Registered number: 13528295

Maison Bidco Limited

Annual Report and Financial Statements

for the period ended 31 October 2022

Maison Bidco Limited

Annual Report and Financial Statements 2022

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Maison Bidco Limited

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Maison Bidco Limited

Strategic Report – Chief Executive's Review

I am delighted to report that Keepmoat[1] has delivered a record level of revenue and profit in 2022, achieved with further underlying margin improvement. This has been another excellent year for the Group, and despite the challenging and uncertain market conditions we have made good progress building and strengthening the business. Demand for our affordable, high quality homes has remained strong and, through the year the pricing environment was positive with sales price inflation enabling us to carefully manage continued inflationary cost pressures, ensuring that we maintained and improved our margins.

We have continued to make careful investment in our operational capability and in our land pipeline, where opportunities are fully aligned to our partnership multi-tenure business model. Our strong operational performance, financial position, resilient business model and focussed investment positions us well against an uncertain economic backdrop to deliver continued controlled growth over the medium term.

I firmly believe that our success this year is testament to the dedication, hard work and talent of our colleagues, subcontractors and supply chain partners. We are extremely grateful to all who have contributed to these results for their resilience, resourcefulness, and commitment.

Results

Group revenue increased by 10.9% to a record £778.1m (2021: £701.6m[2]) with Adjusted EBITDA[3] of £114.4m, an increase of 36.4% on the previous year, achieved on delivery of 3,776 (2021: 3,915) new homes. The average selling price of our homes sold during the year increased by 14.0% to £204,000, principally reflecting the strength of demand in the housing market, as well as some mix changes in homes sold. Our strong sales performance ensured that whilst our homes remain affordable to our customers, the increase in average selling prices has offset increases in our build costs, enabling the Group to increase Adjusted Gross Profit margin[3] by 1.4% to 22.6% (2021: 21.2%).

Throughout the last 12 months, demand for our high-quality, affordable homes has remained strong, with one of the long-lasting effects of the Pandemic being the changed attitude towards home ownership, particularly within our predominantly first-time-buyer audience. During the last financial year 71% of the homes we sold on the open market were to first time buyers.

Our multi-tenure partnership business model has once again proved its resilience and we are in an excellent position as we move forwards to deliver our future growth plans. We have a strong forward land pipeline, with over 23,100 secured planned future completions, equivalent to 6 year's delivery and as a result, we remain well positioned to deliver shareholder value and delight our customers by building more of the high-quality homes they desire, in the places they want to live.

A regional focus on national delivery

Keepmoat is committed to delivering high-quality, affordable homes across the UK, with nine regional businesses organised into three divisions: Scotland, North East and Yorkshire East; the North West, MCI, West Yorkshire, and South Midlands; and the East and West Midlands.

Our regional businesses and their boundaries remain flexible, allowing for growth and expansion into new areas where this makes sense and for our regions to remain at an optimum size for effective management.

A Divisional Chairman is responsible for each of the divisions, supported by a Divisional Finance Director, and each of the regional businesses has its own management board and is empowered to deliver our overarching Operational Excellence strategy, applying the Group's policies and systems to local markets and circumstances. This structure means that we are well positioned for future growth in the right locations. The introduction of our Group Operating Framework has further underpinned this approach.

Over the past twelve months we have continued to concentrate on driving excellence in all areas of the business to promote even greater rigour to manage our sites holistically to fully optimise our economic returns over the full lifecycle of our developments. With enhanced financial processes and reporting we are able to ensure that we are buying land with the right margins and in the right locations.

The strength of our partnership business model

Our partnership business model is what sets us apart from our competitors. It gives us the ability to secure land on a capital light basis by agreeing payment terms aligned to site development which, combined with other aspects of our partnership operating model, deliver strong capital returns and lower business risk.

We have built our reputation by aligning our approach with our partners' objectives to deliver successful, mixed-tenure, developments. We have a proven track record of revitalising communities through the delivery of high-quality homes, in well-designed and well-

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[1] Keepmoat refers to the trading activities of the Maison Bidco Limited Group

[2] 2021 comparative figures relate to the trading activities of the Keystone Midco Limited Group. For further information see Chief Financial Officer's Report on pages 29-32

[3] Keepmoat uses a range of statutory performance measures and alternative performance measures when reviewing the performance of the Group. Definitions of the alternative performance measures and the reconciliation to statutory performance measures are included in Chief Financial Officer's Report on page 30 and Note 3 respectively.

connected neighbourhoods and at prices that customers can afford. Over the last 25 years we have successfully delivered new homes in some of the country's most challenging housing markets, demonstrating our commitment to delivery even in the most demanding market conditions.

Our partnership approach delivers many advantages including:

- An ability to deliver multi-phased development sites, providing a strong forward pipeline of land
- The opportunity to work with partners who are motivated not only by financial returns, but also by non-financial outcomes (including - accelerated delivery, social value, sustainability, and design quality)
- The potential to access grant funding or investment support from Homes England and Local Authority partners; and
- The opportunity to secure repeat business from existing partners and landowners, or to generate new business opportunities on the strength of our track record and reputation for delivery.

We are one of the largest strategic delivery partners of Homes England, working closely across all facets of the agency. During the last 13 years, we have directly and indirectly accessed over £491.2 million of funding initiatives to facilitate the delivery and acceleration of housing outputs. Over this time, we have secured in excess of 10,000 homes for development on 41 different sites through Homes England's Dynamic Purchasing System and its predecessor Delivery Partner Panel, of which circa 7,500 are on Homes England owned land. We are a trusted partner of Homes England, working in partnership to deliver new Government initiatives including the First Homes pilot, supporting local people and key workers become homeowners.

Looking ahead to next year, our Chase Farm development on the site of the former Gedling Colliery in Nottingham will be the location of the first pilot scheme for the Future Homes Standard with 33 new homes built to the full Future Homes Standard specification.

Placing our customers at the heart of our business

Delivering high quality new homes and delighting our customers continues to be our top priority. Ensuring our customers are supported throughout their journey with us, providing them with a high-quality new home and providing high standards of aftercare are extremely important to us and as a result of this nine out of ten of our customers say they would be happy to recommend Keepmoat. Customer satisfaction surveys are a key tool for us to track our customers' home buying experience and we closely monitor their feedback to ensure we consistently deliver an excellent service. We also use this information to identify and reward our people who demonstrate excellence in delivering customer service.

Our bespoke quality inspection process, "Hallmark", has enabled us to deliver greater and more consistent levels of quality control to the homes we build. We maintain close contact with our customers throughout their journey with us, from their initial enquiry, during the exciting process of purchasing their new homes and after they move in, to ensure they consistently receive a high level of service.

As a business we are committed to delighting our customers, from providing comprehensive information and guidance on their new home to dealing with issues and queries quickly and efficiently. We welcomed the introduction of the New Homes Quality Board and New Homes Ombudsman Service and fully support the principles of the New Homes Quality Code ("NHQC"), to which we are already registered. Whilst we are already aligned with many of the NHQC's commitments to customers, we have introduced further improvements to our processes to ensure we meet all of the standards in full.

Driving continual improvements to our customer experience is a key technology focus for the business. Our new refreshed Keepmoat website was launched in 2022 and was developed using insights from the analysis of the user journeys of thousands of online visitors. Performance has exceeded expectations, with the new site 38% faster and delivering an 8% uplift in our website visitor to enquiry conversion rate. Additionally, another fifteen Digital Sales Offices were launched in 2022, providing customers with a more interactive and content rich experience when visiting our sales offices. Across our estate of developments over 55% of our sales offices are now digital.

What matters to our customers:

- A home delivered on time, to the right quality, which is great value for money.
- Great service, both during and after the purchase.
- An environment that has been created to provide suitable amenities and green space.
- A community that they can enjoy and thrive in; and
- Knowing that the development has contributed to the wider community and delivered a positive environmental impact.

Positive market positioning

The fundamental underpinnings for the UK Housing Market remain strong, with customer demand supported by the continued structural imbalance between new housing supply and need. Furthermore, notwithstanding the increases in the Bank of England Base Rate through 2022 and in early 2023, there remains good availability of mortgages, including for customers with a 5% deposit. Lending institutions continue to offer 95% loan-to-value mortgages for new build homes, including those provided through the Deposit Unlock scheme, which Keepmoat has supported from its inception.

Whilst higher interest rates, energy costs and high inflation have all contributed to a rise in cost of living challenges, the affordability of our homes and their high energy efficiency means that they remain attractive to homebuyers with the desire and aspiration to own a home.

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The end of the Help-to-Buy scheme, which closed to reservations in October 2022, means that there is now only limited and targeted Government support for homebuyers, through the First Homes schemes and Shared Ownership programme. This is not expected to *significantly impact demand from first time buyers for a Keepmoat home.*

Demand from our Registered Provider partners and from the Private Rented Sector has remained strong throughout 2022. We believe that our multi-tenure partnership approach and expertise in the first-time buyer market provides some resilience should any adverse market effects arise, and we will continue to closely monitor market conditions into the future, considering wider UK and global political and economic developments.

Building safety pledge

In April 2022 we signed the Department for Levelling Up, Housing and Communities ("DLUHC") Building Safety Pledge, giving our commitment to investigate and remediate any life critical fire-safety issues on buildings over 11 metres in England developed by the Group in the 30 years prior to 5 April 2022. The manner in which this will be done has now been formalised in a contract published on 30 January 2023, which DLHUC is requiring all pledge signatories to sign by 13 March 2023.

In practice, Keepmoat Homes has traditionally only built houses sold as new homes and has very few apartment schemes in its current and legacy development portfolio. Keepmoat Homes has identified all those buildings in the 11 metres and above category in England and following an internal assessment, the Board is not currently aware of any material life-critical fire safety issues with respect to these buildings. However, Keepmoat Homes is committed to ensuring that its customers have the peace of mind of knowing that it is a responsible developer and therefore it is our intention to sign the Building Safety Pledge contract.

Keepmoat is also making a significant contribution to help fund remediation of buildings built or refurbished by other organisations as, like all housebuilders, we have also been subject to an additional 4% Residential Property Developer Tax ("RPDT") from April 2022, introduced to raise at least £2bn over a 10-year period. Keepmoat continues to believe that building safety is an industry-wide issue involving many types of organisations and therefore needs an industry-wide solution.

Government policy and housing supply

Over the last 12 months the political landscape has been very unstable, which has had a knock-on effect on the housing industry. Just one week before the end of our financial year, the new Prime Minister had begun assembling the third government of 2022 following the resignation of Liz Truss whose position became untenable after the turmoil created in the financial markets by the September mini budget. With two changes of Prime Minister since the Queen's Speech and, despite Prime Minister Rishi Sunak's pledge to deliver the 2019 manifesto, uncertainty remains for the housing sector as to which policies will be taken forward. Additionally, the Government has so far been slow to clarify or communicate its plans to support the industry, which is a cornerstone of the UK economy.

The Levelling Up and Regeneration Bill was outlined in the Queen's Speech, but the detail has not yet been announced. The crucial matter of the target of 300,000 new homes per year, a driver of housing supply, was subject to a strong political challenge and has since been diluted with the targets "advisory", rather than compulsory.

The Government continues its programme of revisions to Building Regulations. A new Part L for 'Conservation of fuel and power' came into effect in June 2022 as part of a transition towards the introduction of a Future Homes Standard in 2025. Changing requirements on energy efficiency, ventilation and accessibility, together with customer focussed objectives, have been embraced by the Group as a positive opportunity for the continued application of new innovation to the development of our house type range. We have welcomed opportunities to provide input into the new regulations through working groups and have highlighted the need for a cut-off point for consultation from which we can confidently finalise designs.

We welcome the Government's continued focus on bringing forward brownfield land, and we believe our work with local authorities across the UK, including in Sheffield, Doncaster, Newcastle, Leicester, and Nottingham provides model approaches for others to follow. For example, through our partnership with Newcastle City Council, our scheme at Scotswood will deliver over 1,100 new homes over the next 10 years.

Building a sustainable future

We remain committed to bringing sustainability into the front and centre of the management and governance of our business with an emphasis on transparency and accountability. Following the creation of an Executive Sustainability Committee and the publication of our first Sustainability Report last year, we have now seen our efforts demonstrated in the NextGeneration Sustainability Benchmark for homebuilders, rising eight places to become the 2nd highest ranked privately owned homebuilder. You will in this Annual Report see a step change in our disclosure on ESG metrics, having merged this with our Sustainability Report as one publication.

In recognition that the world has changed greatly since the COVID-19 pandemic we launched a robust materiality exercise during the summer with internal and external stakeholders to identify the ESG issues that matter most. This consisted of 38 interviews conducted by the University of Sheffield, supplemented by desktop research. The findings, having been prioritised by the Executive team, will be used to inform a new sustainability strategy in FY23 that further integrates sustainable thinking into our core business functions, taking a long-term perspective.

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In the meantime, communication and education has been key to drive further integration. A monthly sustainability roundup newsletter for employees was introduced alongside a programme of sustainability monthly 'Lunch n Learn' webinars and Shaun McCarthy OBE of Action Sustainability delivered an Executive workshop in December 2022.

Behind much of this has been an emphasis on social value – in recognition that our social contribution really matters to our stakeholders. During the year we launched a Social Value and Community Benefits framework as part of a robust data management system for social value. We were delighted to lead a session at Social Value UK's MemEx conference and the Supply Chain Sustainability School anniversary conference on social value to share our expertise in this area with a range of public, private and third sector organisations.

Climate and biodiversity

The Future Homes Standard 2025 represents an exciting opportunity for homebuilding to be at the forefront of a new green economy. Working with the Future Homes Hub industry body we are investigating the combinations of technology that can achieve these new standards at a price point remaining accessible to our customer base. We are also investigating embodied carbon in line with our long-term commitment to be a net zero business by 2050 at the latest. We continue to work with our supply chain and are taking steps to switch to lower carbon materials where viable, such as low carbon bricks, which allowed us to save 1,332 tonnes of carbon in the homes we built this year. The carbon emissions in our direct operations reduced by 2.7% this year to 1.42 tonnes per 100m^2 of build area

Our partnership business model and land choices mean that we are often building on brownfield land, adding social, economic and environmental value to these sites. This year, 76% of the homes we sold were built either on brownfield land in need of regeneration or in the most deprived areas of the country.

The new protections for nature and the environment, including targets for biodiversity net gain and nutrient neutrality in part enabled by the Environment Act 2021 represent a major legislative change. We have been delivering training and guidance to our teams to address the challenge of achieving biodiversity net gain in the context of brownfield development, which can sometimes have higher biodiversity values than greenfield sites due to re-wilding as nature moves in.

Responding to a consultation on biodiversity secondary legislation, we have put forward the case that the most environmentally successful legislation will ensure that brownfield development is not discouraged compared to greenfield sites.

Investing in the future

Through 2022 we have continued to invest to realise our strategy of Operational Excellence, including significant investment in our systems, processes and central services. These investments not only deliver enhanced operation performance but also increase our operational resilience. Central to this has been the introduction of our Group Operating Framework, which guided by our Operational Excellence strategy ensures that by following best practice policies and process we can deliver consistent and high-quality outcomes across all of our regions, developments and for all our customers.

Summary and outlook

There is no doubt that the outlook for the UK economy and housing market is uncertain, driven by many global and national political and economic factors outside of our influence, including the ongoing war in Ukraine, global energy prices, the increasing cost of living and higher interest rates. Through October to December 2022, we saw reservations for new homes from private buyers reduce significantly reflecting the economic uncertainty and rapid increase in mortgage rates during that period. However, we have offset this reduction in private reservations through additional delivery to Registered Providers and to the Private Rented Sector, proving the value and flexibility of the partnership model. Furthermore, I am cautiously optimistic, following a strengthening of reservations in the early weeks of 2023, that some stability has returned and with it some confidence in homebuyers' outlook.

The long term fundamentals for the UK housing sector are strong, there remains a shortage of high quality, affordable new homes across the country. We are convinced that these fundamentals, in the context of Keepmoat's robust multi-tenure partnership model and the strength of our experienced leadership and management teams, mean that we are well positioned to trade effectively through any market scenario.

Keepmoat has a clear partnership led strategy and the capacity to realise further controlled, profitable growth and so deliver more of the high quality, energy efficient, new homes that our customers and partners desire.

Finally, but most importantly, I would like to thank all our people, our supply chain, and our business partners, for their contribution to our success and for all their hard work. We could not have achieved what we have without them.

T.M Beale

Tim Beale

Chief Executive Officer

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Strategic Report – Our Vision, Mission and Values

Our vision, mission, and values

Our vision, mission and values shape our strategy and the way we work, and mean we are a different type of housebuilder. Our corporate strengths include our local knowledge, long term partner relationships, national and local presence, supply chain scale and our ability to enhance local economies by building communities, employing local firms and creating local jobs.

Keepmoat vision:

Building communities, transforming lives.

This means that we think and act beyond bricks and mortar. As well as creating better places for people to live, we know that our success depends on us playing our part in building the strong communities our partners and customers want.

We work with our partners to regenerate places to improve economic and social outcomes for the local community while providing housing choice in these areas. We focus on improving the communities we work in and the people we serve, creating significant local economic benefits through our supply chain and local employment. 6% of our workforce are trainees, apprentices, and graduates.

Keepmoat mission:

We are committed to developing enduring relationships to build more vibrant new communities, at prices our customers can afford.

Our mission explains how we are very different from a traditional housebuilder. It's in what we do, and how we do it. We create long term partnerships with landowners and with registered providers of affordable housing. Together we build attractive, affordable, and high-quality homes and communities where people want to live, work and play.

We bring together all facets of housing development, including design, planning and community engagement skills, to help partners achieve their ambitions. We nurture an extensive supply chain of small and medium sized companies that support us around the country and make that supply chain available to our public and private sector partners.

Keepmoat values:

Straightforward, passionate, collaborative, and creative.

Our values support the vision, shape the culture, and reflect how we work and behave.

- Straightforward: We get the job done in the most efficient way. We are friendly, open, and honest. In other words, the people you could trust on any project, large or small.
- Passionate: We care about what we do. We put pride and energy into delivering results. We give the best, so more people can enjoy living in safe, happy communities and homes.
- Collaborative: We work together in partnership to deliver the very best customer experience. By sharing our expertise, we can build the very best quality new homes.
- Creative: We are proactive, flexible, and resourceful. We listen, learn, and deliver solutions.

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Strategic Report – Making the most of our strengths

Making the most of our strengths

Keepmoat's existing strengths support our growth ambitions:

National scale, local understanding. Keepmoat has successfully grown into a large national business with deep local roots, and we will maintain that national and local approach as we continue to grow.

Our comprehensive offer. We have a broad set of skills ranging from developing partnerships, establishing supply chains, building new homes of all tenures, and supporting large-scale, housing-led community regeneration schemes.

Organic growth. In the next five years we intend to increase the number of new homes we build for sale or rent and continue to make a significant contribution to meeting the country's housing needs.

- **Grow our core:** Our core business is to deliver affordable high-quality homes for first time buyers, alongside our work in partnership with local authorities, housing associations and other providers of housing. Our multi-tenure approach provides us with flexibility and resilience, enabling us to serve these markets most effectively.
- **Expand in our newer geographies:** We will continue to expand our offer in Scotland, the South West and South Midlands.

Shape more partnerships. At the heart of our growth will be deeper and broader partnerships with existing and new partners. That requires us to understand partners' challenges and objectives and develop ways to help them meet their goals whether economic - growth; social - tackling deprivation, improving health; environmental - reducing carbon consumption; financial - reducing operating costs; operational - improving customer service; or strategic - developing their housing portfolios.

Efficiency and effectiveness. As we grow, we risk becoming less agile. Through our model of regional empowerment underpinned by our Group Operating Framework, we can be both local and agile, but also bring the benefits of a larger business such as professional rigour, quality, efficiency, and effectiveness in winning and delivering work. That means we share what works well and avoid duplication and unnecessary costs, as our customers rightly expect.

Building our brand. We are continuing to build the profile of the Keepmoat brand with our partners, suppliers and other stakeholders as well as enhancing our brand position with customers as a builder of affordable, high quality, new homes.

Our essentials

Our Essentials are the five basic building blocks of our business.

- Safety: The safety of people, partners and communities is at the heart of everything we do.
- Quality: We work to exceed our stakeholders' expectations of our service, product, and delivery.
- Customers: We focus on delighting our customers.
- People: Our people are the heart of our business, providing a service we are proud of.
- Sustainability: We protect the environment, act ethically and leave a positive legacy.

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Strategic Report – Corporate sustainability

Sustainable communities

Fundamental to our design principles is creating a sense of community through the delivery of new homes of mixed tenures in attractive, sustainable environments that provide integrated neighbourhoods that complement existing local areas and promote health and wellbeing. We also strive to address the future impacts of climate change such as extreme weather events, overheating, water scarcity and higher utility costs for our customers.

We have embraced the principles of both the "Building for a Healthy Life" and "Streets for a Healthy Life" design toolkits for neighbourhoods, streets, homes and public spaces, integrating these in our inhouse Keepmoat Design Guides, and we have introduced compliance tools, to ensure we maximise opportunities to embed the principles of sustainable design into all of our developments.

In considering the principles of good placemaking, we focus on the provision of pedestrian and active travel routes, nature corridors, sustainable drainage solutions and landscape relief to enhance the attractiveness of our developments, promote healthy lifestyle choices, reduce planning risk, and promote a positive impact on nature.

A programme of design workshops has been delivered to all regional businesses to share and promote good practice and to encourage a consistent approach to placemaking. We have also reinforced our commitment to support the principles outlined in Decarbonising Transport and Gear Change by actively promoting safe cycling and walking routes within our developments and to ensure the design of streets are considered as public realm in balancing the needs of motor vehicles, people, and cyclists.

Delivering desirable, efficient, high quality homes

Drivers for change, including environmental, legislative and customer focused objectives, have been embraced as a positive opportunity for the continued application of new innovation to the development of our house type range, to reflect our sustainability strategies, placemaking aspirations and the needs of our customers. Based on customer, partner and wider stakeholder feedback, our designs are continually reviewed with a focus on efficiency, safety, regulatory compliance and the growing demands of our partners for Zero Carbon performance in operation. Our standard house types comprised 82% of homes completed in the year and this standardised suite continues to enable us to be more efficient and control costs to build consistently high quality, energy efficient homes. Over 99% of our homes achieved EPC rating of A or B, which will enable significant energy and running costs savings to be achieved over that of a comparable existing housing stock property.

Quality and customer satisfaction are our key objectives, as we continue to develop our product range to offer homes that enable comfortable internal and external environments, support flexible sustainable healthy lifestyles and enhanced accessibility standards, and ensure in-occupation low carbon targets and running costs are robust.

Our in house multi-disciplinary Low Carbon Delivery team, including specialist architectural design, technical, sustainability, land and planning expertise, are focused on integrating our evolving house type range with our sustainable development goals whilst enhancing development value, supporting business resilience by exceeding our customer and external stakeholder aspirations.

Overall, our focus is on the delivery of scalable, robust, affordable low carbon housing solutions within sustainable developments using sustainable building techniques and technologies that will reduce carbon emissions at all stages of manufacture, build and in occupation. Customer satisfaction remains key to our success, specifically with regards to ease of control, maintenance, and affordable running costs to address rising energy prices.

Affordable, low carbon, healthy homes

A key element of our Sustainability Strategy is our commitment to building affordable low carbon healthy homes by the enhancement of thermal performance, reduction of unintended energy loss, the integration of efficient low carbon technologies, energy generation and smart home controls. We achieve this by embedding low carbon strategies into all key stages of development including design, procurement, build and the customer journey.

Care is also being taken to ensure designs meet the standards required to prevent overheating, without negatively impacting internal daylighting levels, and maintain adequate levels of ventilation with sympathetic design adaptions to reflect on site constraints where night-time noise or air quality may prevent the comfortable reliance on opening windows for night-time cooling.

During 2022, our Group Technical and Low Carbon delivery Team have continued to develop and refine solutions to inform the continued development of designs and specifications for implementation, on both new and existing developments, in line with the transitional requirements of the recently released building regulatory requirements of Part L (Conservation of Energy and Power), Part F (Ventilation), Part O (Over-heating) and Part S (EV Charging). Collectively, the revised standards achieve a reduction in carbon emissions of 31% from previous standards, address the prevention of risk from overheating and require the provision of electric charging points to all homes.

To support the quality and delivery of homes to these new standards, we have recently rolled out a new digital tool, enabling our site teams to collect data and record the photographic evidence requirements of Part L, driving efficiency and quality improvements to a broad range of site based inspection tasks.

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Strategic Report – Corporate sustainability

In addition to the interim improvements to building regulation requirements we are focused on developing practical, deliverable whole house design solutions to achieve the anticipated 2025 Future Homes standard with an anticipated 75 - 80% reduction in carbon emissions relative to 2013 standards and future proofed with an all-electric Zero Carbon ready solution in anticipation of the greening of the National Grid.

In collaboration with external working parties, academic institutions, external partners, our supply chain, and lending institutions we continue to trial homes designed to achieve Future Homes, Zero Carbon and Net Zero carbon standards to evaluate customer feedback on comfort levels including winter warmth and summer cooling, air quality, daylighting, and water usage. With the support of Birmingham City University, we are studying the impact of operational behaviours on building performance and running costs and the role smart controls can play in enabling optimum building performance. Via the ability to generate, store and trade energy with the grid we are also reviewing the opportunity to deliver homes with Zero Bills, subject to the availability of suitable variable rate tariffs, to enable us to demonstrate added value and increase customer desire for our homes.

Water efficiency is also a key consideration, as the risks associated with extreme weather events will impact both future water scarcity and flooding. Our specification has been developed to achieve water usage of 84 litres per person per day, significantly below the current allowable level of 125 litres per person per day as prescribed by building regulation.

Above ground Sustainable Drainage Systems (SuDS) have also been widely adopted across the business to embrace not only the delivery of sustainable drainage solutions, but also to enhance sustainable development design in the creation of beautiful places to live and support nature. Equally, attention is being given to ensure house types for delivery in Scotland and Wales are developed in line with developing legislative requirements to enhance performance.

Modern methods of construction

A key consideration in the development of our house type range is ensuring that homes can be built traditionally or in timber frame, in recognition of the benefits of both methods. Focus is also being given to the value of premanufactured components within the home to reduce waste, and to support improved quality, productivity, and programme certainty. We are working with our supply chain to combine low carbon specifications with a variety of off-site construction methods and have delivered 9% of our homes using modern methods of construction including pre-manufactured floors, large format walling solutions, panelised roof systems and closed panel timber frame. These methods allow us to enhance the incorporation of off-site manufactured components and increase levels of pre-manufactured value as we develop on site assembly techniques to improve productivity, safety in build, quality and to reduce waste with scalable and affordable solutions.

Collaborative design and digital management systems

Our house type designs have been developed within a 3D Collaborative environment with improved digital functionality to support our ability to work with third party suppliers, including integration with timber frame and off-site manufactured components. This enables us to quickly produce, adapt and refine accurate material schedules for both order generation, calculation of embodied carbon and the establishment and monitoring of waste targets.

Working in partnership with Sheffield University, we are reviewing our digital house type models, including the third party design elements of the home, to enhance the accuracy of calculation of embedded carbon. This supports ongoing evaluation with our supply chain and group procurement team, to benchmark, challenge and improve our specifications in support of waste reduction targets and our journey to Zero Carbon delivery.

All house type models include standard design options to enable site-specific designs from standardised components. This allows us the flexibility to respond to the needs of local design guides in the development of sympathetic elevational styles and street scenes and the development of internal specifications to complement our sales and marketing strategies. Through the standardisation of process, we are able to maximise efficiency while including the flexibility of design required to reflect local character.

Efficient and strategic supply chains

Our supply chain plays an essential role in our business, providing the materials and services we use to build our homes. It is therefore paramount that we build long-lasting, strong relationships with our partners of choice.

We operate a series of group-wide, long-term strategic framework agreements providing preferential commercial terms and service levels nationally and regionally for supply of our materials, site equipment and business consumables. Our regional buyers work together with our supply chain partners to ensure successful operation of these agreements, providing feedback on performance and service and managing future requirements. These agreements offer significant pricing advantages, whilst also including important delivery, service and product warranties which helps us maintain and improve our quality and service to our customers.

The Group Supply Chain team manage all of our strategic supply chain agreements, including frameworks, rebate agreements and price lists. In the year to 31 October 2022, 86% of direct spend was channelled through these frameworks.

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Strategic Report – Corporate sustainability

Our framework agreements, procuring materials from both suppliers and sub-contractors, align with the Keepmoat standard house type specification and deliver innovative solutions to support our drive for efficiency including waste and carbon reduction. They also provide customer care and product warranty support to our customer services teams. Many of the agreements provide value engineering support, through site surveys and proactive build scheduling alignment services.

Management of cost and best practice

We work hard to mitigate price increases and ensure that agreements are always competitive and provide the best quality, without compromising on standards. We work in partnership with our suppliers to deliver the best solution for our customers and site teams. Many agreements include provision of supplier training for our people and our subcontractors.

Management of supply chain risk

We maintain regular contact with suppliers and manufacturers to ensure continuity of supply, negotiating product allocation by volume. Availability of materials is secured in line with demand, and we carefully manage the supply of key products, such as bricks, blocks, roof tiles and gas boilers by working with our regional businesses and our supply chain partners. We ordered circa 37 million bricks in 2022, which are sourced both in the UK and continental Europe.

We engage with our supply chain partners to keep them informed of key forecasting information, providing them with our rolling build programme on a monthly basis in addition to product specific demand schedules. We also notify our supply chain of changes to our design specification and working practices in advance to ensure there is no disruption to our operations. These long-term frameworks reduce business risk to ensure a surety of supply of our essential materials to our sites.

We have introduced KPI monitoring to measure the performance of our supply chain partners. These KPI's allow us to identify any potential risks to supply and any performance concerns, whilst also strengthening relationships by providing a platform for constructive feedback.

The challenges faced in the supply chain in 2021 have continued through 2022, with further disruption arising from the conflict in the Ukraine, impacting on timber, sheet materials, freight and goods coming from Russia to Europe. COVID-19 cases reached their highest recorded levels in 2021, impacting labour availability, and the global shortage of semi-conductors restricted manufacturing capacity for number of key commodities, such as appliances and gas boilers. In addition to these factors, the impact of high energy costs and inflation have contributed to a highly dynamic environment.

These challenges have reinforced the importance of our strong relationships and the efficient and effective communications we maintain with all our supply chain partners. The effective and timely communication of our requirements remains our key priority, to agree allocations and supply of our key commodities and trades.

Sustainability in the supply chain

We promote sustainability within the supply chain through our sustainable procurement policy and, through our partnership with the Supply Chain Sustainability School, we are working to build capacity in the supply chain of sustainable materials. Through this partnership, the Supply Chain Sustainability School has delivered seminars to all our regional buying teams and our central supply chain function.

In the drive to achieve zero carbon, we are working with our suppliers to ensure we benchmark, challenge and improve our specifications, establishing the correct embedded carbon factors to materials and building an accurate picture of our supply chain emissions. As part of this process, we are also sharing knowledge of low carbon products to capture further improvements. In 2022 we used 4.5 million low carbon bricks, which use a low cement content and produce 50% less carbon during manufacture. This allowed us to save 1,332 tonnes of carbon in the homes we built in 2022. We continue to explore opportunities for other low embodied carbon materials.

To promote first class monitoring, auditing, and collaboration with our supply chain, we have joined the Achilles BuildingConfidence Network, being the first housebuilder to do so. This will provide a more streamlined service for checking supply chain risks against issues such as bribery and corruption, modern slavery, timber certification and other ESG measures. Through this programme, we will roll out our methodology for auditing our materials suppliers to a similar high standard to the CHAS Advanced scheme that we require of our sub-contractors.

We engage with waste management consultants in our drive for waste reduction on site, with an on-going focus on reporting as a tool for managing waste intensity and the management of waste up the waste hierarchy, including for example pallet repatriation and maximising re-use and recycling where possible.

We have again conducted our annual timber certification survey of suppliers to find that 100% of our timber is from suppliers with FSC or PEFC Chain of Custody, and over 99% of our volume of timber purchased is FSC or PEFC certified.

Homebuilding supply chains can be complex, and our industry relies on specialist skilled trades across a number of areas to deliver quality developments.

Therefore, it is important that our sub-contractors can maintain the very highest standards, whether on safe working practices, wellbeing and working conditions, or avoiding potential pollution incidents. To ensure they have the right qualifications, training, and other credentials, we use the Contractors, Health & Safety Assessment Scheme (CHAS) and require our trades to achieve a level of Premium Plus.

In 2022 we have taken steps to improve the monitoring of our materials suppliers to ensure the same high standards. To achieve this goal Keepmoat has become the first UK homebuilder to partner with the Achilles BuildingConfidence network. The network provides a construction standard certification to Safety Schemes in Procurement (SSIP) and the Common Assessment Standard (CAS), and will give Keepmoat the monitoring and reporting tools to ensure regulatory compliance standards and improve supply chain sustainability.

Social value in the supply chain

During the last financial year, we supported local suppliers with £263.3m worth of contracts, generating £229.3m of social value. Our sub-contractor contribution process provides a framework for our sub-contractors to choose how they can maximise social value contribution through their share of contract value. This integrated process allows sub-contractors to identify, from a suite of social value options, the contribution they can make to key priorities within local communities close to our developments, such as apprenticeships, providing work experience opportunities or other initiatives.

Modern Slavery Act 2015

The Group has a policy statement in accordance with the requirements of the Modern Slavery Act 2015. Our policy sets out the processes and practices that we have implemented to ensure that modern slavery has no place to survive within our business or within our supply chain. We monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy, and effectiveness. Most of our supply chain partners have their own policies in place covering modern slavery, anti-bribery and corruption, equal opportunities, health and safety and environmental factors. Where a partner does not have their own policy in place, they are requested to ensure compliance with ours.

94% of supplier and subcontract spend is with externally accredited organisations that have taken steps to assess and manage risks of exploitation in their business.

Construction excellence

We actively contribute to the NHBC Standards Review Group and other industry working groups to help ensure our design, detailing and specification represent best practice and are aligned to future change. As a registered signatory to the Building a Safer Future Charter, we are committed to raising standards in building safety, including early adoption of the principles of the Fire Safety Bill.

Quality is a top priority for the business and all supporting design detailing, workmanship and material specifications have been developed to embody good practice and simplification, written in plain English and supported with illustrations and photographs. These documents, created in collaboration with all departments, including subcontractor forums, are used at all stages of design, procurement and subcontractor appointment. They have informed the Keepmoat quality training programmes and site inductions and are also used as build quality checks.

Outstanding build quality

A first-class construction process is vital to our business. We regularly review our key build stage inspection procedures and have continued to enhance our formal inspection and sign off process, that allows us to benchmark our build quality. Alongside this, we operate a series of best practice guides and minimum standards for our site teams, to ensure that our homes meet the required standard and comply with our detailed trade specification. This inspection procedure is in addition to the formal inspections carried out by building control and the warranty provider. We are also working closely with the NHBC, helping them to develop a more digitised technology based inspection process to make inspections more agile in the future.

We recognise that having the right people and teams on site and supporting them in their roles is key to a successful business. We maintain and update Group wide best practice standards for our site office and compound set up to ensure our site teams have the very best facilities in which to operate. Our site management development programme takes all of our site-based teams and contract managers through a series of training workshops to give them the detailed knowledge around programming, quality, customer service and cost control that they need to deliver a successful site. This programme is delivered by our senior managers and includes formal training on building regulations and defect prevention delivered by external providers, to ensure our teams are kept up to date with the latest regulations and to ensure consistent high standard across all of our developments.

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Strategic Report – Corporate sustainability

Health, safety and environmental

There is nothing more important than the health, safety and wellbeing of our staff, sub-contractor workforce, customers, and the public. As a Home Builders Federation (HBF) Health and Safety Charter Signatory Organisation, we are committed to continuous improvement and to the charter's core aims of driving improved performance and growing a positive Health and Safety culture. We have continued to make improvements in the way we manage workplace Health and Safety risks. During the period we have enhanced our governance, establishing an Executive Environmental, Health & Safety (EHS) Committee to ensure oversight and stewardship of the Group's EHS management system, performance and compliance with applicable laws and standards. Responsibilities of the committee include but are not limited to setting policy, developing strategic objectives, ensuring resources are available to manage risk and ensuring operational processes are being controlled effectively. We are certified to ISO 45001:2018 (Safety Management), ISO14001:2015 (Environmental Management) and ISO 9001:2015 (Quality Management), ensuring contemporary systems and effective controls are in place for all risks and opportunities.

We continue to remain focussed on workplace safety, health and wellbeing, as evidenced by a 42% reduction in our Accident Injury Incidence Rate (AIIR) from 539 to 312 accidents per 100,000 employed, placing us below the Home Building Federation AIIR average.

The Group has had no health and safety prosecutions, prohibition or improvement notices, work related fatalities or environmental or other ESG breaches resulting in prosecution in the year (2021: nil, 2020: nil). We actively monitor performance on sites through regular inspections carried out by regional and central senior management, including the executive team, in addition to those conducted by contracts managers and site management. Over the year 5,650 inspections have been completed. These are supplemented with monthly inspections on all sites, carried out by our professionally qualified EHS Business Partners.

We are also pleased to report that we have been awarded the Gold H&S Award by RoSPA (Royal Society for the Prevention of Accidents). The Gold award is merit based and is the highest of the achievement awards, awarded to companies that can demonstrate amongst other things:

- Excellent occupational health and safety management systems evidenced by ISO 45001 certification, strong third-party audit results and company culture
- High levels of compliance with control measures for principal risks
- No significant enforcement issues such as notices and/or prosecutions

Guided by and aligned with the objectives of our 'operational excellence' strategy, we have developed a three-year EHS strategy to create work environments free of harm, that enable our employees, sub-contractor partners and stakeholders to be healthy and safe. Our mission is to promote a culture and environment that empowers everyone to work collaboratively and responsibly, promoting operational excellence and wellbeing, centred around keeping people and places healthy and safe.

In the last year we have reduced the number of environmental incidents on Keepmoat sites by 8% and continued to see a positive reporting culture, enabling us to identify and respond to any emerging environmental hazards on our sites.

This has been achieved through:

- The enhancement of environmental controls in construction management systems (specifically for surface water management) and contractor trade specifications, helping to ensure that our environmental standards are consistently implemented across all operations.
- The development and delivery of online environmental training, including briefings for management teams within Land, Construction, Commercial and Technical functions
- Partnering with our waste brokers to conduct regular site inspections and audits, including the delivery of on-site toolbox talks to subcontractors, and the production of waste management compliance reports for our construction management teams.
- Continued refinement of the Health, Safety and Sustainability assurance regime to ensure that environmental hazards identified receive appropriate focus, escalation, and investigation.

Focussing on our people and our culture

We put our people at the heart of everything we do. Our culture is aligned to our values – it is straightforward, passionate, creative, and highly collaborative; it is also open, challenging, questioning and innovative. Our environment is fast paced and friendly, where people are supported with their development and encouraged to grow and build their career with us.

Understanding the link between our vision and values and our behaviours and culture is extremely important and is a key message at our Keepmoat Group induction events for all new employees. This focus on our culture has driven great improvements in our processes, our customer journey, and the quality of our product, all of which has driven an increase in our levels of customer satisfaction. Our Operational Excellence strategy enables our people to understand how their roles align and contribute to its delivery.

As a business with nine regions supported by Divisional management and central service functions, it is important that we all work together to support our vision and that this is underpinned by our values and behaviours. Ensuring all employees are aligned with our group wide governance framework is also vital. The principles of responsibility and accountability are key to our people-centric culture and for our leaders to act as role models. Our One Keepmoat way of working underpins our values, behaviours, and the delivery of our

Operational Excellence approach. Our vision, values and culture are at the core of our business and form the basis of the One Keepmoat framework which supports our people to work in a consistent way, adding further value to the business.

Talent and development

The emphasis on development and our approach to talent mapping and succession planning is carried out in conjunction with our Personal Development Review (PDR) process to help managers understand their employees' career aspirations and development objectives. This enables our managers to support their people to help them to realise their potential, which also creates a talent pipeline, helping us to achieve the right balance between external recruitment and internal promotions.

This year we have introduced our Dare to Lead programme which focuses on developing and enhancing leadership and people management skills through all levels of our organisation. These programmes are key to the ongoing development and embedding of our high-performance culture.

We also support our leaders in their development through a series of Leadership Masterclasses and Bite Sized upskilling courses as well as through coaching, psychometrics, and 360 feedback. Alongside this we have also implemented development programmes for our site and contracts managers.

Apprentices, trainees and graduates

We are a member of the 5% Club, which means we are committed to at least 5% of our employees being apprentices or trainees in 'earn and learn' positions within the business or through our subcontractors and partners. We are proud to be a Gold member of the 5% Club, the award demonstrating our commitment to delivering quality apprenticeship programmes and highlighting to young people that we will invest in their future. Our commitment to train and develop new talent maintains our talented teams, addresses skills shortages, and promotes this very important sector as a great career opportunity.

We launched our Land and Partnerships Graduate Scheme in 2021 and, following the successful progression of the very talented first cohort, we have continued our investment in the future of our business and the industry with the launch of our Commercial Graduate Scheme in 2022.

Diversity and equality

We are keen to encourage diversity and inclusion, as the house building industry is not known for being the most diverse or gender equal sector and there is often a lack of candidates from diverse backgrounds for some roles. We have a number of females in senior leadership roles and our approach to identifying and developing our talent underpins our focus in this important area.

However, there is still more to do and as a company we take the role of promoting the industry to potential candidates who might not have considered a career in our sector very seriously. We have launched our Valuing Difference approach to bring focus to the importance of an inclusive and diverse workforce and to highlight the many initiatives we have in place. We work closely with education providers and community groups to profile the variety of roles available. We also focus on being family friendly, with later start times for meetings to support people with children, along with enhanced maternity and paternity leave for example. Our Agile Working Policy supported our people with working remotely at home and in different locations during the COVID-19 pandemic and continues to make a significant contribution to supporting diversity, inclusivity and flexibility for our employees.

Average number of employees, split by gender, for the year ended 31 October 2022:

	Male		**Female**		**Total**	
	Number	**%**	**Number**	**%**	**Number**	**%**
Executive Directors	2	0.2%	-	-	**2**	**0.2%**
Senior managers	65	5.8%	18	1.6%	**83**	**7.4%**
All others	670	60.2%	358	32.2%	**1,028**	**92.4%**
Total	**737**	**66.2%**	**376**	**33.8%**	**1,113**	**100.0%**

Average number of employees, split by gender, for the year ended 31 October 2021:

	Male		Female		Total	
	Number	%	Number	%	Number	%
Executive Directors	2	0.2%	-	-	2	0.2%
Senior managers	61	5.7%	16	1.5%	77	7.2%
All others	660	61.6%	331	31.0%	991	92.6%
Total	723	67.5%	347	32.5%	1,070	100.0%

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Strategic Report – Corporate sustainability

Disability statement

The Group is committed to achieving a balanced and diverse workforce and pursues an equal opportunities policy through all areas including recruitment and selection, training and development, performance reviews, succession planning, promotion and ultimately, retirement. It is our policy to ensure employee related decisions are made based on merit and capability regardless of religion, race, nationality, ethnic origin, gender, sexual orientation, marital status, age, or disability. If any of our people become disabled, the Group is committed to continue employment wherever possible and to undertake the necessary adjustments to facilitate ongoing employment.

Wellbeing

We take the health and wellbeing of our people seriously. Our KeepWell programme, which includes a focus on Mental Health Awareness, provides resources and tools to support our people in their working life and beyond by highlighting the importance of mental health as well as physical health. A particular focus has been on breaking down the stigma and barriers associated with people talking about their mental health. We have 43 trained mental health first aiders across the business supporting all regions, regularly communicating tips and advice for mental health support.

Investors in people (IIP)

Our people-centric culture is recognised in our Investors in People (IIP) accreditation and is something we are very proud of and committed to maintaining. We were delighted to retain our accreditation in our audit last year, and that the assessment feedback noted the positive impact that our "effective people centric culture has on our performance as a business".

Delivering social value

We use the term social value to describe the environmental, social, and economic benefits generated through the outcomes of our business activities, both locally and nationally, over the short, medium, and long-term. We have delivered £229.3m social, environmental economic value during the year.

Throughout the development process we strive to create positive outcomes for communities, partners, and our other stakeholders. This approach is at the core of how we do business and enables us to develop strong relationships with public sector partners, purchase brownfield land at low cost and deliver positive environmental, social, and economic outcomes, creating thriving new communities.

We are one of the first homebuilders in the UK to hold a Social Value Management Certificate Level 1 from Social Value International, demonstrating our commitment to leading social value delivery in communities.

Four social value managers and coordinators across our business work closely with our development partners to determine how we can create the greatest outcomes for communities through our development activity. They and our Sustainability team meet monthly as part of a Social Value Working Group to develop to improve and standardise the way we deliver social value in communities across the country.

During the year we created a Keepmoat Social Value Framework for England and a Community Benefits Framework for Scotland to ensure further consistency over how we record activities and standardised evidence forms aligned to the National TOMS, improving evidence for our social value data. We completed research with Sheffield University to understand the social value in the building of affordable homes.

Demonstrating our commitment to this area, during the year:

- We delivered a webinar on 'Delivering social value' for the Supply Chain Sustainability School.
- *Opened a Bricklaying Training Hub with the NHBC in Newcastle at our Scotswood development and started courses* with partners at a Construction Academy on our Northbridge site in Glasgow.
- Delivered a workshop session at Coventry Arena for the Supply Chain Sustainability School's 10th Anniversary Summit.
- Our North West Social Value Manager was shortlisted for a National Social Value Award in the Social Value Champion of the Year category.
- We delivered a best practice case study session on Partnership working with Salford City Council at Social Value UK's National Members' Conference.

In 2022 Keepmoat opened a new bricklaying Hub on our Scotswood development. Run in partnership with the NHBC, the Hub offers apprentices the opportunity to learn valuable skills and gain hands on building experience in a controlled environment.

Learning bricklaying on the job can take some time, with the first few months of an apprenticeship typically involving a lot of watching others before getting the chance to actually build.

At the Scotswood Hub, apprentices can practice bricklaying in a dedicated learning environment located on a live housing development, and as a result they will complete their apprenticeship in 18 months, 6 months faster than a traditional bricklaying apprenticeship.

Our sustainability team have worked with year seven students in the North West to help them learn about green jobs and skills which, in future, will be a vital part of our economy.

Their contribution included a virtual presentation on renewable energy organised by Speakers for Schools, an initiative which makes it possible to hold an event for many classes across different schools simultaneously.

We also joined together with other regional businesses to deliver a session on green skills in housebuilding and the opportunities available for National Apprentice Week. Students had the opportunity to ask one of our land graduates about their graduate scheme experience.

As a Cornerstone employer, Keepmoat connects to many schools and colleges in the region through the Careers and Enterprise company which brings employers and educational establishments together.

In February 2022 we were awarded the Social Value International's Social Value Management Certificate, an internationally recognised assurance seal that assesses the standard of an organisation's practice in managing the social value that it creates through its activities.

Key aspects of the Social Value Management Certificate criteria include:

- Stakeholder engagement at all stages.
- Understanding the outcomes of activities.
- Developing theories of change for how our activities provide value for the people we support.

Sustainability and environmental management

Over the last year we have focused on a number of priority environmental issues, including our carbon reduction commitments that ensure we protect and enhance the environment on our developments and in our communities.

Biodiversity

We are committed to ensuring that in building new communities, much needed new homes and regeneration to brownfield land also restore and protect nature. This year, 76% of the homes we sold were built either on brownfield land in need of regeneration or in the most deprived areas of the country.

Our standard details have changed to include hedgehog highways, supporting these much-loved creatures to move between gardens and stay safe.

During the year we became a named supporter on a Sheffield and Rotherham Wildlife Trust project successfully achieving £90,000 in funding to further how environmental services can be brought together and valued to compensate for unavoidable biodiversity losses on sites. We will be supporting them to make sure the outcomes of the projects are useful and relevant to the construction sector.

As part of our commitment to supporting wildlife on our sites, we are helping hedgehogs by creating hedgehog highways on all new developments. Hedgehog Highways are created by cutting small holes at the bottom of fences, allowing them to safely cross through gardens, to sources of food and safety.

By some estimates hedgehogs have declined by 75% since the early 1980s, but through the introduction of hedgehog highways and other initiatives there is evidence that populations are starting to stabilise and recover in urban areas.

Waste

During the year we diverted 99% of construction waste from landfill (2021: 98%). To drive continuous improvement, quarterly benchmarking of development waste volumes and costs is being used, supported by bulletins, factsheets and toolbox talks to site teams and employees.

Alongside this operational focus on waste, the digitisation of designs and processes and an increase in the pre-manufactured value of homes is driving out unnecessary waste and increasing resource efficiency.

Reusing soils

Soils and demolition materials account for a large proportion of wastes on Keepmoat sites. Materials Management Plans (MMPs) allow us to utilise excavated made ground and natural soils without them being legally classed as 'waste' and requiring off-site disposal.

We have committed to the use of MMPs on all new developments. This helps us avoid thousands of tonnes of waste that would otherwise be generated from site levelling, excavation for foundations and roads, and utility service trenches. Instead, we sustainably reuse this material in construction - helping to avoid the cost and environmental impact of off-site waste disposal, and the need to import clean virgin soils and stone to site.

Maison Bidco Limited

Strategic Report – Corporate sustainability

Construction climate risks

In recent years we have seen increased risks to our construction activities from our changing climate. Warmer, drier summers are leading to increased risk from dust to local communities and sensitive habitat, while wetter winters increase surface water run-off and the potential for silt pollution.

To address these risks, we have:

- *Enhanced our mandatory Dust Management and Surface Water Management Plans*
- Integrated assurance of key environmental risks into weekly and monthly site inspections
- Trained and briefed staff across the business, including mandatory training for Technical teams and for Construction staff on high-risk sites.

Climate change

Climate change is with us now and is set to increase the frequency of extreme weather events. Six of the ten wettest years for the UK have occurred since 1998.

During the year we reviewed the flood risk profile for all current developments, and we continue to prioritise above ground sustainable drainage solutions such as attenuation ponds and swales. These provide community greenspaces, supporting wellbeing and biodiversity, as opposed to conventional below ground storage

Our commitments to net zero and 1.5°C

We are signed up to Race to Zero, committing to be a net zero business before 2050, and have made a public commitment via the Science Based Targets initiative (SBTi) to set carbon emission targets aligned to the need to restrict global temperature increases to 1.5°C.

How are we reducing carbon emissions

During the year, we successfully trialled battery hybrid generator technology at one of our construction sites. Typically, generators continually run at the same speed regardless of site energy demand. By attaching a battery pack to the generator, energy can be stored when demand is lower, and the generator turned off when the battery is full. The trial delivered demonstrable fuel savings of 84% alongside local level benefits of reduced noise and improved air quality. With subsequent full roll-out of this technology across the business, this project is estimated to deliver a carbon emissions reduction of approximately 100t.

Through purchasing all of our electricity through renewable tariffs, we have saved 320t of CO_2e per annum.

We continue to seek reductions in the carbon footprint of the construction materials we use. During the year we completed a successful trial of warm mix temperature asphalt, which has 10% less embodied carbon when compared to the traditional hot mix product, with no compromise to cost or performance. We also used 4.5 million low carbon bricks, which use a low cement content and produce 50% less carbon during manufacture, which allowed us to save 1,332 t of CO_2e compared to traditional bricks.

To help reduce business travel carbon emissions we have reduced our fleet carbon cap from 185g/km to 150g/km and introduced Ultra Low Emission Vehicles (electric and hybrid options) to all bands of our company car scheme, resulting in a significant move towards these vehicles given high demand by employees.

Our flexible and agile working policies support a blended approach to office and home working, reducing commuting milage and carbon emissions.

As part of our commitment to using lower carbon materials we now use lower temperature asphalt across our business to reduce energy use and carbon emissions in our construction activities.

Warm mix asphalt uses less energy and emits 10% less carbon than hot mix asphalt and can be laid at lower temperatures, allowing us to open the roads more quickly, reducing traffic disruption, without compromising performance.

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Our scope 1, 2 and 3 (business travel) carbon intensity (location-based) was 1.42 tonnes per $100m^2$, a 2.7% reduction compared to FY21, in alignment with our 3% per annum reduction target. Driving this was a reduction in natural gas consumption, a more efficient car fleet and a reduced carbon emission factor for UK electricity resulting from grid decarbonisation. Absolute scope 1, 2 and 3 (business travel) emissions (location-based) decreased by 2.3% compared to FY21.

The table below shows the energy usage and carbon emissions for the Group in line with the Streamlined Energy and Carbon Reporting ("SECR") requirements. All energy and carbon emissions originate in the UK. Our carbon emissions are calculated in accordance with the Greenhouse Gas Protocol – a Corporate Accounting and Reporting Standard. The Group reports location-based and market-based scope 2 electricity data. Market-based data is based on the emissions from electricity purchased by the Group. Location-based uses the average emissions intensity of the UK electricity grid. Purchased renewable sources of electricity used on our sites is supported by Renewable Energy Guarantees of Origin ("RECO") certificates.

	Units	FY20	FY21	**FY22**
Scope 1 – gas consumption	tCO_2e	295	443	**439**
Scope 1 – owned transport	tCO_2e	326	331	**304**
Scope 1 – site equipment	tCO_2e	2,431	2,964	**2,968**
Total scope 1 emissions	*tCO_2e*	*3,052*	*3,738*	***3,710***
Scope 2 – electricity consumption	tCO_2e	285	294	**247**
Scope 3 – business travel	tCO_2e	585	670	**638**
Total emissions	tCO_2e	3,922	4,702	**4,595**
Carbon intensity	tCO2e per 100m2		1.46	**1.42**
Carbon intensity	tCO2e per £100,000 turnover	0.97	0.67	**0.59**
Carbon intensity	tCO2e per home constructed	1.59	1.19	**1.19**
Scope 2 market based	tCO_2e	73	11	**0**
Total energy consumption	MWh	16,388	19,517	**20,165**

Our wider carbon footprint

We have taken steps to baseline our scope 3 emissions, reporting these for the first time in our FY21 Sustainability Report. Our total carbon footprint predominantly arises within scope 3 indirect emissions. The largest categories are the goods and services we purchase and the carbon emissions arising from the use of the homes we sell over their lifetime. We are continually improving the accuracy of our scope 3 footprint, engaging with our largest materials suppliers to gain more information over the carbon emission factors for our widely used products.

We will be driving significant carbon reductions in the use of our homes as part of the 2025 Future Homes Standard, which will see an expected 75% to 80% carbon reduction in use compared to the first edition of 2013 Building Regulations.

	Units	FY20	FY21	**FY22**
Scope 3 - Purchased Goods & Services	tCO_2e	130,181	179,074	**200,498**
Scope 3 - Homes lifecycle	tCO_2e	62,236	87,277	**83,148**
Scope 3 – Other	tCO_2e	12,772	18,029	**20,142**
Total scope 3	tCO_2e	205,189	284,380	**303,788**

Accuracy of data is important when it comes to carbon accounting. This is especially the case as we move to medium and long-term science-based target setting where the baseline data becomes more important.

During the year we engaged carbon experts at Action Sustainability, the team behind the Supply Chain Sustainability School, to verify our carbon emission data ensuring confidence in the accuracy of our measurement and reporting.

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Strategic Report – Corporate sustainability

Our commitment to Section 172 of the Companies Act 2006

Keepmoat aims to be a company that is attractive to investors, delivers high-quality new homes for its customers at prices they can afford, builds long-term relationships with its partners and that is the employer of choice in the home-building industry. This requires the Board, senior leadership and all our people to maintain an approach to strategic, financial and operational decision-making that is values-based, collaborative and sustainable and therefore aligned to the requirements and expectations of Section 172.

As required by Section 172 (s172) of the Companies Act 2006 ("the Act"), a director of a company must act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In so doing, the director must have regards, amongst other matters, to the:

- likely consequences of any decision in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's actions on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly between members of the Company.

Each of the Director's acknowledges their responsibility to promote the success of the company for its shareholders having regard for the interests of other stakeholders in the group and the wider community. The following table identifies where in this annual report the Board has considered our stakeholders in key decision-making in compliance with s172 of the Act:

Partners	Chief Executive's Strategic Update (p3-6), Corporate sustainability (p9-19)
Employees	Chief Executive's Strategic Update (p3-6), Corporate sustainability (p9-19)
Suppliers	Chief Executive's Strategic Update (p3-6), Corporate sustainability (p9-19)
Customers	Chief Executive's Strategic Update (p3-6)
Environment	Corporate sustainability (p9-19)
Community	Chief Executive's Strategic Update (p3-6), Corporate sustainability (p9-19)

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Strategic Report – Performance Data

Our Performance

Where data points are unavailable, these have been left blank in the tables below:

	FY20	FY21	**FY22**
Plots secured (no.as at 31 October)	24,000	24,000	**23,100**
Homes on brownfield land or in regeneration areas (%)[4]		83%	**77%**
Homes on partnership developments (%)[5]		90%	**87%**
Homes on developments with ecological assessments conducted to ensure the prevention of harm (%)		100%	**100%**
Homes on developments with specific ecological enhancement plans (Biodiversity Action Plans) (%)		52%	**64%**
Homes on developments with nature led Sustainable Drainage features (Pond, swales etc) (%)		58%	**60%**
Homes with good access to cycle networks (%)		63%	**61%**
Homes on developments <500m from a public transport node (%)		94%	**92%**
Homes on developments <1000m from a public transport node (%)		98%	**100%**
Homes on brownfield land (%)[4]	70%	69%	**63%**
Homes in regeneration areas (lowest 30% Indices Multiple Deprivation) (%)		63%	**61%**

	FY20	FY21	**FY22**
Average EPC score and SAP rating	B(84)	B(84)	**B(84)**
EPC B or above	99%	98%	**>99%**
Average kWh/m2/yr. (home regulated energy)	88.8	88.6	**86.4**
Average KgCO2e/m2/yr.	15.6	15.5	**13.9**
Average water use of homes (litres per person per day)	83.7	83.7	**83.7**
Homes completed using Modern Method of Construction (MMC) (%)[6]	16%	12%	**9%**

	FY20	FY21	**FY22**
Local supply chain spend[7]		£227.5m	**£263.3m**
Modern Slavery risk assessments (%) supplier and sub-contractor spend		93%	**94%**
Timber materials suppliers with FSC or PEFC Chain of Custody certification (%)	100%	100%	**100%**
Timber purchased from building materials suppliers with FSC or PEFC certification (%)	>99%	>99%	**>99%**

[4] Brownfield land % is calculated in accordance with the definition within the National Planning Policy Framework

[5] Partnership development definition – public sector partners or strategic private partners

[6] MMC as reported above relates to timber frame and volumetric construction methods

[7] Spend in local supply chain is defined as spend with suppliers located within a 30 mile radius of the procuring Keepmoat development

Maison Bidco Limited

Strategic Report – Performance Data

Our Performance

	FY20	FY21	FY22
Injury Incident Rate (RIDDOR) (AIIR) per 100,000 workforce[8]	531	539	**312**
Safety inspections (site, contract, director)	4,096	5,239	**5,650**
Tonnes of construction waste per 100m2 completed build area		7.88	**7.97**
Diversion from landfill rate (%)	98%	98%	**99%**
Construction waste (tonnes)	18,064	23,703	**23,982**
Construction waste diverted from landfill (tonnes)	17,761	23,335	**23,800**
Construction waste to landfill (tonnes)	304	370	**182**
NHBC reportable items per inspection	0.23	0.28	**0.37**

	FY20	FY21	FY22
Homes completed (no).	2,460	3,915	**3,776**
Homes completed (operational control – inc. JVs)[9]	2,460	3,957	**3,867**
HBF Customer Satisfaction Star rating[10]	**4**	5	**5**
Average selling price (£)	165,000	179,000	**204,000**
Open market sales to first time buyers (%)[11]	70%	79%	**71%**

	FY20	FY21	FY22
Employees - average during the period (no.)	1,145	1,070	**1,113**
Male: Female employees (%)	67:33	67:33	**66:34**
Male: Female senior managers (%)	78:22	79:21	**78:22**
Male: Female Executive (%)	92:8	86:14	**86:14**
Mental Health First Aiders in position (no.)	33	38	**43**
Investors in People rating	Standard	Standard	**Standard**
Trainees, apprentices, and graduates (%)	8%	6%	**6%**
Employees on trainee, apprenticeship, and graduate schemes (no.)	87	70	**69**
Graduates recruited in financial year (no.)		10	**5**
Apprentices recruited (direct and indirect)	45	41	**25**

	FY20	FY21	FY22
Social value generated (£m)[12]	£18.5m	£200.8m	**£229.3m**
NPPF Affordable homes (%)[13]	37%	39%	**28%**

[8] Injury Incident Rate (RIDDOR) (AIIR) is calculated as follows (RIDDOR reportable injuries per year / direct and subcontract employment) X 100,000

[9] Homes completed (operational control) includes all joint venture homes completed where Keepmoat has operational control.

[10] The HBF Customer Satisfaction star rating represents the 8-week satisfaction score held by the Group as at 31 October each year

[11] First time buyers % is determined from customer feedback surveys and relate only to open market sales

[12] Social value increased significantly in FY21 due to implementation of Impact Reporting, and improved data on spend in local communities

[13] Affordable homes % is calculated in accordance with the definition within the National Planning Policy Framework

Maison Bidco Limited

Strategic Report – Principal risks and uncertainties

Principal risks and uncertainties

In order to successfully deliver our business strategy and objectives, it is paramount that we are effectively managing risk and that processes and controls to mitigate these risks are embedded across our business. Our risk management framework considers strategic and operational risk throughout the business and ensures we have sufficient controls and measures in place, or future planned actions, to bring residual risk to appropriate levels.

During the year, risks linked with "External economic factors" and "Build costs and the availability of resources" have increased. Other risks remain unchanged. We continue to develop and evolve our control environment to respond to business developments and changes.

Risk and Description	Possible Impact	Mitigation	Movement in Year
External Economic Factors			
A number of external factors, over which we have limited control, have the potential to impact our revenue and business, including: • Changes in the macroeconomic environment • Political instability • House price inflation and interest rates • Unemployment levels • Mortgage availability • Government housing policy including incentives • The spread of an infectious disease on a pandemic scale • The impact of geo-political and global security on the UK economy	A significant decline in the macroeconomic environment with consequent impact on demand in the UK housing market, either through unemployment, increased cost of living or affordability of mortgages, could have an adverse impact on revenue, profit and cash generation.	Strong partner relationships and the use of multi-tenure delivery result in a well-defined pipeline of future visibility of revenue. Management regularly assess future revenue risk through analysis of the land pipeline and adjusts the scale of structural investment accordingly. Monitoring and communication of Government policy and participation in industry consultation. Monitoring of business KPIs, such as enquiries, visitor numbers, reservation and cancellation rates and achieved prices. Maintenance of an appropriate capital structure and balance sheet control. Monitoring of cashflows, forward sales and build work in progress including assessment of the most effective use of capital investment in build and land. Robust and tested business interruption planning, including procedures to slow down and stop activity.	Increasing. Demand for our affordable homes has remained strong, however recent political uncertainty in the UK has added to economic challenges arising from high inflation and energy costs. These factors have led to increased uncertainty for home buyers that may impact demand. We continually monitor the economic environment and evolve our strategic and business objectives. We have no direct exposure to Russia or the Ukraine but continue to monitor this and other evolving situations and will take any necessary actions required.
Land			
Inability to procure suitable land at appropriate margins, in the right locations and at the right time in relation to our strategy and economic cycle could impact future profitability and the achievement of strategic growth targets.	If we are unable to secure sufficient appropriate land it could affect both our volume growth targets and have a detrimental effect on future profitability.	We have a clear geographic focus and threshold returns applied to all land investment. Due diligence is conducted on all proposed land purchases and is kept under review to ensure investment in land is strategically aligned to our business model. Land and partnerships teams are in constant dialogue with our partners over the availability and suitability of land.	No change. The pipeline of land opportunities remains healthy and sufficient to deliver our strategic and business objectives.

Maison Bidco Limited

Strategic Report – Principal risks and uncertainties

Risk and Description	Possible Impact	Mitigation	Movement in Year
Commercial			
We enter partnership arrangements for the delivery of high value housing developments, some of which involve joint ventures, through which we incur commercial risk in relation to the acquisition and execution of these developments.	A failure to adequately control project bidding and execution could result in exposure to higher levels of risk and lower levels of profitability.	We operate a clear and robust project bidding and authorisation policy with a high level of scrutiny early in the process. All developments are approved by the Executive Capital Investment Committee, in line with our land acquisition process. We undertake structured project approval and performance reviews, identifying risk and amending project delivery programmes as required.	No change.
Build Costs and Availability of Resources			
Project delivery is dependent on sub-contractors and material suppliers.	Poor or late availability of labour or materials could impact our ability to operate efficiently and deliver projects on time with high levels of partner and customer satisfaction.	We maintain strategic supply agreements with major material suppliers. Project scheduling allows material orders to be raised with appropriate lead times for delivery without impacting overall project timelines. A broad sub-contractor base delivers services across the group, with no dependence on any single sub-contractor in any region. Continued review and monitoring of supplier and sub-contractor performance. A collaborative approach is taken with suppliers to identify downstream supply chain issues.	Increasing. With the increasing economic and political uncertainty in the UK, the impact on our business is continuing to be reviewed and responded to. As with all business, inflation and high energy costs continue to impact the cost of materials and sub-contract labour.
Health, Safety and Environment			
The safety and wellbeing of our employees, sub-contractors and visitors is of critical importance. Significant environment contamination and / or damage could be caused by development activities.	A significant health, safety or environmental event could lead to serious injury, death or environmental damage with consequent adverse effects on reputation, with possible litigation, prosecution and financial losses.	Policies, procedures, training and reporting are all maintained to industry standard and are carefully monitored to ensure high standards are maintained. The Executive Board considers health, safety and environmental matters during regular, structured meetings. Senior management and external consultants make regular site visits to monitor the implementation our policies and procedures. We have appropriate and adequate insurance covering the risks associated with housebuilding.	No change.

Maison Bidco Limited

Strategic Report – Principal risks and uncertainties

Risk and Description	Possible Impact	Mitigation	Movement in Year
Financial Security			
The cashflow requirements of our contracts can be very different, and availability of liquidity is critical to our ability to grow and deliver successful projects.	A lack of short-term liquidity could impact on our ability to invest in land and build, constraining growth and / or impacting our ability to pay sub-contractor and material suppliers, resulting in a failure to deliver projects to an acceptable standard and on time.	We maintain strong financial discipline. Cash generation and facility headroom is monitored by robust budgeting, forecasting and cash management disciplines. Regular contact is maintained with our lenders to ensure adequate overall bank facilities are in place. Strong partner, supplier and sub-contractor relationships facilitate the effective management of site level liquidity.	No change. Our balance sheet remains strong, and we maintain operational capital discipline and effective management of liquidity.
Government Policy			
Changes to Government policy in areas such as housing, planning and building regulations may result in increased costs and / or delays.	Failure to obtain planning on a timely basis, or meet building regulations, could result in delays and exposure to penalties as well as reputational damage.	We regularly assess the policy landscape and develop strategies to meet changing requirements. We regularly consult with Government agencies and local authorities, specialist external advisors and subject matter experts. We have in-house expertise in legal, regulatory, health and safety and technical functions, who advise and support on related policy matters.	No change. We continue to evolve our preparedness and planning for Future Homes, Part L and the New Homes Ombudsman. We continue to monitor the regulatory environment for changes.
Customer service			
Inability to provide the customer journey, high-quality home and timely defects resolution that result in high levels of customer satisfaction.	Damage to our reputation and failure to consistently meet our strategic objective of being a 5 star housebuilder.	Regular monitoring of key performance indicators including 8 weeks and 9-month survey results, open defects, defects outside of our service level commitments and, defects per plot. A revised Customer Hallmark process has been embedded with additional inspections and time to rectify issues. Rigorous management of build programmes and customer service activity to ensure high build standards and effective defects resolution. We have registered for the New Homes Quality Code.	No Change. Customer delight has always been at the heart of our strategy, and we will work to continued high standards in this area.

Maison Bidco Limited

Strategic Report – Principal risks and uncertainties

Risk and Description	Possible Impact	Mitigation	Movement in Year
People			
Inability to attract, develop and retain appropriate people across the business.	Insufficient capacity and capability will affect our ability to meet our key strategic targets.	We offer competitive salary and benefits packages which are benchmarked regionally. We have a comprehensive training and development programme covering all roles from apprenticeships to senior leadership roles. Regular performance and development reviews are in place. We review retention rates on a regular basis and assess the root cause of departures through structured exit interviews. Succession planning is in place for all key roles within the Group. Regular employee surveys are conducted to assess employee satisfaction and engagement.	No change. Whilst our industry continues to face increased demands for employees, we have continued to invest in our people strategy to ensure we attract and retain the right people.
IT and Cyber			
Failure or data loss from any core business IT system, in particular those relating to customer information, surveying and valuation.	Poor performance of our systems would impact our operational efficiency, profitability and our control environment. Data loss could result in financial loss and reputational damage.	Regular scans and security testing of all key business systems to identify any areas of weakness, vulnerability and technical improvement. Technical and procedural controls help to identify, protect, detect and respond to cyber-related incidents. We have migrated to a new Cyber Security Operations Centre in FY22 with an extended remit to respond to incidents as well as monitoring. This ensures the business can rapidly detect and respond to attacks to minimise their impact.	No change. The threat of external cyber security risks are continuously monitored and mitigated through investment in our IT systems, networks and cyber security policies and procedures. We have significantly strengthened our security posture in FY22, successfully retaining Cyber Essentials Plus accreditation against a much stricter set of criteria.
Legal and Regulatory Compliance			
Inability to meet the requirements of applicable legislative and regulatory requirements.	Lack of appropriate policies, procedures, training and compliance could result in financial penalties and other regulatory consequences.	Group-wide policies, procedures and training are in place covering key compliance and regulatory areas, supported by whistle blowing procedures. We monitor compliance with key legislation and regulatory requirements, as well as providing guidance, training and support to the wider business.	No change. We continue to assess and plan for developments and changes in legal and regulatory requirements.

Maison Bidco Limited

Strategic Report – Principal risks and uncertainties

Risk and Description	Possible Impact	Mitigation	Movement in Year
Climate change and sustainability			
Changes to both short-term and longer-term weather events and longer term changes to weather patterns may result in reduced land availability, shortages of materials and/or disruption to build programmes with consequent increases in costs. The development of the Group's Sustainability strategy and implementation of practical measures to enhance the Group's sustainable practices and processes and meet evolving statutory and regulatory changes is essential to transition to a net-zero business.	The effects of climate change on our business and consequent environmental impacts on our supply chain could impact our ability to attract investment and the ability to deliver our strategic growth targets. Failure to achieve our sustainability goals and respond to the expectations of our customers, partners, employees, subcontractors, suppliers, investors and other stakeholders could impact our reputation, ability to acquire land, secure planning permission, attract customers, recruit and retain employees and raise finance.	A clear strategy and adoption of science based targets to reduce Green House Gas (GHG) emissions. Tracking our GHG emissions, waste, climate change and other sustainability performance indicators to monitor progress towards our targets and inform risk management. Our Executive Sustainability Committee oversees the delivery of our Sustainability strategy and assesses climate related risks and opportunities on an ongoing basis. Our Environmental Management System (certified to ISO14001:2015) assures the effective assessment and control of environmental (including climate related) risks and opportunities across the development lifecycle. We continue to make significant progress towards our objective of reporting in accordance with the disclosure requirements of the Task Force on Climate Related Financial Disclosures (TCFD) framework. We are developing our standard product to meet the climate and environmental requirements of the Future Homes Standard and to support regeneration and the development of sustainable communities.	No change

Maison Bidco Limited

Strategic Report – Principal risks and uncertainties

Climate risks

Keepmoat is progressing adoption of the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD) in reporting. While full adoption of TCFD is in progress, the below table provides a summary indication of readiness, as part of our journey of progression. During the year, we have worked with the Grantham Centre for Sustainable Futures to provide recommendations on our road map to TCFD compliance.

Governance	Strategy	Risk Management	Metrics and targets
Sustainability risks and opportunities, including those around climate change, are raised to the Board through the Executive Sustainability Committee. Management and assessment of climate risks and opportunities are identified and addressed through the Sustainability Steering Committee that liaises closely with functional and regional leadership. Advice on climate change and carbon reduction is provided via our IEMA accredited internal Sustainability team.	Our 2021 Annual Report introduced 'Climate Change and Sustainability' as a new principal risk and uncertainty for the business. Read more about this risk on page 26. Independent climate risk reports were undertaken during 2021 and we are currently working to apply different climate scenarios to these analyses. During the period, a double materiality assessment took place which will lay the foundation for a refreshment of our current sustainability strategy.	Climate risks are manged through our ISO14001:2015 management system and are assessed in relation to the Group's organisation context, including stakeholder requirements and compliance obligations. Business functions contribute to identification and management of these risks through the Sustainability Steering Committee, with risks assigned an 'owner' ensuring that mitigations and controls are actioned. Residual risks are reassessed, after which significant risks can be escalated to the corporate risk register, ensuring Executive oversight.	Keepmoat records and reports a number of metrics on carbon emissions (scope 1, 2 and 3). The business also reports on climate adaptation metrics including the proportion of developments with Sustainable Drainage Systems (SuDS) ponds and the energy efficiency (EPC) rating of homes. At the time of writing our carbon reduction target is to reduce scope 1 & 2 emissions by 3% per annum. The business has pledged to set a science-based carbon emission target via the SBTi and has joined the Race to Zero with a pledge to be net zero carbon by at least 2050.

Maison Bidco Limited

Strategic Report – Principal risks and uncertainties

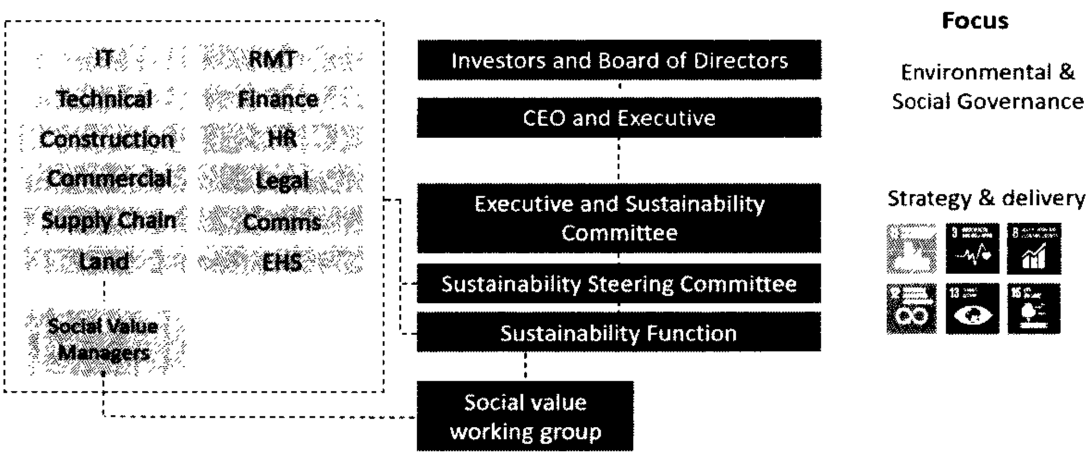
Sustainability in governance

Sustainability is embedded into the leadership of the business, with a Sustainability Committee of the Executive meeting quarterly. This ensures that the Executive have a clear view of progress on sustainability, and the ability to ensure sustainable thinking influences activities across the whole business.

Delivery of sustainability across the business is supported by regular sustainability messaging through our 'Hub' intranet site, weekly 'Monday Matters' employee newsletter and 'Home', our seasonal employee magazine. During the year we introduced Sustainability 'Lunch n Learn' monthly webinars, with all employees invited to learn more about issues such as climate change, social value, and other aspects of sustainability. This is advertised through a monthly Sustainability Roundup employee newsletter.

Sustainability expertise is provided by our inhouse sustainability team, led by a Head of Sustainability qualified to IEMA Practitioner level.

At the community level, our Social Value Managers remain as part of our local Land and Partnerships Teams, coordinating delivery of social value locally, with strong channels of communication via a Social Value Working Group which meets monthly.



* RMT refers to the Regional Management Team

Whistleblowing

Keepmoat has a whistleblowing system in place via the Safecall service, where complaints and alerts can be made confidentially on topics including modern slavery, bullying, harassment, discrimination, and bribery and corruption.

Incidents are recorded in our Compliance Register according to our Whistleblowing Policy.

Bribery and Corruption

We have a robust system of controls to reduce bribery and corruption risks to our business. At the centre of this is our Anti-Bribery and Corruption Policy. All our employees must undertake annual Anti-Bribery and Corruption training and a register is in place for gifts and hospitality.

Due diligence checks are conducted against supplier and sub-contractor Anti-Bribery and Corruption Policies, and the business has recently adopted the Achilles Building Confidence tool to aid this process. This compliments the CHAS Advanced Scheme already in place for our sub-contractors.

Modern Slavery

Modern Slavery risks are assessed in alignment with the Modern Slavery Act and the appropriate statements are displayed on our company website.

Strategic Report – Chief Financial Officer's review

The Group has delivered exceptional, record-breaking performance in the period ended 31 October 2022 in a buoyant UK housing market environment. With growing revenues and effective use of working capital, the results for the period demonstrate our strong underlying profitability, which was delivered through disciplined operating performance. We saw consistently strong demand for our product from private buyers and across our multi-tenure sales channels reflecting the need for the affordable, high-quality homes we are consistently delivering around the country. Our average selling prices remain affordable for first time buyers and below the average new build selling prices in the regions in which we operate. We have also continued to invest judiciously in new land opportunities, with strong security established for delivery into the next financial year and beyond. This excellent performance demonstrates the opportunity and resilience of the Group's partnership business model.

Basis of presentation

The financial statements and notes presented on pages 43 to 83 of this report are the Maison Bidco Limited (Maison Bidco Limited and its subsidiaries, "the Group") consolidated results for the 66-week period ended 31 October 2022. Maison Bidco Limited was formed to facilitate the acquisition of Keystone Topco Limited and its subsidiaries ("the Keystone Group") by funds managed by Aermont Capital LLP ("Aermont"), which completed on 26 October 2021. The acquisition was financed via an equity investment from Maison Hold Limited, the immediate parent company of Maison Bidco Limited and through the issuance of senior secured notes via Maison Finco PLC, an immediate subsidiary company of Maison Bidco Limited. The proceeds from the issuance of the senior secured notes were loaned to Maison Bidco Limited in order to be used in the acquisition of Keystone Topco Limited.

These financial statements represent the first reporting period for Maison Bidco Limited and comprise the 370 day trading results of the acquired Keystone Group together with the results from incorporation of the Company and other subsidiaries formed to facilitate the acquisition of Keystone Topco Limited, which, prior to the acquisition, was the head of the group of companies making up the Keystone Group.

This Strategic Report, including the Chief Financial Officer's review which follows, contains the unaudited proforma results of the Group for the twelve months ended 31 October 2022 and the comparative twelve months ended 31 October 2021, in order to facilitate meaningful analysis of the underlying business trading. A number of financiers and investors of the Group also monitor the twelve-month trading position and so the Directors believe that inclusion of this proforma financial information provides a reader of these financial statements with a better understanding of the business performance of the Group. The proforma income statement on page 32 shows the consolidated results of the Group on a comparable basis for the twelve months ended 31 October 2022 and the twelve months ended 31 October 2021. The proforma figures are prepared on the same basis as the Maison Bidco Limited Group IFRS audited consolidated financial statements for the 66 week period ended 31 October 2022, adjusted for three items in both years; (1) elimination of non-recurring exceptional costs relating to the acquisition, (2) revision of term debt interest costs to illustrate the interest charge had the senior loan notes been in issue throughout both financial years and (3) elimination of shareholder monitoring fees paid to the previous shareholders.

Twelve-month financial performance[1]

The Group has delivered a strong financial performance this year, returning record revenues and operating profit from robust trading across all our regions in a positive UK Housing market environment. Revenue for the year was £778.1m (2021: £701.6m), an increase of 10.9%. We continued to see both strong sales demand and strong sales price increases, which has outstripped build cost inflation throughout the period and demonstrates our strong underlying profitability, delivered through disciplined operating performance. Closing cash and cash equivalents of £84.5m places the Group in a strong financial position to invest in our strategic plans for continued growth in the medium term.

Completions[7] in the year to 31 October 2022 ("FY22") were 3,776, a decrease of 3.6% on the prior year (year to 31 October 2021: 3,915 homes). This decrease in completions was more than offset by higher sales prices.

With strong demand, average selling prices ("ASP") increased by 14.0% to £204,000 (2021: £179,000) during the year, reflecting the inflationary environment in the UK housing market.

Our delivery to Registered Providers made up 24.9% of the Group's volume (2021: 34.0%) reflecting the focus on our mixed tenure partnership model and providing resilience in the medium term.

As a result, Adjusted Gross Profit[2] for the Group increased by 18.4% to £175.9m (2021: £148.6m). Adjusted Gross margin[3] was 22.6%, an increase on the prior year, as increases in selling prices more than offset cost inflation.

Adjusted EBIT[4] increased strongly to £110.5m (2021: £79.8m) at an EBIT margin of 14.0% (2021: 11.4%) reflecting strong sales price growth, an improving mix of newer, more profitable sites and disciplined cost control.

Net financing costs at £51.0m were £21.5m higher than the prior year due to a larger unwind of discount on deferred land payments, reflecting the investment in the land pipeline in the year, along with an increase in interest charged on the intercompany finance in place. As a result, the Group delivered a loss before tax for the year of £54.5m (2021: profit before tax £49.8m).

[1] The twelve-month financial performance relates to the unaudited pro-forma twelve-month results as presented and described on page 32.

In order to provide clearer visibility of the underlying performance of the Group, the Board elect to measure profits on an adjusted basis alongside other key KPIs as follows:

	66 Week Period ended 31 October 2022 £m	**Proforma Year ended 31 October 2022 £m**	Proforma Year ended 31 October 2021 £m
Revenue	**839.1**	**778.1**	701.6
Adjusted Gross Profit [2]	**188.9**	**175.9**	148.6
Adjusted EBITDA [5]	**126.4**	**114.4**	84.0
Adjusted EBIT [4]	**122.5**	**110.5**	79.8
Adjusted Operating Profit [6]	**117.4**	**105.3**	79.7
(Loss) / Profit Before Tax	**(58.5)**	**(54.5)**	49.8
Operating Cash Flows	**23.1**	**(5.2)**	40.7
Completions [7]	**4,072**	**3,776**	3,915

2. Adjusted Gross Profit is gross profit adjusted for amortisation of acquisition intangible assets and acquisition fair value adjustments (a reconciliation of gross profit to Adjusted Gross Profit is provided in note 3).
3. Adjusted Gross margin represents Adjusted Gross Profit divided by Revenue.
4. Adjusted EBIT is earnings before interest, tax, amortisation of acquisition intangible assets, impairment of investments and share based payment charges and is calculated before exceptional items and acquisition fair value adjustments (a reconciliation of operating profit to Adjusted EBIT is provided in note 3).
5. Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairment of investments and share based payment charges and is calculated before exceptional items and acquisition fair value adjustments (a reconciliation of operating profit to adjusted EBITDA is provided in note 3).
6. Adjusted Operating Profit is stated before exceptional items, amortisation of acquisition intangible assets and acquisition fair value adjustments (a reconciliation of operating profit to Adjusted Operating Profit is shown on the face of the consolidated statement of comprehensive income).
7. Completions represent the number of new build homes that we have sold over the applicable period. For private homes this is the number of legal completions during the period. For Registered Provider homes this represents the equivalent number of units sold, based on the proportion of work completed under a contract during the period.

66-week financial performance

Revenue for the 66-week period was £839.1m, leading to an Adjusted Gross Profit of £188.9m and Adjusted Gross margin of 22.5%. ASP for the 66-week period was £204,000. Delivery to Registered Providers made up 23.3% of the Group's volume for the 66-week period. Adjusted EBIT for the 66-week period was £122.5m. Net financing costs for the 66-week period were £52.0m resulting in a loss before tax after exceptional items of £58.5m.

Exceptional items

On the 26 October 2021, on completion of a formal acquisition process, Maison Bidco Limited acquired the Keystone Group. During the period ended 31 October 2022 the Group engaged in corporate activity in relation to the acquisition process, under which advisory costs of £15.1m were incurred primarily relating to corporate finance advisory fees, reporting accountant fees, legal fees and consultancy fees.

Financial position

At 31 October 2022 the Group had net assets of £196.0m.

Inventories were £593.5m. Land inventory represents approximately half of the inventory balance. The Group ended the year with net cash (including bank overdrafts) of £84.5m.

	Statutory 66 Week Period ended 31 October 2022 £m	**Unaudited Proforma Year ended 31 October 2022 £m**	Unaudited Proforma Year ended 31 October 2021 £m
Cash flow from operating activities before tax	**33.7**	**5.4**	43.9
Tax	**(10.6)**	**(10.6)**	(3.2)
Total cash flows from operating activities	**23.1**	**(5.2)**	40.7

The Group was cash generative, with proforma cash flow from operating activities before tax of £5.4m (2021: £43.9m) after investing £66.7m in working capital in the year (2021: £2.3m). Proforma net cash outflow from financing activities was £28.7m (2021: inflow of £10.9m). This reflected the repayment in full of the term loan facility following the Group being acquired by funds managed by Aermont on 26 October 2021, with the repayment funded by the issue of senior secured notes by Maison Finco PLC, a subsidiary of Maison Bidco Limited.

	31 October 2022 £m
Senior secured notes	**275.0**
Revolving credit facility	-
Lease liabilities	**8.6**
Cash and cash equivalents	**(84.5)**
Net debt	**199.1**

Following the acquisition of the Keystone Group by the Company, the Group became party to debt facilities entered into by the Company and its 100% subsidiary Maison Finco PLC. At the same time the Group repaid the previous bank facilities held by the Keystone Group. The new facilities include £275.0m, 6% Senior Secured Notes due October 2027, which were fully drawn in October 2021. In addition, the Group has a £70.0m Revolving Credit Facility maturing in April 2027 which was undrawn at 31 October 2022.

Finance expense and taxation

Proforma financing expenses were £51.1m (2021: £29.9m) leading to a proforma cash outflow of £18.7m (2021: outflow of £15.8m). The proforma charge includes non-cash amounts of £10.5m (2021: £10.2m) in respect of the unwind of discount on deferred land payments.

The proforma total tax credit for the year was £10.6m (2021: charge of £0.9m) and was made up of a current tax charge of £11.8m and a deferred tax credit of £22.4m.

Working capital

The amount of working capital required to service the Group's operations is closely monitored and controlled and forms a key part of the management information reviewed on a daily, weekly and monthly basis. Current assets mainly comprise trade receivables, work in progress and land held for the development of private housing and affordable housing through partnership schemes. As the Group's trade receivables relate mainly to public sector and Housing Association clients, there is no significant history of bad or doubtful debts.

Performance bond facilities

The Group, like most construction businesses, may in some cases rely on the use of performance bonds issued by surety companies to our clients. The Directors are pleased to report that the Group has adequate performance bonding lines in place with surety companies to meet the Group's growth plans.

Land bank pipeline

At 31 October 2022, the number of planned future completions within our land pipeline, including sites where we have been appointed as preferred developer, was over 23,100, representing 6 years of delivery at current volumes, providing significant forward visibility for the Group.

Maison Bidco Limited

Strategic Report – Chief Financial Officer's review

As detailed above, the financial results of the Group are monitored on a twelve-month basis. As such, the proforma income statement for the Group, along with the proforma comparative results and a reconciliation to the statutory results are detailed below.

Consolidated proforma income statement
For the period ended 31 October 2022

	66 Week Period ended 31 October 2022 £m	Unaudited 14 Week Period ended 31 October 2021 £m	**Unaudited Proforma Year ended 31 October 2022 £m**	Unaudited Proforma Year ended 31 October 2021 £m
Group revenue	**839.1**	61.0	**778.1**	701.6
Cost of sales	**(759.0)**	(48.0)	**(711.0)**	(553.4)
Gross profit	**80.1**	13.0	**67.1**	148.2
Administrative expenses	**(72.2)**	(0.9)	**(71.3)**	(69.3)
Other operating income	**0.7**	-	**0.7**	1.3
Other operating expenses	**(0.7)**	-	**(0.7)**	(0.9)
Share of results of equity accounted joint ventures and associates	**0.7**	-	**0.7**	-
Adjusted operating profit	**117.4**	12.1	**105.3**	79.7
Amortisation of acquisition related intangible assets	**(67.3)**	-	**(67.3)**	(0.4)
Unwind of acquisition fair value adjustments	**(41.5)**	-	**(41.5)**	-
Operating profit / (loss)	**8.6**	12.1	**(3.5)**	79.3
Finance income	**0.1**	-	**0.1**	0.4
Finance expense	**(52.1)**	(1.0)	**(51.1)**	(29.9)
(Loss) / Profit before tax	**(43.4)**	11.1	**(54.5)**	49.8

Operating profit is before £15.1m of exceptional costs (2021: £36.7m). Including this balance would result in an operating loss of £6.5m for the 66-week period end 31 October 2022 (year ended 31 October 2021: £42.6m profit).

The proforma results for the year ended 31 October 2021 represent the trading results of the Keystone Group adjusted to reflect the results at a Maison Bidco Limited consolidated level as if the acquisition of the Keystone Group had taken place on 1 November 2020. Adjustments to the consolidated Group IFRS results for the year ended 31 October 2021 included above are as follows:

- Non-recurring exceptional costs relating to the acquisition, ordinarily included within administrative expenses, totalling £15.1m (2021: £36.7m) have been added back in the figures above.
- Term debt interest costs incurred in relation to the historic debt facility totalling £nil (2021: £14.0m) have been substituted by estimated finance charges on the senior secured notes, had they been in place throughout both years.
- Shareholder monitoring fees paid to the previous shareholders, ordinarily included within administrative expenses, totalling £nil (2021: £2.0m) have been added back in the figures above.

This Strategic Report, which encompasses the Chief Financial Officer's Review, was approved by the Board of Directors and signed on its behalf by:

Mark Priest
Chief Financial Officer

27 February 2023

Maison Bidco Limited

Directors' Report

The Directors present their annual report and the consolidated audited financial statements of the Group for the 66-week period ended 31 October 2022.

Principal activities

Maison Bidco Limited ("the Company") was incorporated on 23 July 2021. The Company is an investment holding company which, following the acquisition of Keystone Topco Limited, heads a group of companies that are engaged in the construction of residential dwellings and associated development contracts. The company's immediate parent company is Maison Hold Limited, and the ultimate UK based parent company is Maison Holdco Limited.

The Company's subsidiaries are listed in note 25 to the financial statements.

Business review and future developments

The consolidated loss for the financial period was £49.8m. The Company did not pay a dividend during the period and no final dividend is proposed. A review of the results, performance and future developments for the Group are presented in the Strategic Report on pages 3 to 32 which forms part of this report.

Acquisition

On 26 October 2021, on completion of a formal acquisition process, the Company acquired the Keystone Group (Keystone Topco Limited and its subsidiaries), financed by funds managed by Aermont Capital LLP (Aermont), a European based independent asset management business with a wide range of property interests across Europe. In connection with the purchase, certain of the Keystone Group's existing debt was refinanced and replaced with a combination of high-yield securities and a new revolving credit facility. At completion the Company, as immediate parent company, acquired the entire issued share capital of Keystone Topco Limited.

Going concern

The Group's business activities, together with the factors likely to affect its future development, are set out in the Strategic Report on pages 3 to 32. The financial position of the Group, its cash flows and borrowing facilities are described on pages 30 to 31 of the Strategic Report.

Having considered the Group's forecasts including its forecast cashflows, the Directors are satisfied that the Company has sufficient liquidity and covenant headroom to enable the Group to conduct its activities and meet its liabilities as they fall due for the foreseeable future being at least twelve months from the signing of these financial statements. Accordingly, these financial statements are prepared on the going concern basis.

Further details of the Directors' assessment of going concern can be found in the principal accounting policies on page 48.

Financial risk management

In the course of its ordinary activities, the Group is exposed to financial risks which include liquidity, credit and interest rate risks. These risks are monitored and managed through robust policies and procedures. Further details are included in note 23 of the financial statements.

Liquidity risk relates to the Group generating sufficient cash flow to meet its operational requirements while avoiding debt covenant breaches or excessive debt levels. Total borrowings are a combination of long-term senior secured notes and long term committed revolving working capital credit facilities.

Credit risk is in relation to trade receivables from customers. Given that the majority of trade receivables are with public and regulated organisations, the exposure to credit risk is very limited.

Interest rate risk relates to the impact of interest rate increases on the Group's floating rate borrowings. The Group's high yield securities are at a fixed rate. The revolving credit and overdraft facilities are all on floating rates. The revolving credit and overdraft facilities do not represent a significant proportion of total borrowings and therefore the impact of interest rate increases is limited.

Directors

The Directors who held office during the period and up to the date of signing the financial statements are given below:

M Priest (appointed 26 October 2021)
T Beale (appointed 26 October 2021)
S Das (appointed 31 March 2022)
P Golding (appointed 23 July 2021)
K Pierre (appointed 23 July 2021)
M Molton (appointed 23 July 2021, resigned 26 October 2021)
A Trewartha (appointed 26 October 2021, resigned 31 March 2022)
S Wells (appointed 27 August 2021, resigned 14 September 2021)

In accordance with the Articles of Association, none of the Directors are required to retire by rotation.

Maison Bidco Limited

Directors' Report

Employees

The Group believes that its success depends upon its employees and their development. Further details are provided within the Strategic Report.

Directors' indemnities

The Group maintains liability insurance for its Directors and officers which remains in place up to the date of this Annual Report. The Group has also provided an indemnity for its Directors, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006. This indemnity has been in force throughout the year and up to the date of signing the financial statements.

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 law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements, and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The Directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

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

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

Independent auditors

In the absence of any notice proposing to terminate their appointment, PricewaterhouseCoopers LLP will be deemed to be appointed for the next financial year. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

Approved by and signed on behalf of the Board.

M Priest
Director

27 February 2023

Maison Bidco Limited

Independent Auditors' Report
to the members of Maison Bidco Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Maison Bidco Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 October 2022 and of the group's loss and the group's cash flows for the 66 week period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the group and company balance sheets as at 31 October 2022; the consolidated statement of comprehensive income, consolidated and company statements of changes in equity and the consolidated cash flow statement for the period then ended; the principal accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Context

Maison Bidco Limited is an investment holding company which heads a group of companies engaged in the construction of residential dwellings and associated development contracts. The group is wholly UK based operating in nine regions nationally. The group is susceptible to macro-economic factors such as Government regulation, mortgage availability and changes in the wider house building sector including customer demand, house price inflation, supply chain availability and build cost inflation. This was particularly relevant for our work in the area of cost forecasts and margin estimates.

Overview

Audit scope

- The group financial statements are a consolidation of 24 components and the consolidation journals.
- We identified two components which, in our view, required an audit of their complete financial information, due to their size.
- Audit procedures were performed over specific balances and transactions in two other components to ensure coverage over other specific balances within the consolidated financial statements.
- This covered 100% of the group's revenue and 100% of the group's Adjusted EBITDA.

Key audit matters

- Valuation of inventories and margin recognition (group)
- Business combinations and acquisition accounting (group)
- Carrying value of goodwill and intangibles (group)
- Valuation of investment in subsidiaries and amounts due from subsidiary undertakings (parent)

Materiality

- Overall group materiality: £3.2m based on 2.5% of the group's adjusted EBITDA (earnings before interest, tax, depreciation, amortisation, impairment of investments and share based payment charges and is calculated before exceptional items and acquisition fair value adjustments).
- Overall company materiality: £15.1m based on 2% of total assets.
- Performance materiality: £2.4m (group) and £11.3m (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Valuation of inventories and margin recognition (group) Refer to pages 49 to 56 of the Principal accounting policies and note 12 ('Inventories') in the financial statements. We focused upon this area because the value of the group's land held for and under development and housebuilding developments in progress (together "Inventories") amount to £593.5m and represent a significant proportion of assets in the group balance sheet. Determining the carrying value of inventories requires a high degree of estimation. For developments in progress, we consider the appropriate margin recognition across the life of the site to be a financial reporting risk, principally due to the high level of management estimation involved in the accounting for the group's developments given that sales prices and build costs are inherently uncertain and are influenced by changes in external market factors. The estimates of these factors drive the margin forecast for each site which determines the recognition of costs and margin as revenue is recognised. There is a risk that the margin forecast for each site overall, and therefore the margin recognised as revenue is recognised, is not appropriate and reflective of the actual profit margin that will be recognised on a development in total. This also impacts the carrying value of developments in progress within inventories at the period end.	To assess the appropriateness of the valuation of inventories and margin recognition, we performed the following: Assessed the adequacy of management's controls over the authorisation and recording of costs, including testing of controls over allocation of costs to the correct sites. Tested and agreed a sample of land and developments in progress costs incurred during the year, including land additions and build costs, to supporting evidence Visited a sample of sites to confirm the existence and condition of the developments in progress, and also to evaluate the reasonableness of the assessment of stage of completion. Attended a sample of cost-to-complete assessment meetings to observe the operation of this control, including observation of the procedures undertaken and estimates made as part of the valuation process in these meetings. Reviewed the proportion of total land and development costs recognised within cost of sales in the year in respect of the revenue recognised. Assessed the historical accuracy of management's forecasting through investigation of any sites with significant margin movements year on year. Tested a sample of forecast sales values and costs to complete to supporting documentation for a sample of sites. Assessed a sample of cost accruals and build contingency via enquiry and corroboration to supporting evidence. Reviewed the disclosures in the annual accounts in respect of this critical accounting estimate. Based on our audit work, we found the estimates made in the valuation of inventories and margin recognition to be acceptable. We also consider the disclosures made in the financial statements to be appropriate.

Independent Auditors' Report
to the members of Maison Bidco Limited

Business combinations and acquisition accounting (group) Refer to pages 49 to 56 of the Principal accounting policies and note 24 ('Acquisition') in the financial statements. The acquisition of the Keystone Group in October 2021 was accounted for as a business combination under International Financial Reporting Standards("IFRS"). The total consideration for the acquisition was £527.1m, goodwill of £273.1m and intangible assets of £201.4m were recognised. The intangible assets recognised are split between brand, customer order book and land development rights with values of £58.0m, £68.2m and £75.2m respectively. In addition to the recognition of these assets, the acquired inventories were subject to an increase of £41.5m above their carrying value prior to acquisition to reflect their fair value at the date of acquisition. Due to the level of judgement and estimation required in applying the valuation methodologies used in arriving at the fair value of the acquired assets and liabilities, we consider that valuation of the acquired intangible assets is a financial reporting risk	To assess the appropriateness of the accounting for the acquisition and the valuation of the acquired intangibles recognised, we performed the following: Utilised our internal valuation experts to assess the appropriateness of the valuation methodologies used in the Purchase Price Allocation exercise (PPA), and appropriateness of the intangible asset classes identified on acquisition. For each of the key assumptions within the valuation we obtained appropriate evidence to support the assumption used, including: - the discount rate used by assessing the cost of capital for the group and comparable organisations; - the royalty rate used in determining the brand valuation was assessed for reasonableness through comparison to market data; and the forecast revenues and margins have been assessed through analysis against historical and forecast group data. We also assessed the fair value adjustments made on acquisition in the completion balance sheet and tested the deferred tax arising on such adjustments and the intangibles acquired. We tested the integrity of the underlying calculations and reviewed the disclosures in the financial statements in respect of the acquisition. Based on our audit work, we found that the methodologies and key assumptions used by management were acceptable. We also consider the disclosures made in the financial statements to be appropriate.
Carrying value of goodwill and intangibles (group) Refer to pages 49 to 56 of the Principal accounting policies and note 8 ('Goodwill and other intangible assets') in the financial statements. At 31 October 2022 the group had £273.1m of goodwill and £134.1m of other intangible assets. Goodwill and other intangible assets have been allocated to cash generating units (CGUs) being individual regions for the purposes of assessment of their carrying value for impairment. The carrying value of goodwill is assessed by management through an annual impairment review with other intangible assets reviewed should any indicators of impairment be identified. The annual impairment review is a value in use calculation which is based on the expected future cash flows of the CGUs. Management's value in use assessment is dependent upon a number of judgements and estimates including discount rate, long term growth rate, and expected changes to revenue and costs during the forecast period. The risk we have focused on is that the carrying value of goodwill could exceed the value in use assessed by management and potentially be impaired. Management concluded that there was no impairment of goodwill at 31 October 2022 nor did they identify any impairment triggers in respect of other intangible assets.	We understood and evaluated management's budgeting and forecasting process. We obtained the group impairment analysis and tested the reasonableness of the key assumptions, including: - evaluated management's basis of determination of the CGUs and the allocation of goodwill to these CGUs; - tested the mathematical accuracy of the impairment model and agreed the carrying value of non-current assets being assessed for impairment to the balance sheet; - challenged management's calculated group weighted average cost of capital (WACC) used for discounting future cash flows within the impairment model, utilising our internal valuation experts to assess the cost of capital for the group and comparable organisations; - assessed the historical accuracy of the budgeting process to assess the reliability of the data; - traced the forecast financial information within the model to the latest Board reviewed forecasts; - and assessed management's sensitivity analysis on the key drivers of the cash flow forecasts, in particular the revenue growth and margin assumptions. Based on our audit work, we found the carrying value of goodwill and other intangibles to be acceptable. We also considered the disclosures made within the financial statements to be appropriate.

Valuation of investment in subsidiaries and amounts due from subsidiary undertakings (parent)	
Refer to pages 49 to 56 of the Principal accounting policies and note 10 ('Investment in subsidiaries') and Note 13 ('Trade and other receivables') in the financial statements. At 31 October 2022 the company had an investment in subsidiaries of £527.1m and amounts due from subsidiary undertakings of £223.5m. Given the magnitude of both of these balances we considered the risk of impairment of these assets. The carrying value of the investment in subsidiaries and the recoverability of the amounts due from subsidiary undertakings depends on the ability of the group as a whole to generate cash flows to enable future repayment. Management has considered both of these balances for impairment and concluded that no impairment is required.	In assessing the appropriateness of valuation of investment in subsidiaries we have compared the overall carrying value of the investment to our review of the discounted cash flow models prepared for the purposes of testing the group's goodwill for impairment as set out in the key audit matter above. Based on the above procedures we concluded that there were no triggers that would indicate the directors were required to perform a full impairment test of the carrying value of investment in subsidiaries. In assessing the appropriateness of valuation of amounts due from subsidiary undertakings we have performed the following procedures: - a reconciliation of the amounts owed by subsidiary undertakings and ensured this agreed with the counterparty; - obtained management's intercompany recoverability model and assessed whether the methods applied were consistent with IFRS 9; - checked the calculations within the model and agreed the figures included to the relevant financial information included in the group consolidation schedules; - evaluated management's assessment of the recoverability of amounts due from subsidiary undertakings including assessing the ability of other group companies to settle the intercompany balances; and - assessed the adequacy of the disclosure provided in the company financial statements in relation to the relevant accounting standards. We found no exceptions as a result of our procedures and consider the recoverability of amounts due from subsidiary undertakings to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group is comprised of 24 components, of which two components are the main operating entities and the other components are principally either holding, dormant or semi-dormant companies. These are consolidated together to generate the group financial statements. We considered that the two main operating components, Keepmoat Homes Limited and M.C.I. Developments Limited, required a full scope audit of their financial information as they comprised 100% of the group's revenue and 100% of the group's Adjusted EBITDA. Audit procedures were performed over specific balances and transactions in two other components to ensure coverage of the group's senior secured notes of £275.0m and the company's equity balances. Our audit scope was determined by considering the significance of each component's contribution to Adjusted EBITDA and individual financial statement line items, with specific consideration to obtaining sufficient coverage over significant risks.

The full scope audit of M.C.I Developments Limited was performed by a component audit team. All other audit work for both the group and the company was performed by the group audit team. All components were audited by PwC in the UK. The group audit team supervised the direction and execution of the audit procedures performed by the component team. Our involvement in their audit process, including attending component clearance meetings, review of their supporting working papers, together with additional procedures performed at a group level, gave us the evidence required for our opinion on the financial statements as a whole.

Maison Bidco Limited

Independent Auditors' Report
to the members of Maison Bidco Limited

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process they have adopted to assess the extent of the potential impact of climate risk on the group's financial statements, including their commitments made to achieving Net Zero carbon emissions before 2050. The key areas of the financial statements where management evaluated that climate risk has a potential impact are set out in the principal accounting policies of the financial statements. The directors have reached the overall conclusion that there has been no material impact on the financial statements for the current period from the potential impact of climate change.

We used our knowledge of the group to challenge management's assessment. We particularly considered how climate risk would impact the assumptions made in the forecasts prepared by management used in their impairment analyses and going concern. Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or on our key audit matters for the period ended 31 October 2022.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

	Financial statements - group	Financial statements - company
Overall materiality	£3.2m.	£15.1m.
How we determined it	2.5% of the group's adjusted EBITDA (earnings before interest, tax, depreciation, amortisation, impairment of investments and share based payment charges and is calculated before exceptional items and acquisition fair value adjustments)	2% of total assets
Rationale for benchmark applied	We have chosen this as our benchmark as it is one of the group's key performance measures and, in our view, is the primary measure used by the shareholders in assessing the performance of the group. This is a generally accepted auditing benchmark.	We believe total assets is the primary measure used by shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark for holding companies. This has been capped at a level below that of the group materiality for the purposes of the group audit.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £1.3m and £2.5m. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £2.4m for the group financial statements and £11.3m for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £160,000 (group audit) and £750,000 (company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Maison Bidco Limited

Independent Auditors' Report
to the members of Maison Bidco Limited

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- We obtained from management their latest assessments that support the board's conclusions with respect to the going concern basis of preparation for the financial statements;
- We evaluated management's forecast and downside scenarios and challenged the adequacy and appropriateness of the underlying assumptions;
- We reviewed management accounts for the financial period to date and checked that these were consistent with the starting point of management's scenarios and supported the key assumptions included in the assessments;
- We evaluated the historical accuracy of the budgeting process to assess the reliability of the data; and
- We tested the mathematical integrity of management's going concern forecast models.

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 31 October 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Maison Bidco Limited

Independent Auditors' Report
to the members of Maison Bidco Limited

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety legislation and building safety legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to deliberate manipulation of results via improper revenue recognition, management bias in key accounting estimates and posting inappropriate journal entries to manipulate the group's result for the period. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewed the group's board meeting minutes for the duration of the period and up to the date of signing;
- Challenging assumptions and judgements made by management in their significant accounting estimates, particularly in relation to the valuation of land and work in progress; the carrying value of goodwill and intangibles and business combinations and acquisition accounting, and
- Identifying and testing journal entries on a sample basis, in particular journal entries posted with unusual account combinations which meet our fraud risk criteria. Specifically, we tested journal entries with credits to revenue, journals reclassifying items above and below EBITDA and journals transferring costs within work in progress.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Independent Auditors' Report
to the members of Maison Bidco Limited

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save *where expressly agreed by our prior consent in writing.*

Other required reporting

Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Ian Morrison

Ian Morrison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
27 February 2023

Maison Bidco Limited

Consolidated statement of comprehensive income for the period ended 31 October 2022

	Note	Period ended 31 October 2022 £m
Group revenue	1	**839.1**
Cost of sales		**(759.0)**
Gross profit		**80.1**
Administrative expenses		**(87.3)**
Other operating income	5	**0.7**
Other operating expenses	5	**(0.7)**
Share of results of equity accounted joint ventures and associates	11	**0.7**
Adjusted operating profit		**117.4**
Exceptional items	4	**(15.1)**
Amortisation of acquisition related intangible assets	8	**(67.3)**
Unwind of acquisition fair value uplift to inventories	24	**(41.5)**
Operating loss	3	**(6.5)**
Finance income	6	**0.1**
Finance expense	6	**(52.1)**
Loss before tax		**(58.5)**
Income tax credit	7	**8.7**
Loss for the period		**(49.8)**
Other comprehensive income		**-**
Total comprehensive expense for the period		**(49.8)**
Attributable to:		
Owners of the Company		**(49.8)**

All items dealt with in arriving at operating loss relate to continuing activities.

There was no other comprehensive income for the current period other than those included in the consolidated statement of comprehensive income.

Maison Bidco Limited

Balance sheets
as at 31 October 2022

	Note	Group 31 October 2022 £m	Company 31 October 2022 £m
Assets			
Goodwill and other intangible assets	8	**407.2**	**-**
Property, plant and equipment	9	**2.0**	**-**
Right-of-use assets	16	**8.3**	**-**
Investment in subsidiaries	10	**-**	**527.1**
Investments in joint ventures and associates	11	**3.6**	**-**
Trade and other receivables	13	**3.6**	**-**
Total non-current assets		**424.7**	**527.1**
Inventories	12	**593.5**	**-**
Trade and other receivables	13	**63.8**	**225.4**
Income tax receivable		**1.4**	**-**
Cash and cash equivalents	14	**84.5**	**0.3**
Total current assets		**743.2**	**225.7**
Total assets		**1,167.9**	**752.8**
Equity			
Share capital	19	**2.4**	**2.4**
Share premium	19	**238.3**	**238.3**
Accumulated losses		**(49.8)**	**(41.5)**
Share based payment reserve	21	**5.1**	**-**
Total equity		**196.0**	**199.2**
Liabilities			
Trade and other payables	15	**386.2**	**531.0**
Lease liabilities	16	**5.7**	**-**
Loans and borrowings	17	**270.2**	**-**
Provisions for liabilities	18	**1.1**	**-**
Deferred tax liabilities	7	**2.8**	**-**
Non-current liabilities		**666.0**	**531.0**
Trade and other payables	15	**299.1**	**22.6**
Lease liabilities	16	**2.9**	**-**
Loans and borrowings	17	**3.9**	**-**
Current liabilities		**305.9**	**22.6**
Total liabilities		**971.9**	**553.6**
Total equity and liabilities		**1,167.9**	**752.8**

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 to not present the parent company income statement and statement of comprehensive income. The Company made a loss during the period ended 31 October 2022 of £41.5m.

The financial statements on pages 43 to 83 of Maison Bidco Limited, registered number 13528295, were approved by the Board of Directors on 27 February 2023 and were signed on its behalf by:

M Priest
Director

Maison Bidco Limited

Consolidated statement of changes in equity for the period ended 31 October 2022

		Share capital	Share premium	Accumulated losses	Share based payment reserve	Total equity
		£m	£m	£m	£m	£m
Loss for the financial period		-	-	(49.8)	-	**(49.8)**
Loss and total comprehensive expense for the period		-	-	**(49.8)**	-	**(49.8)**
Proceeds from issue of shares	19	2.4	238.3	-	-	**240.7**
Share based payment charge	21	-	-	-	5.1	**5.1**
At 31 October 2022		**2.4**	**238.3**	**(49.8)**	**5.1**	**196.0**

Company statement of changes in equity for the period ended 31 October 2022

		Share capital	Share premium	Accumulated losses	Total equity
		£m	£m	£m	£m
Loss for the financial period		-	-	(41.5)	**(41.5)**
Loss and total comprehensive expense for the period		-	-	**(41.5)**	**(41.5)**
Proceeds from issue of shares	19	2.4	238.3	-	**240.7**
At 31 October 2022		**2.4**	**238.3**	**(41.5)**	**199.2**

On incorporation on 23 July 2021, the Company issued 1 ordinary share with a nominal value of £1 at par consideration. On 26 October 2021, the Company issued a further 2,407,391 ordinary shares of £1 each for consideration of £240.7m giving rise to a premium of £238.3m.

Maison Bidco Limited

Consolidated cash flow statement
for the period ended 31 October 2022

	Note	Period ended 31 October 2022 £m
Cash flows from operating activities		
Operating loss		**(6.5)**
Adjustments for:		
Amortisation of intangible assets	8	**67.3**
Depreciation of property, plant and equipment	9	**1.1**
Depreciation of right-of-use assets	16	**2.8**
Share of results of equity accounted joint ventures and associates	11	**(0.7)**
Share-based payment charge	21	**5.1**
Operating cash flows before changes in working capital		**69.1**
Decrease in inventories		**25.5**
Decrease in receivables		**1.0**
(Decrease) in payables		**(61.9)**
Cash flows from operating activities before tax		**33.7**
Income tax paid		**(10.6)**
Total cash flows from operating activities		**23.1**
Cash flows from investing activities		
Purchase of property, plant and equipment	9	**(1.5)**
Acquisition of subsidiary, net of cash acquired	24	**(489.4)**
Total cash flows from investing activities		**(490.9)**
Cash flows from financing activities		
Proceeds from issue of share capital and share premium	19	**240.7**
Funding received from parent company		**235.6**
Proceeds from issue of Senior Secured Notes	17	**275.0**
Drawdown on revolving credit facility	17	**42.5**
Repayment of revolving credit facility	17	**(42.5)**
Issue costs associated with Senior Secured Notes and revolving credit facility	17	**(7.6)**
Redemption of term loan	17	**(157.5)**
Repayment of other loans	17	**(6.3)**
IFRS 16 Lease payments		**(3.7)**
Interest paid		**(23.9)**
Total cash flows from financing activities		**552.3**
Total net increase in cash and cash equivalents		**84.5**
Cash and cash equivalents at incorporation		**-**
Cash and cash equivalents at the end of the period		**84.5**
Included in *cash and cash equivalents*	14	**84.5**
Included within bank overdrafts	14	**-**
		84.5

Maison Bidco Limited

Principal accounting policies
for the period ended 31 October 2022

General information

Maison Bidco Limited (the Company) is a private limited company incorporated and domiciled in the UK. The address of the registered office is Maison Bidco Limited, The Waterfront, Lakeside Boulevard, Doncaster, DN4 5PL. The nature of the Group's operations and its principal activities are set out in the Directors' report.

The financial statements are presented in pounds sterling because the Group operates exclusively in the United Kingdom. All financial information is rounded to the nearest hundred thousand (£m) except where otherwise indicated.

Basis of preparation

These consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards. These Company financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and in accordance with the Companies Act 2006 as applicable to Companies using FRS 101.

The consolidated and Company financial statements have been prepared under the historical cost convention.

FRS 101 allows the income statement and balance sheet to be presented in accordance with International Accounting Standard (IAS) 1 - Presentation of Financial Statements.

A summary of the disclosure exemptions adopted by the Company for the period ended 31 October 2022 is presented below.

Area	*Disclosure exemption*
Cash flow statements	Exemption from preparing a cash flow statement.
Financial instrument disclosures	Exemption from the disclosure requirements of IFRS 7 (Financial Instruments) and related IFRS 13 disclosures.
	Exempt from the disclosure in respect of management's objectives, policies and processes for managing capital (IAS1, 134 to 136).
Related party disclosures	Exemption for related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to a transaction is wholly owned by such a member (IAS 24).
	Exemption from disclosure of key management personnel compensation.
Presentation of Financial Statements	Exemption from statement of compliance with (IAS 1), cash flow information and capital management policy.
	Exemption from disclosure of comparatives for Intangibles (paragraph 118e of IAS 38).
	Exemption from disclosure of comparatives for tangible assets (paragraph 73e of IAS 16).
	Exemption from disclosure of new and amended accounting standards not yet adopted (paragraph 30 of IAS 8)

The principal accounting policies applied in the preparation of these consolidated financial statements have been consistently applied to all the periods presented, unless otherwise stated.

For the period ended 31 October 2022 the following subsidiaries of the Group were entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Basis of preparation (continued)

Subsidiary name	***Companies House Registration Number***
Keystone Topco Limited	09050555
Keystone Bidco Limited	09069403
Keystone Financing PLC	09069525
Lakeside 1 Limited	06338921
K&A Merger Limited	07905842
Castle 1 Limited	06339103
BK Scotswood LLP	OC362206
Keepmoat Property Limited	00994353
Huyton Freehold Limited	11461484
Conquest Bidco Limited	06296388
Apollo Support Services Group Limited	05616427
Apollo Holdco Limited	04252778
Toucan Holdings Limited	03326551

Going concern

Maison Bidco Limited (the "Company" and the "Maison Bidco Group") is a holding company within the sub-group acquired by Maison Holdco Limited in October 2021. Management have assessed going concern on the basis of the wider group owned by Maison Holdco Limited as follows:

At 31 October 2022, the Maison Bidco Group had net cash and cash equivalents of £84.5m and total loans and borrowings of £278.9m, which consisted of £275.0m of senior secured notes maturing in October 2027 and other loans of £3.9m. In addition, the Group has bank facilities of £70.0m which mature in April 2027. The Group has operated within its debt covenants throughout the year and covenant compliance was considered as part of the going concern assessment.

Including committed debt facilities and cash the Maison Bidco Group had access to total funds of £154.5m, along with net current assets (excluding cash) of £352.8m at 31 October 2022, providing the Group with appropriate liquidity to meet its current liabilities and working capital requirements.

The Group's business activities, together with factors likely to affect its future performance and position, are described in the strategic report (pages 3-32). The principal risks and uncertainties section on pages 22-28 sets out the material factors that may affect the future financial performance of the Group, detailing both possible impacts and the Group's mitigating policies and processes for managing its financial, liquidity and housing market risk.

The Group's internal financial forecasts, which include estimated costs of meeting climate change targets, both regulated and voluntary, reflect the Directors' considered view of expected performance. This base forecast has been sensitised to a severe but plausible downside scenario to confirm the appropriateness of the going concern assumption in these financial statements. In the downside scenario the Group has assumed a recession due to economic uncertainty combined with decreased affordability, leading to reduction in legal completions and a fall in average selling prices, with land spend and construction spend reducing accordingly.

The sensitivity includes the following principal assumptions to assess a reasonable worst-case scenario, reflecting a manifestation of these principal risks to a severe but plausible level; i) 20% reduction in legal completions and a 7.5% reduction in the average selling price below the Group's forecast levels and. ii) a corresponding reduction in construction spend and uncommitted land spend.

In addition to the above, several additional mitigating measures remain available to management that were not included in the scenario. These include further reductions in uncommitted land spend, reduction in overheads to reflect reduction in bonuses and temporary employee costs and reduction in capital investments. The effects were modelled over a period to 31 July 2024. In both the base forecast and the reasonable worst-case scenario, the Group had significant headroom in both its financial debt covenants and existing debt facilities and met its liabilities as they fell due.

Accordingly, the Directors consider that the Group and Company are well placed to manage business and financial risks in the current economic environment, having adequate resources to continue to meet its liabilities as they fall due, being at least 12 months from the date of signing of these Financial Statements. Consequently, the Directors have concluded that preparing the financial statements on the going concern basis is appropriate.

Basis of consolidation

The Group financial statements incorporate the results of Maison Bidco Limited, its subsidiary undertakings and the Group's share of the results of joint ventures and associates.

(a) Subsidiaries

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.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group in exchange for control of the acquiree. Consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed in administrative costs as incurred. All identifiable assets and liabilities acquired, and contingent liabilities assumed are initially measured at their fair values at the acquisition date.

The excess of the consideration transferred and the amount of any non-controlling interest as compared with the Group's share of the identifiable net assets are recognised as goodwill. Where the Group's share of identifiable net assets acquired exceeds the total consideration transferred, a gain from a bargain purchase is recognised immediately in the income statement after the fair values initially determined have been reassessed.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment. Accounting policies of acquired subsidiaries are changed where necessary to ensure consistency with accounting policies adopted by the Group.

(b) Joint ventures

Joint ventures are accounted for using the equity method. Under the equity method of accounting, interest in joint ventures is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

Where the Group's share of losses exceeds its equity accounted investment in a joint venture, the carrying amount of the equity interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations. Appropriate adjustment is made to the results of joint ventures where material differences exist between a joint venture's accounting policies and those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement adjacent to its share of profit/(loss) from associates.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method, applying the same policy as set out for joint ventures above.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments has been identified as Keepmoat Group's Board of Directors.

Revenue and profit recognition

Revenue represents the fair value of the consideration received and receivable, net of applicable value added tax and cash and non-cash incentives. Revenue is recognised based on indicators of control, rather than solely when risks and rewards are transferred.

Open market revenue

Open market revenue comprises revenue from sales on the open market during the course of a development to private customers, Registered Providers ("elective" Registered Provider sales) and to the private rented sector (PRS). Open market "elective" Registered Provider sales are usually for a number of completions and are typically transactions entered into after construction of properties have commenced, as opposed to those specifically developed under contracts with Registered Providers (see "Registered provider revenue ("non-elective" sales)" below).

Revenue and profit recognition (continued)

Revenue and profits associated with open market sales are recognised at a point in time when the performance obligation, being the transfer of a completed dwelling to a customer, has been satisfied. This is when legal title has transferred.

In certain instances, property may be accepted in part consideration for a sale of a new property. The original sale of open market residential housing is recognised as above, at the fair value of the exchanged property plus the cash received or receivable. The fair value assessed for the part-exchange property is reduced for estimated costs to sell. Income from the onward sale of part exchange property is the amount of the consideration expected to be received or receivable. The income and expenses associated with this are recognised in other operating income and other operating expenses as the sale of part exchange properties is not considered a key activity of the Group. Part exchange properties are held within Inventories at net realisable value until subsequent sale.

Registered provider revenue ("non-elective" sales)

The Group enters into contracts for the construction and sale of social housing to Registered Providers and undertakes associated development activities under contract with partners. This is distinct from "elective" sales, as explained in "Open Market Sales" above.

Such contracts are typically entered into before construction of residential properties or associated development activities begin. Under the terms of these contracts, the Group is continually restricted from redirecting the properties or development works to another customer and has an enforceable right to payment for work done. Revenue is therefore recognised over time; based on an input method of proportion of total costs incurred to date which is normally supported by certified valuation of work performed or the assessed physical stage of completion to date. The Directors consider that this method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15. The Directors consider the provision of land and residential properties to represent a single performance obligation which represents a judgement taken in the application of IFRS 15.

On the balance sheet, the Group reports the net contract position for each contract as either an asset or a liability. A contract asset represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract liability represents a liability where the opposite is the case.

Land revenue

In the ordinary course of business, the Group may enter into agreements for the sale of land. Revenue and profits associated with the sale of land is recognised at a point in time when the performance obligation, being the transfer of title to the land to the customer, has been satisfied. This is when legal title has transferred.

Profit recognition

Gross profit is recognised for all house sales, when the related revenue is recognised in accordance with the Group's revenue recognition policy, based on the latest forecast for the gross margin expected to be generated over the life of the development or phase of the development. The expected gross margin to be generated from each development is calculated as an output of a development valuation completed using latest selling prices and forecasts of all land and construction costs associated with that development.

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Goodwill

Goodwill represents the excess of the consideration paid for Keystone Topco Limited the parent company of the Keystone Group, on 26 October 2021, over the fair value of the assets and liabilities acquired, including intangible assets recognised on acquisition. Goodwill was allocated to the Group's operating segments, which are considered to be Cash Generating units ("CGU's") in accordance with "IAS36 Impairment of Assets", at the time of acquisition based on a proportionate allocation of the consideration and the fair valued assets and liabilities.

The goodwill for each CGU is reviewed for impairment annually or more regularly where there is a triggering event. If the carrying value of the goodwill was found to exceed the value in use calculated for any CGU, an impairment would be required. In the event of an impairment, the goodwill of the relevant CGU would be impaired first. Any impairment loss is recognised in the income statement and is not subsequently reversed.

Maison Bidco Limited

Principal accounting policies
for the period ended 31 October 2022

Research and development

Research and development activities are typically self-initiated in nature. Costs for self-initiated research and development activities are assessed to determine if they qualify for recognition as internally generated intangible assets based on the following criteria:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible are available;
- The expenditure attributable to the intangible during its development can be reliably measured.

Further to meeting these criteria, only such costs that relate solely to the development phase of a self-initiated project are capitalised, this includes the capitalisation of labour costs associated with the development phase.

Any costs incurred as part of the research phase and any other development expenditures which do not satisfy the criteria are expensed as incurred.

Intangible assets

Other intangible assets, such as those identified on acquisition by the Group that have finite lives, are recognised initially at cost which is equal to the fair value and measured subsequently at cost less accumulated amortisation and impairment losses.

Intangible assets are being amortised over the following periods, with amortisation being charged to cost of sales unless otherwise stated:

- Brand – on a straight-line basis over twenty years
- Land development rights – in line with expected cash flows, varying from one to nine years
- Order book – in line with expected cash flows, varying from one to four years

Intangible assets with a finite useful economic life are tested for impairment when there is an indication that the intangible asset may be impaired.

Property, plant and equipment

All property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment losses.

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of each asset, less their estimated residual value, on a straight-line basis over their estimated useful economic lives, or until the date of disposal.

The principal annual rates used for this purpose are:

Leasehold property improvements	over the lease term
Plant, equipment, fixtures and fittings	10 – 50%
No depreciation is provided on freehold land	

Leases

The Group has lease contracts for property, plant hire used in development and construction, cars and the sale and leaseback of show homes.

Contracts may contain both lease and non-lease components. The company 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 company is a lessee and for which it has major leases, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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.

Leases (continued)

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; and
- 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 company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The company 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;
- 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 company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and some plant on hire.

Where the Group has acquired the right to develop land under a build lease the Group's interest in the land is held in inventory as a right-of-use asset. The corresponding lease liability is recognised in "development land payables" within trade and other payables and is appropriately discounted. There has been no change to the accounting treatment of these arrangements under IFRS16.

Trade receivables

Trade receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method, less loss allowance. The loss allowance is calculated based on historic loss rates from payment profiles of sales in prior years. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the debtor's ability to settle the receivable.

In respect of accounting for trade and other receivables, the Group has applied IFRS 9's simplified approach to provisioning and has calculated this using lifetime expected losses.

When a trade receivable is wholly or partially uncollectible, any uncollectible amount is written off against the loss allowance. Subsequent recoveries of amounts previously written off are credited against the loss allowance. Changes in the carrying amount of the loss allowance are recognised in the income statement.

Inventories

Inventories are held at the lower of cost or net realisable value. Costs comprise land, materials, applicable direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to sell, including sales and marketing costs.

Land held for development is recognised when the Group obtains control of the land, which is considered to be on unconditional exchange of contracts. Land held for development and land under development until legal completion of the sale of the asset, is initially recorded at cost including cost directly attributable to enhancing the land value along with any expected overage. Where land is purchased on deferred payment terms, the liability is discounted to fair value with the land recognised at the discounted value in inventories. The liability is presented as "development land payables" within trade and other payables. Also included within land inventories is land where the Group has the right to develop through a build lease.

Pre-contract development expenditure is capitalised into inventories where it is probable that a site will be contracted for development. Regular reviews are completed for impairment in the value of these pre-contact development inventories, and provision made to reflect any irrecoverable element. The impairment reviews consider the likelihood of the development being viable to proceed including the securing of residential planning consent.

Part exchange properties are held at the lower of cost and net realisable value and include a carrying value provision to cover the costs of management and resale.

Where a fair value uplift is required as part of acquisition accounting, the fair value adjustment is calculated as the estimated selling price less costs to complete and sell and associated margins expected.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand. Bank overdrafts are also included, as they are an integral part of the Group's cash management. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Trade and other payables

Trade payables on normal terms are not interest bearing and are stated at their nominal value. Trade payables on extended terms, particularly in respect of land (development land payables), are recorded at their fair value on the date of acquisition of the asset to which they relate and subsequently held at amortised cost. The discount to the nominal value is amortised over the period of the credit term and charged to finance costs using the effective interest rate. Changes in estimates of the final payment due are taken to inventory (land held for and under development) and in due course, to cost of sales in the income statement. Changes to the timing of any deferred payments are taken to finance costs.

Trade payables also includes overage payable where the Group is committed to make contractual payments to land vendors related to the performance of the relevant development in the future. Overage payable is estimated based on expected future cash flows in relation to relevant developments and, where payment will take place in more than one year, is discounted.

Loans and borrowings

Interest bearing bank loans, term loans, senior secured notes and other borrowings are recorded initially at their fair value, net of direct transaction and debt issue costs.

Such instruments are subsequently carried at their amortised cost and finance charges, including commitment fees, arrangement fees and any other costs directly related to the borrowings are recognised over the term of the instrument using the effective rate of interest.

Any instrument repaid before the end of the contractual term will result in any unamortised costs being immediately recognised in the income statement.

Equity instruments

Equity instruments such as ordinary share capital issued by the Company are recorded at the proceeds received net of directly attributable incremental issue costs. Proceeds are allocated between nominal value and share premium.

The Group may own equity instruments that it has reacquired ('treasury shares') the cost of which is deducted from equity. Gain or loss is not recognised on the purchase, sale, issue, or cancellation of treasury shares. Treasury shares may be acquired and held by the entity or by other members of the consolidated group. Consideration paid or received is recognised directly in equity.

Investments

Investments in subsidiaries, joint ventures and associates are recorded in the Company's balance sheet at cost less any impairment. The directors review the investments for impairment when there are indicators of possible impairment.

Maison Bidco Limited

Principal accounting policies
for the period ended 31 October 2022

Income tax

Income tax expense represents the current and deferred tax charges.

Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity.

Current tax is the Group's expected tax liability on taxable profits for the period using tax rates substantively enacted at the reporting date and any adjustment to tax in respect of previous periods. Where current tax losses are available but not utilised in the period, a deferred tax asset is recognised to the extent that it is considered recoverable.

Taxable profit differs from that reported in the income statement because it is adjusted for items of income or expense that are assessable or deductible in other years or are never assessable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax rates used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised in full if future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are not discounted and are only offset to the extent that that there is a legally enforceable right to offset current tax assets and liabilities.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Grants related to assets are deducted from the carrying amount of the asset and unwound over the useful lives of the related assets.

Grants related to income are included within deferred income and subsequently in the appropriate line within the Income Statement, in line with the Group's revenue recognition policy.

Retirement benefit obligations

(a) Defined contribution plans

Contributions to defined contribution plans are charged to the income statement as they accrue. Differences between contributions payable in the period and contributions actually paid are included within either accruals or prepayments on the balance sheet.

(b) Defined benefit plans

The Group operates the Keepmoat Limited Group Pension Plan ("KPP"), a defined contribution plan, with assets held in independently administered funds. Some members of the KPP have a contractual promise from the Group, which is separate to the benefits payable by the KPP, being an arrangement between Keepmoat Limited and the applicable employees. The obligation arising under this arrangement has been calculated by a qualified independent actuary and accounted for as a long-term employee benefit. The contractual liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Provisions

Provisions for remedial contract obligations, vacant property obligations and restructuring costs are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Share based payments

The Group operates a share-based payment scheme with respect to the A ordinary shares issued by Maison Holdco Limited, the ultimate UK parent of the Group. Equity-settled share-based payments are measured at the fair value of the equity instrument at the date of issue. Fair value is measured using a suitable valuation model based on the characteristics of the scheme. The fair value is expensed in the statement of comprehensive income on a straight-line basis over the expected vesting period with the balance being held in a share-based payment reserve. In line with IFRS 2, the charge is recognised at the employing entity, being Keepmoat Homes Limited, a 100% owned subsidiary of the Group.

Application of new and revised International Financial Reporting Standards (IFRSs)

At the date of approving these financial statements, the following new and revised standards and interpretations were in issue but were not yet effective. None of these revised standards and interpretations have been adopted early by the Group.

- Amendments to IAS 1, "Presentation of financial statements" on classification of liabilities (effective 1 January 2023) and regarding disclosure of accounting policies (effective 1 January 2023)
- Amendments to IAS 8, "Accounting policies, changes in accounting estimates and errors" regarding the definition of accounting estimates (effective 1 January 2023)
- Annual Improvements 2019-2020 (effective 1 January 2022)
- Narrow scope amendments of IFRS 3, IAS 16 and IAS 37 (effective 1 January 2022)
- Amendments to IAS 12, "Income taxes" regarding deferred tax on leases and decommissioning obligations (effective 1 January 2023)

The Directors do not anticipate that the adoption of these standards and interpretations in future periods will have a material effect on the financial position or performance of the Group.

Critical accounting estimates and judgements

The preparation of financial statements under IFRS requires the Group's management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to them are recognised in the period in which they are revised.

The estimates and judgements that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- **Estimation of development profitability**

The gross profit from revenue generated on each of the Group's developments in a specific period is based on the latest forecast for the whole site gross profit expected to be generated over the life of that development or phase. The expected gross profit is calculated as an output of development valuations completed using latest selling prices and forecasts of all land and construction costs associated with the development. These calculations of expected gross profits require a degree of estimation due to their long-term nature and are sensitive to future movements in both the estimated cost to complete and expected selling prices.

The Group's management has established internal controls to regularly review and ensure the appropriateness of the forecasts and estimates made on an individual development basis. However, a change in estimated gross profits over a number of developments (due, for example, to changes in estimates of costs remaining or a reduction in average selling prices in the private market) could materially affect profitability. As an illustration, a reasonably possible change in profits of 1% across all developments would have reduced adjusted gross profit and net assets by an estimated £8.4m in the period to 31 October 2022.

- **Judgement over the right to develop land under a build lease**

The Group enters arrangements with land owners under which it acquires an interest in land under a build lease with the benefit of a right to develop. The Directors judge these arrangements as in-substance purchases and not leases under the scope of IFRS 16. This is on the basis that the Group has physical possession of the land, has accepted the asset and the land owner has an enforceable right to payment, the freehold is passed to the end customer, and the Group takes on any risks associated with the land and ultimately benefits from the reward on sale of new home completions. On this basis, land rights acquired under these arrangements are treated as inventories and are held at the lower of cost or net realisable value as per the Group's accounting policy for inventories.

Maison Bidco Limited

Principal accounting policies
for the period ended 31 October 2022

Critical accounting estimates and judgements (continued)

- **Business combinations (estimate and judgement)**

IFRS 3 requires tangible assets acquired as part of a business combination to be recognised at the acquisition date fair value. The tangible asset requiring judgement over the fair value uplift recognised is inventory work in progress. This has been measured on a site-by-site basis and has required judgement over the level of value to recognise depending on factors such as stage of completion of the site, profit margin expected to be achieved on the remainder of the site and land contracts in place.

IFRS 3 also requires the identification of acquired intangible assets as part of a business combination. The methods used to value such intangible assets require the use of estimates around the discount rate used to arrive at the present value of future cash flows. Furthermore, judgements around the allocation of balance sheet assets and liabilities to be allocated to the cash flows used in valuing the forward order book are also made. Future results are impacted by the length of amortisation periods adopted and changes to the estimated useful lives, which would result in different effects on the income statements and balance sheet. As an illustration, a reasonably possible decrease in forecast future profit margins of 1% across all developments would have reduced the fair value uplift to inventory and the net assets acquired by an estimated £1.3m in the period to 31 October 2022. Consequently, goodwill would have increased by £1.3m.

- **Impairment of goodwill and intangible assets (estimate)**

Goodwill is not amortised but is tested annually for impairment, along with finite life intangible assets and other assets of the Group's cash generating units. Tests for impairment are based on discounted cash flows and assumptions (including discount rates, timing of cash flows and growth prospects) which are inherently subjective. Further information on the impairment assessment can be found in note 8.

- **Impairment of investments and inter-company receivables (estimate)**

Determining whether investments and inter-company receivables are impaired requires an estimate of the future discounted cash flows of each investment or receivable. Discounted cash flows and assumptions (including discount rates, timing of cash flows and growth prospects) are inherently subjective and largely dependent on factors outside the control of the Company.

1 Group revenue

The Group derives its revenue from the transfer of goods and services over time and at point in time in the following major revenue streams:

	Period ended 31 October 2022 £m
Open market	705.7
Registered Provider / Development Contracts	125.8
Sale of land	7.6
	839.1

All revenue is generated in the United Kingdom. There are no single customers that account for 10% or more of the Group's revenue. Included within revenue is £0.2m relating to income from government grants.

At 31 October 2022, the aggregate amount of revenue allocated to unsatisfied performance obligations was £281.5m. Approximately forty-nine percent of these amounts will be recognised within one year with the remainder recognised over varying contractual lengths.

Contract assets and liabilities are included within "trade and other receivables" and "trade and other payables" respectively on the face of the balance sheet. Where there is a corresponding contract asset and liability in relation to the same contract, the balance shown is the net position. The timing of work performed (and thus revenue recognised), billing profiles and cash collection, results in trade receivables (amounts billed to date and unpaid), contract assets (unbilled amounts where revenue has been recognised) and customer advances and deposits (contract liabilities), where no corresponding work has yet to be performed, being recognised on the Group's balance sheet.

The closing net contract balances are shown below:

	31 October 2022 £m
Contract assets	24.6
Contract liabilities	(42.5)

Contract assets are £24.6m, reflecting unbilled work-in-progress on Registered Provider / Development Contracts at the period-end.

Contract liabilities are £42.5m, reflecting payments on account received from customers in excess of billable work-in-progress on Registered Provider / Development Contracts on which revenue is recognised over time.

The Directors expect a significant proportion of the contract liabilities total to be recognised as revenue in the next reporting period.

Segmental analysis

The Keepmoat Group's Board of Directors have been identified as the Chief Operating Decision Maker as defined under IFRS 8 Operating Segments.

The Group operates solely as a housebuilder within the UK. The Board regularly reviews the Group's performance at both a Group consolidated and regional level. Each region is considered an operating segment as defined by IFRS 8. The Executive Board assesses performance and makes strategic decisions at this level. The regions have been aggregated into one reportable operating segment on the basis that they share similar economic characteristics including:

- Debt is raised centrally, and the cost of capital is the same at each region.
- National supply agreements are in place for key inputs including materials.
- Sales demand at each region is subject to the same macroeconomic factors, such as mortgage availability, government policy and government incentive schemes.

2 Employees and Directors

Employee benefit expense during the period	Period ended 31 October 2022 £m
Wages and salaries	67.6
Social security costs	8.3
Other pension costs	1.8
Staff costs before grant income	**77.7**
Repayment of CJRS grant income	3.6
Staff costs	**81.3**

Included within staff costs is the repayment of £3.6m of grant income received in respect of the Coronavirus Job Retention Scheme (CJRS) that was introduced by the Government in response to the COVID-19 pandemic. The grant income of £3.6m received by the acquired group prior to acquisition was repaid on 31 October 2021.

Average monthly number of people (including executive Directors) employed by activity	Period ended 31 October 2022 Number
Production	412
Selling and distribution	152
Administration	549
	1,113

The Company does not have any employees.

Key management remuneration

Key management comprises those members of the Executive Leadership Team (which includes the Executive Directors of the Board) that are considered to have the authority and responsibility for planning, directing and controlling the activities of the Group. Their remuneration is analysed as follows:

	Period ended 31 October 2022 £m
Aggregate emoluments	3.2
Pension contributions	-
Share based payment charge (note 21)	3.2
	6.4

Included in key management remuneration is £3.2m of employment expense reflecting the fair value of share-based payments, as measured at the date of issue and spread over the vesting period during which the employee becomes unconditionally entitled to the award (note 21).

2 Employees and Directors (continued)

Highest paid director

	Period ended 31 October 2022 £m
Aggregate emoluments	1.2
Pension contributions	-
Share based payment charge (note 21)	1.5
	2.7

3 Operating loss

The operating loss for the period includes the following:

	Period ended 31 October 2022 £m
Depreciation of property, plant and equipment (note 9)	1.1
Depreciation of right of use assets (note 16)	2.8
Inventories expensed through cost of sales	691.7
Amortisation of intangible assets (note 8)	67.3
Operating lease rentals – plant & machinery	0.5
Operating lease rentals – land & buildings	0.4

Adjusted earnings before interest, tax, depreciation, amortisation, impairment of investments, acquisition fair value adjustments, share based payment charges and exceptional items (adjusted EBITDA) is calculated as follows:

	Period ended 31 October 2022 £m
Operating loss	(6.5)
Amortisation of acquisition intangible assets (note 8)	67.3
Share based payment charge (note 21)	5.1
Acquisition fair value adjustment to inventory (note 24)	41.5
Exceptional items (note 4)	15.1
Adjusted EBIT	**122.5**
Depreciation of property, plant and equipment (note 9)	1.1
Depreciation of right of use assets (note 16)	2.8
Adjusted EBITDA	**126.4**

3 Operating loss (continued)

Adjusted gross profit is calculated as follows:

	Period ended 31 October 2022 £m
Gross profit	**80.1**
Amortisation of acquisition of intangible assets (note 8)	**67.3**
Acquisition fair value adjustment to inventory (note 24)	**41.5**
Adjusted gross profit	**188.9**

Auditors' remuneration	Period ended 31 October 2022 £m
Audit of the Company's annual report	**0.3**
Audit of the financial statements of the Group's subsidiaries	**0.5**
Audit of the financial statements of the Group's joint ventures and associates	**0.1**
Total audit services	**0.9**
Other non-audit services	**0.3**
Total other services	**0.3**
Total	**1.2**

4 Exceptional items

	Period ended 31 October 2022 £m
Included within administrative expenses:	
Corporate transaction costs	**15.1**
Total	**15.1**

Corporate transaction costs

During the period ended 31 October 2022, the Company engaged in corporate activity in relation to the acquisition of the Keystone Group. Advisory costs of £15.1m were incurred, primarily relating to corporate finance advisory fees, reporting accountant fees, legal fees and consultancy fees.

Maison Bidco Limited

Notes to the financial statements for the period ended 31 October 2022

5 Other operating income and expenses

	Period ended 31 October 2022 £m
Other operating income	
Sale of part-exchange properties	0.7
	0.7
Other operating expense	
Fair value of part-exchange properties less costs to sell	(0.7)
	(0.7)

6 Finance income and expense

	Period ended 31 October 2022 £m
Interest receivable from joint venture partners	0.1
Finance income	0.1
Interest payable on Senior Secured Notes*	(17.8)
Interest payable on Revolving Credit Facility**	(1.5)
Interest payable on other loans	(0.8)
Interest payable to parent undertaking	(20.4)
Interest payable on bank loans and overdrafts	(0.3)
Unwind of discount on deferred land payments	(10.7)
Interest payable on leases	(0.6)
Finance expense	(52.1)
Net finance expense	(52.0)

* Interest payable on the Senior Secured Notes comprises interest and amortisation of issue costs.

** Interest payable on the Revolving Credit Facility comprises interest, non-utilisation fees and amortisation of issue costs.

Maison Bidco Limited

Notes to the financial statements
for the period ended 31 October 2022

7 Income tax credit

	Period ended 31 October 2022 £m
Current tax	
UK corporation tax on loss for the period at 19%	**12.7**
Current tax charge	**12.7**
Deferred tax	
Origination and reversal of timing differences	**(20.6)**
Difference in applicable tax rates	**(0.8)**
Deferred tax credit	**(21.4)**
Income tax credit for the period	**(8.7)**

The table below reconciles the income tax expense for the period to tax at the UK statutory rate:

	Period ended 31 October 2022 £m
Loss before tax	**(58.5)**
Income tax credit at UK corporation tax rate at 19%	**(11.1)**
Effects of:	
Expenses not deductible for tax purposes	**4.6**
Non-taxable income	**(1.0)**
Adjustment for joint venture	**(0.1)**
Adjustment for transfer pricing	**1.1**
Land remediation relief	**(0.5)**
Group relief not paid for	**(2.6)**
Residential property developer tax	**1.7**
Difference in applicable tax rates	**(0.8)**
Income tax credit for the period	**(8.7)**

Maison Bidco Limited

Notes to the financial statements for the period ended 31 October 2022

7 Income tax credit (continued)

Factors affecting current and future tax charges:

In the Spring Budget 2021, the Government announced an increase in the corporation tax rate from 19% to 25% from 1 April 2023. The rate was substantively enacted on 24 May 2021 and as such the deferred tax balances have been calculated in full on temporary differences under the liability method using the rate expected to apply at the time of the reversal of the balance. As such, the deferred tax assets and liabilities have been calculated using a mixture of 19% and 25% (2021: mixture of 19% and 25%) as appropriate.

From 1 April 2022, the Residential Property Developers Tax was introduced. This imposes an additional tax of 4% on taxable profits exceeding £25m per year.

The position at period end was:

	31 October 2022 £m
Deferred tax assets	**29.5**
Deferred tax liabilities	**(32.3)**
	(2.8)

The movement for the period in the net deferred tax account is as shown below:

	31 October 2022 £m
On acquisition of subsidiary	**(24.2)**
Credit to income statement	**21.4**
	(2.8)

Deferred tax assets have been recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets, where it is probable that the assets will be recovered through trading and taxable profits. The Directors have assessed the carrying value of the deferred tax assets relating to losses at the balance sheet date and are of the opinion that they are supported by future forecast profits.

Maison Bidco Limited

Notes to the financial statements
for the period ended 31 October 2022

7 Income tax credit (continued)

Deferred tax assets

Group	**Property, plant and equipment £m**	**Tax losses £m**	**Corporate Interest Restriction £m**	**Other £m**	**Total £m**
On acquisition of subsidiary	0.8	28.4	-	-	29.2
(Charge)/credit to income statement	(0.2)	(3.4)	3.6	0.3	0.3
At 31 October 2022	0.6	25.0	3.6	0.3	29.5

Deferred tax liabilities

Group	**Fair Value Adjustments £m**	**Total £m**
On acquisition of subsidiary	53.4	53.4
Credit to income statement	(21.1)	(21.1)
At 31 October 2022	32.3	32.3

Unprovided deferred tax **Group**	**31 October 2022 £m**
Tax losses	0.5
Corporate Interest Restriction	9.5
	10.0

A deferred tax asset amounting to £0.5m in relation to certain losses within the Group has not been recognised as the Directors are of the opinion that there is a doubt over the recoverability of this asset due to the level of taxable profits in the relevant entities and the impact of the loss utilisation rules that were introduced from 1 April 2017.

A deferred tax asset amounting to £9.5m (Company: £3.6m) in relation to interest previously restricted under the Corporate Interest Restriction legislation has not been recognised as the Directors are of the opinion there is doubt over the recoverability of this asset due to worldwide debt cap restriction in the relevant entities.

8 Goodwill and other intangible assets

	Goodwill	Brand	Land development rights	Order book	Total
	£m	£m	£m	£m	£m
Cost					
On acquisition of subsidiary	273.1	58.0	75.2	68.2	474.5
At 31 October 2022	**273.1**	**58.0**	**75.2**	**68.2**	**474.5**
Accumulated amortisation					
Charge for the period	-	2.9	14.1	50.3	67.3
At 31 October 2022	**-**	**2.9**	**14.1**	**50.3**	**67.3**
Net book amount					
At 31 October 2022	**273.1**	**55.1**	**61.1**	**17.9**	**407.2**

Amortisation of brand, land development rights and order book are included within cost of sales.

Impairment review of goodwill

The Group tests goodwill for impairment annually or more regularly where there are indicators of impairment. Goodwill is monitored by management at the level of the operating segments identified in note 1, being the Group's cash generating units ("CGU's").

Key assumptions used for value in use calculations

The recoverable amount of the Group CGUs has been determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial forecasts approved by management covering a five-year period from 1 November 2022 reflecting the time horizon of delivery of the Group's strategic business plan for all CGU's. Cash flows beyond the five-year period used are extrapolated using a terminal growth rate of 2.25% per annum. The growth rate is consistent with the UK long-term growth rate.

The key assumptions for the value in use calculations are those regarding the forecast revenue and profit, discount rates and long-term growth rates. Future forecast revenues reflect expected sales volumes and prices for the respective CGU's based on historical experience and management's expectation of volume growth and sales pricing based on forward orders, product mix, business strategy and expected market demand. Future profit margins are based on historical experience and expected margins of the respective CGU's which are forecast with reference to the embedded margin within the secure land pipeline. A pre-tax discount rate of 17.3%, reflecting the estimated weighted average cost of capital adjusted for current market conditions, has been applied and is considered appropriate by the Directors.

Recoverable amounts

The recoverable value of each CGU exceeds the carrying value of each CGU's respective net asset base and therefore no impairment charge was necessary in the period.

Impact of possible changes in key assumptions

Management have sensitised the forecast to apply a downside scenario which reflects decreased affordability, leading to reduced demand for housing and falling house prices. In a downside scenario, it has been assumed that management would tightly manage working capital. This is consistent with the severe but plausible downside scenario used in the Group's going concern assessment. Further detail of the downside scenario can be found in the Principal accounting policies – Going concern note (page 48). In applying these sensitivities individually to the recoverable amounts there were no reasonably possible changes in any of the key assumptions that would have resulted in an impairment.

No impairment of goodwill is required for any CGU in the downside scenario.

9 Property, plant and equipment

	Plant, equipment, fixtures and fittings £m	Total £m
Cost		
On acquisition of subsidiary	1.6	**1.6**
Additions	1.5	**1.5**
At 31 October 2022	**3.1**	**3.1**
Accumulated depreciation		
Charge for the period	1.1	**1.1**
At 31 October 2022	**1.1**	**1.1**
Net book amount		
At 31 October 2022	**2.0**	**2.0**

There has been no impairment of property, plant and equipment during the period.

10 Investment in subsidiaries

Company	£m
Cost and net book value	
Investment during the period	527.1
At 31 October 2022	**527.1**

On 26 October 2021 the Company subscribed for the entire issued share capital of Keystone Topco Limited for consideration of £526.5m. Under the share purchase agreement any VAT recovered on transaction costs incurred by Keystone Topco Limited and its subsidiaries prior to the acquisition was to be treated as additional consideration and transferred to the former shareholders of Keystone Topco Limited. An amount £0.6m was recovered in September 2022 and recognised as additional consideration.

The Directors believe that the carrying value of the investment in Keystone Topco Limited is supported by the underlying net assets and future financial performance of the wider Keystone Topco Limited Group.

Full details of both the Company's directly and indirectly controlled subsidiaries are provided in note 25 to the financial statements.

11 Investments in joint ventures and associates

Details of operating joint venture undertakings and associates, all of which are incorporated in England and Wales, are as follows:

Name of undertaking	Description of shares and proportion of nominal value of that class held	Proportion of voting rights held by Maison Bidco Limited	Accounting year end
Durham Villages Regeneration Limited	A class ordinary shares of £1 each (51% held)	50%	31 March
Sheffield Housing Company Limited	Ordinary shares of £1 each (45% held)	45%	31 March
New Tyne West Development Company LLP	Members' capital (50% held)	50%	31 December
Osmaston Regeneration Partnership LLP	Members' capital (50% held)	50%	31 March
Evolve Built for Life Limited	Ordinary shares of £1 each (50% held)	50%	31 December

Durham Villages Regeneration Limited is a joint venture between Keepmoat Limited and Durham County Council. Its principal activities are private housebuilding, land sales and property development. The company's registered office is: The Waterfront, Lakeside Boulevard, Doncaster DN4 5PL. Under agreements between Keepmoat Homes Limited, Durham Villages Regeneration Limited and Durham City Council (on 1 April 2010 Durham City Council merged into the Unitary Authority of Durham County Council), Keepmoat Homes Limited has a license to build on land owned by Durham Villages Regeneration Limited. Keepmoat Homes Limited is a wholly owned subsidiary of Keepmoat Limited.

Sheffield Housing company Limited is an associated undertaking of Keepmoat Limited. Its principal activity is the building and sale of new homes in the Sheffield area. The company's registered office is: The Waterfront, Lakeside Boulevard, Doncaster DN4 5PL.

New Tyne West Development Company LLP is a joint venture undertaking with Newcastle City Council. Its principal activities are to facilitate regeneration and property development. The Company's registered office is: Barratt House, City West Business Park, Scotswood Road, Newcastle upon Tyne, NE4 7DF.

Osmaston Regeneration Partnership LLP is a joint venture between Keepmoat Limited and Derbyshire County Council formed in February 2015. The company has not commenced trading activities at 31 October 2022. The company's registered office is: The Waterfront, Lakeside Boulevard, Doncaster, DN4 5PL.

Evolve Built for Life Limited is a joint venture between Keepmoat Limited and Thurston Group Limited. The company ceased trading activities in October 2011. The company's registered office is: The Waterfront, Lakeside Boulevard, Doncaster, DN4 5PL.

11 Investments in joint ventures and associates (continued)

Investments in equity accounted joint ventures and associates are as follows:

	Joint ventures	Associates	Total
	£m	£m	£m
On acquisition of subsidiary	0.8	2.1	2.9
Equity accounted share of net profits	-	0.7	0.7
At 31 October 2022	**0.8**	**2.8**	**3.6**

Details of the results of the joint ventures and associated companies in the period are below:

	Joint Ventures	Associates
	31 October 2022 £m	31 October 2022 £m
Profit after income tax	-	1.6

12 Inventories

Group	31 October 2022 £m
Land held for and under development	268.7
House building developments in progress	324.8
	593.5

The Group carries out a detailed annual review of the net realisable value of land held for and under development both relating to future completions currently in development, and land and phases of sites not yet in development.

Net realisable value for land where construction of homes had commenced at the period-end or is anticipated to commence within the next 12 months was assessed by estimating selling prices and costs (including sales and marketing expenses) taking into account current market conditions.

Land where house building had not commenced at the period-end and was more likely to be sold undeveloped is assessed by re-appraising the land using current selling prices and costs for the proposed development and assuming an appropriate financial return to reflect the current housing market conditions and the prevailing financing environment.

At the period-end, the net realisable value provision amounts to £1.7m. This provision will be closely monitored for adequacy and appropriateness as regards under and over provision to reflect circumstances at future balance sheet dates.

Government grants are recognised as deferred income and are allocated to the income statement over the useful lives of the related assets. The effect of this treatment is to reduce the fair value of work in progress by £20.9m and to reduce cost of sales in the income statement by £3.0m.

Included within inventories are £0.4m of part exchange properties. Part exchange properties of £0.7m were disposed of during the period for proceeds of £0.7m.

The Directors consider all inventories to be current in nature as they are expected to be realised within the Group's normal operating cycle, which is greater than one year.

13 Trade and other receivables

	Group 31 October 2022 £m	Company 31 October 2022 £m
Non-current:		
Amounts due from related party undertakings (note 25)	3.6	-
	3.6	-
Current:		
Trade receivables	19.0	-
Less: provision for impairment of receivables	(0.2)	-
Trade receivables – net of provision for impairment	18.8	-
Amounts due from parent undertakings (note 25)	0.3	0.2
Amounts due from subsidiary undertakings	-	223.5
Amounts due from related party undertakings (note 25)	5.7	-
Other receivables	5.6	-
Prepayments	8.8	1.7
Contract assets	24.6	-
	63.8	225.4

Prepayments includes £0.5m in respect of prepaid pension contributions and £1.7m of unamortised issue costs associated with the revolving credit facility as the group was not drawn on the facility.

Amounts due from related party undertakings comprise amounts due from New Tyne West Development Company LLP of £3.6m and amounts due from Sheffield Housing Company Limited of £5.7m. Both New Tyne West Development Company LLP and Sheffield Housing Company Limited are joint venture entities. All amounts are unsecured, non-interest bearing and settled in cash.

Movements on the Group provision for impairment of trade receivables are as follows:

	2022 £m
On acquisition of subsidiary	0.1
Charged to the income statement	0.1
As at 31 October	0.2

Provisions for impaired receivables have been included in cost of sales in the income statement.

Consideration of the credit quality of trade receivables is set out under credit risk in note 23.

14 Cash and cash equivalents

	Group 31 October 2022 £m	Company 31 October 2022 £m
Cash at bank and in hand	**84.5**	**0.3**

Cash and cash equivalents include the following for the purposes of the consolidated cash flow statement:

	Group 31 October 2022 £m	Company 31 October 2022 £m
Cash at bank and in hand	**84.5**	**0.3**
Bank overdrafts (note 17)	**-**	**-**
Cash and cash equivalents	**84.5**	**0.3**

15 Trade and other payables

	Group 31 October 2022 £m	Company 31 October 2022 £m
Non-current:		
Trade payables	5.1	-
Development land payables	125.1	-
Amounts due to parent undertaking (note 25)	256.0	256.0
Amounts due to subsidiary undertakings	-	275.0
	386.2	531.0
Current:		
Trade payables	114.9	-
Amounts due to subsidiary undertaking	-	21.7
Amounts due to related party undertakings (note 25)	0.5	-
Other tax and social security	2.1	-
Other payables	1.0	0.9
Development land payables	82.3	-
Contract liabilities	42.5	-
Accruals	55.8	-
	299.1	22.6

Amounts due to parent undertaking comprise amounts owing to Maison Hold Limited. Amounts are unsecured, due for repayment in October 2051 and bear interest at a rate of 8.5% per annum.

Amounts due to related party undertakings comprise amounts owing to Durham Villages Regeneration Limited, a joint venture entity. All amounts are current, unsecured, non-interest bearing and settled in cash.

The maturity profile below shows the anticipated undiscounted future cash flows, based on the earliest date on which the Group can be required to pay financial liabilities on an undiscounted basis. All other balances in trade and other payables not noted below are recorded at an undiscounted basis.

Period ended 31 October 2022	Trade payables £m	Development land payables £m	Total £m
More than one year and less than two years	5.1	51.1	56.2
More than two years and less than five years	-	71.5	71.5
More than five years	-	14.1	14.1
	5.1	136.7	141.8

16 Right-of-use assets and lease liabilities

The Group has lease contracts for various show home properties, office space, cars and plant hire used in construction and development. The amounts recognised in the financial statements in relation to the leases are as follows:

Group **Right-of-use asset**	**Show homes sale and leaseback £m**	**Plant hire £m**	**Property £m**	**Vehicles £m**	**Total £m**
Cost					
On acquisition of subsidiary	0.4	1.9	3.0	1.6	6.9
Additions	0.4	2.0	0.3	0.7	3.4
Modifications	-	-	1.2	-	1.2
Disposals	(0.3)	(0.6)	(0.5)	(0.2)	(1.6)
At 31 October 2022	**0.5**	**3.3**	**4.0**	**2.1**	**9.9**
Accumulated depreciation					
Disposals	(0.3)	(0.4)	(0.4)	(0.1)	(1.2)
Charged during the period	0.3	1.4	0.4	0.7	2.8
At 31 October 2022	**-**	**1.0**	**-**	**0.6**	**1.6**
Net book value					
At 31 October 2022	**0.5**	**2.3**	**4.0**	**1.5**	**8.3**

The liability is presented as follows:

Group **Lease liability at 31 October 2022**	Show homes sale and leaseback £m	Plant hire £m	Property £m	Vehicles £m	**Total £m**
Current	0.3	1.0	0.9	0.7	**2.9**
Non-current	0.2	1.3	3.3	0.9	**5.7**
	0.5	**2.3**	**4.2**	**1.6**	**8.6**

The income statement shows the following amounts relating to leases:

	31 October 2022 £m
Depreciation on right-of-use assets	**2.8**
Interest expense (Note 6)	**(0.6)**
Expenses relating to leases of low-value assets not shown as short-term leases	**0.9**

The total cash outflow for leases during the financial period was £3.7m, including £0.6m of interest.

The maturity analysis of the lease liabilities and their contractual undiscounted cash flows are shown below.

Group	**31 October 2022 £m**
Less than one year	**3.8**
More than one year, less than five years	**7.5**
More than five years	**3.5**
Total undiscounted lease liabilities at period end	**14.8**
Finance costs	**(6.2)**
Total discounted lease liabilities at period end	**8.6**

17 Loans and borrowings

	31 October 2022 EIR[1] %	Group 31 October 2022 £m
Current		
Other loans	**6.1%**	**3.9**
Revolving credit facility	**3.4%**	**-**
Unamortised issue costs on revolving credit facility		**-**
		3.9
Non-current		
Senior secured notes	**6.0%**	**275.0**
Unamortised issue costs on senior secured notes		**(4.8)**
		270.2
Total loans and borrowings		**274.1**
Maturity of financial liabilities		
Less than one year		**3.9**
Between one and five years		**270.2**
After more than five years		**-**
		274.1

[1] Effective interest rate %

At 31 October 2022, the revolving credit facility was undrawn. As a result, the unamortised issue costs of £1.7m associated with this are recognised within prepayments (note 13).

Analysis of movement in net debt is as follows:

	On acquisition £m	Cash movements £m	Non-cash movements £m	31 October 2022 £m
Cash & cash equivalents	37.7	46.8	-	**84.5**
Short-term borrowings	(12.7)	8.8	-	**(3.9)**
Long-term borrowings	(157.5)	(113.4)	0.7	**(270.2)**
Lease liabilities (note 16)	(8.1)	3.7	(4.2)	**(8.6)**
Net debt	(140.6)	(54.1)	(3.5)	**(198.2)**

17 Loans and borrowings (continued)

On 26 of October 2021, on completion of a formal acquisition process, the Keepmoat Group (Keystone Topco Limited and its subsidiaries) was acquired by the Company, a subsidiary company owned by funds managed by Aermont Capital LLP (Aermont). In connection with the sale, certain of the Keepmoat Group's existing debt was refinanced and replaced with a combination of high-yield securities and a new revolving credit facility. As a result, on 26 October 2021, £157.5m of term loan facility was repaid and the £75.0m revolving credit facility, to which Keystone Topco and its subsidiaries were a party, was terminated.

In order to finance the acquisition of the Keepmoat Group, Maison Finco Plc (a subsidiary company of the Company) issued £275.0m of Senior Secured Notes attracting an interest rate of 6% due for repayment on 31 October 2027. The Company entered into an agreement to open a new debt facility in the form of a £70.0m revolving credit facility attracting an interest rate of 3.25% plus SONIA and due for renewal in April 2027. The new facility is secured via a floating charge over the assets of the Group Companies.

Other loans comprise Builders Finance Fund ("BFF") loans from Homes England and loans from Stockton Council. Interest is charged at European Central Bank base rate plus a margin which varies from 2.5% to 6.5% between sites and amounts are repayable on completion of each site for which the loan relates.

The interest rate risk profile of the Group's financial liabilities at 31 October 2022 is below, which includes all drawn down borrowings. This includes interest payable in each year until maturity as well as principal repayments and represents the undiscounted contractual cash flows. It is assumed that the Sterling Overnight Index Average (SONIA) rate remains constant at the year-end position.

Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	4-5 years £m	More than 5 years £m	**Total £m**
20.7	16.5	16.5	16.5	291.5	-	361.7

18 Provisions for liabilities

	Total Dilapidations £m
On acquisition of subsidiary	1.1
Charged to the income statement	0.1
Utilised during the period	(0.1)
At 31 October 2022	**1.1**
Current	-
Non-current	**1.1**
At 31 October 2022	**1.1**

Dilapidations

The dilapidations provision covers the Group's leased estate. A full provision up to the end of each lease was established by an independent external valuer, with the element up to the date of the financial statements being recognised in the accounts on a pro-rated straight-line basis.

19 Share capital

	31 October 2022	
	Number	**£m**
Authorised, allotted, called up and fully paid		
Ordinary shares of £1 each	**2,407,392**	**2.4**

All issued ordinary shares rank pari passu in all respects.

On incorporation on 23 July 2021, the Company issued 1 ordinary share with a nominal value of £1 at par consideration. On 26 October 2021, the Company issued a further 2,407,391 ordinary shares of £1 each for consideration of £240.7m giving rise to a premium of £238.3m.

20 Retirement benefit liabilities

Keepmoat Pension Plan

The Group operates the Keepmoat Limited Group Pension Plan ("KPP"), a defined contribution plan, with assets held in independently administered funds. Some members of the KPP have a contractual promise from the Group, which is separate to the benefits payable by the KPP, being an arrangement between Keepmoat Limited and the applicable employees. The scheme is closed to new members The obligation arising under this arrangement has been calculated by a qualified independent actuary and accounted for as a long-term employee benefit. The contractual liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. A highly immaterial liability is present in the period and for this reason no further disclosures are presented.

Assets as a result of prepaid contributions to the KPP are presented in prepayments within trade and other receivables in each period (see note 13).

Defined contribution schemes

The pension cost charged to the income statement in respect of the defined contribution scheme during the period was £1.8m representing contributions payable in the period. Contributions due to the defined contribution schemes at the period-end were £0.1m.

21 Share based payments

The Group operates a Management Incentive Plan (MIP), under which awards have been made to Executive Directors and certain senior employees at the discretion of the Board of Directors. Awards under the plan are subject to being in service and an increase in the value of the group up to an exit event occurring. The awards under the MIP constitute an equity settled share-based payment scheme. The fair value of the share based payments has been valued by an external third party using a Monte Carlo simulation model, based on relevant internal Group information and publicly available market data at the grant date. The inputs to the Monte Carlo model were as follows:

	Tranche 1
Date of grant	**26 October 2021**
Shares granted	**84,450**
Expected volatility	**36.2%**
Risk free interest rate	**0.7%**

No account for the expected dividends to be paid was incorporated into the fair value assessment. The shares awarded have no expiry date and, upon a participant exit, the shares are purchased by the Keepmoat Employee Benefit Trust to be held in treasury until awarded to a new management participant or an exit event occurs.

The Group recognised total expenses of £5.1m in the Statement of Comprehensive Income in relation to the equity-settled share based payments during the period.

22 Contingent liabilities

The Group has entered into performance guarantees in the normal course of business which, at 31 October 2022, amounted to £32.1m. In the opinion of the Directors, no loss will arise in respect of these guarantees.

The Group has given guarantees in respect of the bank borrowings in addition to performance and other guarantees. At 31 October 2022 the Group had bank borrowings under the revolving credit facility of £nil and bank overdrafts of £nil. The Group therefore had undrawn facilities totalling £70.0m. The guarantees are in the form of floating charges over the assets of certain Group companies.

The Group is party to the Maison Bidco Limited Group ("Bidco Group") senior facility agreement whereby the Bidco Group has a revolving credit facility of £70.0m. At 31 October 2022 the Bidco Group was in a net cash position.

23 Financial instruments

Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders by ensuring that the Group maintains sufficient liquidity to sustain its present and forecast operations.

The Group monitors current and forecast cash liquidity and bond liquidity against available facilities to ensure that there is sufficient capacity to meet requirements for the foreseeable future.

As part of its covenants, the Group also measures its leverage requirement as a ratio of adjusted EBITDA to net debt. The leverage covenant requirement reduces over time. At 31 October 2022, the ratio of 1.74 was within the required ratio of 6.90.

Financial risks and management

The Group's principal financial instruments comprised senior secured notes, RCF facility, bank loans, development land payables, subordinated shareholder loan notes, and cash. The main purpose of these financial instruments was to raise finance for the Group's operations. The Group has other financial instruments including trade receivables and trade payables, which arise directly from operations.

No trading in financial instruments has been undertaken.

The Group has exposure to a variety of financial risks through the conduct of its operations. The Board reviews and agrees policies for managing risk as well as specific policies and guidelines.

The key financial risks resulting from the Group's use of financial instruments are credit risk, liquidity risk and market risk.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, mainly arising on the Group's trade receivables and amounts due from construction contract customers.

The Group's exposure to credit risk is limited for open market housebuilding activities as the Group typically receives cash at the point of legal completion of its sales.

The credit risk on registered provider sales depends on the individual characteristics of the counterparty, many of whom are in the public sector or are funded by the public sector (e.g., housing associations). The Board of Directors consider that the credit rating of these customers is good and the credit risk on outstanding balances to be low and no provision is held against these balances.

The Group does not have any concentration of risk in respect of amounts due from construction contract receivables or trade receivable balances, with receivables spread across a wide range of customers.

The ageing of trade receivables (see note 13) is as follows:

Group	31 October 2022 £m	
	Gross trade receivables	**Provision for impairment**
	£m	**£m**
Number of days past due date:		
Not past due	**15.3**	**-**
Past due 1 to 30 days	**2.3**	**-**
Past due 31 to 90 days	**0.5**	**-**
Past due 91 to 365 days	**0.3**	**-**
Past due greater than one year	**0.6**	**(0.2)**
	19.0	**(0.2)**

23 Financial instruments (continued)

The Group applies the simplified approach under IFRS 9 to measure expected credit losses ("ECL") associated with trade and other receivables. The carrying value of receivables is reduced at each reporting date for any increase in the lifetime ECL with an impairment loss recognised in the statement of comprehensive income. The Directors are of the opinion that there is a significant concentration of credit risk for those balances past due greater than 90 days. Trade receivables with a carrying amount of £3.7m are past due at the reporting date and £0.2m are impaired.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. An ageing profile of the Group's loans and borrowings is presented in note 17.

The Group's objective is to manage liquidity by ensuring that it will always have sufficient liquidity to meet its liabilities as they become due. This will be assessed under normal and stress conditions, without incurring losses or risking damage to the Group's reputation.

The Group has rigorous cash management processes. Cash balances are reported daily with detailed analysis of variances to short term cash forecasts. Short term cash forecasts are updated weekly and are for the current month and the next 5 months by day. These complement a minimum of four long term quarterly cash forecasts each year which are compared to the annual cash flow budget and to previous quarterly forecasts. These facilitate management's assessments of the Group's expected cash performance and the associated comparison to available facilities and the Group's covenants.

Key risks to liquidity and cash balances are a decrease in the value of open market sales, a downturn in the UK housing market, deterioration in credit terms obtainable in the market from suppliers and subcontractors, a downturn in the profitability of work, delayed receipt of cash from customers and a general decline in the ability of local authorities to fund urban regeneration projects.

In order to mitigate this risk, the Group continually monitors open market house sales volumes and prices; working capital levels and contract profitability; and both client and supplier credit references and credit terms with clients and suppliers to ensure they continue to be appropriate.

The Group does not have any derivative financial liabilities.

c) Market risk

Market risk is the risk that changes in market prices such as interest rates, house prices and foreign exchange rates will affect Group income or the value of the Group's financial instruments.

Interest rate risk

Interest rate risk relates to the impact of interest rate increases on the Group's floating rate borrowing. The Group holds facilities at floating interest rates at a margin over the Sterling Overnight Index Average (SONIA). This new financing has increased the liquidity of the Group but also the Group's exposure to the risk of interest rate fluctuations. Whilst the risk of an increase in interest rate is beyond the Group's control, management continually keeps this exposure under review.

Housing market risk

The Group is affected by price fluctuations in the UK housing market. The market is impacted by consumer demand and employment levels and is dependent on the availability of mortgage finance. Furthermore, Government incentives, such as the "Help to Buy" scheme, have helped to stimulate consumer demand. The "Help to Buy" scheme ceased to new applicants from 31 October 2022 but has been replaced with the "First Homes" scheme to retain support for first-time buyers. In addition, the industry backed "Deposit Unlock" scheme has commenced in the period to support the new build industry. Whilst these risks are beyond the Group's ultimate control, risk is spread across differing business activities undertaken by the Group and the geographical regions in which it operates.

Currency risk

The Group operates entirely in the United Kingdom and all of the Group's revenue is generated in the United Kingdom and is denominated in pound sterling. Consequently, the Group has very limited exposure to currency risk

23 Financial instruments (continued)

Fair values of financial instruments

Trade and other receivables

The fair value of trade and other receivables, excluding contract assets, is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material. The carrying amount of trade and other receivables is a reasonable approximation of their fair value.

Trade and other payables

The fair value of trade and other payables, excluding contract liabilities, is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material. The carrying amount of trade and other payables is a reasonable approximation of their fair value.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated at its carrying amount where the cash is repayable on demand.

Loans and borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments:

Group	**31 October 2022 £m**	
	Carrying amount £m	**Fair Value £m**
Loans and receivables		
Cash at bank and in hand (note 14)	84.5	84.5
Trade and other receivables (note 13)	34.0	34.0
	118.5	118.5
Financial liabilities at amortised cost		
Trade and other payables (note 15)	640.7	640.7
Loans and borrowings:		
Bank overdraft (note 17)	-	-
Senior secured notes (note 17)	270.2	193.5
Revolving credit facility (note 17)	-	-
Other loans (note 17)	3.9	3.9
	914.8	838.1

The fair value of the senior secured notes is determined on the basis of the stock exchange price on 31 October 2022.

Prepayments and contract assets are excluded from the trade and other receivables balances. Contract, statutory and share-based payment liabilities are excluded from trade and other payables as these are not financial instruments.

Borrowing facilities

At 31 October 2022, the Group had committed borrowing facilities totalling £70.0m representing revolving credit facilities and overdraft, which are due for renewal in April 2027. At 31 October 2022 the Group had bank borrowings under the revolving credit facility of £nil and bank overdrafts of £nil. The Group therefore had undrawn facilities totalling £70.0m. Revolving credit facilities bear interest at 3.25% over SONIA whilst cash overdrafts are 3.25% over Bank of England base rate.

24 Acquisition

On 26 October 2021, following a formal sale process, the Company acquired 100% of the equity of Keystone Topco Limited for total acquisition date consideration of £526.5m. Keystone Topco Limited is the parent company of the Keepmoat Group whose principal activity is that of construction of residential dwelling and associated development contracts. Further details on the rationale for acquisition are included in the Chief Financial Officer's Report on pages 29-32.

The following table summarises the acquisition date fair value of the consideration for Keystone Topco Limited:

Consideration	**£m**
Cash	516.7
Intercompany loans assumed	9.8
Total acquisition date consideration	**526.5**
Contingent consideration	0.6
Total consideration	**527.1**

Under the sale and purchase agreement any VAT recovered on transaction costs incurred by Keystone Topco Limited and its subsidiaries prior to the acquisition were to be treated as additional consideration and transferred to the former shareholders of Keystone Topco Limited. An amount of £0.6m was recovered in September 2022 and recognised as additional consideration. This increased the total consideration for Keystone Topco Limited to £527.1m.

The fair value of the intercompany loans assumed as part of the consideration was deemed to be the book value.

The following table summarise the fair value of the assets acquired, and liabilities assumed at the acquisition date:

Recognised amounts of identifiable assets acquired and liabilities assumed	**Fair value £m**
Cash & cash equivalents	37.7
Tangible fixed assets	8.5
Intangible assets	201.4
Investments	2.9
Inventories	619.1
Trade and other receivables	67.6
Trade and other payables	(639.9)
Lease liabilities	(7.8)
Deferred tax liability	(24.2)
Loans and borrowings	(10.2)
Provisions	(1.1)
Total identifiable net assets	**254.0**
Goodwill	**273.1**
Total	**527.1**

The assets and liabilities acquired have been recognised at their acquisition date fair values. The fair value of inventories, which includes land held for and under development and house building developments in progress, was estimated at £619.1m, an uplift of £41.5m on the carrying value prior to acquisition. The fair value adjustment was calculated as the estimated selling price less costs to complete and sell and associated margins expected. This has then been adjusted to reflect the levels of risk associated with the sites that a third party would take into consideration. The fair value was amortised over the first 12 months post-acquisition, in line with cash flows.

The fair value of trade and other receivables is equal to the gross contractual amount receivable. The Directors do not believe that there is a significant risk to recoverability of amounts due from trade and other receivable balances (see note 23).

24 Acquisition (continued)

Goodwill represents a number of elements, including the value of intangible assets that do not qualify for separate recognition under accounting standards and the value of the Group's workforce. None of goodwill is expected to be deductible for tax purposes.

Intangibles recognised as part of the acquisition include brand (£58.0m), land development rights (£75.2m) and the order book (£68.2m). Brand has been valued using a relief from royalty approach which uses the hypothetical royalty fees that would be saved by owning the brand rather than licensing it. This uses an assumption over the royalty rate to apply to forecasted revenues. Land development rights and order book has been valued using a multi-period excess earnings model approach, which uses a number of estimates regarding the amount and timing of future cash flows. The key assumptions in the valuation are the discount rate, the timing of the expected cash flows and, in the case of the order book, the cancellation rates. The intangible assets identified are subject to deferred tax liabilities calculated based on the prevailing tax rate and useful economic lives of the assets (see note 7).

Acquisition costs of £15.1m are included in exceptional items within administrative expenses in the Consolidated Income Statement and in operating cash flows in the Cash Flow Statement. Included within the Group's Consolidated Income Statement for the period are £67.3m of amortisation of the intangible assets recognised on acquisition.

The strategic report shows the twelve-month proforma results of the Group as if the acquisition occurred on 1 November 2021, as this is consistent with the acquiring Group's prevailing statutory reporting period. This shows revenue of £778.1m and a loss contribution of £54.5m (see Strategic Report, page 32). It would be impracticable to present the consolidated proforma revenue and profit for the period ended 31 October 2022 as if the acquisition had occurred on 16 July 2021 (the date of incorporation of Maison Holdco Limited) as the acquiree company does not have a period ended starting on or close to the same date.

25 Related party disclosures

The Directors regard all subsidiaries, joint ventures and associates of Maison Bidco Limited Group to be related parties. During the period the Group has traded with these related parties and summaries of those transactions are set out below:

Trading transactions

Period ended 31 October 2022	Sales to £m	Purchases from £m	Management Fees/ recharges £m	Finance Income/ (expense) £m
Joint ventures				
Durham Villages Regeneration Limited	0.1	-	-	-
New Tyne West Development Company LLP	12.5	-	-	-
Associates				
Sheffield Housing Company Limited	12.9	-	-	0.1
	25.5	-	-	0.1

25 Related party disclosures (continued)

The outstanding balances between the Group and these related parties as at 31 October 2022 was as detailed below:

Balances outstanding	**Trade and other receivables**	**Trade and other payables**
	31 October 2022 £m	**31 October 2022 £m**
Parent undertakings		
Maison Holdco Limited	0.3	-
Maison Hold Limited	-	256.0
Joint ventures		
Durham Villages Regeneration Limited	-	0.5
New Tyne West Development Company LLP	3.6	-
Associates		
Sheffield Housing Company Limited	5.7	-
Total	**9.6**	**256.5**
Current (receivables note 13, payables note 15)	6.0	0.5
Non-current (receivables note 13, payables note 15)	3.6	256.0
Total	**9.6**	**256.5**

With the exception of the balances below, all amounts are current, unsecured, non-interest bearing and settled in cash. There are no provisions for impairment in respect of amounts owed by related parties.

Included within trade and other receivables are the following non-current loans;

- Loan receivable from New Tyne West Development Company LLP of £3.6m which bears no interest and is secured on the assets of the entity.

Transactions with management

During the period, Executive Directors and senior management were issued with shares as part of a Management Incentive Plan. The instruments were deemed to be equity settled share-based payment schemes. During the year, a charge of £5.1m has been expensed to the Statement of Comprehensive Income. See note 21 for further information.

Principal subsidiary undertakings of the Group

The following information relates to the principal subsidiary undertakings of the Group. The Company directly owns 100% of the ordinary share capital of Maison Finco PLC and Keystone Topco Limited and has effective control of its other subsidiaries in the proportion indicated below. All companies are incorporated in England and Wales. In the opinion of the Directors, these companies are those whose results or financial position principally affect the results of the Group.

The registered address of the subsidiary and joint venture companies is: The Waterfront, Lakeside Boulevard, Doncaster, DN4 5PL.

25 Related party disclosures (continued)

Name of Company	Principal activities	Group's effective shareholding
Maison Finco PLC	Financing company	100%
Keystone Topco Limited	Intermediate holding company	100%
Keystone Midco Limited	Intermediate holding company	100%
Keystone Bidco Limited	Intermediate holding company	100%
Keystone Financing plc	Financing company	100%
Lakeside 1 Limited	Intermediate holding company	100%
K&A Merger Limited	Intermediate holding company	100%
Castle 1 Limited	Intermediate holding company	100%
Keepmoat Limited	Provision of corporate services	100%
Keepmoat Homes Limited	Private house building development	100%
MCI Developments Limited	Partnership house building	100%
Huyton Freehold Limited	Holding of, and collection of rent from available for sale freehold interests in residential properties	100%
Keepmoat Property Limited	Holding of short term lease interests with other Group companies	100%
KGP (SHC) Limited	Intermediate holding company	90%
BK Scotswood LLP	Intermediate holding company	100%

Dormant and other subsidiaries

Keepmoat Site Services Limited	Dormant	100%
Force Solutions Limited	Dormant	100%
Conquest Bidco Limited	Intermediate holding company	100%
Apollo Support Services Group	Intermediate holding company	100%
Apollo Holdco Limited	Intermediate holding company	100%
Toucan Holdings Limited	Property management	100%
Goldhall Electrical Limited	Dormant	100%
Hull & Gipsyville Housing Venture Limited	Dormant	81%

26 Ultimate controlling party

The Company's immediate parent undertaking is Maison Hold Limited, a company registered in England and Wales. In the period to 31 October 2022, Maison Holdco Limited is the parent of the smallest and largest group in which these results are consolidated.

The Company's ultimate parent company is Maison Grafton S.à.r.l., a company incorporated in Luxembourg, whilst the Company's ultimate controlling party is funds managed by Aermont Capital LLP.

The consolidated financial statements of Maison Holdco Limited may be obtained from The Waterfront, Lakeside Boulevard, Doncaster, DN4 5PL.