 2023 at an option price of 194.0p. The tenth grant of options under the plan was made to certain employees (none of whom, at the time, were Directors of group companies) on 3 October 2024 at an option price of 229.0p. The eleventh grant of options under the plan was made to certain employees (none of whom, at the time, were Directors of group companies) on 1 October 2025 at an option price of 220.0p. There were no performance conditions imposed on either of these grants.

	Options outstanding at 1 January 2025	Options granted	Options lapsed	Options exercised	Options outstanding at 31 December 2025
2025					
October 2017 grant	38,483	–	(1,674)	–	36,809
September 2018 grant	119,738	–	(12,372)	–	107,366
October 2019 grant	250,239	–	(28,718)	–	221,521
October 2020 grant	260,441	–	(32,888)	–	227,553
September 2021 grant	299,094	–	(34,881)	–	264,213
October 2022 grant	476,774	–	(60,557)	–	416,217
October 2023 grant	611,996	–	(96,553)	(6,679)	508,764
October 2024 grant	581,026	–	(86,136)	(569)	494,321
October 2025 grant	–	383,193	(15,074)	(46)	368,073
Weighted average exercise price	239p	220p	234p	197p	237p

The weighted average share price at the date of exercise for share options exercised during the year was 245.65p (2024: 225.76p).

Notes to the financial statements

For the year ended 31 December 2025 *continued*

30. Share capital *continued*

	Options outstanding at 1 January 2024	Options granted	Options lapsed	Options exercised	Options outstanding at 31 December 2024
2024					
October 2014 grant	10,000	–	–	(10,000)	–
October 2017 grant	51,867	–	(13,384)	–	38,483
September 2018 grant	135,548	–	(15,810)	–	119,738
October 2019 grant	268,498	–	(18,259)	–	250,239
October 2020 grant	278,282	–	(17,841)	–	260,441
September 2021 grant	329,837	–	(30,743)	–	299,094
October 2022 grant	541,892	–	(65,118)	–	476,774
October 2023 grant	711,467	–	(98,462)	(1,009)	611,996
October 2024 grant	–	590,416	(9,390)	–	581,026
Weighted average exercise price	241p	229p	237p	–	239p

Fair value

Fair value is measured by a Monte Carlo pricing model using the following assumptions:

	Weighted average exercise price	Weighted average share price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield
LTIP	£nil	181.5p to 324.0p	29.37% to 38.73%	3 years	0.00% to 4.34%	1.95% to 3.24%
CSOP 2014	191.0p	191.0p	31.17%	3 years	1.23%	3.16%
CSOP 2017	298.9p	309.0p	30.37%	3 years	0.51%	3.02%
CSOP 2018	291.0p	291.0p	29.28%	3 years	0.91%	2.90%
CSOP 2019	249.0p	249.0p	29.25%	3 years	0.28%	3.24%
CSOP 2020	263.0p	263.0p	38.07%	3 years	0.00%	2.61%
CSOP 2021	281.0p	281.0p	38.60%	3 years	0.41%	2.49%
CSOP 2022	247.0p	250.0p	38.25%	3 years	4.15%	1.95%
CSOP 2023	194.0p	192.0p	30.05%	3 years	4.54%	2.37%
CSOP 2024	229.0p	235.0p	30.38%	3 years	3.72%	2.83%
CSOP 2025	220.0p	222.0p	27.66%	3 years	3.86%	3.24%
Sharesave 2019	224.0p	248.0p	29.25%	3 years	0.28%	3.24%
Sharesave 2020	237.0p	263.0p	38.07%	3 years	0.00%	2.61%
Sharesave 2021	225.0p	2.83.0p	38.60%	3 years	0.58%	2.49%
Sharesave 2022	198.0p	235.0p	38.25%	3 years	3.89%	1.95%
Sharesave 2023	155.0p	183.0p	30.05%	3 years	4.53%	2.37%
Sharesave 2024	183.0p	230.0p	30.38%	3 years	3.75%	2.83%
Sharesave 2025	176.0p	216.0p	27.66%	3 years	3.74%	3.24%

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last three years.

The weighted average fair value of share options granted during the year was 84.93p (2024: 72.52p).

Expense recognised in the Consolidated Statement of Comprehensive Income

	2025 £'000	2024 £'000
The total expense recognised in the Consolidated Statement of Comprehensive Income arising from share-based payment transactions	2,100	1,841

The total expense recognised in the Consolidated Statement of Comprehensive Income arose solely from equity-settled share-based payment transactions.

31. Reserves

Group	Property revaluation £'000	Retained earnings £'000	Other			Total other £'000
			Capital redemption £'000	Share premium £'000	Capital £'000	
At 1 January 2024	1,011	383,219	271	7,768	209	8,248
Profit for the year	–	23,333	–	–	–	–
Dividends paid	–	(10,019)	–	–	–	–
Proceeds from shares issued	–	–	–	45	–	45
Arising on employee share schemes	–	1,611	–	–	–	–
Realised gain on disposal of investment property	–	–	–	–	–	–
Increase in fair value in year	64	–	–	–	–	–
Deferred tax on revaluation surplus	(67)	–	–	–	–	–
Actuarial gain on defined benefit pension scheme	–	2,196	–	–	–	–
Deferred tax on actuarial loss	–	(549)	–	–	–	–
At 31 December 2024	1,008	399,791	271	7,813	209	8,293
Profit for the year	–	23,517	–	–	–	–
Transfer between reserves	(240)	240	–	–	–	–
Acquisition of subsidiary	–	–	–	–	(9,741)	(9,741)
Dividends paid	–	(10,535)	–	–	–	–
Proceeds from shares issued	–	–	–	177	–	177
Arising on employee share schemes	–	2,100	–	–	–	–
Increase in fair value in year	25	–	–	–	–	–
Deferred tax on revaluation surplus	63	–	–	–	–	–
Actuarial gain on defined benefit pension scheme	–	(6,927)	–	–	–	–
Deferred tax on actuarial loss	–	1,732	–	–	–	–
At 31 December 2025	856	409,918	271	7,990	(9,532)	(1,271)

Parent Company	Retained earnings £'000	Investment revaluation £'000	Other			Total other £'000
			Capital redemption £'000	Share premium £'000	Capital £'000	
At 1 January 2024	102,833	1,135	271	7,768	211	9,385
Profit for the year	21,855	–	–	–	–	–
Dividends paid	(10,019)	–	–	–	–	–
Premium arising from shares issued	–	–	–	45	–	45
Arising on employee share schemes	1,611	–	–	–	–	–
Actuarial gain on defined benefit pension scheme	2,196	–	–	–	–	–
Deferred tax on actuarial loss	(549)	–	–	–	–	–
At 31 December 2024	117,927	1,135	271	7,813	211	9,430
Profit for the year	38,559	–	–	–	–	–
Dividends paid	(10,535)	–	–	–	–	–
Premium arising from shares issued	–	–	–	177	–	177
Arising on employee share schemes	1,097	–	–	–	–	–
Actuarial gain on defined benefit pension scheme	(6,927)	–	–	–	–	–
Deferred tax on actuarial loss	1,732	–	–	–	–	–
At 31 December 2025	141,853	1,135	271	7,990	211	9,607

Notes to the financial statements

For the year ended 31 December 2025 *continued*

31. Reserves *continued*

Property revaluation reserve

The property revaluation reserve represents the unrealised surpluses arising on revaluation of the group occupied land and buildings and is not available for distribution until realised on disposal.

Retained earnings

Retained earnings represent the accumulated profits and losses of the group. This reserve is distributable to the extent it does not arise from revaluation gains.

Capital redemption reserve

The capital redemption reserve represents the purchase and cancellation by the company of its own shares and comprises the aggregate nominal value of all the ordinary shares repurchased and cancelled. This reserve is not distributable.

Share premium reserve

The share premium reserve represents the difference between the sums received from the issue of shares and their nominal value net of share issue expenses. This reserve is not distributable.

Capital reserve

The capital reserve represents realised profits arising on the disposal of investments and is available for distribution.

Investment revaluation reserve

This reserve was carried forward from previous accounting framework, and represents accumulated unrealised revaluation gains. This is distributable only when the related investment in subsidiaries are sold or impaired.

32. Cost of shares held by the ESOP trust

	2025 £'000	2024 £'000
At 1 January	645	875
Disposals	–	(230)
At 31 December	645	645

Quoted investments represent own shares held by the Henry Boot PLC Employee Trust as an ESOP to provide an incentive to greater ownership of shares in the company by its employees.

At 31 December 2025, the Trustee held 267,730 shares (2024: 267,730 shares) with a cost of 645,492 (2024: £645,492) and a market value of £602,394 (2024: £615,780). All of these shares were committed to satisfy existing grants by the company under the Henry Boot PLC 2015 Long Term Incentive Plan. In accordance with IAS 32, these shares are deducted from shareholders' funds. Under the terms of the Trust, the Trustee has waived all dividends on the shares it holds.

33. Cash generated from operations

	Note	Group		Parent Company	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Profit before tax - continuing operations		26,417	28,369	32,827	17,733
Profit before tax - discontinued operations		2,649	2,291	–	–
Profit before tax		29,066	30,660	32,827	17,733
Adjustments for:					
Amortisation of intangibles	11	581	522	84	–
Goodwill impairment	11	–	1,040	–	–
Depreciation and impairment of property, plant and equipment	12	3,899	4,063	621	593
Depreciation of right-of-use assets	13	883	857	353	326
Revaluation (increase)/decrease in investment properties	14	(2,087)	(4,464)	–	–
Amortisation of capitalised letting fees	3	19	34	–	–
Share-based payment expense	4	2,100	1,841	778	706
Pension scheme debit/(credit)		530	338	530	338
Movements on provision against loans to subsidiaries		–	–	–	(1)
(Profit)/loss on disposal of property, plant and equipment	3	(596)	(151)	2	1
Profit on disposal of equipment held for hire	3	(66)	(1,156)	–	–
Gain on disposal of investment properties		(512)	(102)	–	–
Profit on disposal of assets held for sale		(887)	–	–	–
Gain on disposal of joint ventures		–	–	–	–
Finance income	5	(3,940)	(5,115)	(969)	(699)
Profit on disposal of investment		–	–	(2,000)	–
Dividends received from subsidiaries		–	–	(46,694)	(35,484)
Finance costs	6	7,975	8,678	6,651	6,891
Share of profit of joint ventures and associates	16	(1,727)	(2,431)	–	–
Operating cash flows before movements in equipment held for hire		35,238	34,614	(4,817)	(9,596)
Purchase of equipment held for hire	12	(1,942)	(4,183)	–	–
Proceeds on disposal of equipment held for hire		509	1,550	–	–
Operating cash flows before movements in working capital		33,805	31,981	(4,817)	(9,596)
Increase in inventories		(35,466)	(35,253)	–	–
(Increase)/decrease in receivables		(34,646)	18,791	5,838	12,402
Decrease in contract assets		100	966	–	–
Increase/(decrease) in payables and provisions		21,528	22,266	(527)	1,129
(Decrease)/increase in contract liabilities		(1,398)	3,822	–	–
Cash generated from operations		(16,077)	42,573	494	3,935

Notes to the financial statements

For the year ended 31 December 2025 *continued*

33. Cash generated from operations *continued*

Net debt is an alternative performance measure used by the group and comprises the following:

		Group		Parent Company	
		2025	2024	2025	2024
Analysis of net debt:	Note	£'000	£'000	£'000	£'000
Cash and cash equivalents		8,399	16,764	4,803	9,535
Bank overdrafts	27	–	–	(9)	(42)
Net cash and cash equivalents		8,399	16,764	4,794	(9,493)
Bank loans	27	(112,000)	(72,500)	(112,000)	(72,500)
Other loans		(1,092)	(3,035)	–	–
Lease liabilities	13	(3,332)	(3,912)	(1,578)	(1,971)
Net debt		(108,025)	(62,683)	(108,784)	(64,978)

Group 2025

Reconciliation of liabilities from financing activities	1 January £'000	Cash flows £'000	New leases £'000	Other £'000	31 December £'000
Advances from joint ventures and associates	302	939	–	–	1,241
Bank loans	72,500	39,500	–	–	112,000
Other loans – sale and leaseback	3,035	(1,943)	–	–	1,092
Lease liabilities	3,912	(941)	959	(598)	3,332
Total liabilities from financing activities	79,749	37,555	959	(598)	117,665

Group 2024

Reconciliation of liabilities from financing activities	1 January £'000	Cash flows £'000	New leases £'000	31 December £'000
Advances from joint ventures and associates	377	(75)	–	302
Bank loans	83,500	(11,000)	–	72,500
Other loans – sale and leaseback	3,018	17	–	3,035
Lease liabilities	4,275	(694)	331	3,912
Total liabilities from financing activities	91,170	(8,647)	331	79,749

Parent 2025

Reconciliation of liabilities from financing activities	1 January £'000	Cash flows £'000	New leases £'000	31 December £'000
Bank loans	72,500	39,500	–	112,000
Lease liabilities	1,971	(488)	95	1,578
Total liabilities from financing activities	74,471	39,012	95	113,578

Parent 2024

Reconciliation of liabilities from financing activities	1 January £'000	Cash flows £'000	New leases £'000	31 December £'000
Bank loans	83,500	(11,000)	–	72,500
Lease liabilities	2,214	(161)	(82)	1,971
Total liabilities from financing activities	85,714	(11,161)	(82)	74,471

34. Guarantees and contingencies

The Parent Company has guaranteed the performance of certain contracts entered into by group undertakings in the ordinary course of business. These guarantees are accounted for under IFRS 9 and are impracticable to quantify.

The Parent Company has given cross guarantees to certain of the group's bankers and bondsmen in respect of facilities available to group undertakings in the normal course of business. At the year end, amounts guaranteed against these facilities were £112,000,000 and £30,563,000 respectively.

In the opinion of the Directors, no loss is expected to arise in connection with these matters.

35. Events after the balance sheet date

Since the balance sheet date, the group has proposed a final dividend for 2025. Further information can be found in note 10.

In December 2024, terms were agreed to take full ownership of Stonebridge Homes Group Limited, having exchanged contracts to acquire the 50% share the group does not already own over a five year period. The first tranche of the transaction completed in January 2025, resulting in Henry Boot becoming the majority shareholder and the second tranche completed in January 2026.

There were no other significant events since the balance sheet date that may have a material effect on the financial position or performance of the group.

36. Additional information – subsidiaries, joint ventures and associates

Details of the company's subsidiaries, joint ventures and associates, all of which are incorporated in England (unless otherwise stated) and are either consolidated or equity accounted in the group Financial Statements at 31 December 2025, are as follows:

Subsidiary name	Registered number	Proportion of ownership	Direct or indirect	Activity
Banner Plant Limited	00607575	100%	Direct	Plant hire
Capitol Park Property Services Limited ^{2,3}	08795137	4.6%	Indirect	Inactive
Comstock (Kilmarnock) Ltd. ³	SC166157	100%	Indirect	Land promotion
Constructionend Limited ³	00976647	100%	Direct	Inactive
First National Housing Trust Limited ³	00276288	100%	Direct	Property investment
Glasgowend Limited ³	01576203	100%	Direct	Inactive
Hallam Homes Limited ³	04804157	100%	Direct	Inactive
Hallam Land Management Limited	02456711	100%	Direct	Land promotion
HB Island Limited ³	11641820	100%	Direct	Holding company
HBGP Limited ³	11641976	100%	Direct	Holding company
HB Origin Limited	16099933	100%	Direct	Holding company
HBD City Court Limited ³	13351580	100%	Indirect	Property investment and development
HBD Summerhill Limited ³	13285696	100%	Indirect	Property investment and development
HBD Dev Co 1 Limited ³	14128256	100%	Indirect	Property investment and development
HBD Golden Valley Limited ³	13966492	85%	Indirect	Property development
HBD GP Limited ³	16096484	100%	Direct	Holding company
HBD Spark Limited ³	16096078	100%	Indirect	Inactive
Henry Boot & Sons Limited ³	04066798	100%	Direct	Inactive
Henry Boot Biddenham Limited ³	05901324	100%	Direct	Land promotion
Henry Boot Construction Limited (formerly Henry Boot Inner City Limited) ³	02145413	100%	Direct	Holding company
Henry Boot Deansgate Limited ³	15269405	100%	Indirect	Property investment and development
Henry Boot Developments Limited	01390361	100%	Direct	Property investment and development

Notes to the financial statements

For the year ended 31 December 2025 *continued*

36. Additional information – subsidiaries, joint ventures and associates *continued*

Subsidiary name	Registered number	Proportion of ownership	Direct or indirect	Activity
Henry Boot Cornwall House Limited ³	11176009	100%	Indirect	Property development
Henry Boot Estates Limited	00276603	100%	Direct	Property investment
Henry Boot Homes Limited ³	04804114	100%	Direct	Inactive
Henry Boot Investments 1 Limited ³	03125802	100%	Indirect	Holding company
Henry Boot 'K' Limited ³	06386834	100%	Indirect	Property investment and development
Henry Boot Land Holdings Limited ³	04570294	100%	Direct	Holding company
Henry Boot (Launceston) Limited ³	09276678	100%	Direct	Land promotion
Henry Boot Leasing Limited ³	03248776	100%	Direct	Motor vehicle leasing to Group
Henry Boot (Manchester) Limited ³	06051156	100%	Direct	Property development
Henry Boot Nottingham Limited ³	08682793	100%	Indirect	Inactive
Henry Boot Projects Limited ³	01679963	100%	Direct	Inactive
Henry Boot Scotland Limited ³	03996796	100%	Direct	Inactive
Henry Boot Swindon Limited ³	06051131	100%	Direct	Inactive
Henry Boot Tamworth Limited ³	05901334	100%	Indirect	Inactive
Henry Boot Wentworth Limited ³	01670475	100%	Direct	Property development
Investments (North West) Limited ³	06956932	100%	Indirect	Property development
Marboot Centregate Ltd ³	09662598	100%	Indirect	Property development
Marboot Centregate 2 Limited ³	10129169	100%	Indirect	Property development
Moore Street Securities Limited	02493145	100%	Direct	Employee benefit trust
Road Link (A69) Holdings Limited	03125851	61.2%	Indirect	Holding company
Road Link (A69) Limited	03125840	61.2%	Indirect	PFI road maintenance
St John's Manchester Limited ³	12276168	100%	Indirect	Property development
Saltwoodend Limited ³	05075297	100%	Indirect	Inactive
SJ Manchester Limited Partnership ³	LP022152	100%	Indirect	Inactive
SJM GP Limited ³	13665805	100%	Indirect	Holding company
SJM (Nominee) Limited ³	13666505	100%	Indirect	Holding company
Stonebridge Homes Group Limited ^{1, 3}	12065057	62.5%	Indirect	Holding company
Stonebridge Homes Limited ¹	07279118	62.5%	Indirect	Property development
Stonebridge Offices Limited ^{1, 3}	07728107	62.5%	Indirect	Property investment
Winter Ground Limited ³	04572581	100%	Indirect	Inactive

¹ Stonebridge-related entities are included as subsidiaries due to the group's additional voting rights, having two of the three Director appointments.

² Subsidiary by virtue of management control.

³ Entities exempt from preparing audited statutory financial statements by virtue of s479A of Companies Act 2006.

Joint ventures and associates	Proportion of ownership	Direct or indirect	Activity
Aptus 1 Propco Limited	25%	Indirect	Property development
Aptus 1 Holdco Limited	25%	Indirect	Holding company
Aytoun Street Developments Limited	50%	Indirect	Property development
Bigmouth Manchester Limited	50%	Indirect	Property development
Crimea Land Mansfield LLP	50%	Indirect	Land promotion
HBB Preston East Ltd	50%	Indirect	Property development
HBB Roman Way Limited	50%	Indirect	Property development
Henry Boot Barnfield Limited	50%	Indirect	Property development
Inter Holdco Limited ¹	25%	Indirect	Holding company
Inter Propco Limited ¹	25%	Indirect	Property development

36. Additional information – subsidiaries, joint ventures and associates continued

Joint ventures and associates	Proportion of ownership	Direct or indirect	Activity
Island Site Limited Partnership	50%	Indirect	Property development
Island Site (General Partner) Limited	50%	Indirect	Holding company
Island Site (Nominee) Limited	50%	Indirect	Property development
Kirklees Henry Boot Partnership Limited	50%	Indirect	Inactive
Markham Vale 6 Holdco Limited ¹	25%	Indirect	Holding company
Markham Vale 6 Propco Limited ¹	25%	Indirect	Property development
Markham Vale 9 Holdco Limited ¹	25%	Indirect	Holding company
Markham Vale 9 Propco Limited ¹	25%	Indirect	Property development
Montagu 406 Regeneration LLP	50%	Indirect	Property investment
MVNE LLP	50%	Indirect	Property development
Newmarket Lane Holding Limited	50%	Indirect	Holding company
Newmarket Lane Limited	50%	Indirect	Management company
Newmarket Lane Management Company Limited	50%	Indirect	Management company
Origin Logistics GP Limited ¹	25%	Indirect	Property development
Origin Logistics LP ¹	25%	Indirect	Holding company
Rainham HoldCo S.a.r.l. ¹	20%	Indirect	Property investment and development
Road Link Limited ¹	37.6%	Indirect	Inactive
Spark 1 Holdco Limited ¹	25%	Indirect	Holding company
Spark 1 Propco Limited ¹	25%	Indirect	Property development
Spark 2 Holdco Limited ¹	25%	Indirect	Holding company
Spark 2 Propco Limited ¹	25%	Indirect	Property development

¹ Associate company.

The address of the registered office of all subsidiaries, joint venture and associates is the same as the Parent Company, with the exception of:

- Road Link Limited, Road Link (A69) Limited and Road Link (A69) Holdings Limited, whose registered office is Stocksfield Hall, Stocksfield, Northumberland NE43 7TN
- Comstock (Kilmarnock) Ltd., whose registered office is 48 St. Vincent Street, Glasgow G2 5HS
- Henry Boot Barnfield Limited, HBB Roman Way Limited and HBB Preston East Limited, whose registered office is 8 Kenyon Road, Lomeshaye Industrial Estate, Nelson, Lancashire, England, BB9 5SP
- Kirklees Henry Boot Partnership Limited, whose registered office is Legal Services, 2nd Floor Civic Centre 3, Huddersfield, West Yorkshire, HD1 2WZ
- Island Site Limited Partnership, whose registered office is Guardsman Tony Downes House, 5 Manchester Road, Droylsden, Tameside, M43 6SF
- Crimea Land Mansfield LLP; whose registered office is C/O Harworth Group, Advantage House Poplar Way, Catcliffe, Rotherham, S60 5TR
- Rainham HoldCo S.a.r.l., whose registered office is 1 Rue Isaac Newton, L-2242, Luxembourg

Management Companies

The companies listed below are Management Companies (MCs). All MCs are companies limited by guarantee without share capital (unless otherwise stated) and incorporated in the UK. The capital, reserves and profit or loss for the year has not been stated for these MCs as beneficial interest in any assets or liabilities of these companies are not held by the group, and the group are not exposed to variable returns from the MC's. These companies have not been included in the consolidated accounts, are temporary members of the group and will be handed over to residents or property owners in due course.

MCs controlled by the group

Woodside Park Newlay Estate Management Company Limited, Fox Valley Management Company Limited¹, Moorlands Cleckheaton Management Company Limited, Brookfield Garth Hampsthwaite Management Company Limited, Kingsley

Notes to the financial statements

For the year ended 31 December 2025 *continued*

36. Additional information – subsidiaries, joint ventures and associates *continued*

Road Harrogate Management Company Limited, Weyland Road Management Company Limited, Willow Crest Cawood Management Company Limited, The Willows Whinney Lane Management Company Limited, Victoria Gardens (Headingley) Management Company Ltd¹, Derry Hill Menston Management Company Limited, Hawbank Field Skipton Management Company Limited, Branton Lane Go Management Company Limited, Carr Road Deepcar Management Company Limited, Grainger Park Goldsborough Management Company Limited, Hatfield Lane Armthorpe Management Company Limited, Heathlands (Wakefield) Residents Management Company Limited, Merlin Drive SH Management Company Limited, The Pastures Hibaldstow Management Company Limited, Nightingale Chase (Guisborough) Management Company Limited, Oakland Park (Masham) Management Company Limited, Regency Place (Chapelgarth) Management Company Limited, The Oaks (Morpeth) Management Company Limited, Woodland Place (Middlesbrough) Management Company Limited, Airport Business Park Southend Management Limited, Airport Business Park (Quad) Management Limited, Butterfield Quad Management Company Limited, Butterfield Quad 2 Management Company Limited, Capital Park Property Services Limited, Chocolate Works York Management Company Limited, Clock Tower (York) Management Company Limited, IAMP Management Company Limited, SETL Management Company Limited, Spark Walsall Management Company Limited and Wyvern Park Skipton Management Company Limited.

¹ Company limited by share capital.

37. Partly owned subsidiaries

In January 2025, we increased our ownership in Stonebridge Homes Limited (Stonebridge) to 62.5% as part of the transaction agreed in December 2024 to take full ownership by 2030. The deal is structured to complete in three tranches, with the total purchase price linked to the performance of Stonebridge over this period. Post period end, in February 2026, we increased our ownership further to 75%. The third and final tranche to acquire the remaining 25% is expected to be completed in January 2030, with consideration payable in 2030 and 2031.

The Group continues to control Stonebridge, and accordingly the transaction has been accounted for as an equity transaction in accordance with IFRS 10 Consolidated Financial Statements. As such, no gain or loss has been recognised in profit or loss.

The carrying amount of non-controlling interests in Stonebridge immediately before the transaction was £1,236,000.

The reduction in non-controlling interest arising from the change in ownership interest was £309,000, and the difference between this amount and the consideration paid has been recognised directly in equity and attributed to the owners of the parent. A summary of the effects on the Group's equity is as follows:

	2025 £'000
Consideration paid	10,050
Decrease in non-controlling interest	(309)
Adjustment recognised directly in equity	9,741

Financial information of subsidiaries that have material non-controlling interests is provided below:

Name	Country of incorporation	2025 £'000	2024 £'000
Stonebridge Homes Limited	England	62.5%	50%
Road Link (A69) Limited	England	61.2%	61.2%

Name	2025 £'000	2024 £'000
Accumulated balances of material non-controlling interest:		
Stonebridge Homes Limited	(3,993)	1,054
Road Link (A69) Limited	1,399	1,846
Profit allocated to material non-controlling interest:		
Stonebridge Homes Limited	(4,673)	(1,527)
Road Link (A69) Limited	1,687	1,832

37. Partly owned subsidiaries continued

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

	Stonebridge Homes Limited		Road Link (A69) Limited	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Summarised statement of profit or loss				
Revenue	69,747	100,745	14,963	14,864
Cost of sales	(71,955)	(91,614)	(8,227)	(7,808)
Administrative and other expenses	(7,110)	(7,177)	(1,101)	(756)
Net finance costs	(7,436)	(6,060)	162	(5)
Profit/(loss) before tax	(16,754)	(4,106)	5,797	6,295
Tax	4,289	1,052	(1,450)	(1,574)
Profit/(loss) for the year	(12,465)	(3,054)	4,347	4,721
Total comprehensive (expense)/income	(12,465)	(3,054)	4,347	4,721
Attributable to non-controlling interests	(4,673)	(1,527)	1,687	1,832
Dividends paid to non-controlling interests	–	270	828	1,843
Summarised balance sheet				
Non-current assets	3,471	1,529	121	619
Inventories	156,378	110,276	–	–
Trade and other receivables	2,293	6,736	3,953	3,242
Cash and cash equivalents	503	348	1,658	4,810
Current liabilities	(140,377)	(116,724)	(2,127)	(3,730)
Non-current liabilities	(12,743)	(58)	–	(182)
Net assets	9,525	2,107	3,605	4,759
Less non-voting shares only attributable to Parent	(20,000)	–	–	–
Net assets attributable to equity holders	(10,475)	2,107	3,605	4,759
Equity holders of Parent	13,453	1,054	2,206	2,913
Non-controlling interest	(3,928)	1,054	1,399	1,846
Summarised cash flow				
Operating	(20,123)	1,362	2,038	4,233
Investing	(49)	(281)	310	221
Financing	–	(540)	(5,500)	(4,750)
Net (decrease)/increase in cash and cash equivalents	(20,172)	541	(3,152)	(296)

Notes to the financial statements

For the year ended 31 December 2025 *continued*

38. Discontinued operations

On 31 December 2025 the Group, disposed of its 100% interest in HBC Construction Limited (formerly Henry Boot Construction Limited) for a total consideration of £4,000,000 to the current management team. The transaction is funded through vendor loan notes issued by the group and includes potential future payments subject to performance. The agreement also makes certain guarantees to HBC Construction Limited relating to performance bonds and credit insurance. The fair value of these guarantees is include in the profit and loss on disposal.

	2025 £'000
Sales proceeds	4,000
Book value of assets	–
Fair value of guarantees provided	(2,000)
Profit on disposal	2,000

The results of HBC Construction Limited for the year are presented below:

	2025 £'000	2024 £'000
Revenue	55,427	49,578
Expenses	(54,762)	(51,855)
Operating profit	665	(2,277)
Finance income/(cost)	(20)	(14)
Profit/(loss) before tax from discontinued operations	645	(2,291)
Tax	(469)	404
Profit/(loss) for the year from discontinued operations	176	(1,887)

Profits from discontinued operations, comprising the results of HBC Construction Limited and the profit on disposal amount to £2,176,000 (2024: £1,887,000).

The major classes of assets and liabilities of HBC Construction Limited at the disposal date were as follows:

	2025 £'000
Assets	
Property, plant and equipment	69
Right-of-use assets	634
Contract assets	32
Trade and other receivables	12,847
Cash	9,051
Liabilities	
Trade and other payables	(22,007)
Lease liabilities	(626)
Net assets directly associated with disposal group	–

38. Discontinued operations continued

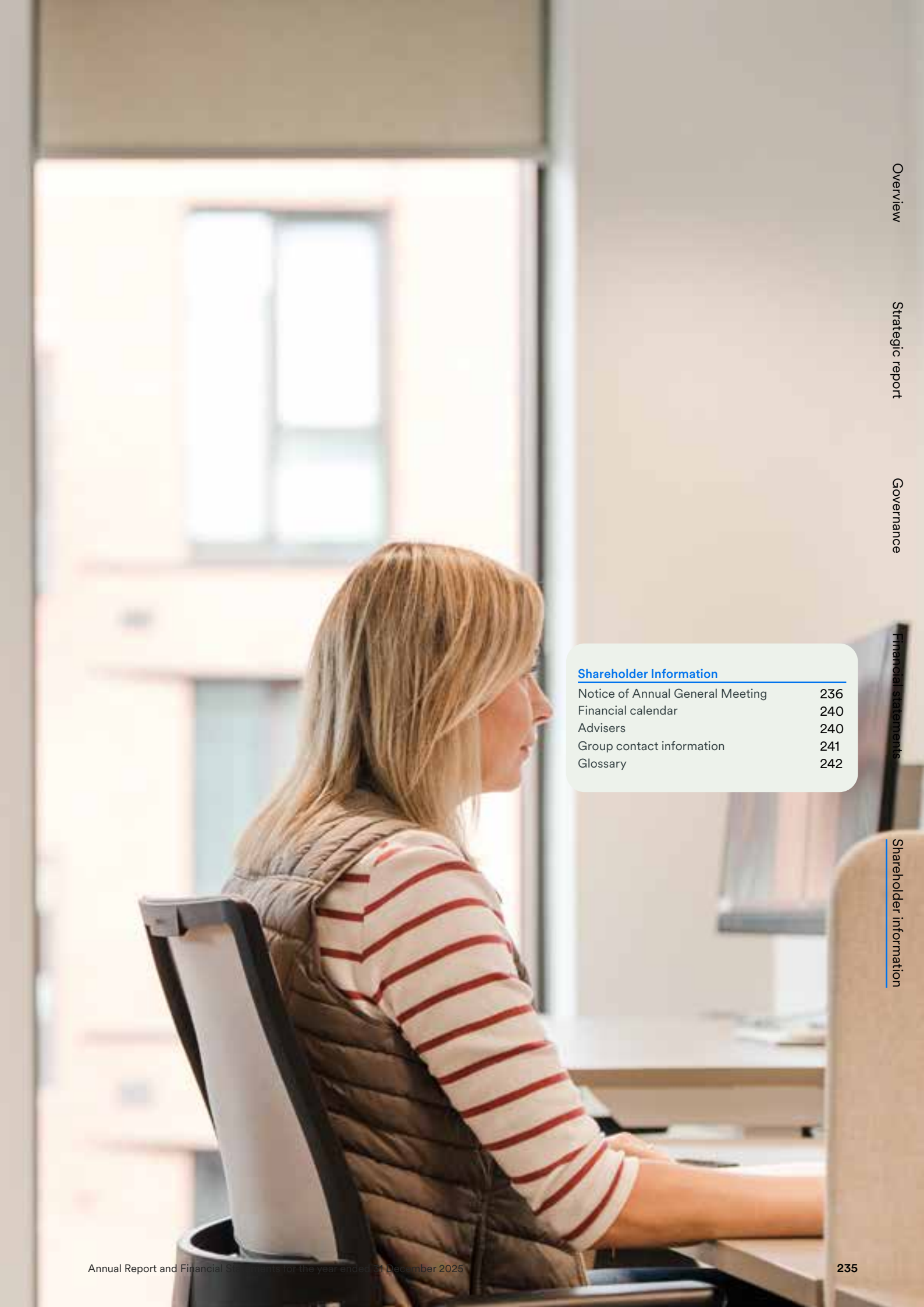
The net cash flows incurred by HBC Construction Limited are as follows:

	2025 £'000	2024 £'000
Operating	32,597	12,010
Investing	2,412	3,171
Financing	(26,095)	(15,000)
Net cash flow	8,914	181

	2025 £'000	2024 £'000
Earnings per share		
Basic, profit/(loss) for the year from discontinued operations	1.6p	(1.4)p
Diluted, profit/(loss) for the year from discontinued operations	1.6p	(1.4)p

Shareholder information





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Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT and requires your immediate attention. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Henry Boot PLC, please forward this document and the accompanying Form of Proxy to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

The Board of Henry Boot PLC considers all of the proposed resolutions to be in the best interests of shareholders as a whole and, accordingly, recommends that shareholders vote in favour of all the resolutions proposed.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (AGM) of Henry Boot PLC (Company) will be held at DoubleTree by Hilton Sheffield City, Bramall Lane, Sheffield S2 4SU on Thursday 21 May 2026 at 12.30pm, for the following purposes:

To consider and, if thought fit, pass the following resolutions, which will be proposed as ordinary resolutions of the Company.

Resolution 1

To receive the Directors' Report, Auditor's Report, Strategic Report and the Financial Statements for the year ended 31 December 2025

Resolution 2

To declare a final dividend of 4.62p per ordinary share

Resolution 3

To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) for the year ended 31 December 2025

Resolution 4

To reappoint Timothy Roberts as a Director of the Company

Resolution 5

To reappoint Darren Littlewood as a Director of the Company

Resolution 6

To reappoint Peter Mawson as a Director of the Company

Resolution 7

To reappoint Talita Ferreira as a Director of the Company

Resolution 8

To reappoint Serena Lang as a Director of the Company

Resolution 9

To reappoint Earl Sibley as a Director of the Company

Resolution 10

To reappoint James Sykes as a Director of the Company

Resolution 11

To reappoint Ernst & Young LLP as auditor of the Company

Resolution 12

To authorise the Audit and Risk Committee to fix the auditor's remuneration

Resolution 13

THAT, pursuant to Section 551 of the Companies Act 2006, the Directors be and are, generally and unconditionally, authorised to allot shares in the Company or to grant rights to subscribe for, or to convert, any security into shares in the Company up to an aggregate nominal amount of £4,482,935, provided that (unless previously revoked, varied or renewed) this authority shall expire on 21 August 2027 or at the conclusion of the next AGM of the Company after the passing of this resolution, whichever is the earlier, save that the Company may make an offer or agreement before this authority expires, which would, or might, require shares to be allotted or rights to subscribe for, or to convert, any security into shares to be granted after this authority expires and the Directors may allot shares or grant such rights pursuant to any such offer or agreement as if this authority had not expired. This authority is in substitution for all existing authorities under Section 551 of the Companies Act 2006 (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

To consider and, if thought fit, pass the following resolutions, which will be proposed as special resolutions of the Company.

Resolution 14

THAT subject to the passing of Resolution 13, and pursuant to Section 570 of the Companies Act 2006, the Directors be, and are generally, empowered to allot equity securities (within the meaning of Section 560 of the Companies Act 2006) for cash pursuant to the authority granted by Resolution 13 as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- a. in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise):
 - i. to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
 - ii. to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- b. otherwise than pursuant to paragraph a. of this resolution, up to an aggregate nominal amount of £672,440,

and (unless previously revoked, varied or renewed) this power shall expire on 21 August 2027 or at the conclusion of the next AGM of the Company after the passing of this resolution, whichever is the earlier, save that the Company may make an offer or agreement before this power expires, which would, or might, require equity securities to be allotted for cash after this power expires, and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired. This power is in substitution for all existing powers under Section 570 of the Companies Act 2006 (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

Resolution 15

THAT pursuant to Section 701 of the Companies Act 2006, the Company be, and is, hereby, generally and unconditionally, authorised to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of ordinary shares of 10p each in the capital of the Company (ordinary shares), provided that:

- a. the maximum aggregate number of ordinary shares hereby authorised to be purchased is 13,448,805;
- b. the minimum price (excluding expenses), which may be paid for an ordinary share is 10p;
- c. the maximum price (excluding expenses), which may be paid for an ordinary share is not more than the higher of:
 - i. an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and
 - ii. an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out;
- d. the authority hereby conferred shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, on 21 August 2027; and
- e. the Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority, which will, or may be, completed or executed wholly or partly after the expiry of such authority.

By order of the Board

Jaimie Read

Company Secretary

14 April 2026

Henry Boot PLC

Registered Office:

Isaacs Building
4 Charles Street
Sheffield
United Kingdom
S1 2HS

Registered in England and Wales No. 160996

Notice of Annual General Meeting continued

Notes

1. The holders of preference shares in the Company are not entitled to attend and vote at the AGM.
2. The right to vote at the meeting is determined by reference to the register of members. Only those ordinary shareholders registered in the register of members of the Company as at the close of business on 19 May 2026 (or, if the meeting is adjourned, at the close of business on the date that is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.
3. Voting on each resolution will be conducted by way of a poll. The Company believes that a poll is more representative of shareholders' voting intentions because shareholder votes are counted according to the number of votes held and all votes tendered are taken into account. The results of the poll will be announced to the London Stock Exchange and will be made available on the Company's website at henryboot.co.uk as soon as practicable following the conclusion of the AGM.
4. An ordinary shareholder is entitled to appoint any other person as their proxy to exercise all or any of their rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company. An ordinary shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that ordinary shareholder. Failure to specify the number of ordinary shares each proxy appointment relates to or specifying a number, which, when taken together with the numbers of ordinary shares set out in the other proxy appointments, is in excess of the number of ordinary shares held by the ordinary shareholder, may result in the proxy appointment being invalid.
5. **APPOINTMENT OF PROXY BY JOINT HOLDERS:** In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holders (first named being the most senior).
6. A proxy may only be appointed in accordance with the procedures set out in notes 7 to 9 below and the notes to the form of proxy. The appointment of a proxy will not preclude an ordinary shareholder from attending and voting in person at the meeting.
7. A form of proxy is enclosed with the notice issued to holders of ordinary shares. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed. To be valid, a form of proxy must be received by post (during normal business hours only) at the offices of the Company's registrars: Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, no later than 12.30pm on 19 May 2026 (or, if the meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).
8. As an alternative to completing the hard copy form of proxy, an ordinary shareholder may appoint the Chair as their proxy electronically using the online service at investorcentre.co.uk/eproxy. For an electronic proxy appointment to be valid, the appointment must be received by Computershare Investor Services PLC no later than 12.30pm on 19 May 2026 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).
Proxymity Voting – if you are an institutional investor, you may also be able to appoint a proxy electronically via the Proxymity platform, a process that has been agreed by the Company and approved by the Company's registrar. For further information regarding Proxymity, please go to proxymity.io. Your proxy must be lodged by 12.30pm on 19 May 2026 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting) in order to be considered valid. Before you can appoint a proxy via this process, you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
9. CREST members who wish to appoint a proxy or proxies for the AGM (or any adjournment of it), through the CREST electronic proxy appointment service, may do so by using the procedures described in the CREST Manual, which is available at euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC (ID: 3RA50) no later than 12.30pm on 19 May 2026 (or, if the meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services PLC is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s)), to procure that their CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors

or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

10. An ordinary shareholder that is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that where there is more than one representative and the vote is otherwise than on a show of hands, they do not do so in relation to the same shares.
11. Where a copy of this notice is being received by a person who has been nominated to enjoy information rights under Section 146 of the Companies Act 2006 (Nominated Person):
 - a. the Nominated Person may have a right under an agreement between them and the shareholder by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for the meeting; or
 - b. if the Nominated Person has no such right or does not wish to exercise such right, they may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of ordinary shareholders in relation to the appointment of proxies in notes 5 to 9 above does not apply to a Nominated Person. The rights described in such notes can only be exercised by ordinary shareholders of the Company.

12. A shareholder or shareholders having a right to vote at the meeting and holding at least 5% of the total voting rights of the Company (see note 17 below), or at least 100 shareholders having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital, may require the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the meeting relating to either the audit of the Company's Financial Statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the meeting or any circumstances connected with the auditor of the Company ceasing to hold office since the last AGM of the Company in accordance with Section 527 of the Companies Act 2006.

Any such request must:

- a. identify the statement to which it relates, by either setting out the statement in full or, if supporting a statement requested by another shareholder, clearly identifying the statement that is being supported;
- b. comply with the requirements set out in note 13 below; and
- c. be received by the Company at least one week before the meeting.

Where the Company is required to publish such a statement on its website:

- i. it may not require the shareholders making the request to pay any expenses incurred by the Company in complying with the request;
- ii. it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website; and
- iii. the statement may be dealt with as part of the business of the meeting.

13. Any request by a shareholder or shareholders to require the Company to publish audit concerns as set out in note 12:

- a. may be made either:
 - i. in hard copy, by sending it to the Company Secretary, Henry Boot PLC, Isaacs Building, 4 Charles Street, Sheffield S1 2HS; or
 - ii. in electronic form, by sending it by email to investors@henryboot.co.uk. Please state 'Henry Boot PLC: AGM' in the subject line of the email;
- b. must state the full name(s) and address(es) of the shareholder(s); and
- c. where the request is made in hard copy form, it must be signed by the shareholder(s).

14. Shareholders have the right to ask questions at the meeting relating to the business being dealt with at the meeting in accordance with Section 319A of the Companies Act 2006. The Company must answer any such question unless:

- a. to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;
- b. the answer has already been given on a website in the form of an answer to a question; or
- c. it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

15. The information required by Section 311A of the Companies Act 2006 to be published in advance of the meeting, which includes the matters set out in this notice and information relating to the voting rights of shareholders, is available at henryboot.co.uk.

16. Except as expressly provided above, shareholders who wish to communicate with the Company in relation to the meeting should do so using the following means:

- a. telephone +44 114 255 5444; or
- b. email investors@henryboot.co.uk.

No other methods of communication will be accepted.

17. As at 7 April 2026 (being the last practicable date before publication of this notice), the Company's issued ordinary share capital was 134,488,051 ordinary shares, carrying one vote each and representing the total number of voting rights in the Company.

18. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends.

- a. Copies of the service contracts of the Executive Directors.
- b. Copies of the letters of appointment of the Non-executive Directors.

19. Biographies for each of the Directors are shown on pages 92 to 93 of the Annual Report for the year ended 31 December 2025.

Financial calendar

London Stock Exchange announcements

Annual Results 2025:
24 March 2026

Interim Results 2026:
22 September 2026

Pre-close Trading Statement 2026:
end January 2027

Annual Report and Financial Statements

Annual Report and Financial Statements 2025
(available and online):
by 21 April 2026

Annual General Meeting

21 May 2026

Dividends paid on ordinary shares

2025 Final dividend date (subject to approval at AGM):
29 May 2026

2026 Interim dividend date (subject to approval):
23 October 2026

Advisers

Chartered Accountants and Statutory Auditors

Ernst & Young LLP
12 Wellington Place
Leeds LS1 4AP

Bankers

Barclays Bank PLC
2nd Floor
1 Park Row
Leeds LS1 5WU

HSBC UK Bank Plc
City Point
29 Kings Street
Leeds LS1 2HL

National Westminster Bank PLC
2 Whitehall Quay
Leeds LS1 4HR

Corporate Finance

KPMG Corporate Finance
1 Sovereign Square
Sovereign Street
Leeds LS1 4DA

Financial PR

FTI Consulting
200 Aldersgate
Aldersgate Street
London EC1A 4HD

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE

Solicitors – Corporate

DLA Piper UK LLP
Elshaw House
51 Carver Street
Sheffield S1 4FT

Solicitors – Operational

Addleshaw Goddard LLP
3 Sovereign Square
Sovereign Street
Leeds LS1 4ER

Stockbrokers

Deutsche Numis Securities Limited
Joint Corporate Broker
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

Peel Hunt LLP
Joint Corporate Broker
Moor House
120 London Wall
London EC2Y 5ET

Group contact information

Land Promotion

**Hallam Land
Management Limited**

Registered office and Head office

Isaacs Building, 4 Charles Street,
Sheffield S1 2HS United Kingdom

t: +44 114 255 5444

e: info@hallamland.co.uk

w: hallamland.co.uk

Regional offices

Bristol, Glasgow, Leeds, London and
Northampton

Property Investment and Development

**Henry Boot
Developments Limited**

Registered office and Head office

Isaacs Building, 4 Charles Street,
Sheffield S1 2HS United Kingdom

t: +44 114 350 4477

e: hello@hbd.co.uk

w: hbd.co.uk

Regional offices

Birmingham, Bristol, Glasgow, Leeds,
London and Manchester

Stonebridge Homes Limited

Registered office

Isaacs Building, 4 Charles Street,
Sheffield S1 2HS United Kingdom

Head office

1 Featherbank Court, Horsforth, Leeds
LS18 4QF

t: +44 113 357 1100

e: sales@stonebridgehomes.co.uk

w: stonebridgehomes.co.uk

Construction

Banner Plant Limited

Registered office

Isaacs Building, 4 Charles Street,
Sheffield, S1 2HS United Kingdom

Head office

Callywhite Lane, Dronfield, Derbyshire
S18 2XS

t: +44 1246 299 400

e: dronfield@bannerplant.co.uk

w: bannerplant.co.uk

Hire centres

Chesterfield, Derby, Dronfield,
Leicester, Leeds, Rotherham and
Wakefield

Overview

Strategic report

Governance

Financial statements

Shareholder information

Glossary

We have used some terms in this report to explain how we run our business that might be unfamiliar to you. The following list gives a definition for some of the more frequently used terms:

Commercial property

This refers to buildings or land intended to generate a profit, either from capital gain or rental income, such as office building, industrial property, retail stores, etc.

Director

A statutory director of Henry Boot PLC.

Disclosure and Transparency Rules (DTR)

Issued by the United Kingdom Listing Authority.

Dividend

A distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders.

Earnings per share (EPS)

Profit for the period attributable to equity shareholders divided by the average number of shares in issue during the period.

ESG

Environmental, Social and Governance.

Gearing

Net debt expressed as a percentage of equity shareholders' funds.

IAS

International Accounting Standard.

IFRS

UK-adopted International Financial Reporting Standard.

SONIA

The effective overnight interest rate paid by banks for unsecured transactions in the British sterling market.

Net asset value per share (NAV)

Equity shareholders' funds divided by the number of shares in issue at the balance sheet date.

NPPF

National Planning Policy Framework.

Operating profit

Profit earned from a company's core activities.

Option agreement

A legal agreement between a landowner and another party for the right to buy land within a set time scale at the conclusion of a satisfactory planning permission.

Ordinary share

Any shares that are not preferred shares and do not have any predetermined dividend amounts. An ordinary share represents equity ownership in a company and entitles the owner to a vote in matters put before shareholders in proportion to their percentage ownership in the company.

PFI contract

A Private Finance Initiative contract is a contract between a public body and a private company and involves the private sector making capital investment in the assets required to deliver improved services.

They are typified by long contract lengths, often 30 years or more.

Planning Promotion Agreement (PPA)

A legal agreement between a landowner and another party for a set time scale and financial consideration to promote land through the UK planning system.

Pre-let

A lease signed with a tenant prior to completion of a development.

Retail Prices Index (RPI)/Consumer Prices Index (CPI)

Monthly inflation indicators based on different 'baskets' of products issued by the Office of National Statistics.

Return on average capital employed (ROCE)/Capital Employed

Return on Capital Employed is an APM and is defined as operating profit/capital employed where capital employed is the average of total assets less current liabilities and pension asset/obligation at the opening and closing balance sheet dates. Before the revised classification of the group's main borrowing facility. Previously presented as current liabilities these borrowings are now classified as non-current

S106

Section 106 agreements (S106) are private agreements made between local authorities and developers. They can be attached to a planning permission to make acceptable development which would otherwise be unacceptable in planning terms.

Subsidiary company

A company whose voting stock is more than 50% controlled by another company, usually referred to as the parent company or holding company.

A subsidiary is a company that is partly or completely owned by another company that holds a controlling interest in the subsidiary company.

TCFD

Task Force on Climate-related Financial Disclosures
(fsb-tcfd.org/)

Total shareholder return (TSR)

Dividends and capital growth in the share price, expressed as a percentage of the share price at the beginning of the year.

Total accounting return (TAR)

The growth in NAV per share plus dividends paid, expressed as a percentage of NAV per share at the beginning of the period.

UK planning system

This system consists of the process of managing the development of land and buildings. The purposes of this process are to save what is best of our heritage and improve the infrastructure upon which we depend for a civilised existence.



The production of this report supports the work of the Woodland Trust, the UK's leading woodland conservation charity. Each tree planted will grow into a vital carbon store, helping to reduce environmental impact as well as creating natural havens for wildlife and people.

Henry Boot PLC

Registered office:

Isaacs Building, 4 Charles Street
Sheffield, S1 2HS United Kingdom

Registered in England and Wales no. 160996

Tel: 0114 255 5444

Email: investors@henryboot.co.uk

Stock Code: BOOT.L