

Building
Homes.
Changing
Lives.

 **gleeson**_{plc}

MJ Gleeson plc
Annual Report and
Accounts 2021

Company number 09268016

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COMPANIES HOUSE

MJ Gleeson plc
specialises in
low-cost house
building and land
promotion.

Highlights

Operational

Homes sold

1,812
(2020: 1,072)

Average selling price

£145,800
(2020: £130,900)

CO₂e emissions (scope 1 & 2)

2.1 tonnes
per home sold
(2020: 2.8 tonnes)

Financial

Revenue

£288.6m
(2020: £147.2m)

Profit before tax

£41.7m
(2020: £5.6m)

Cash net of borrowings

£34.3m
(2020: £16.8m)

Net assets per share

420.4p
(2020: 366.1p)

Earnings per share

58.2p
(2020: 8.1p)

Return on capital employed

21.4%
(2020: 3.1%)



Cover: Florence, Sutton Heights,
Sutton-in-Ashfield, Nottinghamshire



Carlisle Park, Rotherham,
South Yorkshire

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Providing high-quality, affordable homes to those who need them

➞ Read more on **Our Sustainable Business Model** on pages 18 to 19

Enabling home ownership for a vast underserved market

➞ Read more on **Market Review** on pages 14 to 16

Sustainability: People, Communities & the Environment

➞ Read more on **Our Sustainable Business Strategy** on pages 32 to 33

A culture that attracts, retains and promotes the best people

➞ Read more on **Our Values and Culture** on pages 8 to 9

At a Glance

Divisional Breakdown



Gleeson Homes	Gleeson Land
£265.8m	£22.8m



Gleeson Homes	Gleeson Land
£37.4m	£11.1m

* After Group overheads of £5.4m

Key

- Gleeson Homes
- Gleeson Land



 Florence and Kellie-Jay, Sutton Heights, Sutton-in-Ashfield, Nottinghamshire

Gleeson Homes

We build affordable, quality homes. Where they are needed, for the people who need them most.

Our mission is to change people's lives through home ownership, primarily first time buyers and young families, many of whom are on low-to-average incomes and are key workers. We help people to escape from housing poverty caused by the "rent trap" and into home ownership, wealth creation, and better health and wellbeing. A couple working full time on the government's National Living Wage can afford to buy a home on any of our developments.

We build in areas of deprivation, regenerating communities and creating meaningful spaces where people want to live. These are often brownfield sites with access to transport, local facilities and employment. Most of our customers are from the local area and want to remain part of their local community.

Our sustainable business approach is based around our relationships with communities, people and the environment.

Gleeson Land

We promote land through the complex planning system. Unlocking value to deliver sustainable and attractive sites for other developers to build new homes, where they are needed.

We carefully select and promote land through the planning process on behalf of landowners. Our highly skilled team of planning, technical and land specialists take a bespoke approach to every site. We carefully consider the constraints of a site, being sensitive to local needs and environmental aspects.

We build strong relationships with landowners and take a proactive and personal approach to promoting their land. We work to achieve best value on their behalf, whilst delivering planning permissions that are implementable and ready for developers to start on site.

We form an integral part of the supply chain for new housing, delivering high-quality consented land to housebuilders, predominantly in the South of England.

From "Gleeson Strategic Land" to "Gleeson Land"

Our land promotion business is focused on meeting the growing short-term needs of housebuilders for attractive, well-planned sites that are "oven ready" for development. A large number of the sites we promote obtain a planning permission and are sold within five years. We promote carefully selected, high-quality sites that can be delivered in a reasonable timeframe. As such, these are not typically long-term strategic allocations or speculative land opportunities. To better reflect the nature of the business, the division has been rebranded "Gleeson Land". The statutory company name currently remains Gleeson Strategic Land Limited.

Building Homes

Building affordable, quality homes.

We build our homes with the needs of our customers first and aim for 5-star quality across all of our developments.

We will not hand over the keys to a home unless we are proud to put our name to it.

Gleeson homes:



2, 3 or 4
bed houses



Significantly
cheaper
to buy than rent



Highly energy
efficient



Sold
freehold

Traditional approach:



Brick and block
construction



Front and rear
gardens



Driveways at the
side

£95,000

With prices from as low as £95,000, a working couple on the National Living Wage can afford to buy on any of our developments.

 Model Walk, Worksop, Derbyshire

Changing Lives.

Where they are needed, for the people who need them most.

We exist to provide homes to a largely underserved community of young, first time buyers.

We strive to make homeownership a reality for everyone.

Gleeson customers:

80%

First time buyers

2 out of 3

Key workers

29 years old

Median buyer age

1 out of 3

Below 25 years old

£23,000

Median buyer income

51%

Single buyers

4 out of 5

of our homes are built in the most deprived areas of the UK. That compares to 1 out of 4 for other housebuilders.

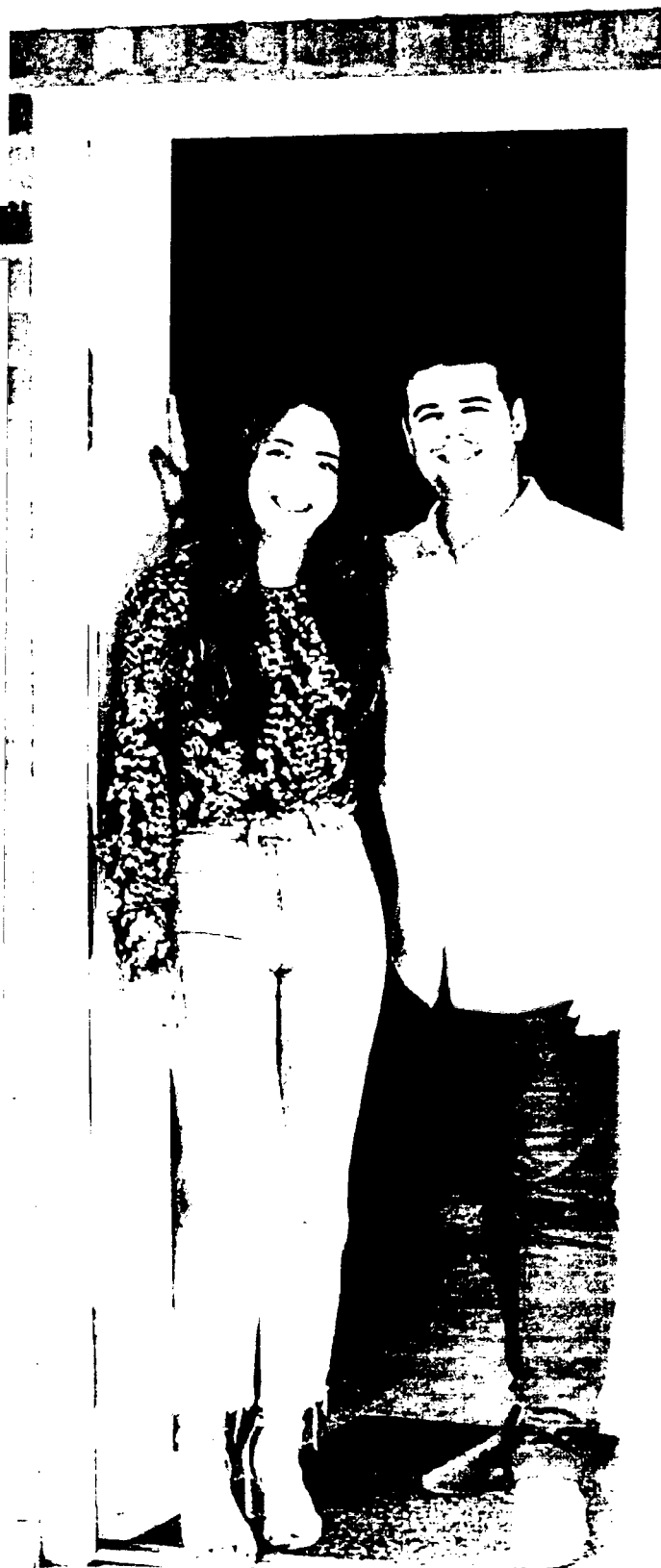
Our Sustainable Approach

Our vision:
Building Homes.
Changing Lives.

Our mission:
Changing lives by
building affordable,
quality homes.
Where they are
needed, for the
people who need
them most.

→ Read more on **Our Sustainable Business Strategy** on pages 32 to 33

→ Read more on **Our Values and Culture** on pages 8 to 9



Our sustainable business strategy is built around our relationship with Communities, People and the Environment.

Communities

We want to create attractive, affordable places for young, first time buyers to live, creating sustainable communities.

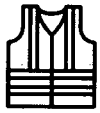
People

We are committed to ensuring all employees and subcontractors will be treated fairly, kept safe and be paid a fair wage.

Environment

We take all reasonable measures to conduct our business in a way that minimises our impact on the environment and enhances the land we develop.

Our most material sustainability issues are:



Health and safety



Affordability



Land



Build quality



Carbon emissions

Our business supports six UN Sustainable Development Goals ("SDGs") through its activities:



Sustainable cities and communities



Gender equality



Decent work and economic growth



Responsible consumption and production



Climate action



Life on land

➔ Read more on our **Material Sustainability Issues** on pages 30 to 31

➔ Read more on our **support of UN SDGs** on pages 46 to 47

We have engaged with our key stakeholders to understand their views on our material sustainability issues.



Customers



Employees



Shareholders



Local Authorities



Banks

➔ Read more on our **Communities** on pages 34 to 35

➔ Read more on our **People** on pages 36 to 37

➔ Read more on our **relationship with the Environment** on pages 38 to 41

Our Values and Culture

Our Values

We are Passionate

We are passionate about building high-quality homes that are affordable for everyone.

We are passionate about our customers and ensuring they enjoy buying their home from us. Where we get things wrong, we aim to put it right quickly and fairly.

We are proud of the strong relationships we build with our suppliers and contractors who work alongside us.

We are Collaborative

We work together collaboratively, with shared goals, where information, knowledge and ideas can be discussed openly, honestly and free from judgement.

We listen to our customers and work with them throughout their buying journey.

We collaborate with our external partners and value their part in helping us achieve our goals.

We are Respectful

We respect the right to a safe working environment on all our sites and in all our offices and are fully committed to ensuring our colleagues and those who work on, or visit our sites and offices, return HomeSafe - everyone, every day.

We are respectful of our customers, colleagues and partners by listening to them and treating them equally and fairly.

We undertake our business in an ethical way, and we respect the environment.



Appendix 1: Technical Site Engineer,
PJ Gleeson

Our values in action - case studies

We are Passionate

We are passionate about what we do; Paul Hume, a forklift operator at Petersmiths Park in Ollerton, Nottinghamshire noticed there was an issue with dust on the roads around the site and that hiring an external road sweeper came at a cost.

Paul designed and created a dust-suppression system to attach to his forklift, which meant he could reduce the dust on the roads at a significantly lower cost and reduce idle time.

His passion sets a great example and his design has the potential for wider roll out on other sites.

We are Collaborative

We work collaboratively with the community; during the construction of our Roseberry Court development in Kirkleatham, Redcar the local church kindly allowed us to use their land for the site compound and welfare facilities.

Since the construction of Roseberry Court, the old church was demolished and a new church built in its place. To show our appreciation for letting us use their land, Gleeson resurfaced the car park of the church free of charge and provided a fenced boundary between the church and our development.

We are Respectful

We respect our customers' needs; when Oliver and Charlotte requested permission to convert their garage into a wet room and downstairs bedroom for their 12-year-old daughter with severe mobility limitations, we agreed to design and fund the entire project. We worked with Sheffield City Council and the NHBC to create a walk-in wet room and bedroom including a hoist to allow easier movement between the bed and wet room. No one should be restricted in their own home based on disability.

Monitoring our culture

Our annual "Your Voice" survey is one of our engagement tools and helps us monitor the views of our colleagues across the business.

This year, we saw a 13% increase in response rate and are proud of the fact that, from an independent survey, we remain in the top quartile of companies across the country for employee engagement. This is important as it has been a challenging year including for those colleagues who were furloughed during the first lockdown, working remotely or dealing with the stresses of the pandemic on both mental and physical health. Despite these challenges, we saw an improvement in scores across many areas, as well as gaining a greater understanding of areas that need more attention in the coming year.

We also use a Personal Development Review process as a way to engage with all colleagues in a structured way twice a year. Our people are asked to reflect on how they have demonstrated our values, engaging in a meaningful conversation with their line manager about their aspirations, development needs and performance.

Find out more on pages 36 and 37.

Our
employee
engagement
score

89%

(2020: 88%)

Our people
are proud
to work
for Gleeson

88%

(2020: 85%)

Chairman's Statement

Dermot
Gleeson

Chairman

I am pleased to report a strong set of results for the financial year to June 2021, with revenue and profit ahead of pre-Covid levels."

Gleeson Homes completed a record 1,812 new homes and remains on track to meet its target of delivering 2,000 new homes in 2022.

Gleeson Land sold eight sites with the potential to deliver 1,978 plots. Demand for consented sites has returned to pre-Covid levels and in the current financial year the division has already completed the sale of one substantial site.

Market

The demand for Gleeson Homes' high-quality, low-cost homes remains very strong. Mortgage finance continues to be available to our purchasers on favourable terms and the government's two new initiatives to help first time buyers - the First Homes scheme and the 95% mortgage guarantee scheme - will also help to support demand in the market in which Gleeson operates. Due to the low, affordable selling price of our homes and the typical backgrounds of our customers, most purchases of a Gleeson home are not subject to stamp duty and, as a result, the first tapering of the stamp duty holiday in June has had little impact on our performance. We do not expect the end of the stamp duty holiday in September to have any impact either on demand or revenue.

As has been widely publicised, the construction sector as a whole is currently experiencing availability and cost pressures with respect to labour and materials. So far, however, due to its long-term, trusted relationships with suppliers and subcontractors, Gleeson Homes has been able to maintain both its build programmes and its gross margins. We are cautiously confident it will continue to do so.



Gleeson Land has seen a strong increase in demand from major housebuilders for high-quality, consented sites. Despite the disruptive impact of the pandemic on local authority planning departments, the division is continuing to secure new and commercially attractive planning consents. It has also added a number of new, high-quality sites to its portfolio.

Sustainability

In last year's Annual Report, we set out our commitment to being a sustainable housebuilder aligned with UN Sustainable Development Goals ("SDGs"), in particular target 11 of SDG 11, "Sustainable cities and communities", which is to provide "access for all to safe and affordable housing". A young working couple can afford to buy a high-quality home on any one of Gleeson Homes' development sites.

The UK housing market as a whole is heavily skewed towards the needs of middle and upper-income buyers who already own a home. The average selling price of houses in England is now over £325,000. In consequence, and despite the rise in the number of new homes being built, housing inequality in the UK remains a very significant problem. I am proud of the contribution we are making, both in practice and by our example, to resolving that problem.

Our customers are young, first time buyers and people on low incomes who would like to own their home but, in many cases, believe themselves to be "priced out" of the market. Gleeson's high-quality, affordable homes enable them to achieve their dream. What is more, by choosing to live in a new, energy efficient home on a carefully planned and designed Gleeson development, young first time buyers give themselves the opportunity to become active members of a strong and sustainable community.

Our people

The last 18 months have been challenging. I wish to express my very deep sense of gratitude to all our employees for their remarkable resilience in what have been very difficult circumstances and for their continuing commitment to the Company's success.

I have been particularly impressed by the progress made during the year with respect to employee development and engagement. The most recent independently assessed engagement scores show a further rise, placing Gleeson in the top quartile of UK companies. We continue to strive to be, and to be recognised as, one of the best companies to work for in the UK.

Dividends

Following the suspension of dividend payments in 2020, the Board resumed payments in April 2021, paying an interim dividend of 5.0p per share.

Subject to shareholder approval at the 2021 Annual General Meeting ("AGM"), the Board proposes to pay a final dividend of 10.0p per share on 22 November 2021, to shareholders on the register at the close of business on 29 October 2021. The total dividend for the year to 30 June 2021 will, on that basis, be 15.0p.

The Board has also reviewed the Company's capital allocation policy, assessing the capital needs of both shareholders and the Company as it continues to invest for growth. The Board intends to maintain an earnings to ordinary dividend cover ratio of between three and five times and expects to pay a final dividend representing two-thirds of the total dividend each year. This policy will be reviewed periodically to ensure that it remains appropriate.

Chairman's Statement

Continued

Financial stability

The Group retains its strong financial position and ended the year with cash balances of £34.3m and no debt (30 June 2020: £16.8m net cash). In April this year, the Group entered into a new borrowing facility shared between Lloyds Bank plc and Santander UK plc. This has a limit of £105m (previously £70m with Lloyds) and gives the Group additional liquidity to invest in growth.

I am pleased to confirm that the Company has repaid all financial support received by the Group from the government's Coronavirus Job Retention Scheme and retail grant and rebates schemes.

Corporate governance

I was very pleased in March this year to welcome Elaine Bailey to the Board, who has been appointed as a Non-Executive Director. Elaine, a former Chief Executive of Hyde Housing Group, brings to our deliberations an exceptional breadth of construction and housing-related experience.

Elaine has been appointed as Chair of the new Sustainability Committee and as a member of the Nomination, Audit, and Remuneration Committees.

In December 2020, we established the Sustainability Committee of the Board to oversee the Group's approach to sustainability and to environmental, social and governance ("ESG") issues. Its first report, including a summary of the work undertaken by the Committee this year, is integrated into our Annual Report.

Summary and outlook

Despite the pressures currently affecting the supply of materials and labour within the construction industry, the prospects for Gleeson Homes are very encouraging.

Mortgage rates and conditions for first time buyers on low incomes are unprecedented and very favourable. As a result, there is scope for further, controlled increases in selling prices, while ensuring that young working couples on low incomes can continue to afford to buy a high quality home on any one of Gleeson Homes' development sites – an objective which, for Gleeson, has become a point of pride.

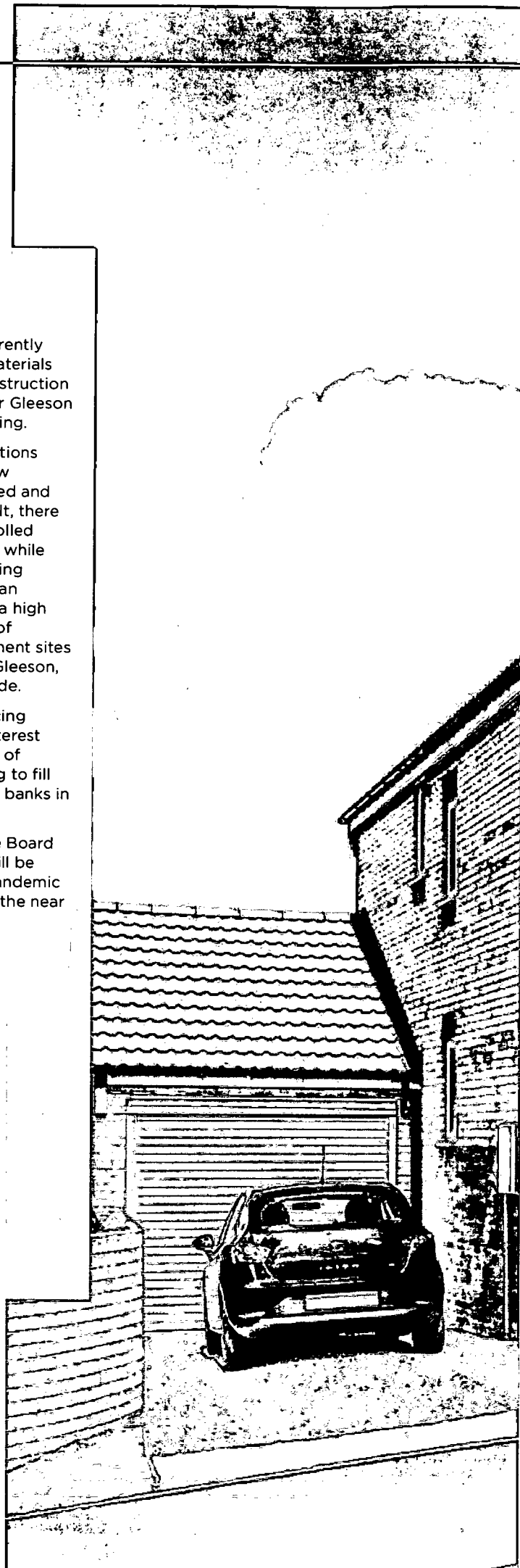
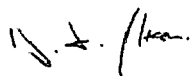
Gleeson Land is experiencing strongly rising levels of interest from housebuilders, many of which are urgently seeking to fill the gaps in their own land banks in the South of England.

Against this backdrop, the Board believes that the Group will be able to continue its pre-pandemic growth trajectory, both in the near term and beyond.

Dermot Gleeson

Chairman

13 September 2021





Reinsborough Park
Knottingley, West Yorkshire.

Market Review

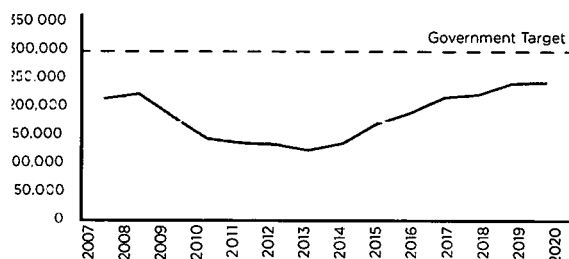
The UK housing market is failing to meet the needs of young, first time buyers and people on low incomes. The market is also failing to deal with the complex issues of housing inequality and the right to safe, affordable housing. Too many young working people who want access to the health, wealth and wellbeing benefits that come with home ownership are unable to buy a home and continue to live in rented accommodation or live with parents.

Too few homes are being built

Housebuilding volumes have increased over recent years, but they are still falling short of the government's target of 300,000 new homes per year by the mid-2020s. This target could be further hampered by inherent complexities in the planning system and, more recently, challenges around the supply and availability of materials and skilled labour.

The net under-supply in the market will continue to drive house prices and exacerbate the problems for young people and those on lower incomes who want to get onto the housing ladder.

Net additional dwellings in England

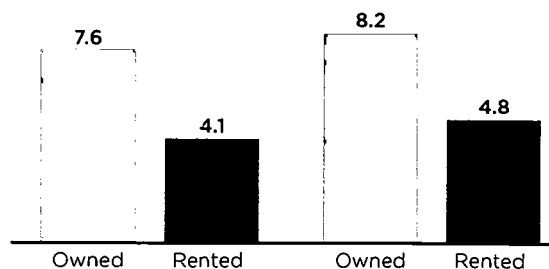


Source: Gov.uk Components of net housing supply, England.

More than 1 in 3 homes are rented

4.1 million households in the North of England and Midlands are renting. Despite the efforts of the government, housebuilders and housing associations to build more homes, the levels of home ownership are below historic levels. In 2020, more than one in three householders were living in rented accommodation, either social or private rented. However, the desire to own a home remains strong; nine in ten young adults aspire to own a home and over half (51%) of first time buyers listed it as one of their top life goals¹.

Household tenure by region (millions)



North of England & Midlands South of England & East

Source: Gov.uk Dwelling stock: by tenure and region.

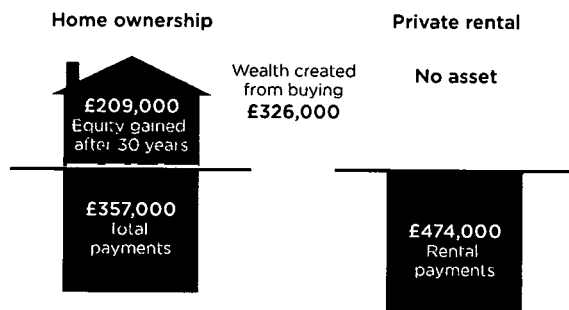
¹ Santander First-Time Buyer Study July 2019.



 Kilner Park, Doncaster, South Yorkshire

The benefits of home ownership are clear

Not only are there health and wellbeing benefits that come from home ownership, but there are clear wealth benefits. According to a recent independent report, nearly half of homeowners with a mortgage agree they are able to save more because their mortgage is cheaper than renting, and 1 in 3 homeowners see their mortgage as a means to invest in their future. The typical homeowner can gain wealth of £326,000 over thirty years compared with renting, even before any potential house price gains are factored in.

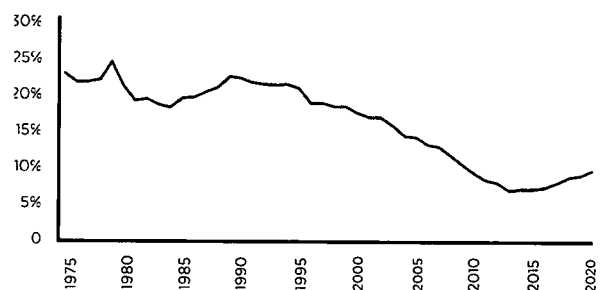


Source: Equity Release Council. Rent assumes the average rent rising by 2% p.a. Homeowner assumes £220,000 home bought with a 30 year repayment mortgage, and subsequent remortgages. Analysis includes other costs of ownership including insurance and repairs.

Young people are struggling to become homeowners

Whilst home ownership among the young has been increasing over the last few years, it remains low with only one in ten people younger than 30 years old owning their own home. Over the past two decades there has been a shift towards the private rental sector, with young people likely to remain renters for longer. This is particularly apparent for adults in the 25-34 age group; in 2007-08 only 28% lived in private rented accommodation, increasing to 44% a decade later².

Home ownership below the age of 30



Source: The Resolution Foundation.

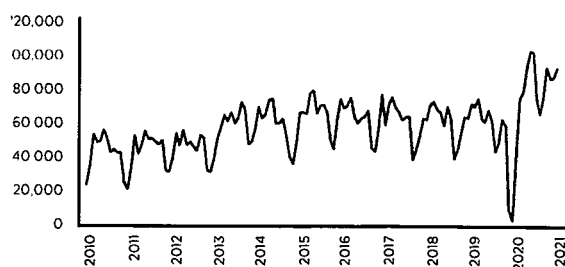
2. ONS Living longer (February 2020).

Mortgage availability is improving

Mortgage approvals fell to a 10-year low in May 2020 but have recovered strongly, rising to just over 95,000 in June 2021. The availability of 90% loan-to-value ("LTV") mortgage products has also recovered in the year from a low of 51 products in October 2020 to 481 at May 2021³.

Easing of the mortgage market is supported by the introduction of the government's 95% LTV mortgage guarantee scheme.

Number of all UK mortgage approvals



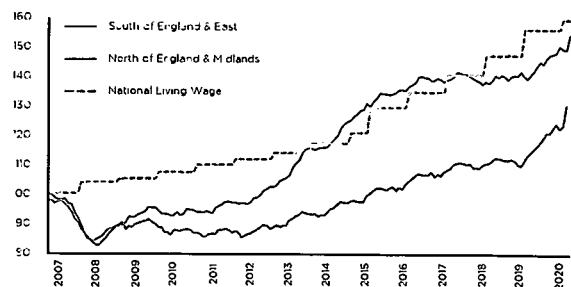
Source: Bank of England, not seasonally adjusted.

3. Moneyfacts.

House prices remain sensible in the North of England and Midlands

House prices in the North of England and Midlands have risen in the past year but remain sensible. Low mortgage rates and rising wages, including the National Living Wage, have improved affordability. In the North of England and Midlands, mortgage payments as a percentage of mean after tax pay remain sensibly low at around 30%. However, saving for a deposit is still seen as the biggest barrier to achieving the home ownership dream.

House price index in England



Source: Land Registry indexed prices (2007 = 100).

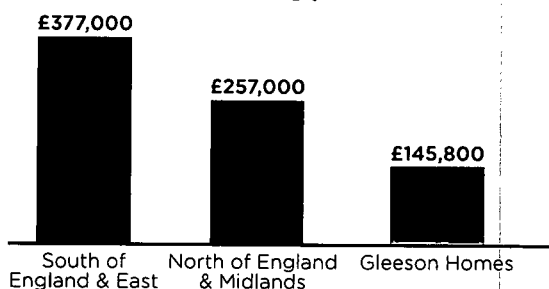
Market Review

Continued

New build prices remain above the reach of many young people

The average price of a new build home in England is now £326,000. Prices are lower in the North of England and Midlands at £257,000 but this is still out of reach for many young people, especially those on lower incomes. A working couple on the National Living Wage, borrowing four times their combined income and borrowing 90% of the purchase price can afford to buy a home costing around £165,000.

New build average selling prices

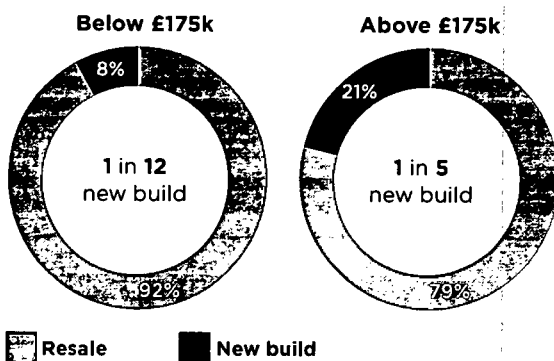


Source: ONS Housing market simple average house prices by new dwellings by region.

Too few homes are built for sale below £175,000

The house building industry as a whole is not building enough new homes for sale below £175,000. In the North of England and Midlands, only 8% of homes sold below £175,000 were new build compared to 21% priced above £175,000. This ratio highlights the under-supply of affordable new homes. Whilst there are many older terrace houses in the resale market, the age and condition of these houses often makes them more expensive to maintain and run.

Housing transaction volumes in the North of England & Midlands

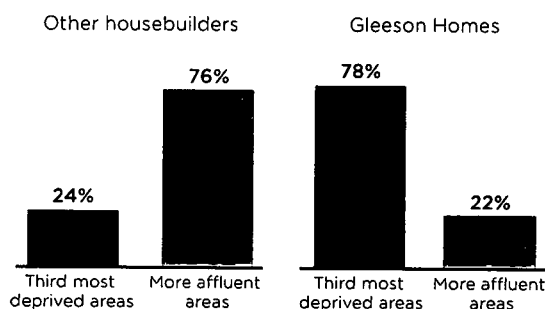


Source: Land Registry.

Homes are being built in more affluent areas

The majority of housebuilders are focused on building new homes in more affluent areas. Three-quarters of all new homes built in 2020 were in more affluent areas, with only one-quarter built in the most deprived⁴ areas of England. This disparity reflects the fact that new homes are not being built in the areas which need them the most.

New build homes sold by areas of deprivation



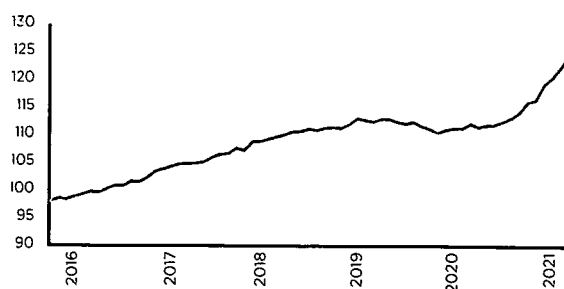
Source: Land Registry, Indices of Multiple Deprivation gov.uk.

4. Most deprived areas have been assessed as the lowest one-third using the Indices of Multiple Deprivation.

Homes are getting more expensive to build

The cost of construction materials has risen significantly since the beginning of 2020 and lead times on deliveries have extended. This may impact on the industry's ability to meet the government's target of 300,000 new homes per year in the short-term. In addition, the cost of implementing the government's Future Homes Standard will add further cost to each home built.

Construction materials price indices for new housing



Source: ONS Construction materials price indices (2015 : 100).



Our Sustainable Business Model

Key inputs

Financial capital

We have a robust capital model with strong liquidity to invest and grow the business.

Land

We identify land opportunities often in areas where other housebuilders do not want to build.

Building materials

We look to sustainably source materials and use local suppliers where possible to supply our sites.

Our people

Our people are key to achieving the mission and vision of our business and they share our values.

Local authority relationships

We build relationships with local authorities and share our sustainable approach and vision.

Supply chain partnerships

We partner with our supply chain, using local subcontractors and labour.

Gleeson Homes



Land acquisition

We acquire land in areas of deprivation, targeting brownfield land opportunities. We transform these into meaningful spaces for people to live.

We have clearly defined gateway processes to ensure we buy land in the right areas and at the right price. This is essential to keeping our homes affordable.



Planning

We plan our developments to transform sites into attractive and sustainable communities.

We work with local authorities, communities, residents and other stakeholder groups to achieve an implementable planning permission that is sympathetic to local needs.



Designing homes

Our homes are designed to exceed the latest planning and building regulations.

For example, 98.2% of our homes are EPC rated B or above. All are fitted with energy efficient lighting and low flow water devices, which save 15 litres per person, per day (12%) against the requirements set by Building Regulations.

Gleeson Land



New sites

We use land agents and in-house search capabilities to identify and carefully select new sites. We enter into agreements with landowners to promote their land through the planning process.



Promotion

We engage with local authorities, residents, communities, stakeholder groups and statutory consultees to promote land for sustainable housing development, whilst balancing stakeholder needs.



Planning

We have in-house planning capabilities and work closely with planning and other specialist consultants to develop attractive, sustainable and well-designed plans for housing.

**Build**

Our health and safety procedures are designed to ensure everyone remains safe from harm.

We prioritise local suppliers and trades, providing investment to the communities in which we operate.

We are reducing carbon emissions from our activities and working to minimise our impact on the environment.

**Sales and customer experience**

Our focus on quality is absolute and we will not hand over a home that we are not 100% proud of.

We strive to provide a 5-star customer experience and this commitment to quality extends throughout the customer journey.

**Outcome**

We sell high-quality, affordable homes primarily to first time buyers or young families, many on low-to-average incomes.

We enable people to escape from housing poverty caused by the "rent trap" and into home ownership and wealth creation.

Value for stakeholders

Customers

We help our customers to achieve long-term value creation, security and wellbeing through home ownership.

Shareholders

We generate sustainable value and returns for our shareholders.

Our people

We invest in our people, develop their skills and reward them appropriately.

Suppliers and subcontractors

We create long-term relationships with our suppliers and subcontractors, pay them fairly and on time.

Communities

We regenerate deprived areas and leave a positive lasting legacy in the communities who need it the most.

Society

We change the lives of people connected to our business for the better, bringing value to society through our activities.

**Technical**

We have our own technical expertise to ensure that our sites are supplied free from technical issues. In doing so, we provide developers with an "oven ready" site that is ready to start on.

**Sales process**

As one of the UK's largest land promoters, we have strong relationships with medium and large-sized housebuilders. We bring high-quality consented land to market and look to achieve best value for landowners.

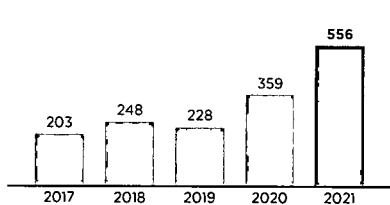
**Outcome**

We supply high-quality land that has the benefit of planning permission, to other housebuilders, fulfilling a key stage in the process of delivering much needed new homes.

Key Performance Indicators

Sustainability KPIs

Health and safety (AIIR¹)

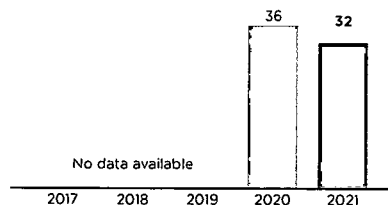


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5

9 12

Staff turnover (%)



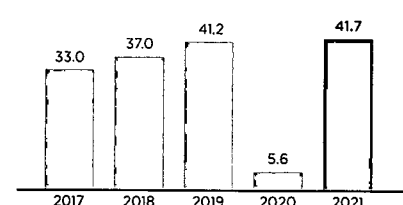
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7 12

Financial KPIs

Group profit before tax (£m)



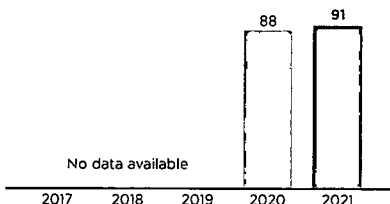
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1 3

1 2 3 4 5

10

Customer recommendation score (%)

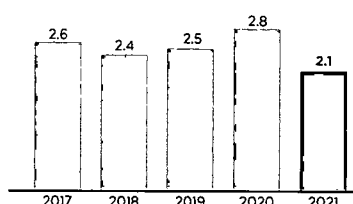


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6 12

CO₂e (scope 1 and 2) tonnes per home sold

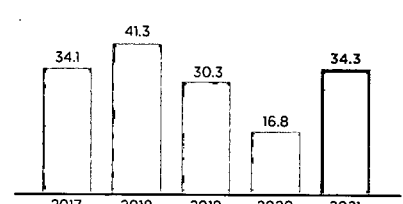


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Cash net of borrowings (£m)

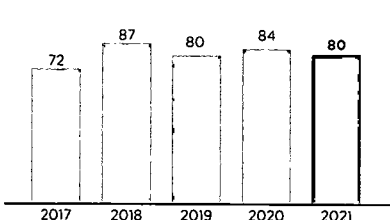


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First time buyers (%)

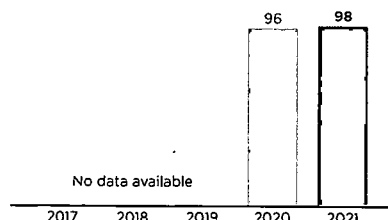


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3

1 2 6 12

Waste (% of waste diverted from landfill)



Link to strategy: Link to risk:

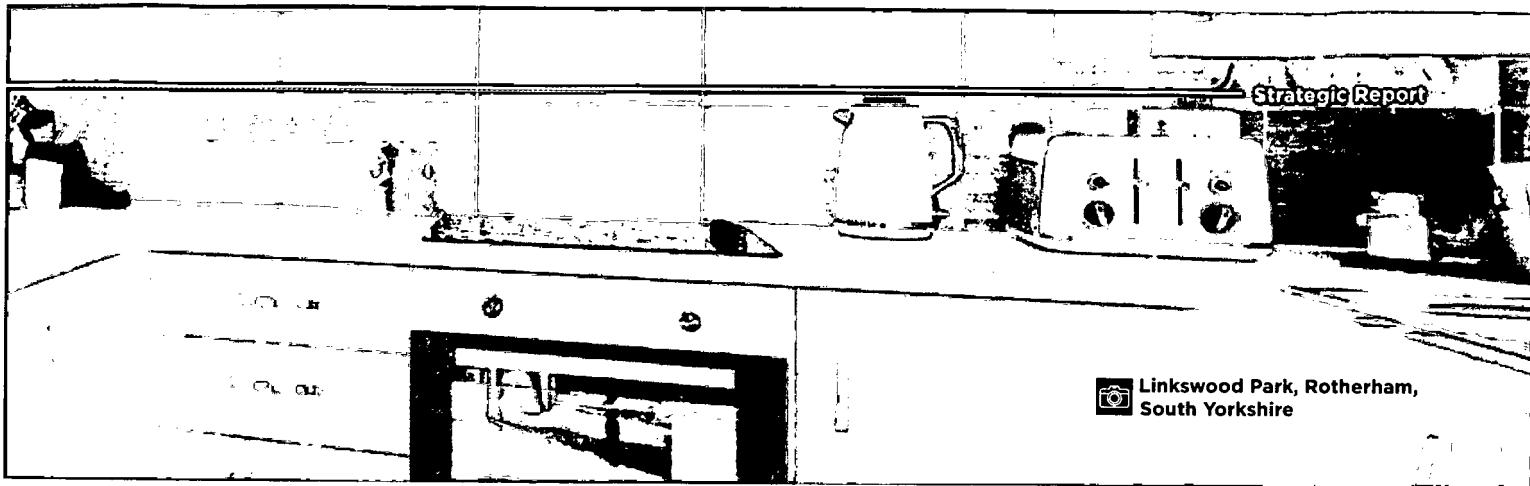
4

11 12

1. Accident Injury Incidence Rate measured as the number of reportable incidents per 100,000 employees and on-site subcontractors.

Strategy

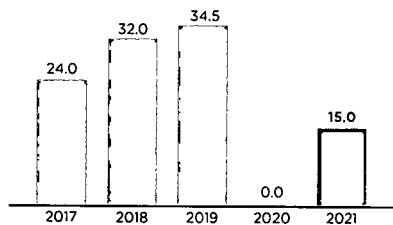
- 1 Sustainable growth
- 2 Build quality
- 3 Affordability
- 4 Climate change
- 5 People, wellbeing, health and safety
- 6 Land



Linkwood Park, Rotherham, South Yorkshire

Operational KPIs

Total dividend (pence)



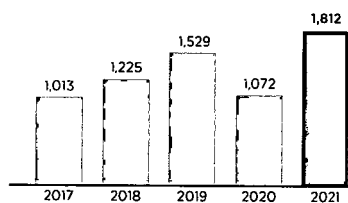
Link to strategy:

1

Link to risk:

1 10

Gleeson Homes
Homes sold



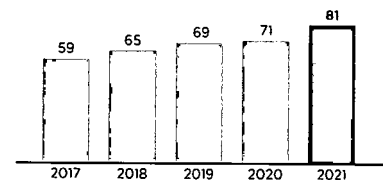
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Link to risk:

1 2 3 4 5

Gleeson Homes
Build sites (year end)



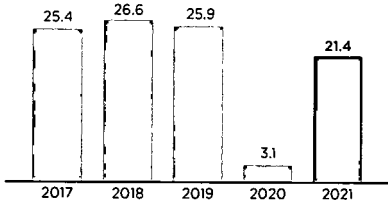
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Link to risk:

1 3 4

Return on capital employed² (%)



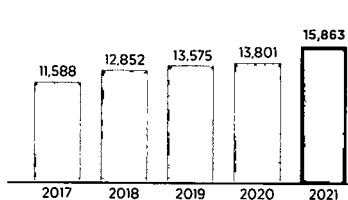
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10

Gleeson Homes
Land pipeline (plots)



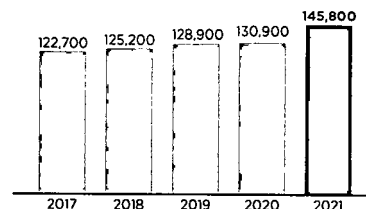
Link to strategy:

6

Link to risk:

1 3 4

Average selling price (£)



Link to strategy:

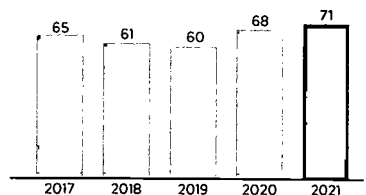
3

Link to risk:

1 2 3 5 12

2. Return on capital employed is calculated based on earnings before interest and tax ("EBIT") from continuing and discontinued operations, expressed as a percentage of the average of opening and closing net assets after deducting deferred tax and cash net of borrowings.

Gleeson Land
Portfolio (sites)



Link to strategy:

6

Link to risk:

1 3 4

Risks

- 1 Economic environment
- 2 Mortgage availability
- 3 Land availability
- 4 Government policy and regulations
- 5 Build costs and availability
- 6 Build quality and customer service

- 7 People
- 8 Cyber and IT systems
- 9 Health and safety
- 10 Financial control
- 11 Climate risk
- 12 Sustainability

Q&A with Management

James
Thomson

Chief Executive



Q

How has Gleeson dealt with the impact of Covid-19?

A

Incredibly well, thanks to strong demand from our customers and the commitment of all our colleagues and subcontractors. We have been fortunate that as an industry, with the exception of the first lockdown, we have been able to operate and trade through the pandemic, albeit under new Covid-19 compliant procedures.

Our sites adapted by putting in place social distancing measures and requiring only one tradesperson inside a house at any time. Our sales centres operated under an appointment-only system, and the majority of our office staff have been working remotely. We are pleased to say that we have continued to meet our customers' expectations and our focus on them has never waived.

I am really proud of how all my colleagues across Gleeson adapted to the changes in their work and personal lives and the resilience they have shown, but I do not underestimate the pressure that it has put on each and every one of them.

Q

What have been the main challenges of the past year?

A

The main challenge has been to continue with our rapid pace of growth and business change, whilst adapting to changing rules and regulations imposed as a result of the pandemic. As a business, it has taught us to be more agile in how we respond and adapt to challenges which are outside of our control. More recently, we are seeing challenges in the form of rising costs and material shortages, and we are continuing to adapt to these and take actions to mitigate the impact on both costs and build rate.



How has Gleeson developed its approach to sustainability?

 Sustainability has always been at the heart of what we do, and our mission to provide affordable, quality homes where they are needed, for the people who need them most underpins everything we do at Gleeson. This year we have undertaken a detailed exercise to engage with our key stakeholders to further understand their views around the issues that affect our sustainability, and we have taken this feedback under consideration when developing our sustainable business strategy. You can read more about our sustainable business strategy on pages 32 to 33.

How has Gleeson invested in its employees in the past year?

 Our colleagues are our greatest asset, and we have continued to invest in them in many ways. We undertook more Mental Health First Aid training sessions this year and now have over 30 Mental Health First Aiders across the business. We were already working on a programme to refresh our IT equipment prior to the pandemic, but the move to remote working has accelerated that and I'm pleased with how well it has progressed. This has been a key factor in enabling our people to continue operating effectively. In addition, we have created a series of online courses that are role-specific and ensure our people get the training that they need.

We have further increased our apprenticeship programme and now have 70 apprentices across all functions. Throughout the year, we have continued to recruit, retain and promote the best people and make sure that we have the right people in the right roles.

What are Gleeson's strategic priorities?

 Our highest priority is safety and we have a "safety first, always" culture through HomeSafe, our health and safety programme, so that everyone who is involved with, or affected by, our activities remains free from harm and returns home safe every day.

Securing land on which we can build affordable homes is the starting point for Gleeson Homes and is critical for continued, sustainable growth. Without a continuous supply of new sites, we can't build the homes that our customers need.

We are also focused on the impact of climate change and the part we need to take in tackling it.

We continue to focus on quality, both build quality and the customer journey, and are delighted to say that we won a Gold Award in 2021 for Customer Satisfaction after more than 90% of our customers said they would recommend Gleeson.

How has Gleeson fulfilled its vision and mission this year?

 Our vision and mission were developed by the business and are very much embedded into our culture and everything we do.

This year we sold 1,812 homes, primarily to first time buyers or young families, many on low-to-average incomes and two-thirds of whom were key workers. A lot of our customers grew up in the areas that we build, so they are able to stay close to family and friends, strengthening their communities.

Many of these people would not have been able to afford their own home and would either remain living with parents or be stuck in the "rent trap" without the opportunity to buy a Gleeson home.

I am immensely proud of our vision and what we do: **Building Homes. Changing Lives.**

Chief Executive's Statement

James
Thomson

Chief Executive

“After the unprecedented challenges the country has faced over the last 18 months, I am pleased to report a strong set of results this year.”

The delivery of 1,812 new homes was a record result for Gleeson Homes and 18.5% ahead of pre-pandemic levels, an outstanding performance and further proof of the resilience of Gleeson's business model.

Gleeson Homes opened 27 new sites this year, which was another record for the business, and we closed the year with 81 build sites, of which 61 were actively selling. This provides us with an excellent platform for sustainable growth.

The newly rebranded Gleeson Land, previously Gleeson Strategic Land, also had a successful year, selling eight sites. Whilst this was below pre-pandemic levels, the division completed the sale of a further site at the start of this financial year, which represents a strong start to the new financial year.

Market

The demand for low-cost, high-quality homes from first time buyers remains as robust as ever and the broader housing market has been strong. The main challenges have been, and continue to be, around the price and availability of materials and labour. This is an issue for the industry as a whole and, so far, our strong supply chain relationships and controlled selling price increases have allowed us to trade through these issues. I expect this to be a short-term challenge and one that will, in time, return to normal levels.

Government policy is playing an important role in our planning for the future. New building regulations, namely Part L and Part F Building Regulations, are incorporated into our plans and we are trialling air source heat pumps



on a number of developments. These will be the first of many climate-focused changes as the government progresses their vision of zero carbon ready homes. We are supportive of these measures and our homes already have better energy performance ratings than most other new build homes, with over 98% of our homes having an EPC rating of A or B.

Financial performance

Gleeson Homes delivered 1,812 new homes this year, an increase of 69% on the prior year (2020: 1,072). The average selling price of £145,800 was 11.4% higher, reflecting an underlying increase of 9.3% and the impact of site mix, and reflects the strong housing demand that we are seeing across all our regions. We expect that house price inflation will ease and that, combined with the favourable mortgage market, will help ensure our homes remain affordable. As a result of this strong performance, Gleeson Homes delivered an operating profit of £37.4m (2020: £9.0m).

Gleeson Land sold eight sites this year, with the potential to deliver 1,978 plots. This generated an operating profit of £11.1m (2020: £0.2m).

As a result, Group profit before tax was £41.7m (2020: £5.6m).

During the year, the Group repaid £60.0m of loans drawn on its revolving credit at the start of the pandemic. The Group ended the year with a strong cash balance of £34.3m and no debt (30 June 2020: £16.8m net cash). Our balance sheet remains strong and will support our future growth ambitions.

Number of homes sold

1,812 homes

2020: 1,072 homes
2019: 1,529 homes

Average selling price

£145,800

2020: £130,900
2019: £128,900

Active build sites

81 sites

2020: 71 sites
2019: 69 sites

Gleeson Land site sales

8 sites

2020: 2 sites
2019: 9 sites

Sustainability

Our mission of building affordable, quality homes where they are needed and for the people that need them most aligns fully with the UN SDG 11. Our customers tell us that they buy a Gleeson home for their value and affordability, their location and their good design. I am proud that we are making it possible for young people, key workers and people on low to middle-incomes to buy a home that they want to live in, where they want to live and to help them get onto the housing ladder with all the wealth, health and wellbeing benefits that home ownership brings. A young working couple on the National Living Wage can afford to buy a Gleeson home on any of our development sites.

We publish our first sustainable business strategy this year. In formulating this strategy, the Board sought the views of stakeholders on the material sustainability issues relevant to the Group. Growth, affordability, build quality, health and safety, land regeneration and the reduction of carbon emissions underpin our sustainable strategy. With clear targets and actions, aligned with the issues of importance to our stakeholders, this strategy will see the Group continue to deliver sustainable growth for our stakeholders and society.

Chief Executive's Statement

Continued

People and health and safety

We have continued to invest in the business, as well as ensuring that we have the right people in the right roles and that colleagues are properly trained and supported to do their jobs. Our focus on investing in our colleagues is reflected in Gleeson receiving accreditation from Investors In People during the year. I am also pleased to report that employee engagement increased still further and our independently assessed people engagement score puts us once again very firmly in the top quartile of all UK companies.

Health and safety has been an area of significant focus and investment over the last two years so it was disappointing to see the number of reportable incidents increase to ten this year. We are addressing the issues that led to these incidents and are increasing our investment in training, safe working practices, inspections and reporting and I expect to see this improve significantly.

Investment in site set-up with new compounds and enhanced welfare facilities continued during the year. We greatly value the relationships that we have with our suppliers and subcontractors and I want Gleeson to be their preferred choice of housebuilder to work with. We are committed to paying fairly and on time for quality workmanship and materials.

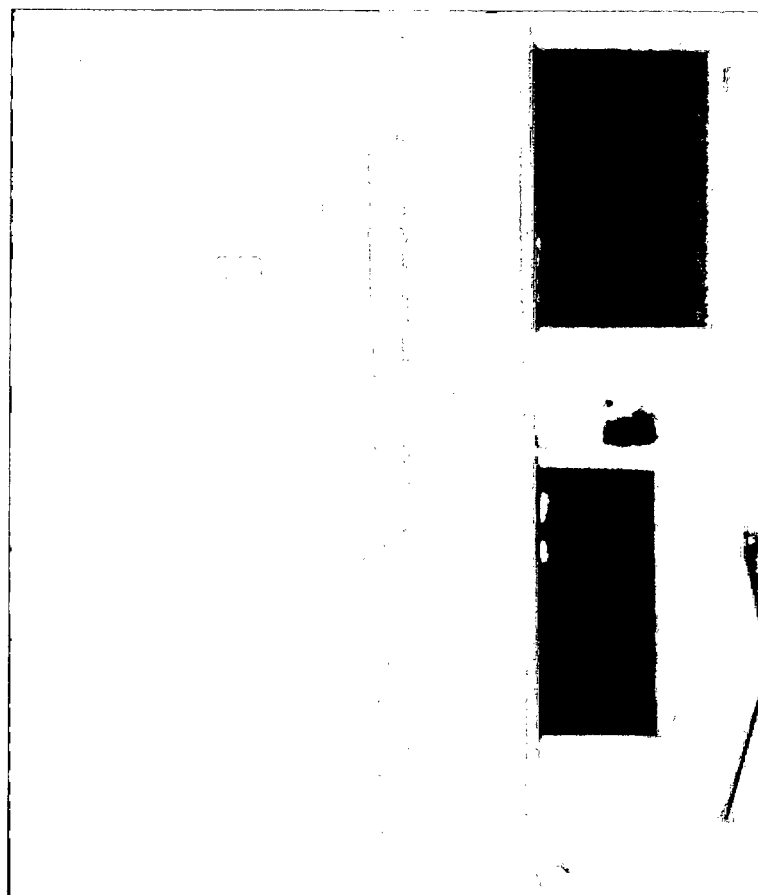
We have also invested in our Commercial, IT, HR and Finance functions to make sure these can continue to support the business as it grows.

Build quality and customer service

Our customers are at the heart of our business. This is the most significant purchase many of our customers will ever make and that's why we want to get it right first time - every time.

I am pleased to report that we achieved a customer satisfaction score of 90.6% this year (equivalent to a 5-star rating). We will not hand over a new home that we are not absolutely proud of. We have listened to our customers and worked hard to make sure their buying experience from us is positive from start to finish. We will continue to push our performance as a strong 5-star housebuilder on every site in every region. This work is supported by our Customer First initiative which focuses on ensuring every colleague across the business puts the customer first.

As part of delivering a quality product and service, we have also invested in our Customer Care team and this year launched a fleet of new vans for our customer care technicians. These technicians are dedicated to quickly resolving any defects for our customers.



Land regeneration

Our Land and Planning team have had a record year opening new sites and are central to supporting our strategy of controlled growth. The land pipeline increased by 14.9% to 15,863 plots on 152 sites and this will underpin our future growth. Our land strategy continues to target areas in need of regeneration. The majority of our sites are located in the most deprived areas of England. We deliver affordable, quality homes to this vastly underserved sector of the market, often where no other housebuilders want to build.

We transform land, often blighted by neglect, into areas where people want to live. Many of our customers are from the local area and want to remain close to friends and family. They buy a Gleeson home because they get a high-quality product that is affordable and cheaper to run than the older housing stock in the surrounding areas.



Isla, Briar Lea Park,
Carlisle, Cumbria

Climate and the environment

Climate change is the most important global issue we face. Gleeson is committed to reducing the impact our operations have on the environment and are reducing our emissions by setting short and medium-term targets for every home sold.

Last year, we announced an ambitious target to reduce our direct emissions (scope 1 and 2) by 20% over three years. I am pleased to report that, in our first year, we are already close to achieving this target. Therefore, we are increasing our three-year target to a 30% reduction by 2023.

This year, we are also reporting our scope 3 emissions for the first time, showing the total carbon emissions from our supply chain and over the life of our homes. This is an important first step to fundamentally assessing our wider impact and taking action to reduce emissions throughout our value chain, not just the emissions we produce directly. Over the coming year we will be developing a strategy to reduce our scope 3 emissions for every home built.

Trading and outlook

In our Gleeson Homes division, demand remains robust and it entered the new financial year in a strong position, with a forward order book of £134.1m on 841 homes. Whilst there are some challenges on material costs and availability, I expect these to be short term and manageable.

Gleeson Land starts the new financial year in a strong position and with a pipeline of 71 sites, a record for the division. These sites will deliver sustainable value and we will continue to invest in new sites and in progressing existing sites through the complex planning system. The demand for consented land is expected to remain robust, with land promoters playing an important role in the land supply chain.

As a result, I believe we will continue to grow in a sustainable and controlled manner and we remain firmly on track to meet our near-term target of delivering 2,000 new homes in the coming financial year.

James Thomson

Chief Executive Officer
13 September 2021

Business Review

Gleeson Homes

Gleeson Homes delivered a record number of homes sold, sites opened and operating profit with all three metrics exceeding pre-Covid levels. We also saw significant growth in the land pipeline and we enter the new financial year with a strong forward order book.

Gleeson Homes completed the sale of 1,812 homes during the year, an increase of 69.0% compared to the prior year (2020: 1,072 homes) and 18.5% more than the pre-Covid year to June 2019 (2019: 1,529 homes). Revenue increased by 88.6% to £265.8m (2020: £140.9m) of which £1.5m related to land sales (2020: £0.5m land sales).

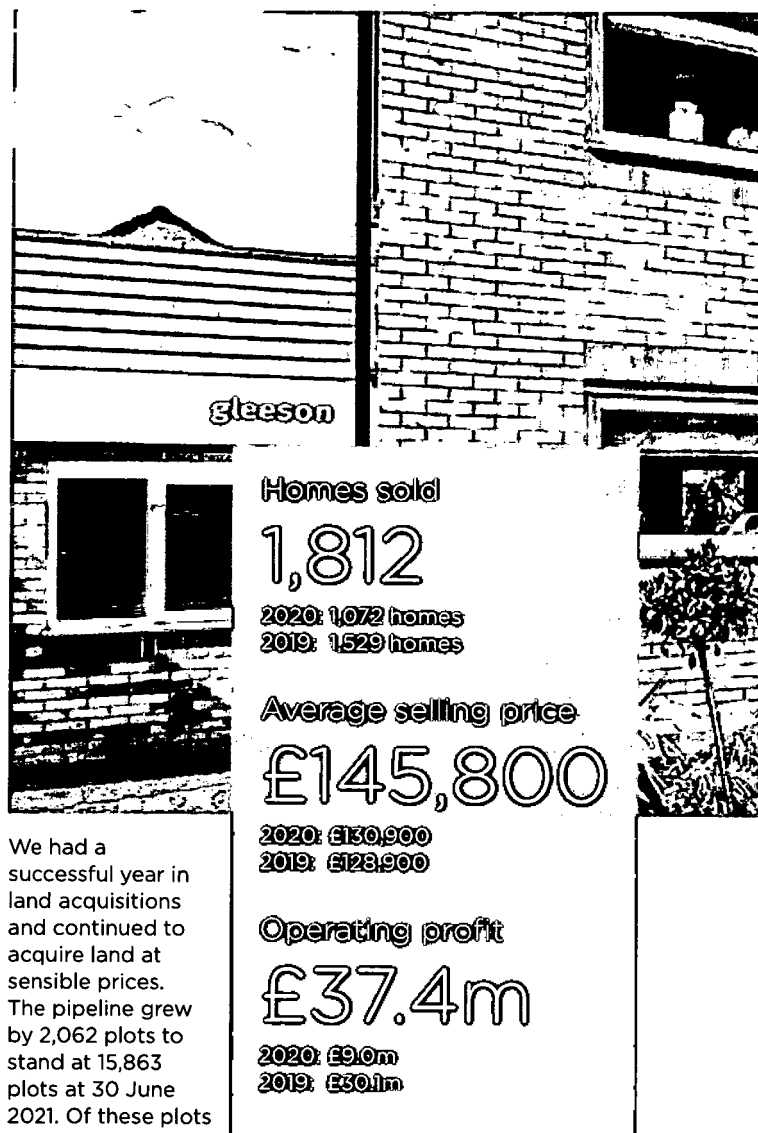
We entered the new financial year with a strong forward sales position of £134.1m on 841 units (2020: £145.3m on 1,033 units). The reduction in the forward order book compared to the prior year was due to the successful completion of home sales which had been delayed by the Covid-19 pandemic in the final quarter of the previous year.

We opened a record 27 new build sites during the year and start the new financial year with 81 active build sites (2020: 71), of which 61 were actively selling (2020: 65). Our average active build and sales sites were 78 and 64 respectively (2020: 68 and 65). Our sales outlets are located across the North of England and the Midlands, with plans to continue expanding our geographical reach. The business plans to open a further 25 sites during the new financial year and expects to be building on approximately 90 sites by 30 June 2022.

The average selling price for homes sold in the year was £145,800 (2020: £130,900), an increase of 11.4%. The increase was influenced by a combination of factors: house price inflation of 9.3%, mix of site locations and the mix of two, three and four-bed homes sold. Buying a Gleeson home remains highly affordable and a young working couple on the National Living Wage can afford to buy a Gleeson home on any one of our development sites.

Gross profit margin on homes sold increased to 28.5% (2020: 27.8%) as increases in selling prices more than offset cost inflation, including the costs of operating under Covid-safe working practices.

The increase in the volume of homes sold and gross profit margin resulted in gross profit increasing by 93.6% to £75.7m, which included £0.4m in relation to land sales (2020: £39.1m, £0.1m land sales), and operating profit increasing by 315.6% to £37.4m, including £0.4m in relation to land sales (2020: £9.0m, £0.1m land sales). Operating margin increased from 6.4% to 14.1%.



We had a successful year in land acquisitions and continued to acquire land at sensible prices. The pipeline grew by 2,062 plots to stand at 15,863 plots at 30 June 2021. Of these plots 7,930 are owned (2020: 6,849)

and 7,933 plots are conditionally purchased (2020: 6,952). The number of sites in the land pipeline totalled 152 at year end, being three sites higher than the prior year end; 34 new sites were added to the pipeline, while 31 sites were completed or did not proceed to purchase. In addition to owned and conditionally purchased plots, there are a further 205 (2020: 798) plots which are being actively considered for acquisition but will only proceed if they meet our strict criteria.

The government's Help to Buy scheme remains popular with many of our customers, with 69% of the homes sold during the year utilising the scheme (2020: 66%). We also continue to provide a range of bespoke packages to assist potential customers to become homeowners, including our Key Worker Priority Programme and Forces Property Direct, which provide priority access and vouchers toward optional extras for key workers and military personnel looking to purchase a new home.



Gleeson Land

The market for consented land recovered during the year leading to the sale of eight sites.

Revenue from Gleeson Land increased to £22.8m (2020: £6.3m), generated from the sale of eight sites in the year (2020: two sites). The sites sold totalled 276 acres with the potential to deliver 1,978 plots (2020: 26 acres and 195 plots).

As a result, operating profit increased to £11.1m (2020: £0.2m). Planning delays caused by the pandemic during the year resulted in fewer sites achieving planning consents and fewer site sales than hoped for.

The business has completed the sale of a further site since the beginning of the new financial year and the outlook for the year remains promising.

The business continued to invest selectively in its land portfolio. This year we added a further ten sites (1,594 plots) secured under option and promotion agreements and split one existing site prior to sale.

At 30 June 2021, we had a portfolio totalling 71 sites (2020: 68 sites) with the potential to deliver 22,315 plots (2020: 23,314 plots) plus 44 acres of commercial land (2020: 44 acres). This portfolio is expected to realise

value over the short, medium and long term, driven by the planning context of each site. Our Gleeson Land team is based in Fleet, Hampshire, and the portfolio continues to have a geographic bias towards the South of England.

This year we submitted planning applications for ten sites with the potential to deliver 1,281 units. Like other promoters and developers, we saw a marked slow-down in the planning system due to Covid-19. Whilst this system is, in some ways, now more challenging than it has ever been, our highly experienced team of people and advisors are skilled in navigating these complexities to achieve attractive residential planning permissions.

We continue to see opportunities to add well-located sites to the portfolio. We carefully select sites where we see the potential for sustainable development and where we can unlock maximum value for stakeholders. We aim to be the promoter of choice for landowners and our track record is testament to our success.

Plots sold

1,978

2020: 195 plots
2019: 1,755 plots

Portfolio

71 sites

2020: 68 sites
2019: 60 sites

Operating profit

£11.1m

2020: £0.2m
2019: £13.0m

Material Sustainability Issues

Our materiality process

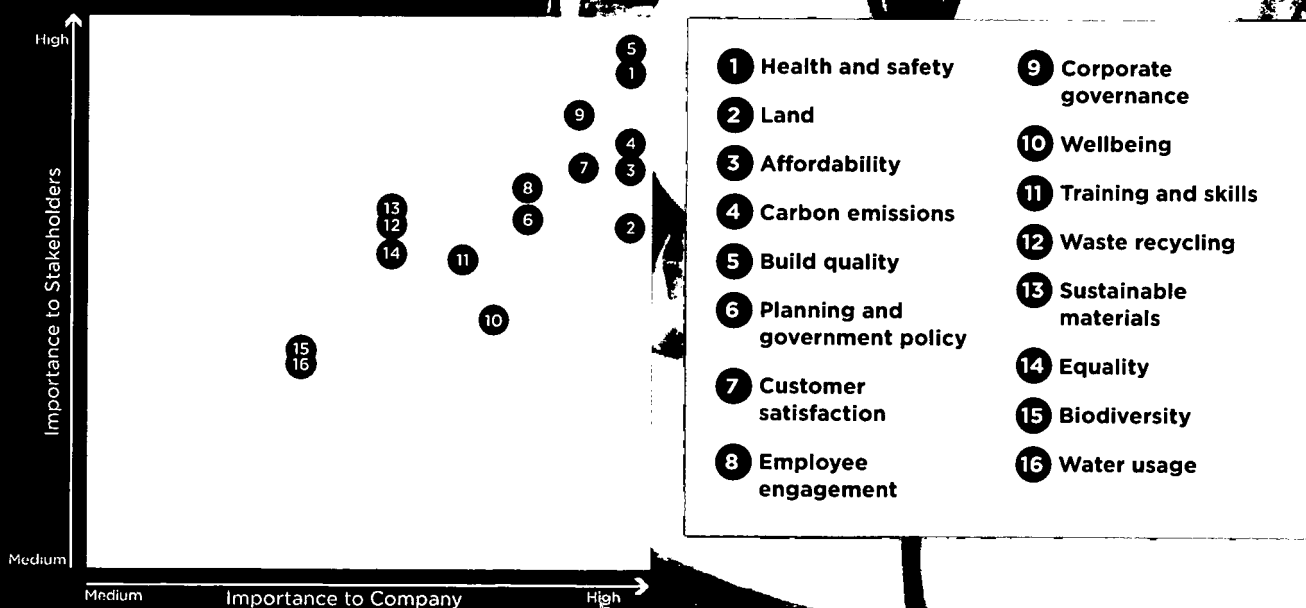
This year the Group undertook a detailed materiality assessment to identify the environmental, social and economic issues most important to the Group and its stakeholders.

This assessment considered a wide range of factors, including the Group's strategic priorities, principal risks, stakeholder views, market trends, socio-economic changes, environmental factors, government policy and other matters. It also reflects the UN Sustainable Development Goals relevant to the Group, as set out on pages 46 to 47.

The purpose of this assessment has been to help develop both the Group's sustainable business strategy, which can be found on pages 32 to 33, and the Group's sustainability reporting to stakeholders.

Materiality matrix

The materiality matrix reflects the relative importance to the Group and its stakeholders of the 16 sustainability issues identified. Our stakeholders' assessment of materiality is broadly aligned with the Company's own assessment.



Lisa, Assistant Site Manager, Dane Park, Hull, East Yorkshire

1

Identify material issues

We identified 16 sustainability issues relevant to the Group. Based on an internal assessment, these were then ranked in terms of relevant importance to the Company.

2

Stakeholder engagement

Stakeholders including shareholders, customers, employees, banks and local authorities were asked to share their views and rank the 16 material sustainability issues. Interviews were also held with selected stakeholders.

3

Prioritisation and selection

Based on our assessment and findings from the stakeholder engagement process, five sustainability issues were identified as most material to the Group.

4

Integration

The five most material sustainability issues form part of the Group's sustainable business strategy and strategic priorities, approved by the Sustainability Committee and the Board.

5

Review

The importance and relevance of the five most material sustainability issues will be adjusted as necessary in response to future changes and stakeholder views.

What are the risks?

Where do we see opportunities?

Affordability	Affordability is the number one reason why our customers buy a Gleeson home. If we do not ensure our homes remain affordable it would impact on our business model and our ability to sell new homes to those who need them most, predominantly first time buyers and low-income families. This could impact our brand and lead to a loss of sales as customers look elsewhere.	The need for affordable housing across the UK continues to grow, which supports our unique model and sustainable business strategy. We have a significant opportunity to open more sites and expand our geographical reach to provide more people with access to safe, affordable, high-quality homes.
Build quality	Our customers expect a high-quality product from us. If we fail to build homes that meet their expectations then it could result in defect claims, damage to brand reputation and poor sales.	Through our absolute focus on quality and regular inspection processes, we are able to reduce the number of defects and any rectification work required. We see opportunity in continuing to operate as a 5-star housebuilder across all sites and providing a high-quality product and service to our customers.
Health and safety	Health and safety is a priority across our business and unsafe working practices, policies or procedures could result in harm to employees, subcontractors or site visitors, causing personal injury, delays in construction, additional cost, reputational damage and potentially criminal prosecution or civil litigation.	Through enhancing our health and safety monitoring and reporting, we will use this information to tackle areas that pose the highest health and safety risks. We have the opportunity to improve our health and safety performance and statistics and have identified a number of actions as set out on page 45.
Land	Land is a fundamental component of our business and the risk of new sites not being available to acquire at a low cost and in areas in need of regeneration could impact the success of the Gleeson Homes' model and its ability to open new sites. The availability of high-quality, well-located land in the South of England is also fundamental to the success of Gleeson Land, without which future sales would be restricted.	Through continued focus on low-cost land opportunities in areas often not viable for other housebuilders, we keep our land costs low and ensure that our homes remain affordable. We see continued low-cost land opportunities in our target geographical areas. We have pro-active land searching capabilities and continue to identify new land opportunities across the South of England for promotion by Gleeson Land.
Carbon emissions	Like all companies, we have a role to play in addressing climate change. If we do not act to reduce our carbon emissions, this could result in damage to the environment from our operations, being out of line with other housebuilders and stakeholder expectations, being unable to meet government policy requirements, reputational damage, and increased costs of capital.	Integrating carbon emissions tracking and reporting throughout our business enables actions to be taken on areas that generate the most emissions. There is opportunity to extend this both upstream and downstream for our scope 3 emissions and to improve the data collected. Through the design of our homes and adapting our build processes we can reduce our carbon footprint. Further actions are set out on page 45.

Our Sustainable Business Strategy

Our sustainable business strategy incorporates the Group's strategic objective for growth, together with the environmental, social and governance priorities that are most important to the Group.

Strategic priorities	Objectives	Targets	Progress	Link to UN SDGs
Sustainable growth	Increase the number of new homes built and extend our geographical reach.	To build 2,000 new homes per year by 2022.	We have a robust platform for continued growth with a strengthened regional management structure. Our site opening plan underpins future growth. We are on track to deliver 2,000 units in the next financial year, achieving our 5-year target to double volume.	UN SDG 11 - By increasing the number of new homes built we are able to provide access to safe, affordable homes for more people who need them. UN SDG 8 - As our business grows, we will provide investment, job opportunities, training and skills to more people including apprentices.
Build quality	Build high-quality, energy-efficient homes to the specification that our customers require.	To be a 5-star housebuilder on all our development sites.	Our customer recommendation score is 90.6%. This meets our target and puts us in line with the Home Builders Federation five-star rating.	UN SDG 11 - Our mission is to build high-quality homes that provide safe and affordable housing to the people who need them most.
Affordability	Keep our homes affordable through managing build costs, sourcing responsibly and building efficiently, utilising local suppliers and subcontractors where possible.	To ensure that a couple in full-time employment on the National Living Wage can afford to buy a home on every one of our development sites.	A couple working full time on the government's National Living Wage can afford a home on 100% of our active sales sites.	UN SDG 11 - The cost of buying a Gleeson home is less than renting for most buyers and can be as low as £59 per week. This supports target 1 of UN SDG 11 by providing access to affordable housing.
Climate change	Protect the environment and reduce carbon emissions for the homes that we build and sell.	To reduce our scope 1 and 2 carbon emissions by 30% to less than 1.75 tonnes per home within three years (2020: base year).	Our scope 1 and 2 carbon emissions per home sold reduced by 18% in the year. This year we have published our scope 3 emissions and intend to set a target to reduce these per home sold. We have established new sustainability policies for Climate and the Environment, Procurement, Packaging, Timber and Waste Management. 98% of our construction waste is currently diverted from landfill.	UN SDG 13 - We have set targets to reduce carbon emissions per home sold. UN SDG 12 - We have committed to increasing the proportion of waste diverted from landfill. We are developing further initiatives to reduce our impact on the environment, including fuel and water usage.

Each strategic priority has a link to the UN SDGs that are relevant to the Group as set out on pages 46 to 47. It is through the achievement of these strategic priorities and targets that the Group creates sustainable value for stakeholders and society.

Strategic priorities	Objectives	Targets	Progress	Link to UN SDGs
People, wellbeing, health and safety	"Safety first, always". Everyone who is involved with, or affected by, our business remains free from harm and returns home safe every day. To attract, retain and develop employees who share the values, culture and objectives of the Group.	To reduce our health and safety incident rate ("AIIR") to lower than the industry average. To maintain our employee engagement score in the upper quartile of all surveyed companies.	Our AIIR rate for the year to 30 June 2021 was 556 versus the industry average of 264. We have not met our target this year, see page 42 for more details. In our latest engagement survey we scored 89% which puts us in the top quartile of all companies from an independent survey.	UN SDG 8 – Our HomeSafe approach reflects our belief that everyone who is involved in, or affected by, our development work has the right to remain free from harm and return home safe every day. UN SDG 5 – We are committed to ensuring that all of our employees are treated fairly and equitably.
Land Gleeson Homes	To sustainably grow our land pipeline, sourcing land in areas that are in need of regeneration where homes can be built for sale at low cost.	To acquire land at an average cost per plot below 15% of expected selling price in order to keep our homes affordable, targeting land in areas of deprivation and in need of regeneration.	64% of our active build sites are on brownfield land, with four out of five in the most economic deprived areas in England. We often choose sites which are not viable for other housebuilders.	UN SDG 15 – Our developments are located in areas where there is a need for regeneration; typically brownfield sites that would otherwise remain derelict or unused. We invest in our sites, creating attractive and well-planned developments with green space and biodiversity.
Land Gleeson Land	To source high-quality sites that are well located to deliver attractive residential planning consents for sustainable development.	To obtain more planning permissions in each financial year than sites sold.	We acquired a further ten sites this year with the portfolio increasing by a net three sites. The total portfolio is 71 sites, with six having the benefit of planning consent or resolution to grant.	UN SDG 15 – Gleeson Land invests in its portfolio and works closely with landowners, land agents, local authorities and communities to secure residential planning consents that are sustainable and sensitive to local ecosystems and biodiversity.

Communities

Gleeson Homes has a clear mission:

Changing lives by building affordable, quality homes. Where they are needed, for those that need them most.

Affordable home ownership

Buying a Gleeson home is cheaper than renting an equivalent house. We build homes in areas where prices are lower and where land costs are low, using traditional building methods and standard house designs so we can sell at affordable prices.

Cost of owning and renting (£/month)

	Number of bedrooms		
	2	3	4
Cost of buying	258	327	422
Cost of renting	537	628	923

Mortgage payments: Standard 75% Help to Buy, 35 year repayment mortgage, fixed payments for the first five years, from a High Street bank. Mortgage payments based on average selling prices during the year.

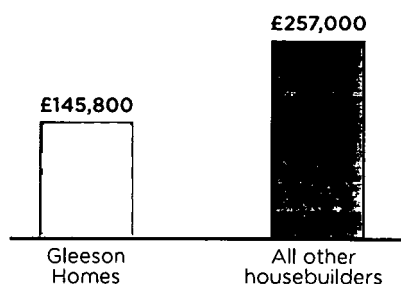
Rental payments: ONS average private rental costs for a house in the North of England and Midlands.

Creating communities for young people

A young couple earning the National Living Wage, working full time, can afford to buy a Gleeson home on any one of our developments. We are proud to be able to say this and it is a key test of affordability for every site we buy.

The average cost of a Gleeson home in 2021 was £145,800. This is 43% lower than the average cost of all other new build houses in the North of England and Midlands.

New build selling prices in the North of England and Midlands



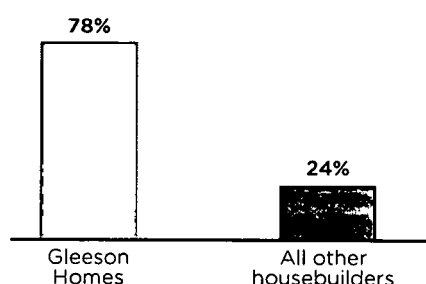
Source: ONS housing market simple average house prices by new dwellings by region.

High quality homes, where they are needed

We build high-quality homes with a front and rear garden and a driveway for parking. We build where people want to live, in the community they grew up in, close to their families, on sites with good transport links and close to areas of employment. All our homes come with a 2-year Gleeson warranty and a 10-year NHBC Build Mark Warranty or similar.

We build in areas of deprivation, in need of regeneration, often where other housebuilders choose to ignore. Four out of five of our active build sites are in the third most deprived areas of the country.

Housebuilder sales in deprived areas



Source: Land Registry, Indices of Multiple Deprivation gov.uk.

Paying our fair share

Gleeson was proud to be the first housebuilder to be accredited by the Fair Tax Foundation for our commitment to responsible tax conduct and transparency.

We are proud to pay the right amount of tax in the right place at the right time.

Profitable companies should pay their fair share of tax and be honest and

transparent in their disclosure; it says a lot about their values, integrity and ability to trade in a sustainable way.





Frankie and Libby, Carrwood Park, Bradford, West Yorkshire

For those that need them

We build homes that young, first time buyers on low incomes can afford. We provide additional benefits to key workers, which includes 48-hour priority access on new releases, exclusive preview appointments and viewings plus £1,000 to spend on our Options Range*.



This year, we launched our partnership with Forces Property Direct to help British military personnel get onto the property ladder providing the same benefits as key workers.



* These offers may change but were accurate at the date of this Annual Report; terms and conditions along with the current offers can be found at www.gleesonhomes.co.uk/key-workers

5-star build and service

We believe that low cost should not mean low quality or poor service.

We use third-party inspectors to undertake additional, independent quality checks throughout the build process.

We engage a third-party survey company to undertake independent surveys of all our customers. 90.6% of our customers recommended Gleeson, equivalent to a 5-star rating for housebuilder.

We provide all of our customers with access to MyGleeson, a customer care portal, and have local customer care teams that deal promptly with any issues.

The Gleeson Quality Charter is our commitment to a quality home and quality service all the way through the buying journey and beyond.



Gleeson customers:

- 80% first time buyers
- 2 out of 3 are key workers
- 77% aged 35 years or younger
- 51% sold to single buyers
- £23,000 median income

What we don't do:

- We don't build flats
- We don't sell leasehold
- We don't do part-exchange
- We don't sell to investors

Supporting our communities - "Community Matters"

We involve ourselves actively in the communities in which we are building, before and during the construction of our developments and by leaving a legacy once our work is complete. The following are just some of the ways we help local communities.

Our Gleeson Community Sports and Charity Foundation provides funding for local charities, sports clubs and teams. So far we have sponsored over 100 clubs and teams including netball, football, rugby, tennis, cricket, athletics, ice hockey and boxing.



Our Schools Programme encourages children from local schools to "Street Naming" competitions and "Design a Bedroom" competitions for our new developments, and we arrange site visits for children to learn about house building.

We hold an annual "Blooming Great Garden Competition" across our sites for Gleeson homeowners to show off their gardens, which encourages a strong sense of pride in their homes and communities.

People

Achieving our goals relies on having people in the right roles, with the right training and development, who share in our vision, mission and values.

By investing in the development of our colleagues, we are living up to our vision of "Building Homes. Changing Lives." for both our customers and our people.

Apprentices

Investing in our people from the start of their career is important to us, which is why we have an active apprenticeship programme across the business; we currently have 70 apprentices – approximately 10% of our total workforce – training in a variety of office and site-based roles.

Our apprentices get an average of two years on-the-job training and an NVQ (or equivalent). In many cases, they stay on with us for further training or move into permanent roles.

In March 2021, we held the second annual Gleeson Apprenticeship Week for our current and potential future apprentices. The Gleeson Apprenticeship Week included career conversations with our existing apprentices, recognition through the Apprentice Awards, and hosting virtual events for prospective apprentices. We received over 2,000 applications for our apprenticeship roles for the upcoming year and will continue to expand this programme as the business grows.

Investors in People

In November 2020, we became fully accredited by Investors in People, demonstrating our commitment to providing an environment where we actively attract, retain, and promote the best people. We were assessed

against nine categories within the framework of "Leading", "Supporting" and "Improving" our people based on research into what makes a company succeed in the long term, and trends in how successful companies lead and support their people. We were primarily assessed through interviews with our employees and the feedback we received was highly encouraging. It also provided valuable insights into the areas where we need to continue to focus.

Mental health

With training led by our mental health and wellbeing training provider, Resilient People, we provided mental health first aid courses this year to a further 13 employees. These employees are trained to recognise the symptoms of mental health issues, offer support to colleagues and assist when a mental health crisis arises. We now have over 30 Mental Health First Aiders across the business, with more training sessions planned.

STAR awards

Our STAR awards are a way to praise employees for their commitment, drive and willingness to work above and beyond expectations. Colleagues can nominate one another on a monthly basis and the winners are recognised in our weekly newsletter and win prizes!

Gender pay and diversity

We believe that everyone should be paid fairly, regardless of their gender. We pay equally for doing the same job and encourage women to apply for roles at all levels.

We do not discriminate based on gender and have a 43% median pay gap in favour of women. Women occupy 14% of our highest-paid jobs and 14% of our lowest-paid jobs.

We have also improved the gender diversity of our Board, with two female Non-Executive Directors along with Leanne Johnson, our Company Secretary.

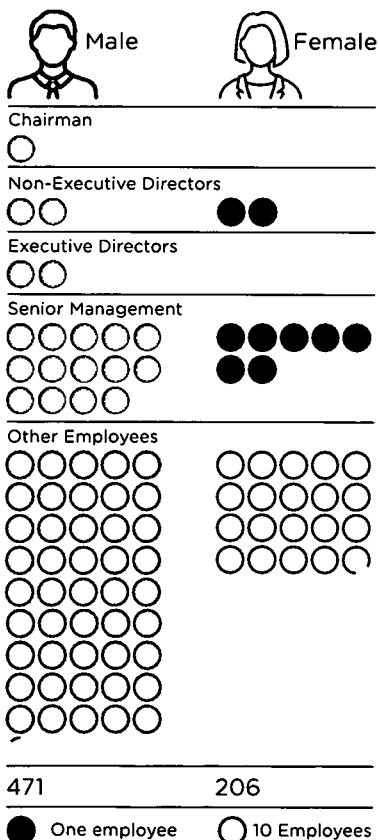
Gender balance and equality are high on our agenda. Our internal recruitment team are always seeking ways to improve gender balance, including on our sites. We participate in Women in Construction and Women in Property events to help us gain insights on how to encourage more women into the industry. We continue to look at roles and review how our succession planning programme fits with these roles in regard to gender balance.



Ray, Simon, and Peter, York, and West

We also review all of our job descriptions to make sure that these remain fully inclusive.

Gender breakdown



@Home

Our weekly newsletter, @Home, is the most direct and frequent method of communication between the Chief Executive and all employees. It is used to keep people up-to-date with the latest developments across the business including customer service stories, health and safety matters, people recognition, successes from across the business and more. @Home contains stories that focus on our people, as well as stories about our customers and how we are changing lives every day.

Roadshows

In early 2020, the Executive Directors and senior management launched the all-company "roadshows" with the team travelling to each division to communicate key messages and updates and give staff the opportunity to ask questions. The roadshows received such high praise in the employee engagement survey that they have now become a recurring annual fixture in the calendar. This year the Gleeson Employee Virtual Roadshow was held via Zoom due to Covid-19 restrictions, giving each of our employees the opportunity to watch live and interact through "breakout rooms" for each department. Feedback on the virtual sessions was very positive, and we will continue to assess the best way to deliver the roadshows in the coming year.

Investment in training and development

A key factor in making sure we have skilled people in the right roles is through the training we provide. A dedicated Training Manager ensures that the right training is provided to the right people across the business.

During the year, we also partnered with a third party to provide our people with essential training on topics such as health and safety, modern slavery, anti-money laundering, GDPR and cyber security, as well as job-specific training. These online sessions mean that all of our employees can access them regardless of when they start and we can roll-out regular updates as needed.

We have also refreshed our annual personal development review process to remove ratings and instead focus on meaningful conversations with our colleagues. The introduction of a half-year "check-in" reinforces the message that development is ongoing, not just something to be reviewed annually.

Environment

Carbon emissions

The built environment contributes around 40% of the UK's total carbon emissions, with around half of this being from "in-use" sources such as heating, lighting, cooking and running appliances¹. This has reduced over the years as the UK moves towards decarbonising the electricity grid, with total in-use emissions having reduced by about a fifth since 1990 despite there being approximately a quarter more homes.²

This will continue with the government's Future Homes Standard, with the first of these changes to Part L and Part F of the Building Regulations setting new energy and ventilation requirements from 2025.

These changes will improve the energy performance of new homes, with homes being highly energy efficient, with low carbon heating and zero carbon ready by 2025.

We recognise the impact that the built environment has on carbon emissions, both from the construction of new homes and in-use emissions. We are working hard to reduce our carbon footprint and this strategic priority is part of our sustainable business strategy, which can be found on pages 32 to 33.

1. Source: UK Green Building Council.
2. Source: UK government press release - Rigorous new targets for green building revolution (January 2021).

The carbon cost of building a home

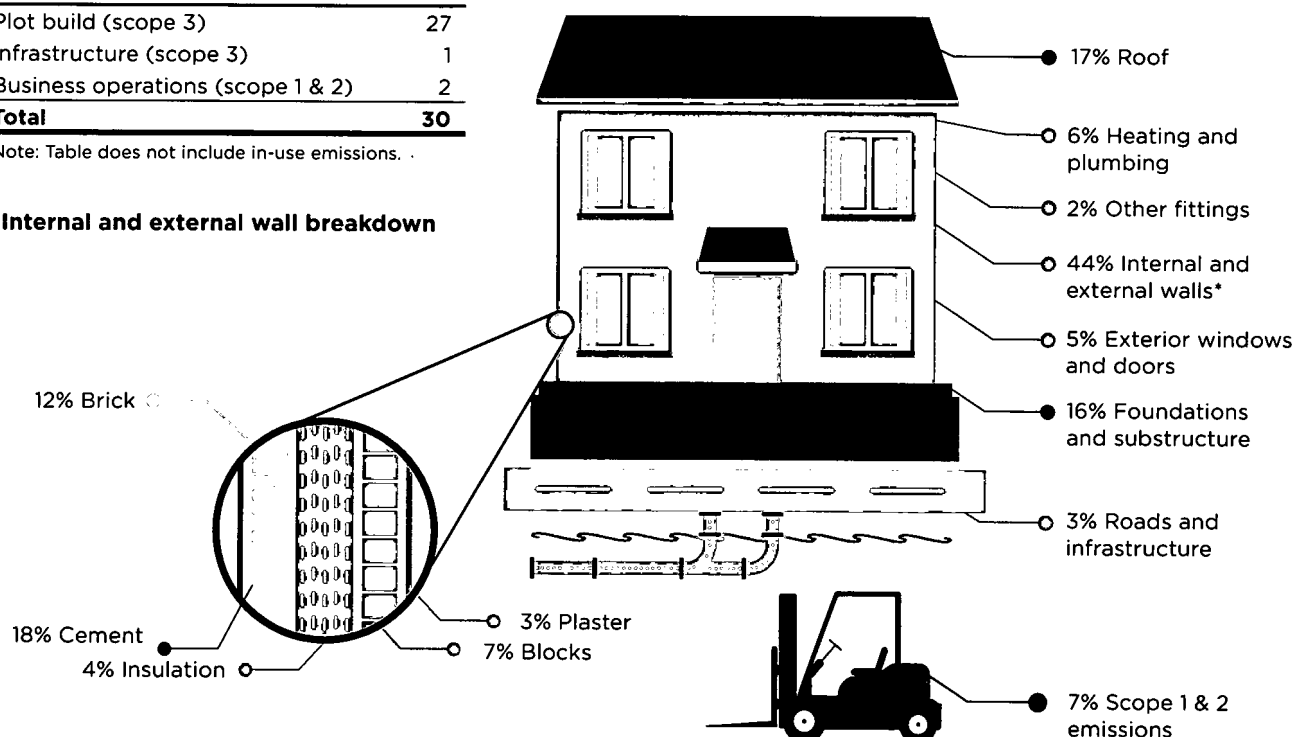
Gleeson and its supply chain emit 30 tonnes of CO₂e for every home built.

CO₂e emissions to build a Gleeson home

	Tonnes of CO ₂ e
Plot build (scope 3)	27
Infrastructure (scope 3)	1
Business operations (scope 1 & 2)	2
Total	30

Note: Table does not include in-use emissions.

*Internal and external wall breakdown



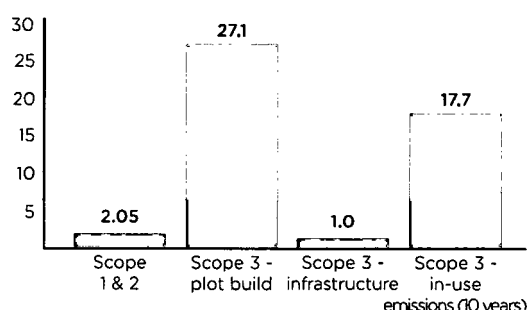
Whilst this is a significant amount of carbon emissions per home, understanding the composition of the embodied carbon in our homes is key to the next stage of our carbon reduction strategy.

Zena and Adrianna, Kings' Park,
Doncaster, South Yorkshire

Reducing our emissions

We have already made substantial progress towards our published target of reducing our scope 1 and 2 emissions to less than 2.00 tonnes per home by 2023. Our direct emissions this year were 2.05 tonnes per home and, as a result, we have set a new CO₂e reduction target of less than 1.75 tonnes per home by 2023. Our actions to achieve this are set out on page 45.

Scope 1, 2 and 3 emissions per home sold (CO₂e tonnes)



Source: Refer to methodology on pages 40 to 41. The chart includes in-use emissions for a 10 year period for reference.

Our scope 3 emissions are currently based on estimates and industry data. In order to improve the accuracy of our scope 3 emissions, we plan to:

- engage with our supply chain to obtain Environment Product Declarations ("EPDs") which disclose the actual carbon intensity of materials so that we can improve the accuracy of reporting;
- include embodied carbon intensity considerations into our sustainable procurement processes;
- require key material suppliers to provide their environmental impact and carbon reduction plans, with these factors being considered in our procurement decisions;
- engage with our customers to obtain actual energy usage data to improve the accuracy of our "in-use" emissions data; and
- use this information to continue to review the design and specification of our homes to ensure they become more energy efficient, enabling our customers to live a sustainable lifestyle in their new home.

As we enhance the accuracy and understanding of our scope 3 emissions data, we will be developing our scope 3 carbon reduction strategy over the coming year.

In-use emissions

Whilst the carbon emissions from housebuilding are clearly significant at 30 tonnes per home sold, the emissions from homes in-use, even over 10 years, contributes a further 17.7 tonnes of carbon emissions.

We are looking at ways to reduce the in-use emissions for our customers through heating and energy efficiency.

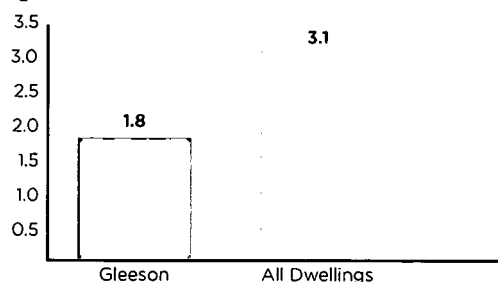
Heating

We welcome the government's ambition to achieve zero carbon homes. We are currently progressing trials of air-source heat pumps and third-party analysis shows that the benefit of this technology alone, excluding further decarbonisation of the UK electricity grid, would reduce in-use carbon emissions of the homes that we sold this year by 50% over ten years. This represents a transformative change to the way in which our homes will be heated in future and the level of carbon emissions they produce.

Energy efficiency

We pride ourselves in building high-quality, affordable homes that are energy efficient. 98.2% of our homes achieve an energy performance rating of B or above compared to the house building industry average of 85%. When compared to all other new and existing dwellings, this means that a Gleeson home produces 42% lower carbon emissions due to its higher energy efficiency.

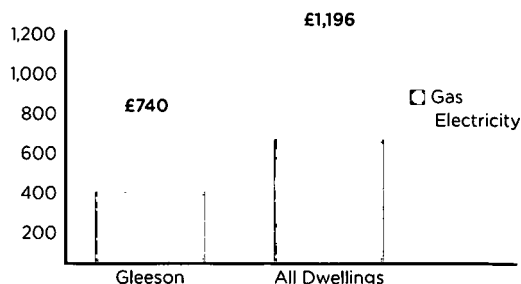
Annual emissions to heat and power a home (CO₂e tonnes)



Source: Based on actual energy data from customers and EB7 - Live tables on Energy Performance of Buildings Certificates (gov.uk).

This allows us to play our part in helping our customers live sustainable lifestyles in their new homes, saving on average £450 per year against the energy costs of an existing dwelling.

Annual cost to heat and power a home



Environment

Continued

Our scope 1 and 2 emissions in detail

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 usage and carbon emissions originate in the UK. Our carbon emissions are calculated in accordance with the requirements of the Greenhouse Gas Protocol – a Corporate Accounting and Reporting Standard.

	2021		2020		2019	
	Tonnes of CO ₂ e	Global energy usage	Tonnes of CO ₂ e	Global energy usage	Tonnes of CO ₂ e	Global energy usage
Scope 1 and 2						
Car fuel	490	203,871 Litres	427	176,650 Litres	587	236,090 Litres
Gas	479	2,615,295 kWh	149	810,795 kWh	213	1,156,808 kWh
Liquid Petroleum Gas ("LPG")	84	392,472 kWh	45	210,968 kWh	60	278,317 kWh
Gas oil/diesel	2,288	829,440 Litres	2,071	750,974 Litres	2,499	905,937 Litres
HVO/biodiesel	0.25	1,500 Litres	-	-	-	-
Electricity	380	1,788,610 kWh	331	1,420,709 kWh	397	1,552,443 kWh
Total scope 1 and 2	3,721		3,024		3,755	
Per home sold	2.05		2.82 ²		2.46	

Scope analysis

	2021 tonnes of CO ₂ e	2020 tonnes of CO ₂ e	2019 tonnes of CO ₂ e
Scope 1 and 2			
Scope 1 – Burnt fuels	3,341	2,692	3,358
Scope 2 – Electricity			
Scope 2 – Location-based	380	331	397
Scope 2 – Market-based ¹	196	331	397
Per home sold (Location-based)	2.05	2.82 ²	2.46
Per home sold (Market-based ¹)	1.95	2.82 ²	2.46

1. 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 ("REGO") certificates.
2. Removing the impact of Covid-19 gives an adjusted carbon intensity reference of 2.50 tonnes per home sold for 2020.

Divisional analysis

	Gleeson Homes tonnes of CO ₂ e	Gleeson Land tonnes of CO ₂ e
Scope 1 and 2 (2021)		
Scope 1 – Burnt Fuels	3,327	14
Scope 2 – Electricity	369	11
Total	3,696	25

Scope 1 and 2 methodology

The Group reports the sources of material greenhouse gas emissions from its main activities, categorised as scope 1 and 2. Scope 1 comprises direct emissions from sources purchased and used by the Group, such as diesel, natural gas and liquid petroleum gas on sites and in our offices. Scope 2 comprises emissions associated with the consumption of energy from purchased electricity.

Our largest carbon emitting fuel is diesel, which is used by forklift trucks, generators, plant and machinery. Emissions are calculated using the volume of litres purchased during the year and multiplying by the applicable conversion factor to convert into CO₂ equivalent.

Our second largest carbon emitting fuel is petrol and diesel for business car mileage. This is calculated by taking the total spend on fuel, compared against business mileage submissions. An average miles per gallon is used to calculate the volume of fuel burnt for business mileage. This is multiplied against a standard conversion factor to convert this into CO₂ equivalent.

Due to the disruption to office-based working caused by the Covid-19 pandemic during the year, the additional gas and electricity consumption associated with our office-based employees working remotely has been estimated. This is based on estimated data and extrapolated for the proportion of employees working remotely.

Our scope 3 emissions in detail

Scope 1 and 2 emissions are only part of the equation, and the upstream and downstream emissions as a result of our operations are significant. Scope 3 includes the emissions generated by our supply chain in the services and materials that we purchase, the construction processes that we subcontract, and the in-use emissions of our homes.

This year, we have worked with external consultants to assist us with calculating our embodied scope 3 emissions

for each home that we build and sell. This is set out below, on a single-year basis and over a nominal life of 60 years.

Scope 3 (2021)	Tonnes of CO ₂ e
Plot build	49,110
Infrastructure	1,741
Total scope 3 (excluding in-use)	50,852
Per home sold	28.1
In-use emissions (60 yrs)	194,292
Total scope 3 (including in-use)	245,143
Per home sold	135.3

Scope 3 methodology

For emissions from plot build, all of the materials used for each house type plus emissions from construction work (including infrastructure such as roads and sewers) on site, transport, replacements, and end-of-life was used to estimate the embodied carbon emissions.

This calculation was carried out for our most common house types, collectively accounting for 91.4% of total 2021 homes sold. An estimate was used for the remaining house types to give the total annual emissions from house building.

For in-use emissions, actual energy spend data from customers was converted to energy consumption and carbon emissions, then projected forward (assuming broadly stable energy usage) to arrive at a 60-year in-use carbon emissions total for each house type.

Environment

Natural resources

Land

Our developments are located in areas where there is a need for regeneration; typically in areas of deprivation and on brownfield sites that would otherwise remain derelict or unused. Four out of five of our homes sold are in the third most deprived areas of the country and 77% of the homes sold were on brownfield land.

We invest in our sites, creating attractive and well-planned developments with green open space and access to local facilities. We continue to purchase land in areas that are in need of regeneration, but with good transport links and access to local facilities and employment. Page 53 sets out an example of the brownfield land remediation that we undertake.

Water stress

We typically acquire sites and build in areas of relatively low water stress, being located in the North of England and Midlands. For the year to 30 June 2021, 6% of the homes sold were in areas of high water stress. In total, less than one in five plots in the Gleeson Homes land pipeline is classified as being in an area of high water stress.

Water usage

This year, we have estimated our water consumption for sites and offices. We are currently developing a water strategy to reduce our reliance on mains water supply and

incorporate grey water usage into our operating activities, this includes exploring initiatives such as rainwater harvesting on sites. Our strategy also includes improving the tracking of water consumption across the business with actual usage data, rather than estimates.

Water consumption	2021	2020
Cubic metres of water consumed	78,143	66,001
Cubic metres of water consumed per home built	43	62
Cubic metres of water consumed per build site	1,007	973

All of our homes are fitted with dual flush toilets, low flow taps and showers and water meters. They are designed to achieve a maximum internal water use of 110 litres per person per day. This is 12% lower than the requirements specified by Building Regulations, saving both a natural resource and our customers on their water bills.

Sustainable materials

During the year, we launched new policies on sustainable procurement and sustainable packaging to ensure that we are reducing our impact on natural resources.

As part of this:

- we source 99.9% of the timber we use in construction from FSC or PEFC certified sources;
- we are engaging with suppliers to use packaging materials that are recyclable or biodegradable where possible; and
- we will be examining alternative materials to those currently used, where these have lower embodied carbon emissions and can be more easily recycled or reused.

Waste

During the year, we launched a new sustainable waste management policy. In the year, we diverted 98% (2020: 96%) of construction waste away from landfill either being recycled or converted to energy. We are working with specialist waste management providers to continue to further improve this rate of diversion from landfill with the aim of achieving 100%.

During the year, our construction waste amounted to 13,511 tonnes, a waste intensity of 7.5 tonnes per home sold. As part of the measures being taken on sustainable procurement, packaging and waste management, we are working to reduce this figure.

Biodiversity

It is expected that the government is likely to pass an amendment to the Environment Bill that will increase the focus on biodiversity as part of the planning process with a requirement for a 10% increase in habitat value for wildlife compared with a pre-development baseline. On many brownfield sites that have rewilded, this can be more challenging than an equivalent greenfield site. However, we are working towards these targets on all future developments and developing our biodiversity strategy.

Sustainability Targets

Progress against our 2021 improvement targets

In our annual report last year, we set out a number of ambitious sustainability targets. Our progress against these targets and actions is set out below.

Health and safety incident rate ("AIIR") will be significantly reduced

OFF TARGET

Our AIIR for the year to 30 June 2021 was 556 (2020: 359). This remains above the industry average of 264 over the same period and was the result of ten reportable incidents involving slips, trips or falls, working from height or use of equipment. This was a disappointing result despite the significant improvements that have been made to safety procedures, systems and training. Each of these incidents have been investigated and improved working practices and procedures put in place to reduce the risk of further incidents. Health and safety remains our highest priority and we continue to promote our HomeSafe philosophy to ensure that a strong health and safety culture is embedded across the Group.

2021 actions	Update	Result
Working-at-height safety systems and practices will be improved on all sites within one year.	Decking systems are now used on all sites.	✓
Site compound and welfare facilities will be improved on all new sites and those with less than one year to completion.	All new sites and sites with more than 12 months of further build activity have new compounds and welfare facilities.	✓
Employee health and safety training will be reviewed, improved and the amount of training per employee increased during the year.	Full focus on the training log with the training department. This is ongoing but training material has been reviewed and updated.	✓
Digital reporting on all accidents, incidents, audits and health and safety metrics will be introduced on all sites within one year.	Internal digital reporting is not yet in place but we have engaged third-party consultants to help develop a digital reporting service.	✗
Independent health and safety inspections by the NHBC will be undertaken on all sites.	All sites independently inspected but the NHBC have ceased doing health and safety inspections. From July 2021, we have engaged a third party to undertake these independent inspections.	✓
Two new divisional health and safety manager roles will be created.	These roles have been appointed and a further two trainees added to the Group's health and safety team.	✓

Staff turnover will be reduced to at least the industry average or better

ON TARGET

Our staff turnover for the year was 32% versus the industry average of 38% (source: ONS). Our voluntary staff turnover, which excludes redundancy, retirement or fixed-term contracts was 20%. Our independently assessed employee engagement score increased to 89% this year (2020: 88%) and 88% of colleagues (2020: 85%) are proud to say that they work for Gleeson. This shows that good progress has been made on engaging with our people and we believe this will continue to have a direct impact on reducing the level of voluntary staff turnover.

2021 actions	Update	Result
Review and improve the staff recruitment process including search, selection, interview and pre-start onboarding.	We are taking a more hands-on approach to recruitment with our own in-house team seeking candidates directly rather than relying on external recruitment agencies.	✓
Enhance our new starter onboarding process, increase personal development reviews and introduce post-probationary period reviews.	Our induction process has been updated and includes inductions being delivered to new colleagues, virtually where required, on their start date. Updated templates for personal development reviews have been issued and cascaded across the business.	✓
Continue to increase our employee engagement initiatives by conducting regular management roadshows, engagement workshops and improving the frequency of staff communication.	We hosted our first virtual management roadshow which was well received across the business. A new e-learning system was launched in Autumn 2020 and new leadership and management training rolled out for employees in partnership with a third-party provider.	✓

Customer satisfaction: we will become a 5-star housebuilder within one year

ON TARGET

CO₂e emissions per home sold will be reduced by 20% within three years

ON TARGET

We achieved an independently assessed customer recommendation score of 90.6% (2020: 88.0%) this year. This equates to the Home Builders Federation ("HBF") 5-star rating.

2021 actions	Update	Result
We have recently created a dedicated Customer Care team in each region.	New customer relationship managers now cover all sites and do independent quality checks.	✓
We launched the Gleeson Quality Charter confirming our commitment to customers.	Customer questionnaires are sent once homes have been completed and customer satisfaction and recommendation scores are recorded and reported to the Executive Directors every month.	✓
We will implement additional quality checklists prior to final inspection.	Customer relationship managers who are independent to the sales process conduct final quality inspections. Any defects are followed up within 48 hours to ensure rectification prior to handover. Inspection KPIs are reported to the Executive Directors every month.	✓
We have engaged third-party inspectors to undertake additional, independent quality checks.	NHBC inspections are completed at various stages throughout the build process. From July 2021, third-party inspectors have been engaged to perform additional, independent quality checks.	✓

As set out on page 40 our scope 1 and 2 emissions for the year were 2.05 tonnes of CO₂e per home sold (2020: 2.50 tonnes adjusted¹, 2.82 tonnes reported).

The reduction to 2.05 tonnes of CO₂e per home sold this year is an 18% reduction on the adjusted carbon intensity of 2.50 tonnes and puts us well on track. Given the substantial progress made, we have increased our CO₂e reduction target to 1.75 tonnes per home sold as set out on page 45.

2021 actions	Update	Result
Within one year all of our forklifts will:	We upgraded 59% of our forklift trucks to the new model by 30 June 2021. A shortage of these higher specification forklift models has resulted in a delay in deploying these across all sites.	X
- be fitted with auto stop/start functions; - lower carbon emitting engines; and - include usage tracking to monitor speed and idle time.		
Reduce the use of diesel generator fuel per site.	We have enhanced our on-site processes which include: - relocation of sales activities from cabins to show homes thereby avoiding the use of generators; and - reviewed site start up plans to ensure utilities are on site sooner. This has contributed to a reduction in our diesel usage in comparison to 2019, which was not impacted by Covid-19.	✓
100% of electricity used in show homes, sales offices and site cabins will be sourced from zero carbon sources within one year.	100% of mains electricity supplied to site was provided by certified renewable sources.	✓

1. For the purposes of setting a target in 2020, the impact of Covid-19 was removed to give an adjusted carbon intensity reference of 2.50 tonnes per home sold. Therefore, the target set in the prior year was to reduce scope 1 and 2 carbon emissions by 20% to less than 2.00 tonnes per home sold within three years.

Sustainability Targets

Continued

What we want to improve:

Health and safety

Our incident rate ("AIR"), at 556 per 100,000 employees, has increased and is higher than the industry average reported by the Home Builders Federation.

Staff engagement

We want all our colleagues to be happy, motivated and engaged with the values and strategy of the business.

Customer satisfaction

We want to continue improving our build quality and the customer journey.

Carbon emissions

Our scope 1 and 2 emissions have reduced significantly but remain higher than some other housebuilders.



Derek, Site Worker at
Greencroft View, County Durham

Our new sustainability targets

Health and safety incident rate ("AIR") will be reduced to the industry standard or lower in the year

Actions:

- Introduce independent unannounced safety inspections on every active build site at least once per month.
- Launch a Training and Development Passport that will be mandatory for all apprentices.
- Enhance working-at-height procedures through additional training for all site management and enhanced working practices.
- Provide bi-annual supply chain and subcontractor HomeSafe workshops focusing on health and safety.
- Deliver a company-wide campaign focusing on slips, trips and falls and manual handling for all employees.
- Enhance tracking and reporting of near misses across the business and raise awareness.
- Assess feasibility and implement digital recording of personnel on all sites.

Our employee engagement will be maintained in the upper quartile of all companies during 2021/22

Actions:

- Enhance communication across the Group including online forums, regional roadshows and company-wide communications.
- Launch employee wellbeing "toolkit" which will give all of our employees the resources to obtain relevant support.
- Further develop the apprenticeship programme to broaden skills and retain talent.
- Enhance our recognition schemes to incorporate Company values and improve on-site participation.

Customer satisfaction: we will maintain our 5-star¹ status throughout 2021/22

Actions:

- Roll out of a "Customer First" campaign across all developments.
 - 100% quality inspections to be achieved within 48 hours of obtaining CML (Certificate for Mortgage Lending).
 - Improve Customer Care systems and reporting to integrate all elements of inspections, defect management and customer care.
 - Engage and provide training to third-party subcontractors and suppliers on our "Customer First" requirements.
1. This is 90% or above customer recommendation score as polled by an independent survey company, which is equivalent to the HBF 5-star rating.

Climate: CO₂e target reduction increased from 20% (2.0 tonnes) to 30% (1.75 tonnes) by 2023

Actions:

- All forklift trucks to be upgraded to the newer models within one year.
- Complete our eco-cabin trial and, if successful, roll out across all new sites.
- Complete our biodiesel trial and, if successful, roll out across sites.
- Review energy efficiency measures in each of our offices.
- Ensure electricity purchased for sites continues to come from certified renewable sources with Renewable Energy Guarantees of Origin ("REGO").
- Launch a generator usage policy to reduce reliance on generators and fuel usage.

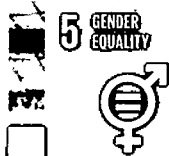
UN Sustainable Development Goals

In 2015, the United Nations reviewed the global priorities for creating a sustainable future and produced the 2030 Agenda for Sustainable Development.

As part of this, 17 Sustainable Development Goals ("SDGs") were launched to promote actions to be taken to end poverty and set the world on a path of peace, prosperity and opportunity for all on a healthy planet. In 2020, we shared our commitment to these goals and set out how and where these are supported by the activities of the Group.

These initiatives have been carefully considered in creating our sustainable business strategy (see pages 32 to 33), which fully supports target one of SDG 11 - Sustainable cities and communities, by providing "access for all to adequate, safe and affordable housing". As part of our materiality assessment (see pages 30 to 31), we engaged with a number of stakeholders who backed our commitment to supporting these goals in our mission of Building Homes. Changing Lives.

We recognise that as a business, we not only change the lives of our customers by offering many their first step onto the property ladder that would otherwise be unattainable, but there are also many other stakeholders who are impacted by our activities. As a result, we have adopted six of the Sustainable Development Goals, which we believe we support and the details of which are reported here.



UN SDG Targets

5.1 - End all forms of discrimination against all women and girls everywhere.

5.5 - Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

5.a - Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws.

How this is supported by us:

Gleeson is an equal opportunities employer and we strive to pay our employees equally for the same or equivalent work, regardless of their gender.

We take part in and sponsor Women in Construction and Women in Property events. Our recruitment team are active in seeking to recruit more women into the industry.

We continue to look at roles that women occupy and review how our succession planning programme fits with these roles.

We review job descriptions, roles and responsibilities to make sure these are inclusive.

KPIs

Median pay gap in favour of women reported in our 2021 Gender Pay Gap Report.

29% of the Board and 31% of the Senior Management team are female.

Overall 30% of our workforce are female.



UN SDG Targets

8.5 - By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.6 - By 2020, substantially reduce the proportion of youth not in employment, education or training.

8.8 - Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

How this is supported by us:

We are committed to ensuring that all employees, potential recruits and other stakeholders are treated fairly and equitably.

Recruitment and advancement is based upon individual skills and aptitude irrespective of race, nationality, gender identity, sexual orientation, disability, age, religion or beliefs.

We continue to carry out pay and benefit benchmarking at regular intervals against other employers to ensure that we pay our employees fairly.

Our HomeSafe brand reflects our belief that everyone who is involved in, or affected by, our development work has the right to remain free from harm and return home safely every day.

KPIs

We directly employ 672 people on our sites and in our offices, an increase of 67 people on last year.

100% real Living Wage employer and the first housebuilder to be accredited by the Living Wage Foundation.

Top quartile company for employee engagement.

Accredited with Investors in People as a business that "Makes work better".

At June 2021 we had 70 apprentices employed representing 10% of the workforce.

AIIR Rate - 556 (Industry average: 264) - see further comments on page 42.



Oliver, Carrwood Park, Bradford, West Yorkshire

11 SUSTAINABLE CITIES AND COMMUNITIES



UN SDG Targets

11.1 – By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

How this is supported by us: Gleeson Homes' mission is "Changing lives by building affordable, quality homes. Where they are needed, for the people who need them most."

Our sustainable business model is based around our impact on communities, people and the environment.

We exist to transform lives and make home ownership a reality for young people, low-income families and first time buyers. This creates communities and provides benefits to wider society.

We partner with local authorities and private landowners to acquire land in areas that will benefit from investment, regeneration and development for housing that is affordable to local people.

KPIs

91.6% (£264.2m) of Group revenue in the year to 30 June 2021 supported UN SDG 11 through the provision of safe and affordable housing.

Our average selling price of £145,800 is significantly lower than the new build industry average of £326,000.

Four out of five of our customers are first time buyers and two out of three of our customers are key workers.

The median age of our customers is 29 and 77% are 35 years old or younger. Our homes start from £95,000 and the median income of our customers is £23,000.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



UN SDG Targets

12.2 – By 2030, achieve the sustainable management and efficient use of natural resources.

12.5 – By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

How this is supported by us:

We have committed to diverting at least 95% of waste from landfill and are implementing initiatives to further reduce waste volumes.

We have established new policies for Sustainable Procurement, Sustainable Packaging, Timber and Waste Management.

KPIs

For the year to 30 June 2021, 98% of our construction waste was diverted from landfill.

99.9% of our timber is sourced from FSC/PEFC approved sources.

13 CLIMATE ACTION



UN SDG Targets

13.2 – Integrate climate change measures into national policies, strategies and planning.

13.3 – Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

How this is supported by us:

We set a target to reduce our scope 1 and 2 carbon emissions by 20% to less than two tonnes per home sold within three years.

We have published our scope 3 emissions for the first time this year.

We have established a new Climate and Environment policy.

KPIs

For the year to 30 June 2021, we generated 2.05 tonnes of scope 1 and 2 carbon emissions per home sold. This was a reduction of 18% from the previous financial year, excluding the impact of Covid-19.

We have increased our three-year reduction target to 30% or 1.75 tonnes per home.

We will be taking steps to refine our scope 3 data and to reduce carbon emissions in building products and construction operations.

15 LIFE ON LAND



UN SDG Targets

15.3 – By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.

15.9 – By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.

How this is supported by us:

Our developments are located in areas where there is often a need for regeneration; typically brownfield sites that would otherwise remain derelict or unused.

We build in the most deprived areas of the UK, regenerating land and building new homes where they are needed most.

We invest in our sites, creating attractive and well-planned developments with green space and biodiversity.

KPIs

77% of homes sold in the year to 30 June 2021 were on brownfield land.

For the year to 30 June 2021, only 6% of the homes sold were in areas of high water stress.

Over £175m spent on site development including land remediation during 2021.

Sustainability in Action

Customer case studies

Changing the life of a single buyer



Being a homeowner is such a proud feeling. It's definitely more than just bricks and mortar."

Buyer:	House type:
Corina (31)	Cork, 2-bed semi
Occupation:	Purchase price:
Social worker	£136,995
Year of purchase:	Mortgage cost:
2020	£370 per month, —
Development:	Help to Buy
Ransom Court,	Previous rental cost:
Nottingham	£550 per month
	(1-bed flat)

Social worker Corina was renting a small one-bedroom flat in Nottingham before purchasing her two-bedroom Gleeson home in September 2020.

A single buyer, Corina was overjoyed that a developer in the area was catering for first time buyers, with a Help to Buy Equity Loan and a scheme specifically for key workers.

The rent on Corina's one-bedroom flat was £550 per month, so she was delighted to find that her mortgage would be just £370 per month, a saving of £180 every month. Making use of our Key Worker Priority Scheme, Corina also benefitted from £1,000 towards upgrades and extras in her home, which she chose to spend on a premium kitchen.

Corina said: "Gleeson was ideal for me because the homes are so affordable. The price point is great, particularly for single buyers. Many homes in the nearby area were much more expensive and other housebuilders in Nottingham were charging thousands of pounds more for the same size house."

"Without Gleeson I would have been stuck renting or would have had to purchase something similar in size to my flat. Being a homeowner is such a proud feeling, it's definitely more than just bricks and mortar."

"The location of my home is great. It's so close to the city centre which makes commuting really easy and it's surrounded by trees and lovely places to go for walks. I completely fell in love with my house type, despite being a two-bedroom semi it's so spacious and is laid out perfectly for having friends round."

A new Gleeson home has given Corina something to focus on throughout the pandemic and beyond. Since moving in she has begun blogging images of her home and interior design tips, connecting with other Gleeson homeowners via Instagram.

Charmaine and Brad purchased their three-bedroom detached home at our Balderstones development in Rochdale in November 2020.

Both working in the fashion industry in Manchester, Brad and Charmaine had been renting a two-bedroom flat in the city centre. Spending the first lockdown throughout the hot summer months in a small flat without a garden made the couple realise how much they wanted to buy their own home.

The couple were thrilled by the price of Gleeson homes, and they all had gardens and driveways, together with range of extras and options. Sold on the idea of moving into a new home which is low maintenance and cheaper to run, the couple were even more delighted when their plot of choice was ready just four months after they reserved.

With the location of their development only five minutes from the motorway, the couple can easily get to work in Manchester and now enjoy city life close by, with their own home to return to.

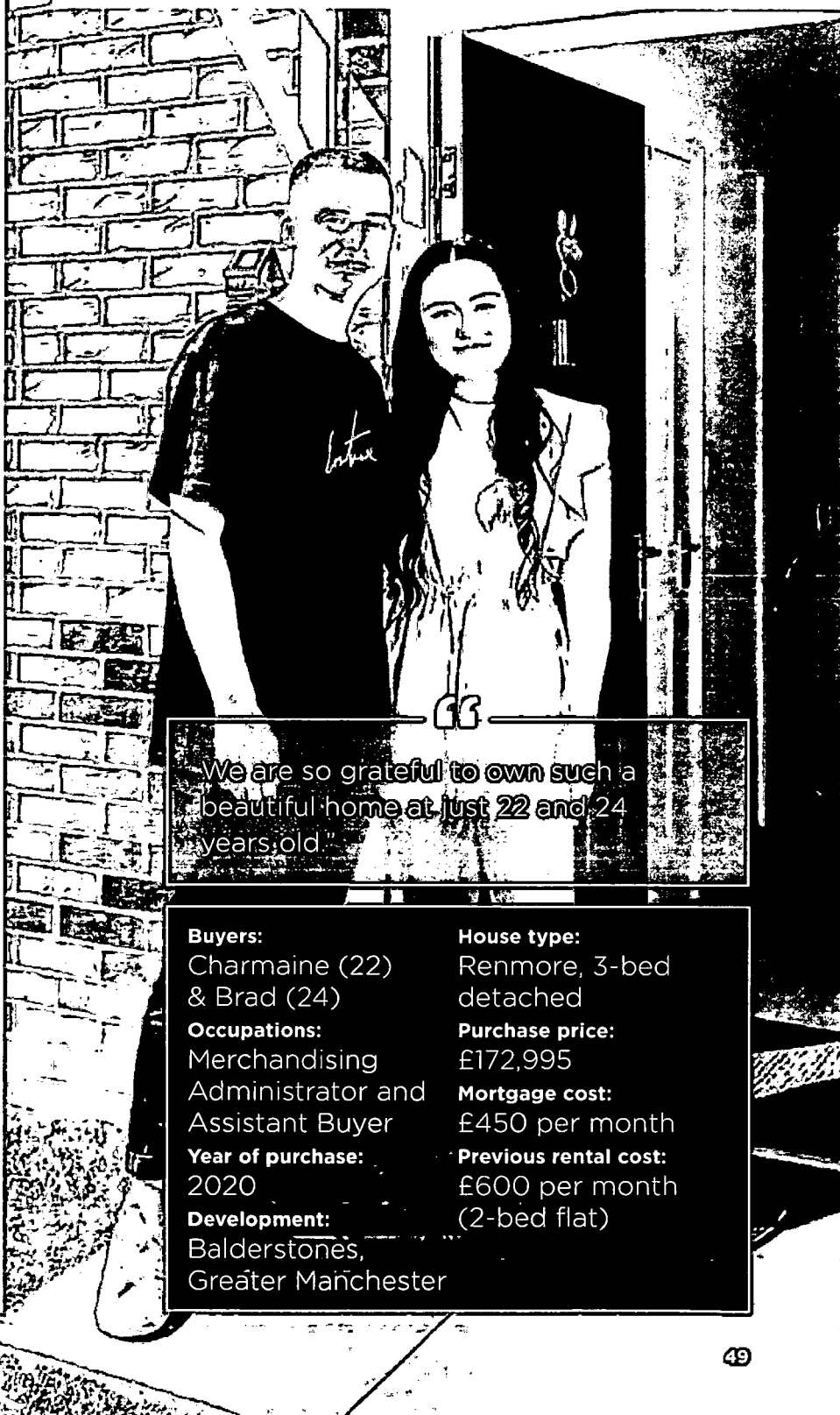
With amenities like the Trafford Centre less than half an hour away, as well as a plethora of local shops and supermarkets within walking distance, Balderstones is an ideal development for young couples like Brad and Charmaine.

The pair had initially been saving to go on holiday to Thailand, so are very glad that they used the money for their new home instead.

Charmaine said: "We can't believe how affordable our home is. We didn't think we'd be able to buy a house, but Gleeson proved us wrong. Our home actually works out cheaper than the rent and bills we were paying for a two-bedroom flat, which is just incredible considering the size difference."

"We definitely made the right decision investing in our home rather than a holiday! Plus, because our home is so affordable, we will still be able to have treats like holidays when the time is right."

Helping young people into home ownership



"We are so grateful to own such a beautiful home at just 22 and 24 years old."

Buyers:

Charmaine (22)
& Brad (24)

Occupations:

Merchandising
Administrator and
Assistant Buyer

Year of purchase:
2020

Development:

Balderstones,
Greater Manchester

House type:

Renmore, 3-bed
detached

Purchase price:

£172,995

Mortgage cost:

£450 per month

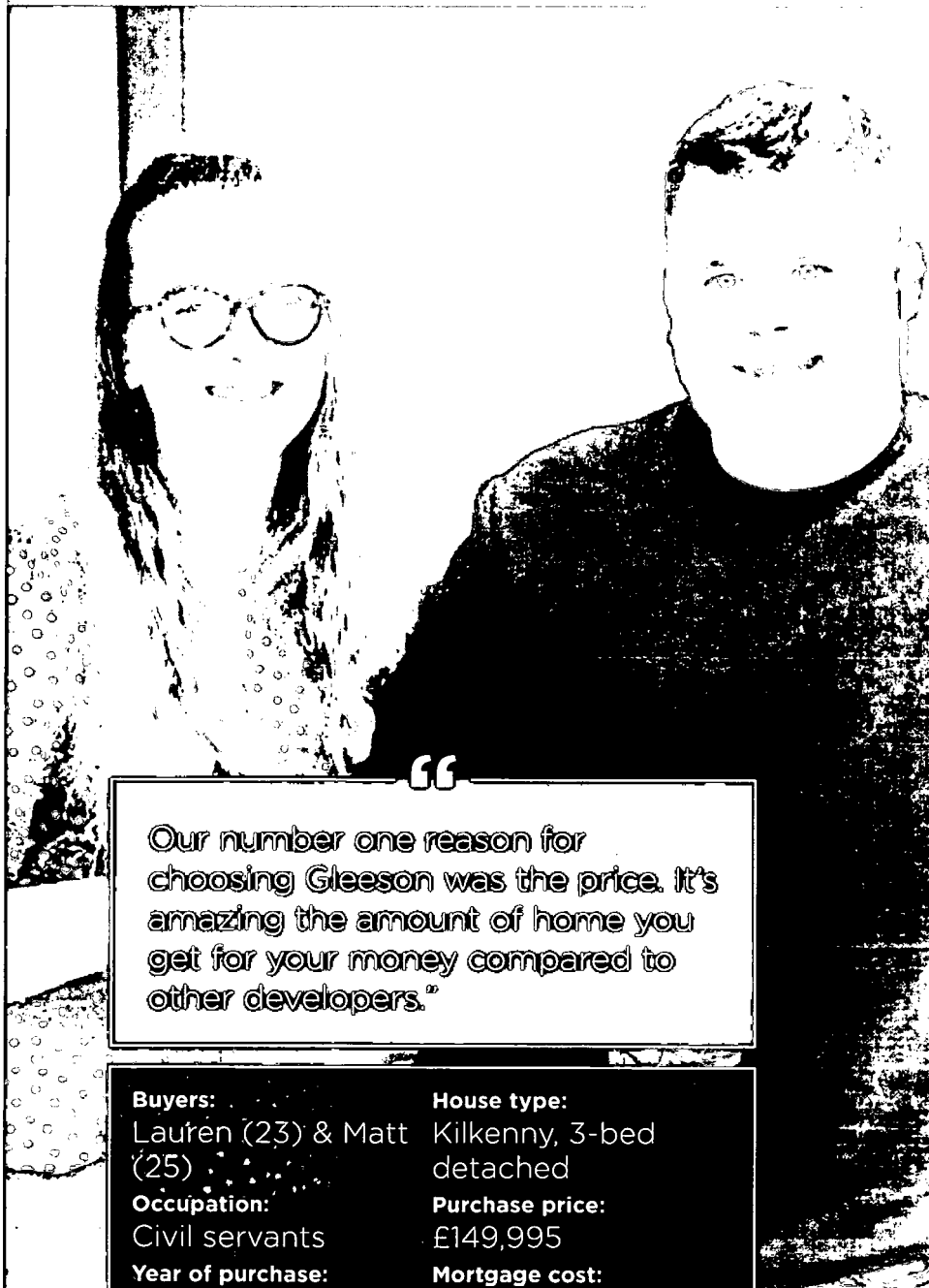
Previous rental cost:

£600 per month
(2-bed flat)

Sustainability in Action

Customer case studies

Escaping the rent trap and starting their new lives



“Our number one reason for choosing Gleeson was the price. It's amazing the amount of home you get for your money compared to other developers.”

Buyers:
Lauren (23) & Matt (25)
Occupation:
Civil servants
Year of purchase:
2021
Development:
Crawford Park, Blyth

House type:
Kilkenny, 3-bed detached
Purchase price:
£149,995
Mortgage cost:
£360 per month
Previous rental cost:
£530 per month (1-bed flat)

Spending the last two years renting a one-bedroom flat, Lauren and Matt were keen to get onto the property ladder, but never imagined they would be able to own a three-bedroom detached house.

Giving them so much more space and saving them £170 a month, their new home has been transformational.

Lauren and Matt moved into their three-bedroom home in March 2021. The couple were paying £530 per month in rent for their flat and are now paying just £360 per month for their mortgage. Their previous flat had no parking, garden, or communal outdoor space. With only one bedroom the pair could never have friends or family over to stay, and their bedroom was next to the communal stairwell, so they heard noise from other residents at all hours of the night.

Eager to purchase a new build, Lauren and Matt viewed various developers but were amazed at the price of a Gleeson home.

Matt said: “Our number one reason for choosing Gleeson was the price. It's amazing the amount of home you get for your money compared to other developers. We looked at other nearby sites and for our budget we could only get a two-bedroom house or a three-bedroom semi-detached house, but with Gleeson we could get a detached house with a garage and a garden. It really was a no brainer. A big tick for us was the fact that every Gleeson home comes with a garden, which was something we were craving.”

Lauren continued: “We love everything about our home. We are saving so much money every month by not renting, instead we are paying for a house that actually belongs to us, which is a great feeling.”

At the age of 15, Tania was homeless and lived on the streets in York. This year she bought her second Gleeson home with her partner Josh.

Teachers Tania and Josh both bought as single buyers on our Rainsborough Park development in 2018, with Tania buying a two-bedroom semi-detached Cork for £101,995 and Josh purchasing a three-bedroom semi-detached Fergus for £125,995.

They soon met and fell in love and realised that they could combine the existing equity in their homes and purchase a new Gleeson home on the development together. When the existing three-bedroom detached Kilkenny show home was released for sale, Josh and Tania were quick to reserve it, paying just £184,995.

Being a homeowner has a special significance for Tania.

Tania said: "I've faced a lot of adversity in my life, spending time on the streets and in homeless shelters, but I'm so proud of how I've turned my life around. I was amazed when I could buy my first Gleeson home with just a £4,500 deposit, and that my mortgage repayments would be only £350 per month. Moving onto Rainsborough Park changed everything, I feel like I have much more of a sense of purpose now I'm a homeowner and of course, I met Josh."

Josh said: "Before buying my first home, I was renting a small terraced property, paying £800 per month, now in our second Gleeson home, which we bought fully furnished, we only pay £500 per month for our mortgage. Buying here has changed our lives, we love the development, love the area and the community. We plan on staying on Rainsborough Park for life, and already have our eye on the four bedroom properties which will be released as part as Phase Three. With Gleeson you get so much for your money, the quality is fantastic and the process is so straightforward."

From homeless to home owner



"Buying here has changed our lives. We love the development, love the area and the community."

Buyers:

Tania (26) & Josh (28)

Occupation:

Teachers

Year of purchase:

2021

Development:

Rainsborough Park, Knottingley, West Yorkshire

House type:

Kilkenny, 3-bed detached

Purchase price:

£184,995

Mortgage cost:

£500 per month

→ For more customer success stories, including photos, visit our website at www.gleesonuk.com.

Sustainability in Action

Environment – Gleeson Homes case studies

Cleaner, more efficient forklift trucks



In our 2020 Annual Report, we set a target to upgrade our fleet of forklift trucks to the latest JCB models.

These have more efficient engines and incorporate start/stop technology to reduce engine idling. They also have live data monitoring such as speed, fuel consumption, operator warnings and various safety alerts.

At 30 June 2021, 59% of our forklift trucks had been upgraded to these newer models, which has reduced forklift diesel fuel consumption by 4% this year. This fuel saving will continue to increase with the changeover and our “real world” on-site testing shows that it will deliver a 12% saving in fuel per forklift truck for a full year:

	New model	Old model	Saving
Time spent at idle	13%	29%	57%
Fuel consumption (litres per hour)			
Operating	5.57	5.83	4.5%
Idle	1.71	1.89	10%
Combined	4.09	4.67	12%
Carbon Emissions	1.43	1.63	12%

As part of this changeover, we have secured an ongoing agreement to upgrade units in future as they age or become inefficient. Given these are one of the major users of fuel on our development sites, this will help us to continue reducing our carbon emissions.

In addition, we are trialling the use of hydrotreated vegetable oil (HVO) biodiesel on a number of sites as we assess moving away from more pollutive fuels. HVO biodiesel produces up to 90% lower carbon emissions than standard diesel. Subject to successful trials, we will look to move our forklift fleet over to HVO biodiesel.

Regenerating land - Model Walk, Worksop, Derbyshire



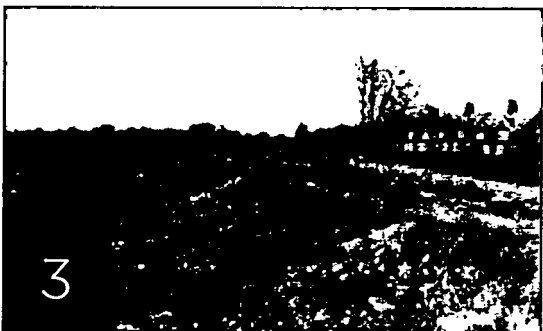
100 years of coal mining

Model Walk near Worksop sits on part of the former Creswell Colliery, which was in operation from 1894 until its closure in 1991. The site has an extensive history and, following its closure, the land remained derelict and disused for around 25 years until it was acquired by Gleeson Homes.



A heavily contaminated site

Since its closure, all of the old mining buildings were removed by the former owners, but the site had extensive rubble, hard standing and detritus across it. In addition, parts of the site were contaminated from the former activities including the presence of polycyclic aromatic hydrocarbons, arsenic and naphthalene together with areas that were infested with Japanese knotweed.



Regeneration of the land

A detailed planning application was submitted by Gleeson Homes in 2016. Following years of neglect and anti-social behaviour on the land, the scheme received unanimous support.

The site required extensive remediation including the removal of hardstanding, brick, glass, contaminated topsoil, Japanese knotweed and other contaminants. There were also varying capping depths required across the site and additional radon precautions in certain areas.



A model site

The site has 197 plots with two, three and four-bed homes and open space. Special designs were needed for the homes fronting onto the historic Model Village conservation area to address and celebrate a unique setting. The development has also paved the way for the regeneration of the remainder of the former colliery to the south and west, providing high-quality, affordable homes for local people.

Sustainability in Action

Environment – Gleeson Land case studies

Protecting native species at Westbury Leigh, Wiltshire

Gleeson Land submitted a planning application for 67 homes along with open space and allotments.

We seek planning permissions that are sensitive to local ecology and wildlife. Our scheme at Westbury Leigh incorporates natural greenspace as well as allotments for residents. It is planned with landscaping that is in keeping with the local area and surrounds the development.

The site also lies within a consultation zone for the greater horseshoe bat, with a roost to the west of the site. Survey data demonstrated that there was horseshoe bat activity on the western site boundary. In order to preserve this activity, we worked closely with Natural England and our planners to retain and protect the existing area of plantation woodland on the western boundary.

In addition, new bat habitats comprising supplementary native trees and shrubs are planned along the eastern boundary of the plantation woodland to buffer it from the built development. A “dark buffer” is established which would safeguard the flight route of the bats and protect the activity of this protected species. In this buffer there would be light no more than that associated with a full moon.



Gleeson Land obtained planning approval for 254 homes along with significant areas of open space.

We work to ensure that our schemes are sustainable and offer improved facilities for local residents, which leads to stronger communities. Incorporating areas of natural greenspace is a major factor in every application, as well as how the development fits alongside the existing local urban and natural environment.

At Manor Farm in Tongham, we obtained planning permission for a site that includes 254 homes, creates a route through the site to connect existing developments, provides open space including children's play areas, utilises sustainable urban drainage systems and creates a significant Suitable Alternative Natural Greenspace ("SANG") of over 17 hectares.

This space provides outdoor areas for the community to use, along with a new car park and pedestrian accesses from the development. It is also sufficient in size to provide greenspace for two other development applications locally.

The SANG land was sensitively landscaped with planting of trees and hedgerows around gravel paths to enhance the existing natural environment and attract local wildlife to the area.

Creating open space at Manor Farm, Tongham, Surrey



Sustainability in Action

People

Investing in our apprentices

Adam Barrass Bricklayer

Before starting his apprenticeship with Gleeson, Adam played football in Malta for one season, then returned to England to work in a food packing factory. Adam was keen to learn a trade and, as his father worked as a bricklayer on a Gleeson development, he applied for a bricklaying apprenticeship with Gleeson and started at our Forge Court development in Sunderland in 2018.

Adam made a strong impression with the site team from his first day with his enthusiasm, can-do attitude and collaborative approach. He was clear about his ambitions and during the development conversations that we have with all colleagues, he discussed his desire to move into site management or health and safety after learning his trade.

He quickly progressed through his Level 2 bricklaying qualification, gaining recognition from his tutors at college and winning several awards, whilst continuing to perform strongly on site. He went on to complete his Level 3 apprenticeship with distinction in early 2021.



When a Trainee Health and Safety Advisor role became available in the North East Division, Adam was a natural fit and he is continuing to learn and grow in his new role with us.



Oliver Hume Finance

When Oliver started his Finance apprenticeship with Gleeson in 2017, he was 18 years old and worked at McDonalds. He did not have any prior accounting knowledge, but was keen to get his AAT (Association of Accounting Technicians) qualification because his mum had recently finished her own AAT qualification.

Oliver signed up for an AAT Level 3 apprenticeship and initially joined the purchase ledger team to start learning the fundamentals of finance at Gleeson. He quickly established himself as a rising star with his enthusiasm, flexibility and fast learning. Within six months Oliver moved to the treasury team where he learned a whole new set of skills.

Oliver passed all of his exams on the first sitting and completed his Level 3 apprenticeship with distinction within 18 months. He immediately moved to a Level 4 apprenticeship whilst continuing to play a valued role in the Finance team.

His exams were put on hold during the first Covid-19 lockdown, but Oliver continued to support the business when his colleagues were on furlough, showing his flexibility and knowledge in different areas.

In December 2020, he successfully completed his Level 4 apprenticeship and was promoted to the role of Assistant Management Accountant. He is currently continuing his academic journey and studying for his CIMA professional qualification with the support of Gleeson.

Promoting women in construction

Sarah Marsden, Divisional Managing Director of the Gleeson Homes North Eastern Division, has been with Gleeson for over 11 years in a number of senior roles. She started in the construction industry over 20 years ago as a sales negotiator, and worked her way up through various roles including Sales Director, Group Operations Director, and now, Divisional Managing Director.

On being a woman in construction, Sarah said:

"I've been in the construction industry for 21 years and I'm pleased to say there is far greater diversity and equality now than when I first started. In fact, the last 20 years have been quite transformational. At school, the construction industry was the stereotypical route for non-academic males, and for females a career in construction was not encouraged. I got into the industry by selling new homes on site and I've worked hard to progress my career becoming the youngest female Director in my former company. I've worked at Gleeson for 11 years now and I haven't directly experienced any real prejudice or bias, quite the opposite, I have been fortunate to receive support and respect from my colleagues and peers alike. I would, however, be confident enough to call out any negative behaviour."

"I strongly encourage a career in the construction industry from all interested and enthusiastic applicants - there is a broad spectrum of opportunity for all, regardless of talent, gender or preference. It's a great sector to be a part of."

gleeson

TCFD Disclosures

Task Force on Climate-related Financial Disclosures

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures ("TCFD") to improve and increase reporting of climate-related financial information.

Responding to the TCFD requirements, we aim to increase our disclosures in line with its recommendations.

Governance

The organisation's governance around climate-related risks and opportunities.

The Board has ultimate responsibility for climate-related risks and opportunities, with the day-to-day approach in responding to climate-related risks and wider sustainability topics being managed by the Executive Directors.

The Sustainability Committee is a sub-committee of the main Board and meets on a bi-annual basis to discuss the strategic direction, climate-related risks and opportunities and to assess progress on ongoing sustainability projects, including those focused on carbon reduction. Find out more on pages 106 to 108.

Bi-annual updates are also provided to the Audit Committee outlining any changes to the assessment of sustainability risks, material issues, policies, disclosure requirements and progress against sustainability targets.

Below the Board, operational directors and heads of department have responsibility for integrating sustainability into their respective areas. This includes compliance with the Group's sustainability policies in the following areas:

- Climate and environment;
- Sustainable procurement;
- Sustainable packaging;
- Sustainable timber; and
- Sustainable waste management.

This year, we have introduced internal sustainability KPIs within the monthly reporting to the Board. The approved budget for the next financial year also includes sustainability targets and metrics. Progress against these will be tracked to ensure our sustainable values are embedded throughout the business.

We have also appointed a Head of Safety, Health, Environmental and Quality ("SHEQ") who will support the senior management team in integrating sustainability throughout the business.

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Climate change has the potential to significantly impact our business strategy through restricting land availability, disrupted build programmes, material and labour shortages and increased costs. It also has the risk of impacting the homes and communities we build through flooding, overheating and water shortages.

Forthcoming changes to building regulations, namely Part L (Conservation of fuel and power) and Part F (Ventilation), will change the way our homes are supplied with power and heating. These are potentially the first of many climate-focused amendments to building regulations as the government progresses their vision of zero carbon ready homes. Our sustainable business strategy and the design of our homes will continue to factor in these changes to building regulations.

Another impact of climate change and more frequent extreme weather events is the risk of more frequent flooding, making certain areas unsuitable to build on. This would reduce the availability of land and consequently increase the cost of developable land. It could also increase the costs of installing flood mitigation on certain planning developments.

Increases in temperature could require alternative strategies to ensure that new homes remain habitable and prevent overheating. These could include passive cooling measures including better shading, reflective surfaces and cover for homes.

We continue to assess changes to climate-related risks and the potential impact on the Group, its strategy and any financial impacts.



Risk management

How the organisation identifies, assesses, and manages climate-related risks.

Climate change and sustainability have been identified as principal risks for the Group. Find out more on page 73.

The Group risk register is formally reviewed by the Audit Committee at the majority of its scheduled meetings, including consideration of emerging risk areas or changes to existing risks. Find out more on pages 98 to 105.

A separate, detailed sustainability risk register is also maintained which covers the risks for the Group associated with environmental, social and governance matters.

The sustainability risk register is managed by the Sustainability Committee and reviewed, at least, on a bi-annual basis with any amendments reported to the Audit Committee as part of its monitoring of principal and emerging Group risks.

Each risk on the sustainability risk register is assessed against its potential impact, timeframe, likelihood, severity and mitigating actions. Progress on mitigating actions against short-term risks are prioritised by the Sustainability Committee.

Metrics and targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Our climate performance is measured by reference to an intensity target published in 2020. Last year we set a target of reducing our scope 1 and 2 emissions by 20% per home sold within three years. This will result in a carbon intensity of less than 2.0 tonnes of CO₂e per home sold. This year we have reduced our scope 1 and 2 carbon emissions to 2.05 tonnes of CO₂e per home sold. Due to the substantial progress made, we have increased our CO₂e reduction target to 1.75 tonnes per home sold as set out on page 45.

Our climate performance metric for scope 1 and 2 emissions is calculated by taking total metric tonnes of CO₂e divided by the number of legally completed house sales in a financial period.

This year we are also reporting a “market-based” and “location-based” metric for our scope 2 (electricity) usage.

In addition, this year we are reporting our scope 3 emissions which covers the indirect upstream and downstream carbon emissions of our value chain; this includes the emissions generated by our supply chain in the services and materials they provide to our business, the construction process, and over the life of the homes that we build.

Further details on our scope 1, 2 and 3 emissions, including methodology, can be found in the Environment section on pages 38 to 41. Sustainability KPIs are set out on page 20.

SASB Disclosures

SASB Criteria	Our approach
Land Use and Ecological Impacts	
IF-HB-160a.1	Number of (1) Lots and (2) homes delivered on redevelopment sites In the year to 30 June 2021, we added 2,740 brownfield land plots to our land pipeline. This accounted for 52% of plots acquired in the year. The total number of brownfield plots held at 30 June 2021 was 7,606 (48%). In the year to 30 June 2021, we sold 1,387 homes on brownfield land. This accounted for 77% of our total annual house sales. Notes We consider brownfield land includes sites upon previously developed land, below ground disturbance (including mining or waste disposal) or land that contains contamination from previous use.
IF-HB-160a.2	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress In the year to 30 June 2021, we acquired 1,767 plots in regions of high water stress. This accounted for 33% of plots acquired in the year. The total number of plots in areas of high water stress at 30 June 2021 was 2,945 (19%). In the year to 30 June 2021, we sold 106 homes in areas of high water stress. This accounted for 6% of our total annual house sales.
IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations We incurred no monetary losses in relation to environmental matters in the year.
IF-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction Site selection We operate a "Gateway" procedure in our site acquisition process to ensure that each site meets our hurdles at various stages throughout the purchase. At the earliest step, Gateway 1, a site will be reviewed at a high level to ensure that it meets with our guiding core principles and requirements; of particular importance at this stage is our objective to bring forward development on brownfield sites or sites in need of regeneration in a manner which safely and sustainably returns such sites back into meaningful use whilst simultaneously alleviating any environmental issues which may have been left behind by legacy landowners. On clearing this hurdle further due diligence will be carried out, in part guided by our in-house appraisal document which carries a checklist to prompt consideration of all factors affecting sustainable development including matters of contamination, noise, odour, impact on ecology and biodiversity, proximity to transport links and local facilities. Site design We work with a panel of partner architects to ensure that our designs accord with National and Local Planning Policy and Guidance, whilst providing a development where our customers want to live and which is sympathetic to existing constraints including existing local development. Through the planning process we will procure the expertise of third-party consultants in various technical disciplines including all aspects of environmental assessment such as ecology, contamination, noise and odour to ensure that any constraints are appropriately integrated into our designs, or appropriate mitigation measures are identified in order to bring forward appropriate and sustainable development.



Frankie, Carrwood Park,
Bradford, West Yorkshire

SASB Criteria

Our approach

Workforce Health and Safety

IF-HB-320a.1

(1) Total recordable incident rate ("TRIR") and (2) fatality rate for (a) direct employees and (b) contract employees

We measure health and safety performance using an Annual Injury Incidence Rate ("AIIR") metric. Our AIIR for reportable injuries per 100,000 employees and contractors was 556 in 2021 (2020: 359). The industry average for the house building sector over the same period was 264 (2020: 263) (Source: Home Builders Federation).

In the year we reported 10 RIDDOR incidents (2020: 5).

There were no fatalities.

Notes

Reportable injuries are aligned to the UK's Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ("RIDDOR").

The figure reported is the consolidated figure for all direct employees and subcontractors.

Design for Resource Efficiency

IF-HB-410a.1

(1) Number of homes that obtained a certified HERS® Index Score and (2) average score

The Energy Performance Certificate ("EPC") is the UK equivalent to the HERS Index.

98.2% of our homes achieve an EPC rating of B or higher due to efficient design and build characteristics in each of our standardised house types.

IF-HB-410a.2

Percentage of installed water fixtures certified to WaterSense® specifications

WaterSense is not applicable to the UK.

All of our homes are designed to achieve a maximum internal water use of 110 litres per person per day and a possible 5 litres per day external use where external taps are fitted. All of our homes are fitted with dual flush toilets, low flow taps and showers and water meters.

IF-HB-410a.3

Number of homes delivered certified to a third-party multi-attribute green building Standard

All of our homes are subject to UK building regulations which include standards for energy and water efficiency as detailed in criteria IF-HB-410a.1 and IF-HB-410a.2.

There is no widely adopted green building standards that outline specification or sustainability credentials of homes in the UK.

The historic Code for Sustainable Homes was withdrawn by the government with the view that these requirements would be embedded into the latest building regulations.

SASB Disclosures continued

SASB Criteria

Our approach

Design for Resource Efficiency

IF-HB-410a.4

Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers

Our homes already incorporate facilities to assist our customers in living a sustainable lifestyle in their new home such as dual flush toilets, low flow taps and showers and water meters. In addition, our homes are fitted with low energy lighting and are thermally efficient, with 98.2% of our homes achieving an EPC rating of B or above.

We use sustainable materials where possible, such as environmentally friendly gravel on drives. Gravel drives emit significantly lower CO₂ in construction and over their lifetime versus a bonded surface material and are permeable allowing better water run-off and reducing the risk of flooding.

These benefits are communicated to customers as part of the handover process and in our new home handbooks to explain to customers how to get the most out of their new home and minimise the running costs.

Forthcoming changes to building regulations, Part L (Conservation of fuel and power) and Part F (Ventilation), will change the way our homes are supplied with power and heating. In readiness, we are trialling the use of air-sourced heat pumps as a means of heating. These absorb heat from the outside air to heat the home and hot water, and are more efficient reducing household bills and lifetime CO₂ emissions from a home.

We are also examining the installation of EV charging points in homes and how to manage the associated infrastructure requirements on sites.

We continue to assess the design, structure and build of our homes to ensure they meet the requirements of the latest building regulations and our customers expectations. At the same time, we have to manage the impact of these changes with the need to keep our homes affordable, which is fundamental to our sustainable business strategy.

Community Impacts of New Developments

IF-HB-410b.1

Description of how proximity and access to infrastructure, services, and economic centres affect site selection and development decisions

We strive to build low-cost, sustainable new homes where they are needed and for the people who need them most. This ethos is present in our site selection strategy where we will always consider matters such as access and proximity to existing infrastructure and services, as well as economic and employment centres. We always aim to bring forward developments that are in close proximity to existing services and with good access to services and facilities. This often comes hand-in-hand with our objective to regenerate brownfield sites and sites near areas which already have a high provision of rental properties, as these target site typologies are often already well served by local facilities.

Where existing access is restricted by location, we work with consultants and the local authority to identify mitigation measures that might be taken to improve services and access to services. Often this will form part of a transport assessment and travel plan which might identify improvements to local public transport infrastructure to improve the sustainability of the site, or ways in which other sustainable (non-car) transport methods can be promoted.

IF-HB-410b.2

Number of (1) lots and (2) homes delivered on infill sites

Most brownfield land in the UK would be classified as an infill site and 90% of our development sites meet this criteria at 30 June 2021.

In the year to 30 June 2021, we completed the sale of 1,731 homes on infill sites representing 96% of total unit completions.

Notes

Brownfield land is previously developed land. The majority of brownfield land sites are served by existing infrastructure such as roads, power lines, sewerage and water, and other necessary facilities.

IF-HB-410b.3

(1) Number of homes delivered in compact developments and (2) average density

We consider all of our sites to be cluster developments which meet the definition of a "compact development". As a result, we delivered 1,812 homes on such developments in the year to 30 June 2021 (2020: 1,072 homes).



SASB Criteria	Our approach
IF-HB-410b.3 (1) Number of homes delivered in compact developments and (2) average density continued	Gleeson Homes typically builds low-density developments delivering on average 100-150 homes per site. The average density of our developments is 14 homes per net acre with some developments having a density as low as 11 homes per net acre. Notes A cluster development is defined as a development that “produces very attractive and marketable communities and makes it easier for developers to preserve environmentally sensitive lands, such as wetlands and forests by allowing lots to be grouped on certain portions of a site, rather than spread uniformly across a site, so that other areas of the site may remain undisturbed as open space.”
Climate Change Adaptation	
IF-HB-420a.1 Number of lots located in 100-year flood zones	In the year to 30 June 2021, we acquired 1,481 plots in regions within flood zone 3. This accounted for 28% of plots acquired in the year. The total number of plots within areas of flood zone 3 at 30 June 2021 was 2,687 (17%) In the year to 30 June 2021, we had 235 unit completions within areas of flood zone 3. This accounted for 13% of our total annual completions. Notes As per the Environment Agency, flood zone definitions are set out below: • Flood Zone 1 – land assessed as having a less than 1 in 1,000 annual probability of river or sea flooding (<0.1%). • Flood Zone 2 – land assessed as having between a 1 in 100 and 1 in 1,000 annual probability of river flooding (1%-0.1%), or between a 1 in 200 and 1 in 1,000 annual probability of sea flooding (0.5%-0.1%) in any year. • Flood Zone 3 – land assessed as having a 1 in 100 or greater annual probability of river flooding (>1%), or a 1 in 200 or greater annual probability of flooding from the sea (>0.5%) in any year. Note: These flood zones refer to the probability of river and sea flooding, ignoring the presence of defences.
IF-HB-420a.2 Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Climate risk has been identified as a principal external risk for the Group as set out on page 73. The Group risk register is formally reviewed by the Audit Committee at the majority of its scheduled meetings, including any changes to risk ratings and mitigations. Climate risk has been classified as having a medium level of residual risk. This is assessed both from the potential physical aspects of climate change and how they will impact our business strategy, and also the compliance aspects of climate change with increased regulation (including changes to building regulations in response to climate change) and disclosure requirements.
IF-HB-000.A Number of controlled lots	At 30 June 2021, our owned land pipeline stood at 7,930 plots (2020: 6,849 plots).
IF-HB-000.B Number of homes delivered	In the year to 30 June 2021, we completed 1,812 homes (2020: 1,072 homes). In the prior year, we sold fewer homes due to the impact of Covid-19 and the UK national lockdown, which resulted in most of our sites being closed between April and May 2020. Notes Completions means all legally completed sales to customers during the year.
IF-HB-000.C Number of active selling communities	In the year to 30 June 2021, we were actively selling from an average of 61 sales sites (2020: 65 active sales sites). Notes Active sales sites are sites which are actively selling homes and typically average 26 homes per year.

Financial Review

Stefan
Allanson

Chief Financial Officer

The Group returned to strong growth this year with revenue and profit ahead of pre-Covid levels. The balance sheet remains well capitalised with net cash at 30 June 2021 of £34.3m. The refinancing undertaken this year provides the Group with additional liquidity to invest in growth."

Strong revenue and profit growth

The Group returned to growth with revenue increasing by 96.1% to £288.6m (2020: £147.2m) which was 15.5% higher than the pre-Covid year to June 2019 of £249.9m.

Gleeson Homes revenue increased by 88.6% to £265.8m (2020: £140.9m) and was 34.9% higher than the pre-Covid year to June 2019 (£197.0m). This was due to an increase in the number of homes sold to 1,812 (2020: 1,072) – a 69.0% increase and an 18.5% increase when compared to 2019 and higher selling prices.

Selling prices were higher with average selling prices ("ASP") in the year being £145,800 (2020: £130,900, 2019: £128,900). Whilst selling prices have risen, these remain well below the average new build selling prices across the North of England and Midlands and remain affordable for young, first time buyers.

Gleeson Land increased revenues by 261.9% to £22.8m (2020: £6.3m, 2019: £52.9m) having sold eight sites this year in comparison to two small sites in the prior year and nine sites in 2019. Demand for consented land has returned following the disruption caused by the pandemic, albeit some challenges remain with delays in the planning system.

As a result, gross profit for the Group increased by 121.0% to £89.3m (2020: £40.4m), with the gross profit of Gleeson Homes increasing by 93.6% to £75.7m (2020: £39.1m, 2019: £59.3m). The gross profit margin for Gleeson Homes increased to 28.5% (2020: 27.8%, 2019: 30.1%) as increases in selling prices more than offset cost inflation. In part, gross margin in the prior year was also impacted by Covid-19-related costs and provisions of £2.9m.

Administrative expenses increased by £12.7m or 36.8% in the year to £47.2m (2020: £34.5m) as investment to support the underlying growth of the business continued.

All government furlough grants claimed under the Job Retention Scheme, totalling £1.3m, were repaid during the year of which £0.7m was included in cost of sales and £0.6m was included in administrative expenses.

Group operating profit was £43.1m, a significant increase on the previous year operating profit of £5.9m and 5.1% higher than the pre-Covid operating profit of £41.0m in 2019. Of this, Gleeson Homes contributed £37.4m (2020: £9.0m, 2019: £30.1m) and Gleeson Land contributed £11.1m (2020: £0.2m, 2019: £13.0m). Group overheads were £5.4m (2020: £3.3m, 2019: £2.1m).

Net finance expenses of £1.4m (2020: £0.4m expense) consisted of finance expenses of £1.7m (2020: £1.1m) being interest payable on bank facilities, bank charges and the unwinding of discounts on deferred payables, partly offset by finance income of £0.3m (2020: £0.7m) consisting of the unwinding of discounts on deferred receivables on land sales and shared equity receivables. Finance expenses includes £0.4m of arrangement fees on the previous bank facility that were written off upon completing the new club facility in April 2021.

As a result, the Group delivered profit before tax of £41.7m (2020: £5.6m, 2019: £41.2m).

Tax

The total tax charge for the year was £7.8m (2020: £0.7m), reflecting an effective rate of tax of 18.8% (2020: 14.1%).

Deferred tax assets relating to tax losses have been utilised in full this year, such that the remaining deferred tax asset recognised in relation to tax losses is now £nil. The remaining deferred tax asset of £1.2m recognised in the statement of financial position, comprises capital allowances, short-term timing difference and future relief on share-based payments.



Discontinued operations

The costs of Gleeson Construction Services Limited, whose activity is limited to resolving claims from the legacy businesses that were sold in 2005 and 2006, were disclosed in previous years as a discontinued operation. As the level of claims has now reduced to an insignificant level and no longer warrants separate disclosure, the costs associated with this activity of £0.4m (2020: £0.3m) have been classified within continuing operations this year, under Group overheads.

Profit for the year

The profit after tax for the year was £33.9m (2020: £4.5m).

Earnings per share

Basic earnings per share significantly increased to 58.2 pence (2020: 8.1 pence, 2019: 61.0 pence, both from continuing and discontinued operations as previously reported).

Return on capital employed

Return on capital employed increased to 21.4% (2020: 3.1%, 2019: 25.9%) reflecting the significant increase in earnings compared to the prior year. This is lower than the return on capital employed pre-Covid in 2019 of 25.9%, driven by investment in working capital and inventory due to a higher number of new sites that are only at build stage but not yet contributing to sales, with net assets having increased by 20.1% since June 2019.

Dividends

Following the suspension of dividend payments in 2020, the Board resumed payments in April 2021 paying an interim dividend of 5.0p per share, which totalled £2.9m.

As a result of the strong financial performance to June 2021, and subject to shareholder approval, the Board proposes to pay a final dividend of 10.0p per share, which equates to £5.8m.

The Board is committed to making dividend payments on a progressive basis. Following a review of the Company's capital allocation policy this year, the Board intends to maintain an earnings-to-ordinary-dividend cover ratio of between three and five times and to pay an interim dividend representing one-third of the total dividend each year.

Statement of financial position

During the year to 30 June 2021, shareholders' funds increased by 15.2% to £244.9m (2020: £212.6m). Net assets per share increased to 420 pence, an increase of 14.8% year on year (2020: 366 pence).

Non-current assets reduced during the year by 37.9% to £12.6m (2020: £20.3m). This was primarily due to a reduction in Gleeson Land's deferred land sale receipts from £8.6m at June 2020 to £2.1m at June 2021.

Current assets remained similar to June 2020 at £300.5m (2020: £301.7m), with inventories increasing by £23.7m to £240.0m and trade and other receivables increasing by £14.1m to £22.4m (2020: £8.3m). Gross cash balances reduced from £76.8m to £34.3m following repayment of the £60.0m borrowings on the Group's revolving credit facility that was drawn at the end of 2020. Corporation tax receivables increased by £3.6m to £3.9m.

Total liabilities reduced by £41.2m to £68.2m (2020: £109.4m). This reflects the repayment of the £60.0m borrowing in November 2020, partly offset by an increase in trade payables of £9.0m to £34.4m (2020: £25.4m) and other payables of £9.4m to £27.0m (2020: £17.6m), reflecting the return to pre-Covid activity levels.

Financial Review

Continued

Cash flow

The Group generated cash before financing activities of £21.2m, compared to a cash outflow of £15.9m in 2020. After payment of interim dividends of £2.9m, lease payments of £0.8m and the repayment of borrowings of £60.0m in November 2020, the Group had a net cash outflow of £42.5m (2020: net cash inflow of £46.5m reflecting the draw down of £60.0m in March 2020).

Bank facilities

At 30 June 2021, the Group had cash and cash equivalents balances of £34.3m and no debt (30 June 2020: £16.8m net cash being £76.8m gross cash net of £60.0m borrowings drawn on the Group's committed facility).

In April 2021, the Group negotiated a committed club facility with Lloyds Bank plc and Santander UK plc. The facility has a limit of £105m (previously £70m with Lloyds Bank plc), expires in October 2024 and provides the Group with additional funding to finance growth.

Pension

The Group contributes to a defined contribution pension scheme. A charge of £1.2m (2020: £1.0m) was recorded in the Consolidated Income Statement for pension contributions. The Group has no exposure to defined benefit pension plans.

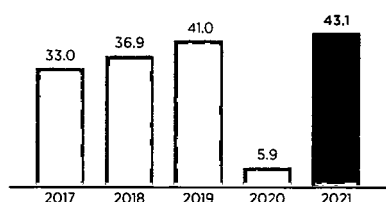
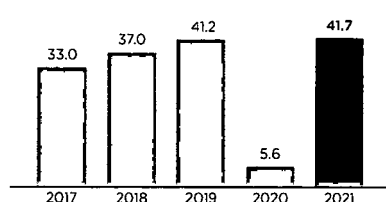
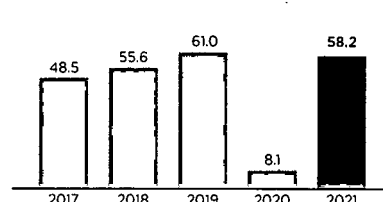


Stefan Allanson

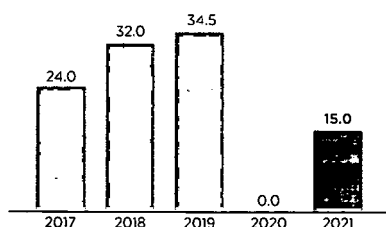
Chief Financial Officer

13 September 2021

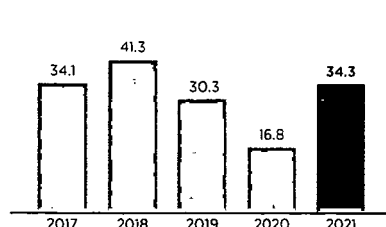
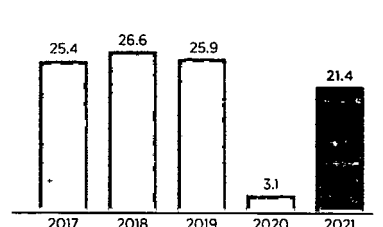
Group operating profit (£m)

Profit before tax¹ (£m)Earnings per share - basic² (pence)

Dividends per share (pence)



Cash net of borrowings (£m)

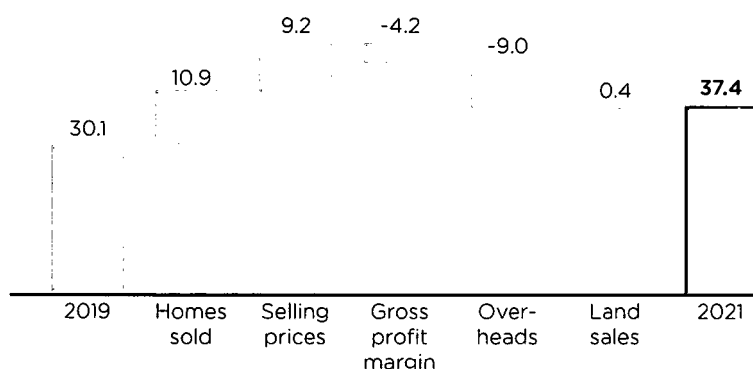
Return on capital employed³ (%)

1. In 2021, costs associated with legacy businesses have been included in profit before tax from continuing operations. In prior years, these costs were included in discontinued operations and therefore excluded from profit before tax.
2. In 2021, costs associated with legacy businesses have been presented within continuing operations and earnings per share in 2021 is presented as continuing operations. In prior years, these costs were reported as discontinued operations and earnings per share up to 2020 is presented as continuing and discontinued operations.
3. Return on capital employed is calculated based on earnings before interest and tax ("EBIT") from continuing and discontinued operations, expressed as a percentage of the average of opening and closing net assets after deducting deferred tax and cash net of borrowings.

Gleeson Homes pre-Covid 2019 to 2021

Gleeson Homes operating profit increased from £30.1m in 2019 to £37.4m in 2021. Higher sales volumes of 1,812 homes (2019: 1,529) contributed £10.9m additional gross profit. Higher average selling prices ("ASP") of £145,800 (2019: £128,900) contributed £9.2m additional profit. This additional gross profit was partly offset by lower gross margin of 28.5% (2019: 30.1%), accounting for £4.2m of lower profit and higher overhead costs of £9.0m due to inflation and investment in the business structure, operations and headcount.

Gleeson Homes operating profit 2019 to 2021 (£m)



NOTE: Gleeson Homes operating profit in 2019 included certain Group costs that have been classified in Group administrative expenses since 2020.

	2021	2020	2019
Homes sold	1,812	1,072	1,529
Average number of homes sold per sales site	28.3	16.5	23.5
Build sites opened	27	12	19
Average selling price	£145,800	£130,900	£128,900
Gross profit per home sold	£41,600	£36,400	£38,800
Gross profit margin per home sold	28.5%	27.8%	30.1%
Overheads per home sold	£21,300	£28,200	£19,300

The Covid-19 shutdown before the end of the previous financial year resulted in higher numbers of built, part-built and forward sold homes being carried forward into the year. It also led to the purchase and opening of sites that had been expected to achieve planning before 30 June 2020 to be acquired and opened during the financial year.

The average selling price of homes sold increased by 11.4% from 2020 reflecting strong underlying price increases of 9.3% and the effect of site mix. Gross profit margin of 28.5% reflects some recovery from the Covid-impacted gross margin of 27.8% in the previous year, but was lower than the pre-Covid gross margin of 30.1% reported in the year to June 2019. Nevertheless, gross profit per home sold of £41,600 was £2,800 per home (7.2%) higher than the gross profit per home sold in the pre-Covid year to June 2019. Note the repayment of furlough monies this year through cost of sales, reduced gross profit per home sold by approximately £375 per home.

Overhead costs per home sold were £21,300 which was £2,000 per home (10.4%) higher than the pre-Covid year to June 2019 reflecting higher average employment costs and investment in customer care, health and safety and information management systems. This also included the repayment of furlough monies through overheads, which increased overheads by approximately £300 per unit sold.



 Debbie, Sales Executive,
Canal Walk, Hapton,
Greater Manchester

Risk Management

Effective risk management is essential to the achievement of our strategic priorities. Risk management controls are integrated across all levels of our business and operations.

The Board has overall responsibility for the Group's management and assessment of risk, supported by the Audit Committee. Our risk management framework includes a Group risk register which includes the key risks to the business. The register identifies both principal and emerging risks and informs a formal risk assessment process that considers the likelihood and impact of the identified risks together with any mitigating controls that are already in place or planned. This position is formally reviewed by the Audit Committee at the majority of its scheduled meetings, including consideration of emerging risk areas and changes in risk ratings.

Our risk management framework consists of the following components:

The Board		
• Sets the Group strategy and overall risk appetite	• Reviews operational and financial performance	• Overall responsibility for monitoring key risks
Audit Committee		
• Monitors the Group's systems, controls and integrity of reporting	• Approves and advises on the internal audit plan and monitors the effectiveness of internal audit	• Monitors the performance, effectiveness and independence of external audit
		• Monitors the management of principal and emerging risks
Divisional Management Teams		
• Monitors and manages day-to-day operational and financial performance	• Responsible for the identification of operational and strategic risks	• Ensures internal control policies set by the Board are implemented
Internal Audit		
• Undertakes a programme of risk-based internal audit activities	• Provides assurance to the Audit Committee	• Manages the Group's insurance policies

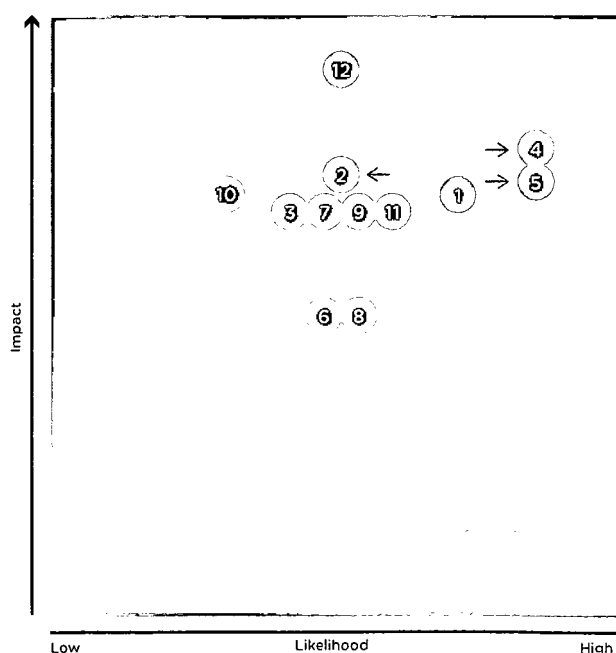
We categorise our risks into two sources:

- ☐ External – outside of our direct control
- ☐ Operational – risks related to the day-to-day operation of the divisions

The Group's risk framework shows how the principal risks are rated by the Board in terms of their potential impact on the business and the likelihood of the risk transpiring. The risk matrix is presented after taking account of mitigating actions.

The Board has assessed the risks during the year and the risks associated with government policy and regulation and build costs and availability have increased. Mortgage availability has recovered well since the start of the pandemic last year and, therefore, this risk has reduced.

The table on pages 69 to 73 is provided to ensure stakeholders appreciate those risks that the Board has identified that will have a material impact on the business should they arise.



Rationalisation of risks

The prior year Annual Report included 15 principal risks. As reported at the Interim this year, two further risks have been added (Sustainability and Climate change). In order to preserve the clarity of reporting of risks to stakeholders, a number of risks have either been combined this year or renamed for presentation purposes. These remain separately monitored on the Group's risk register, but where these have similar characteristics they have been presented under a combined heading for clarity as set out below:

	Old risk title	New risk title	Comments
Changes	3. Land availability 7. Geographic balance	3. Land availability	The ability to extend our operations into new geographic areas is linked to land availability in those areas, where those sites meet our hurdle rates.
	4. Planning policy and regulations	4. Government policy and regulations	Wider government policy and regulatory changes, including changes to building regulations, are considered as part of this risk, so it has been renamed for clarity.
	15. Customer service	6. Build quality and customer service	Build quality was previously described under customer service, but warrants separate identification as one of our material sustainability issues and strategic priorities.
	6. Credit risk 11. Uninsured loss and latent defects 12. Corporate liquidity 13. Financial irregularity or fraud 14. Tax control environment	10. Financial control	All of these elements form part of the Group's financial and tax control environment and management of financial risks. These are, therefore, addressed collectively under the heading "Financial control".

Risk	Description of risk	Change in year	Assessment	Mitigation
1 Economic environment Residual risk: High	An economic downturn or uncertainty in the housing market could affect buyer confidence and the demand for new homes and consented land. This would have an adverse impact on Group revenue, profit, cash generation and carrying value of assets.	—	The Covid-19 pandemic continues to create uncertainty in the housing and land markets with the risk of a prolonged economic downturn remaining. This risk remains unchanged.	- Lead indicators of the economy and housing market are closely monitored. - A cautious approach to funding is maintained. - Visitor and reservation rates, prices and incentives are regularly reviewed. - Investment in new sites and spend are carefully controlled.
2 Mortgage availability Residual risk: Medium	The availability of mortgage finance, particularly the deposit requirements for first time buyers, is crucial to our customers' ability to purchase. Restrictions on mortgage funding could reduce demand for both new homes and for consented development sites and negatively impact Group revenue and profit.	▼	Despite the Covid-19 pandemic, mortgage availability has improved and the range of 85% and 90% LTV mortgages is increasing, supplemented by the government's 95% LTV mortgage guarantee scheme.	- Lead indicators of mortgage availability are closely monitored. - Gleeson Homes provides a range of customer assistance packages. - We innovate to find new ways to support our customers. - We work with key lenders to ensure products are appropriate and available.

Risk Management

Continued

Risk	Description of risk	Change in year	Assessment	Mitigation
3 Land availability Residual risk: Medium	An increase in land prices or decrease in land availability would reduce the viability of sites in Gleeson Homes given the high hurdle rates internally set, and would increase competition for promotional opportunities in Gleeson Land, driving down profitability and cash flow.	—	Land continues to be available at sensible prices to support the growth of Gleeson Homes. There are opportunities to sign up and promote good-quality land for development in the South of England.	• We have a clearly defined land strategy and geographic focus. • We work closely with local authorities to identify and purchase otherwise unwanted land at sensible prices. • There is a formal gateway process and rigorous adherence to margin requirements and rates of return. • We have proactive land searching capabilities and strong relationships with land agents.
4 Government policy and regulations Residual risk: High	Planning regulation changes due to changes in government policy or complexities within the system may affect the Group's ability to secure planning consent on a timely basis. Other policy changes, including changes to building regulations, the Future Homes Standard and Help to Buy, may adversely impact revenue, profit and cash flow.	⬆	Changes to building regulations, namely Part L (Conservation of fuel and power) and Part F (Ventilation), will change the way our homes are built and increase build costs. These are likely to be the first of many climate-policy inspired changes to building regulations.	• Our planning and technical experts monitor changes to legislation and building regulations. • Forthcoming changes to building regulations are built into site cost plans and forecasts. • We consult with government, local authorities and industry bodies to understand proposed changes and highlight issues. • The end of Help to Buy is not expected to reduce demand. The government's First Homes and other initiatives will continue to support first time buyers.
5 Build costs and availability Residual risk: High	Shortages or increased cost of materials or skilled labour, and the failure of key suppliers or the inability to secure supplies on appropriate terms could increase costs and delay build programmes, reducing revenue and profit.	⬆	Covid-19 and, to some extent, Brexit are impacting the supply chain, with price increases on certain labour and materials together with availability constraints.	• The Group is strategically procuring ahead of issues or stoppages on sites. • Price increases are mitigated in part by rising average selling prices. • Group purchasing arrangements are in place to ensure continuity of supply and pricing. • We have strong, established relationships with key suppliers and subcontractors.

Risk	Description of risk	Change in year	Assessment	Mitigation
6 Build quality and customer service Residual risk: Medium	A failure to build new homes to the standard and quality that our customers expect, to not treat our customers fairly, or not respond adequately to complaints or rectify defects in a timely and professional manner. Adverse publicity from perceived poor build quality would damage our reputation, lead to lower sales, impact future revenues and cash flows.		We are embedding the customer and customer experience at the heart of what we do. We will not hand over a new home where it does not meet our quality requirements and there is a strict inspection process. We have invested in our Customer Care team and after sales support to ensure any defects or issues are rectified quickly.	• Strict final inspection process identifies issues and allows us to remedy before handover. • Gleeson Quality Charter sets out what our customers can expect in terms of quality. • Independent build inspections and buyer surveys ensure a high level of control of quality and service. • Investment in our Customer Care team centrally and across the regions. • New technician vans in each region to respond quickly to customer issues and fix any defects.
7 People Residual risk: Medium	Failure to attract, develop and retain good people with the right skills may result in overstretched and demotivated staff, decreased productivity or quality and stifled growth opportunities. Inadequate succession planning could result in inefficiency and a loss of key knowledge from the business.		The focus on recruitment, development, and recognition reflects in high engagement scores. The leadership development and succession programme put in place has continued to strengthen the management team. Our focus on making Gleeson one of the best companies to work for means that we will continue to attract, develop and retain good-quality people.	• We have a clear mission, vision and values that our people share. • We have regular performance and development reviews. • Action is taken from the feedback gained from our employee engagement surveys. • Our people have access to quality training and we have invested in new online training. • Our staff remuneration policy is reviewed and benchmarked to ensure it remains attractive. • Employee share ownership is encouraged. • We have an established leadership and succession planning programme.
8 Cyber and IT systems Residual risk: Medium	Failure of the Group's IT systems or unauthorised access to systems due to inadequate protection, controls, processes or cyber attack could result in data loss, business disruption, reputational damage or financial loss.		The Covid-19 pandemic resulted in the majority of our office-based employees working from home. New working protocols are in place to mitigate the risk of fraud and cyber crime. We are investing significantly in our IT systems and networks so these remain secure and up-to-date.	• Industry standard systems are managed by a central IT team with outsourced support. • Contingency plans are in place and regularly tested. • The majority of data is held on secure external servers and backed up regularly. • Regular testing is conducted on the security of our systems and IT architecture. • Enhanced network and cyber controls have been implemented during the year. • Regular reminders are sent and training is provided on the risks of cyber attack and what to look for.

Risk Management

Continued

Risk	Description of risk	Change in year	Assessment	Mitigation
9 Health and safety Residual risk: Medium	Health and safety failures can result in injuries to employees, subcontractors or site visitors, resulting in harm to people, delays in construction, additional cost, reputational damage, criminal prosecution or civil litigation.	—	The health and safety of our people and anyone associated with our developments is paramount to our business. We continued to operate Covid-19 safe policies and procedures throughout the year. The increase in reportable incidents during the year does not reflect a worsening of health and safety risk across the business. However, the incidents reported have led to improved procedures.	- Experienced Head of Safety, Health, Environment & Quality ("SHEQ") in place and investment in personnel to provide regional support, inspections and training. - Our "HomeSafe – everyone, every day" approach promotes the focus on health and safety awareness across the Group. - Our documented policies and procedures are regularly reviewed and modified as needed in order to ensure continuous improvement. - We arrange for regular independent inspections of all our development sites. - We have established specific actions to improve health and safety reporting and performance against the industry average.
10 Financial control Residual risk: Medium	The Group could suffer loss from financial fraud or error, poor financial or tax controls, credit risk or through having inadequate insurance cover where risks exists. An inability to meet obligations as they fall due as a result of insufficient cash or the bank facility being unavailable due to either breach of covenant or bank failure could result in insolvency. Lack of liquidity may also limit the Group's ability to take advantage of business opportunities as they become available and consequently be a possible impediment to future growth.	—	The Covid-19 pandemic presented an environment with the potential for risk due to fraud or error and these risks are closely monitored. Although the financial regulatory and tax environment continues to evolve, the Group has adequate knowledge and experience to maintain compliance, supported by third-party advisers. The Group maintains a strong relationship with its lenders, insurance providers and investors.	- The Group has robust financial and tax controls designed to segregate duties and minimise opportunities for fraud or error. - Financial reporting is subject to rigorous and timely management reviews. - The Group has moved from reliance on a single bank by establishing a new banking relationship with another high street bank. - The Group has secured committed facilities of £105m until October 2024, shared between two established lenders. - Cash is controlled by robust forecasting and daily cash tracking. - The Group maintains security over the majority of land sold on deferred terms. - External firms are used to provide "health checks" over systems and processes, in particular on Group taxes. - External experts are employed to support the production of corporation tax and other returns.

Risk	Description of risk	Change in year	Assessment	Mitigation
11 Climate risk Residual risk: Medium	The physical effects of climate change could result in reduced land availability, disrupted build programmes and/or shortages of materials due to more frequent extreme weather events.	New	The speed at which climate-related legislation and society's expectations on corporate business to respond to climate change is accelerating. The Group is taking progressive and proactive action to monitor and reduce the impact of our activities on the environment both now and in the future, and ensure that our reporting is in line with the expectations of stakeholders.	• We have clear targets to reduce our carbon emissions and waste from sites. • We track carbon emissions, waste and other initiatives to evaluate the success of our actions. • We report in line with the recommendations of the Financial Stability Board's ("FSB") Task Force on Climate related Financial Disclosures ("TCFD") and with SASB Standards. • We have published our scope 3 emissions for the first time this year, and are assessing how to reduce the embedded carbon in our homes.
12 Sustainability Residual risk: Medium	The evolution of the Company's business strategy to embed sustainable practices within its day-to-day activities is essential to ensure that our business model remains relevant and sustainable and that we continue to meet the expectations of our employees, customers, suppliers, subcontractors, communities, investors and other stakeholders.	New	Failure to ensure we remain a sustainable business could affect the Group's ability to secure sites, planning permissions, attract house buyers, recruit new employees, appeal to investors or raise finance when needed. By not having clear targets and effective communication of our sustainability strategy, this could result in damage to the Group's reputation.	• The Group has established a Sustainability Committee, which reports to the Board. • We have established a sustainable business strategy following an active stakeholder engagement process. • We have clear targets to ensure that our business operates in a sustainable and socially responsible way. • The business is focused on ensuring progress against targets for material sustainability issues. • We have prepared an integrated Annual Report for the first time this year, incorporating our sustainability priorities throughout.

Section 172 Statement

Section 172 Statement

As required by 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 members as a whole, and in doing so, have regard, among other matters, to:

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

Board decision-making

Ahead of matters being put to the Board for consideration, we undertake significant levels of engagement with relevant stakeholders so that full consideration is given to how such decisions will impact on our key stakeholders.

Our key stakeholders include:

- Shareholders
- Employees
- Customers
- Suppliers and subcontractors
- Banks
- Local authorities
- Government and regulators

Key examples of stakeholder engagement enhancing strategic decision making and promoting the success of the Group are set out in the tables below.

Decision	Discussion topics with, and feedback from, stakeholders	Action taken by the Board as a result of stakeholder feedback
Setting our sustainable business strategy	Directors engaged with shareholders, employees, banks, customers and local authorities when considering the key material sustainability issues affecting our business.	The Board reviewed the Company's material sustainability issues and the findings of the stakeholder engagement process. The Board approved the Group's sustainable business strategy and targets on pages 32 to 33.
Repayment of furlough and other Covid-19-related government grants	Directors engaged with major shareholders and analysts in considering whether it was appropriate for the Group to retain monies received under government support programmes following the end of the first national lockdown.	The Board approved the full repayment of all government grant monies and reliefs received including £1.3m received under the Job Retention Scheme and £0.6m of grants and rebates received under the Covid Retail, Hospitality and Leisure Grant Fund.
Prioritising our customers and key workers	Directors engaged with prospective customers to understand how the Group could help key workers during the Covid-19 pandemic. This involved discussions on the types of benefits we could offer that would make moving into their new homes even easier for key workers.	The Board supported the introduction of the Key Worker and Armed Forces priority programmes offering a range of benefits including money off on extras and incentives for their new home and priority access to new home releases.
Promoting mental health awareness	The Directors recognised the impact of the Covid-19 pandemic on mental health. They engaged with employees and mental health charities to ensure the Group was able to support employees during the pandemic and beyond.	The Board supported Mental Health First Aid courses being offered to all employees in conjunction with MHFA England. A number of employees act as Mental Health Champions, arrange communications and events promoting mental health awareness and support.

Factor considered	How this factor has been considered in the year	Actions taken by the Board as a result
Long-term consequences of any decisions	The Group undertakes future planning up to five years in critical areas and develops a strategy which will enable it to deliver its long-term objectives.	- Increased the Group's revolving credit facility through a new club facility agreement, enabling the Group to open more development sites in the future. - Extended participation in the Company's long term incentive plan to the senior management team. - Broadened the Group's apprenticeship programme to strengthen the talent pipeline.
Interests of our employees	- The Group arranges an independent annual employee engagement survey called Your Voice. - The Group conducts an annual pay and benefits benchmarking exercise. - Executive Directors carry out regular site and office visits and undertake roadshows to communicate with all employees, including interactive question and answer sessions. - An open-door culture is reinforced in a weekly newsletter from the Chief Executive.	- Used the government's Job Retention Scheme to put employees on furlough and avoid making redundancies. All government monies were subsequently repaid in full. - Responded to the action points arising from the Your Voice surveys. - Made significant investment in recruitment, training and development. - Enhanced pay and benefits packages where the external benchmarking identified differentials.
Interests of our suppliers, customers and others	- The Group conducts supplier and subcontractor roadshows. - The Group holds open discussions with our supply chain about productivity, quality and health and safety. - Customer feedback is obtained through surveys conducted by a third party. - Target to be a five-star builder across all divisions.	- Accelerated payment runs and made improvements to our purchase-to-pay process. - Updated terms and conditions with our suppliers and subcontractors. - Improved the customer journey and launched our "Customer First" initiative. - Introduced our Key Worker and Armed Forces priority programmes.
Impact on our community and environment	- The Board established a new Sustainability Committee with a focus on communities, people and the environment. - Focus on the Group's existing Community Matters programme to work closely with the communities where we build.	- Developed new sustainability policies and established a sustainable business strategy. - Set ambitious sustainability targets for the short and medium-term, including carbon reduction. - Sustainability targets delegated to senior management and linked to Executive bonuses. - Strengthened communities by refusing to sell to buy-to-let investors so homes are lived in by their owners.
Maintaining a reputation for high standards of business conduct	- The Group ensures adherence to the highest standards of conduct. - Our employees are paid at least the real Living Wage and we require our subcontractors to do the same. - The Group achieved accreditation from the Fair Tax Foundation for paying its fair share of taxes. - Zero tolerance on violations of human rights, slavery, bullying and harassment. - Responsibility for overseeing compliance is delegated to senior management.	- Compliance training modules issued across the business, including Whistleblowing, Bullying and Harassment, Modern Slavery and Bribery and Corruption. - Due diligence checks are completed on our supply chain to ensure they uphold our standards. - Regular reporting on governance and compliance matters to the Audit Committee.
Need to act fairly between members of the Company	The Company has one class of shares in issue so all shareholders benefit from the same rights as set out in the Company's Articles of Association.	- The 2020 AGM was held behind closed doors in accordance with the government's emergency legislation in response to Covid-19. Shareholders were offered the ability to join the meeting via telephone, and to raise questions in advance. - The Company resumed paying a dividend in April 2021.

Non-financial reporting

The following table summarises our approach to internal and external stakeholder engagement to comply with the Companies Act 2006 requirements regarding non-financial reporting:

Statement	Ways we engage	Read more
Employees		
We are committed to ensuring that all our employees and stakeholders are treated fairly and equitably. We have an organisational culture that values passion, collaboration and respect.	• Policy on diversity, recruitment, equality and how we engage with our employees • Approach to employee relations and the involvement of our Workforce Representative • Health and safety reporting and the investment that we are making in our health and safety team and culture • Gender pay gap reporting • Commitment to employing local people, training and developing our apprentices, raising awareness about mental health and promoting women in construction	• Page 127 • Page 113 • Pages 42 and 45 • Pages 36 and 112 and www.mjgleesonplc.com • Pages 36 to 37
Anti-bribery and corruption		
We are committed to the highest standards of ethics, honesty and integrity and expect the same from all parties we engage with.	• Whistleblowing policy and monitoring of malpractice reporting • Anti-bribery and corruption policies • Reporting of registers of gifts and hospitality given or received by Directors and employees of the Group	• Page 103 • Page 103 • Page 103
Human rights and social matters		
We are committed to upholding basic human rights across our business and with all our stakeholders. Our employee policies cover all aspects of basic human rights and our grievance and fair treatment at work policies ensure anyone connected with our business can speak up about concerns without fear of retribution.	• Policy and controls preventing modern slavery and human trafficking • Payment terms and performance in relation to payment practices • Commitment to pay the real Living Wage or higher to our employees • Commitment to provide freehold ownership, selling our customers the land on which their home is built and not under leasehold	• Page 104 and www.mjgleesonplc.com • www.gov.uk and www.mjgleesonplc.com • Page 46 and 112 • Page 35
Community and environment		
We are committed to creating more sustainable ways of undertaking our operations to conserve energy, reduce waste and minimise our impact on the environment. We also invest in the communities, local areas and the supply chain around our development sites.	• Focus on using sustainably sourced timber • Performance in relation to greenhouse gas emissions as the scale of our operations increase • Investment in the communities, schools and areas in which we operate	• Page 41 • Pages 38 to 41 • Pages 34 to 35

Strategic Report approval statement

The Strategic Report, contained in pages 2 to 76 has been approved by the Board of Directors and is signed on its behalf by:



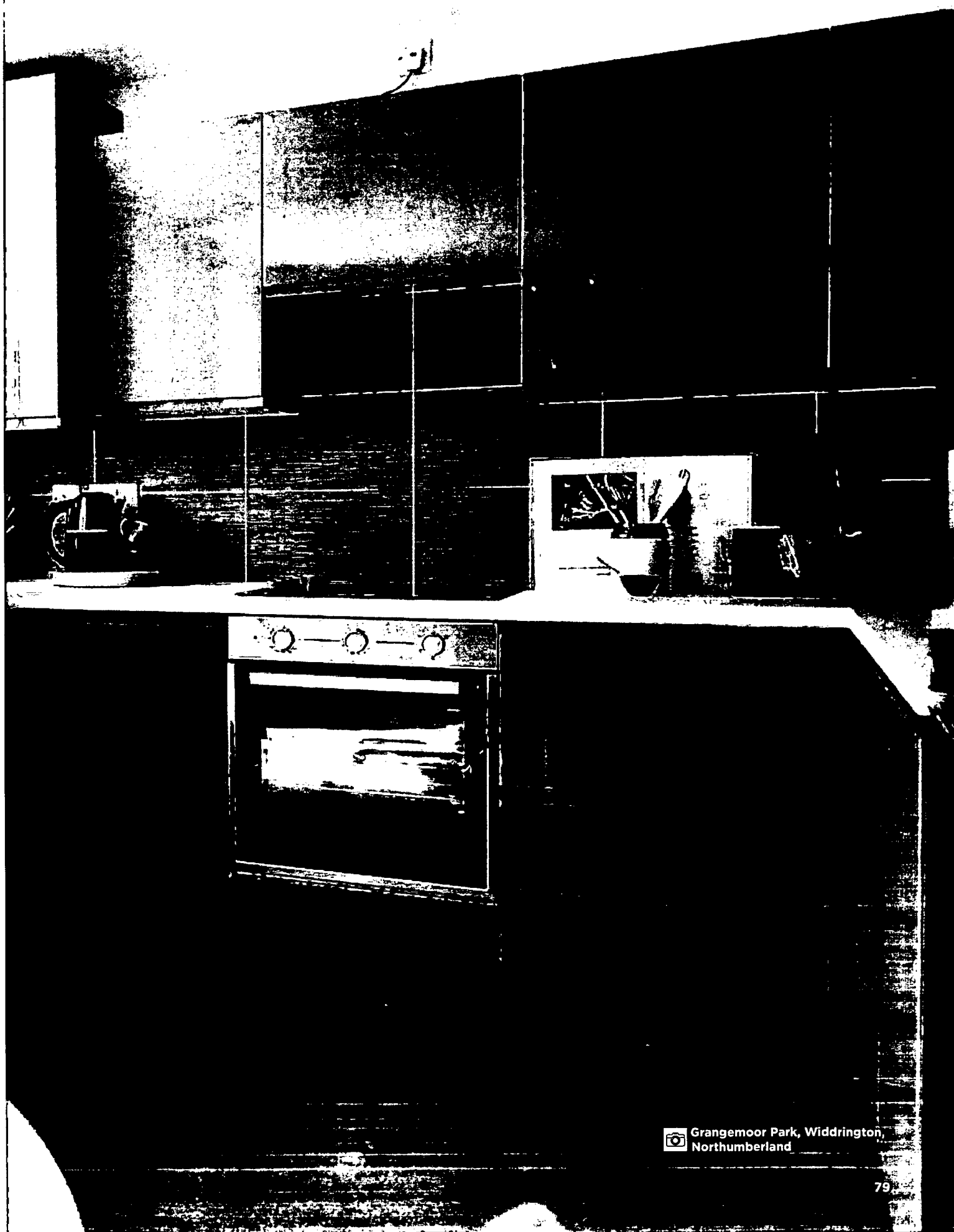
James Thomson
Chief Executive Officer
13 September 2021



Corporate Governance

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Chairman's Introduction

Dermot
Gleeson

Chairman

“The Group and our employees have demonstrated tremendous resilience in response to the Covid-19 pandemic and we have been successful in navigating the challenges this year brought.”



I am pleased to present the Governance Report for the year ended 30 June 2021.

This financial year has been set against the backdrop of the Covid-19 pandemic and this has, for all companies, brought its own unique set of challenges.

The Board has strived to ensure that the business continued to operate effectively and safely throughout the pandemic, whilst still delivering on its objectives. I would like to take this opportunity to thank all of our employees for their hard work and resilience in helping to achieve this.

The Group has been extremely fortunate that, after the first UK lockdown, it was able to return to operating on its development sites with appropriate Covid-19-safe working practices in place. On behalf of the Board, I would like to extend my gratitude to the government for the measures which made this possible, which has enabled the Group to continue building high-quality, low-cost homes for the benefit of young first-time buyers and other stakeholders.

Board changes

The Board announced in its 2020 Annual Report that it had decided to initiate a search for an additional independent Non-Executive Director. I am pleased to report that, following an externally facilitated search process, Elaine Bailey joined the Board on 1 March 2021. Elaine has been appointed as Chair of the Sustainability Committee and a member of the Nomination, Audit, and Remuneration Committees. Further details can be found in the Nomination Committee Report on pages 94 to 97.

Committee changes

In December 2020, we established a new Committee of the Board to oversee the Group's approach to sustainability. The first Sustainability Committee Report can be found on pages 106 to 108.



The Disclosure Committee was formally dissolved during the year and a management team responsible for overseeing compliance with disclosure regulations was created. This is now overseen by the Chief Executive Officer, James Thomson; Chief Financial Officer, Stefan Allanson; and Company Secretary, Leanne Johnson, who report to the Audit Committee, whose terms of reference include regulatory disclosures.

Culture

The Board continues to promote and implement Our Vision, Mission and Values, which are described in more detail on pages 8 and 9. The results of our latest employee engagement survey, Your Voice, indicated that employee engagement has once again increased and overall satisfaction is very high, which is particularly pleasing following a year in which many faced unprecedented challenges both personally and professionally. I am confident that actions taken by the Board and management embed an honest and transparent culture within the Group, which serves to promote the long-term success of the business.

Our commitment to engaging with stakeholders

The Board embraces the ethos behind the requirements of Section 172 of the Companies Act. Information on how we engage with our stakeholders is set out in our Section 172 Statement on pages 74 and 75.

Code compliance

Implementation of the 2018 UK Corporate Governance Code

During the period under review, the Company, as a premium listed company, was subject to the 2018 edition of the UK Corporate Governance Code ("the Code") issued by the Financial Reporting Council ("FRC"). The Board and its Committees are responsible for ensuring that, wherever possible, compliance with the Code is achieved. This is demonstrated throughout this Governance Report and, of particular note, are the Code principles as set out on page 82. Where the Board has not complied with provisions of the Code, these are set out in the compliance statement on page 91.

Dermot Gleeson
Chairman

13 September 2021

Chairman's Introduction

Continued

Section of the Code	How we have applied the Code	Further information
Board leadership and Company purpose	The Group is led by an effective and entrepreneurial Board, which promotes the long-term success of the Group and engages with its shareholders and other stakeholders. The Board has established the Group's purpose and strategy and is satisfied that these are aligned with the Group's culture and values. The Board has established and oversees an effective governance and risk framework. The Board promotes effective engagement with the workforce, with open lines of communication where employees can raise matters of both concern and opportunity.	See pages 84 to 87
Division of responsibilities	The Chairman leads the Board, which includes an appropriate combination of Executive Directors and Non-Executive Directors. Board relations are constructive and Board members are able to demonstrate objective judgement. There is a clear division of responsibility between leadership of the Board (the Chairman of the Board) and the executive leadership of the Group's business (the Chief Executive Officer and the Chief Financial Officer), and the Non-Executive Directors provide constructive challenge, strategic guidance and advice, and have sufficient time to meet their Board responsibilities. There are relevant policies and processes in place for the Board to receive timely and clear information, and function effectively and efficiently.	See pages 88 to 90
Composition, succession and evaluation	Board appointments are subject to a formal, rigorous and transparent procedure, based on objective criteria that promotes diversity. A comprehensive and tailored induction programme is in place for new Directors joining the Board, led by the Chairman, Company Secretary and Executive Directors. The Nomination Committee oversees an effective succession plan, which takes into consideration a desired combination of skills, experience, knowledge and diversity of the Board. The Board is subject to an annual evaluation that considers Group and individual Director performance.	See pages 94 to 97
Audit, risk and internal control	The Board has established formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions, and satisfies itself on the integrity of financial and narrative statements. The Board presents a fair, balanced and understandable assessment of the Group's position and prospects. The Board has established procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks of the Group to achieve its strategic objectives.	See pages 98 to 105
Remuneration	The Group has designed the remuneration policies and practices to support the Group's strategy and promote long-term sustainable success. Executive remuneration is aligned to the Group's purpose and values and is clearly linked to the successful delivery of our sustainable strategy. There is a formal and transparent procedure for developing the Executive remuneration policy and determining Director and senior management remuneration. The Remuneration Committee is able to exercise independent judgement and discretion when authorising remuneration outcomes, taking into account Group and individual performance.	See pages 110 to 125



 Oliver and Charlotte, Carrwood
Park, Bradford, West Yorkshire

Board of Directors



Dermot Gleeson
MA Cantab

Chairman

Committee membership
●

Appointment to the Board

Dermot was appointed to the Board in 1975.

Background and Experience

Dermot became Chief Executive of the Company in 1988 and Chairman in 1994. He relinquished the post of Chief Executive in 1998. Formerly the Chairman of the Major Contractors Group, a Board member of the Housing Corporation and a Director of the Construction Industry Training Board.

Key Strengths

Housebuilding and construction. Public limited companies. Corporate governance. Risk management. Strategy development. HR. Commercial.

External appointments

None.



James Thomson
MA (Oxon), ACA

Chief Executive Officer

Committee membership
●

Appointment to the Board

James was appointed to the Board in June 2019.

Background and Experience

James was previously Chief Executive of Keepmoat Homes; Group Finance Director and Chief Operating Officer of DTZ (now part of Cushman & Wakefield). He qualified as a Chartered Accountant with PricewaterhouseCoopers and spent ten years in investment banking.

Key Strengths

Housebuilding and construction. Public limited companies. Health and safety. Strategy development. Organisational and cultural. Acquisitions and mergers.

External appointments

A local authority councillor for the City of London and the Chair of the City of London Police Authority Board.



Stefan Allanson
ACMA, FCT

Chief Financial Officer

Committee membership
●

Appointment to the Board

Stefan was appointed to the Board in July 2015.

Background and Experience

Stefan was previously Deputy Chief Financial Officer of Keepmoat Homes. He qualified as an accountant in 1994, following which he held senior finance roles at Honda Motor Co Limited, BTP plc, The Skills Market Limited, The Vita Company Limited and Tianhe Chemicals.

Key Strengths

Housebuilding and construction. Public limited companies. Accounting and finance. IT. Business continuity. Risk management. Strategy development. Commercial.

External appointments

None.



Andrew Coppel
CBE, FCA

Non-Executive Director and Senior Independent Director

Committee membership
○○○

Appointment to the Board

Andrew was appointed to the Board in October 2019.

Background and Experience

Andrew previously held executive roles at Queens Moat Houses and De Vere Group, and has undertaken a number of non-executive positions including Crest Nicholson. Following seven years as Chairman of Tourism Ireland, Andrew was appointed CBE in 2008 for services to Irish Tourism.

Key Strengths

Public limited companies. Accounting and finance. Corporate governance. Acquisitions and mergers. Risk management. Strategy development.

External appointments

Chair of Trustees for the Shooting Star Children's Hospices.

- Audit Committee
- Nomination Committee
- Remuneration Committee

- Sustainability Committee
- Committee Chair



Fiona Goldsmith

FCA

Non-Executive Director and Workforce Representative

Committee membership
○○○

Appointment to the Board

Fiona was appointed to the Board in October 2019.

Background and Experience

Fiona previously held executive finance roles at First Choice Holidays plc and Land Securities Company plc. Fiona was also Non-Executive Director at Walker Greenbank. She qualified as an accountant at KPMG.

Key Strengths

Accounting, finance and audit. Risk management. Corporate governance. Acquisitions and mergers. Compliance and regulation.

External appointments

Non-Executive Director and Chair of the Audit Committee of Safestyle UK plc.



Christopher Mills

Non-Executive Director

Committee membership

Appointment to the Board

Christopher was appointed to the Board in January 2009.

Background and Experience

Christopher is the founder of Harwood Capital Management Group and previously Chief Investment Officer of J O Hambro Capital Management Limited with an extensive background in investment management.

Key Strengths

Public limited companies. Accounting, finance and audit. Acquisitions and mergers. Strategy development. Risk management. Business development.

External appointments

Managing Director of Harwood Capital Management Group, Chief Executive Officer of North Atlantic Smaller Companies Investment Trust Plc, and a Non-Executive Director of several publicly quoted and private companies.



Elaine Bailey

Non-Executive Director

Committee membership
○○○○

Appointment to the Board

Elaine was appointed to the Board in March 2021.

Background and Experience

Elaine was previously Chief Executive Officer of the Hyde Group housing association and held a number of senior roles at Serco. Elaine has extensive experience in housing, engineering, construction and government services. Elaine is a chartered member of the Institution of Structural Engineers.

Key Strengths

Housebuilding and construction. Strategy development. Health and safety. Risk management. Business development. Commercial.

External appointments

Non-Executive roles at Residential Secure Income plc, McCarthy & Stone (Shared Ownership) Limited, the Health and Safety Executive, Andium Homes Limited, CHAS, and Trustee for The Greenslade Family Foundation.



Leanne Johnson

LLB

Head of Legal and Company Secretary

Appointed as Company Secretary in March 2020, Leanne is a qualified solicitor and is Head of Legal for the Company. Leanne trained at Irwin Mitchell and was Legal Counsel for Keepmoat Homes before joining MJ Gleeson plc.

Leanne is also a graduate Chartered Governance Professional.

Key Strengths

Housebuilding and construction. Corporate governance. Legal. Regulatory and compliance. IT.

Corporate Governance Report

Board composition

The Board maintains an appropriate balance of Executive and independent Non-Executive Directors given the size and nature of the business. In addition, the Board considers that it has a suitable balance of skills, knowledge and experience in order to discharge its duties effectively. This includes a combination of backgrounds and experiences, which enable it to function effectively and to have a dialogue that is both constructive and challenging. The Board also considers that its succession planning processes are appropriate, including for the Chairman.

Role of the Board

The Board is responsible to shareholders for the direction, management, performance, and long-term success of the Group. It sets the Group's strategy and objectives and oversees and monitors internal controls (in conjunction with the Audit Committee), risk management, principal opportunities and risks, governance and viability of the Group. In doing so, the Directors comply with their duties under section 172 of the Companies Act 2006. To ensure the Directors maintain control over strategic, financial, operational and compliance matters, the Board meets regularly during the year and has formally adopted a schedule of matters that are required to be brought to it for decision.

Board and Committee attendance

Board and Committee attendance at scheduled meetings during the year is shown in the table on page 87. Board packs, which include a formal agenda, are circulated in advance of such meetings. The main purpose of these meetings is to permit the Board and Committees to receive regular reports on the performance of the Group and address a wide range of matters, including health and safety, operational performance, risk management and corporate strategy. The minutes of all meetings of the Board and of each of its Committees are recorded by the Company Secretary. As well as recording the decisions taken, the minutes reflect any queries raised by the Directors and record any unresolved concerns.

Matters reserved for the Board or its Committees

Certain matters are reserved for the Board or its Committees, including:

- To determine the Board's structure and composition, including Board appointments, removals and succession planning.
- Agree the Group's strategy and financial policy.
- Approve banking and financing arrangements.
- Approve the interim and annual financial statements.
- Agree and oversee risk management and internal control policy.
- Agree major capital expenditure, material investments or the acquisition or disposal of land.
- Entering into and amending pension arrangements.
- Approve contractual arrangements that fall outside authority delegated to Executive Directors.
- Approve the dividend policy and annual dividend payments.
- Pledging security over assets and providing Parent Company guarantees.

In addition, the Board receives updates on sustainability, governance, regulatory and legal matters to assist the Board in maintaining compliance with legislative requirements and best practice. The Board has established the following Board Committees to assist it in fulfilling its oversight responsibilities, providing dedicated focus on particular areas:

- | | |
|----------------------------|----------|
| • Nomination Committee | Page 94 |
| • Audit Committee | Page 98 |
| • Sustainability Committee | Page 106 |
| • Remuneration Committee | Page 110 |

These Committees play an important governance role through the work they carry out to fulfil the responsibilities delegated by the Board.

Board independence

The Group recognises the importance of having a well-functioning Board that can exercise objective judgement and hold management to account. We are pleased to advise that, following the appointment of Elaine Bailey in March 2021, at least half of the Board (excluding the Chairman) are independent Non-Executive Directors in compliance with Provision 11 of the Code.

Board activities

Topic	Key activities in 2021
Financial and risk	- Reviewed monthly business updates and trading performance. - Approved the budget and plan for financial years 2022 through 2024. - Concluded a new revolving credit facility agreement with two leading banks (Lloyds and Santander), significantly increasing the Group's available liquidity. - Approved the repayment of all government grants received in relation to Covid-19. - Approved the payment of an interim dividend in April 2021.
Controls and governance	- Appointed a new independent Non-Executive Director with construction experience. - Approved an updated Group risk register that establishes secondary risk owners, including senior management. - Reviewed and approved updated delegated levels of authority with appropriate levels of control delegated to Executive Directors and management teams. - Approved enhanced controls within the Group's Commercial function with additional reporting to the Audit Committee and Board. - Reviewed and approved an updated defence manual.
Strategy	- Monitored progress against the Group's strategic priorities. - Approved an updated sustainable business strategy that integrates sustainability into the business strategy, with clear targets focused on strategic priorities.
People and employee engagement	- Undertook regular workforce engagement via Executive Directors and senior management. - Employee roadshows were hosted by the Executive Directors, giving employees an insight into the Group's performance and strategy. - Subcontractor and supplier roadshows were hosted by the Executive Directors. - Workforce Representative engaged with the HR Director reviewing the results of the employee engagement survey. - Board members undertook site and office visits to engage with our employees.
Sustainability	- Formed the Sustainability Committee, chaired by Elaine Bailey and comprising the Executive Directors. - Published new sustainability-led Group policies. - Reviewed progress against sustainability targets actions undertaken. - Approved a new sustainable business strategy. - Implemented new targets that are linked to Executive remuneration. - Published a charitable donations policy.
Shareholder engagement	- Engaged with shareholders on material sustainability issues. - Held shareholder meetings on issues such as Directors' remuneration. - Presented full and half-year results to investors and analysts. - Reviewed monthly investor relations reports and annual shareholder body reports. - Released regular business updates via the RNS. - Invited and responded to questions received ahead of the 2020 AGM.

	Board Scheduled: 6	Audit Scheduled: 4	Remuneration Scheduled: 2*	Nomination Scheduled: 1	Sustainability Scheduled: 2**	Disclosure***
Dermot Gleeson	6	n/a	n/a	1	1	n/a
James Thomson	6	n/a	n/a	n/a	2	1
Stefan Allanson	6	n/a	n/a	n/a	2	1
Andrew Coppel	6	4	2	1	n/a	n/a
Fiona Goldsmith	6	4	2	1	n/a	n/a
Christopher Mills	6	n/a	n/a	n/a	n/a	n/a
Elaine Bailey (joined March 2021)	2	-	-	-	1	n/a

The table includes the scheduled Board and Committee meetings that were held in early July 2021 in respect of the year ended 30 June 2021.

* The Board has decided to include a further scheduled Remuneration Committee meeting next year.

** The Board has decided to include a further scheduled Sustainability Committee meeting next year.

*** Disclosure Committee dissolved in March 2021.

Corporate Governance Report

Continued

Key responsibilities

Chairman

- Ensuring the effective running of the Board.
- Promoting the highest standards of integrity and corporate governance throughout the Group.
- Chairing Board meetings and setting agendas.
- Ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives.
- Ensuring that the Board receives accurate, timely and clear information on:
 - a. the Group's performance;
 - b. the issues, challenges and opportunities facing the Group; and
 - c. matters reserved to it for decision.
- Ensuring compliance with the Board's approved procedures, including the schedule of matters reserved to the Board and each Committee's terms of reference.
- Engaging with the Board outside of formal meetings on a group or individual basis, as required.
- Initiating change and succession planning in Board appointments to build and maintain a highly effective Board.
- Ensuring effective communication between the Group and its shareholders and ensuring that members of the Board develop an understanding of the views of the major stakeholders.
- Ensuring that there is a properly constructed induction programme for new Directors.
- Ensuring that the performance of the Board as a whole, its Committees, and individual Directors is formally and rigorously evaluated at least once a year.

Chief Executive Officer

- Diligently performing such duties and exercising such powers as may, from time to time, be assigned by the Board for the successful running of the Group's business.
- Proposing and developing the Group's strategy and overall commercial objectives in close consultation with the Chairman and the Board.
- Maintaining relationships with major stakeholders.
- Ensuring effective dialogue with the Chairman on the important and strategic issues facing the Group.
- Ensuring that the Executive Directors give appropriate priority to providing reports to the Board, which contain accurate, timely and clear information.
- Ensuring that the Executive Directors comply with the Board's approved procedures, including the schedule of matters reserved to the Board and each Committee's terms of reference, and providing input on appropriate changes to the same.
- Keeping the Board alerted to forthcoming complex, contentious or sensitive issues affecting the Group.
- Providing information and advice on succession planning, to the Chairman, the Nomination Committee, and to members of the Board, particularly in respect of Executive Directors and senior management.
- Setting the Group's culture and values from the top.



Chief Financial Officer	• Devising and implementing the Group's financial strategy and policies. • Responsible for the management of the finance, tax, IT, legal, internal audit, and treasury functions. • Responsible for the Group's investor relations activities. • Developing budgets and financial plans. • Principal owner of the Group's risk register. • Managing the Group's insurance strategy and policies. • Managing the Group's relationship with the external auditors. • Devising and implementing the Group's sustainability strategy, policies, and actions.
Senior Independent Director	• Chairing Board and Nomination Committee meetings in the absence of the Chairman. • Leading the annual evaluation of the Chairman's performance. • Leading the succession planning process for the Chairman. • Acting as a sounding board for the Chairman on Board and Nomination Committee matters. • Being available to shareholders or other stakeholders if they have concerns about the Chairman, Chief Executive Officer or Chief Financial Officer, and to intervene in any circumstances arising from such concerns. • Intervening in, and leading on, settlement discussions relating to any disagreements between the Chief Executive Officer and Chairman. • Calling a meeting of the Non-Executive Directors if, in his reasonable opinion, it is necessary in relation to any of the matters above or otherwise.
Non-Executive Directors	• Effectively scrutinising and holding to account the performance of the Executive Directors. • Evaluating and appraising the performance of the Executive Directors and senior management against agreed targets, and agreeing remuneration in line with the remuneration policy. • Monitoring the financial information, risk management and control processes of the Group to make sure that they are sufficiently robust. • Ensuring a rigorous process for the appointment and removal of Executive Directors.
Company Secretary	• Supporting the Chairman and Chief Executive Officer in fulfilling their duties especially in respect of Board agendas, induction, training and the evaluation of Board and Committee effectiveness. • Available to all Directors for advice and support. • Keeping the Board regularly updated on governance matters and best practice. • Ensuring Group policies and procedures are maintained and updated on a regular basis. • Attending and maintaining a record of the matters discussed and approved at Board and Committee meetings.

Corporate Governance Report

Continued

Corporate governance structure

The Board			
Nomination Committee	Audit Committee	Sustainability Committee	Remuneration Committee
Committee Chair Dermot Gleeson	Committee Chair Fiona Goldsmith	Committee Chair Elaine Bailey	Committee Chair Andrew Coppel
Board structure - Review the structure, size and composition of the Board and its Committees. Succession - Consider succession plans for the Board and senior management. - Identify and nominate candidates for Board-level positions. Effectiveness - Review the time commitment required of Non-Executive Directors at least once a year. - Review the independence of Non-Executive Directors.	Financial reporting and disclosures - Monitor the integrity of the financial statements, including any significant financial reporting judgements. - Advise the Board on whether, taken as a whole, the Annual Report is fair, balanced and understandable. - Oversee the regulatory reporting requirements of the Company. Risk management and internal audit - Monitor the effectiveness of the Group's internal controls and risk management systems. - Monitor the effectiveness of the Group's internal audit function including approval of the annual internal audit plan. - Review the procedures for detecting fraud, preventing bribery and ensuring appropriate whistleblowing procedures in place. External audit - Oversee the relationship with the external auditors including their appointment, independence and objectivity, and the effectiveness of the external audit process.	Sustainability strategy - Develop a sustainability strategy consistent with the Group's mission, vision and sustainability policies. - Determine appropriate targets that will improve the sustainability of the Group. - Determine appropriate short, medium and long-term sustainability targets. Sustainability policy - Develop and agree with the Board a sustainability policy that will set the Group's approach to sustainability. - Ensure the policy is fully understood and implemented by the Group's business operations.	Setting remuneration - Recommend to the Board the policy for Executive Directors and senior management remuneration. - Set the remuneration of the Chairman and the Board. - Agree terms and conditions of employment for Executive Directors and senior management. - Approve measures and targets for any performance-related bonus and share schemes and monitoring outturn. - Approve share awards granted under long-term incentive arrangements, including the outturn on such awards. - Agree terms of any termination arrangements for Directors and senior management. - Review and approve proposals for staff pay and bonuses, including examining market data and benchmarking.

All of the Committee terms of reference can be found on the Company's website at www.mjgleesonplc.com

Code compliance statement

The Company has complied with all the principles of the Code for the year ended 30 June 2021 and the vast majority of its provisions. However, as in previous years, there are some instances where the Company has chosen to take advantage of the flexibility offered with the "comply or explain" principle when applying certain provisions.

The Code recognises that good governance can be achieved by other means and the Board believes the approach taken is the most appropriate for the Group and its shareholders, whilst remaining consistent with the spirit of the Code.

Provisions 9 and 19

The Chairman of the Board, Dermot Gleeson, was appointed to the Board in 1975 and has previously been Executive Chairman, Chairman and Chief Executive, and therefore was not considered independent at the time of his appointment to Chairman. The Board continues to support this appointment based on the extensive knowledge of the Group and industry that Dermot brings to the role and to Board discussions.

Provision 38

The Chief Financial Officer received a pension contribution of 12% in the year. This reflects the voluntary reduction previously reported from 15% to 6.5% over a three-year period to align his pension contributions with the level available to the majority of the workforce. Further details can be found in the Annual Report on Remuneration on pages 114 to 125.



Corporate Governance Report

Continued

Risk management and internal control

The Directors acknowledge their responsibility for the Group's risk management procedures and systems of internal controls and for reviewing their effectiveness. Further details on the Group's risk management procedures and systems of internal controls and how the Board and Audit Committee review their effectiveness are included in the Audit Committee Report on pages 98 to 105.

It should be recognised that all such systems and procedures are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, rather than absolute, assurance against material misstatement or loss. Risk management and internal control within the Group's divisions is delegated to senior management responsible for the division, with the Board retaining ultimate responsibility.

The Group operates internal controls to ensure the Group's financial statements are reconciled to the underlying financial ledgers. A review is completed by management to ensure that the financial performance and position of the Group are appropriately reflected.

During the year being reported, and in making this statement, the Board carried out a robust assessment of the principal risks and uncertainties facing the Group, including those that would threaten the Group's business model, future performance, solvency or liquidity. The Board is of the view that there is an adequate ongoing process for identifying, evaluating and managing the Group's significant risks. This process takes the form of a formal risk management policy supported by financial and management controls, which are operated Group-wide and are subject to both internal review by the Chief Financial Officer and internal auditor, and external review as part of the statutory audit carried out by the external auditors.

Viability statement

In accordance with the Code, the Directors have assessed the viability of the Company and the Group over a period longer than the 12 months required by the going concern principle. This takes account of the current position and circumstances of the Group, and the potential impact of its principal risks.

The Directors conducted their assessment for a period of three years to 30 June 2024, which is in line with the Group's financial budget approved by the Board in May 2021. It is also aligned to the operational period of a number of Gleeson Homes' developments. This has enabled a meaningful assessment of viability to be undertaken, utilising detailed Board-approved financial budgets that incorporate individual site cash flow forecasts.

The Directors have considered sensitivities from the impact of a severe but plausible downturn in the housing and land markets. For Gleeson Homes, this included the impact of a downturn in both volumes and selling price, combined with material cost increases. For Gleeson Land, the Directors have considered the impact of delays to the completion of land sales combined with a reduction in land values. Further details can be found in note 1 of the financial statements on page 145.

Additionally, the Directors have considered the measures that would need to be taken to mitigate the impact of these sensitivities, including the ability of the Group to curtail expenditure on new land purchases, new site starts, reduce overheads and cut discretionary spend. This would include reducing future dividend payments in response to a severe but plausible downturn.

A core principle of the Group is to maintain a cautious approach to debt funding. Following the refinancing undertaken this year, the Group has a committed bank facility of £105m available until October 2024, with a one-year extension option provided by two banks. The facility was undrawn at the year end and the Group had a cash balance of £34.3m (30 June 2020: £16.8m net cash).

Based on these facilities, the Group continues to have a high level of liquidity including under the severe but plausible scenario, to continue in operation, meet its liabilities as they fall due and remain in compliance with its financial covenants over the assessed period. The mitigating actions required do not disrupt the Group's ability to grow over the long term.

Based on the results of this assessment, the Directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year viability period.

Assessing the Group's prospects beyond the assessed period, the Directors consider that the demand for affordable, quality new homes will remain strong fundamentally due to market under-supply. The Group maintains a well-capitalised balance sheet and operates a sustainable business model that will continue to deliver long-term growth.



 Lindsey, Norah and Evie, Birch
Green, Skelmersdale, Merseyside

Nomination Committee Report

**Dermot
Gleeson**

Chair of the Nomination Committee

“

I am very pleased to welcome to the Board Elaine Bailey, who has been appointed as Non-Executive Director. Elaine brings an exceptional breadth of construction and housing-related experience.”

2021 key achievements

- Appointment of Elaine Bailey as an independent Non-Executive Director, which further strengthens the Board's knowledge and experience.
- Appointment of Elaine Bailey to all Board sub-committees and as Chair of the Sustainability Committee.

Areas of focus for 2022

- Board evaluation to be undertaken by a third-party assessor.
- Preparation of a skills audit and matrix to assist with Board succession planning.

Committee members

- Dermot Gleeson (Chair)
- Andrew Coppel
- Fiona Goldsmith
- Elaine Bailey

Dear shareholder,

I am pleased to present the Nomination Committee Report for the year ended 30 June 2021.

Operation of the Committee

The Committee comprises four Non-Executive Directors of the Board. The Chief Executive Officer, Chief Financial Officer and Company Secretary attend meetings at the invitation of the Committee.

During the year, the Committee formally met once and had two unscheduled meetings to consider a range of matters.

Activities during the year

The Committee's main activity during the year was to strengthen and diversify the Board, with the appointment of Elaine Bailey as an additional independent Non-Executive Director and Chair of the recently formed Sustainability Committee.

Other areas of focus included:

- Review of the composition of the Board and the range of skills and experience.
- Board and management succession planning.
- Review of Board diversity and independence.
- Annual review of the Committee's terms of reference.
- Review of the internal annual Board evaluation questionnaire and findings.

Board appointments

The Board worked with external recruitment consultants to commence the search for a new independent Non-Executive Director in October 2020. It was important, in support of the development of the Group's strategy and succession planning, to recruit a Director with a broad skillset and relevant experience.

Following a rigorous recruitment process, Elaine Bailey was appointed on 1 March 2021. Elaine brings a wealth of experience in housing, engineering, construction, and government services gained from a career across the private, public, regulated and not-for-profit sectors.



Committee changes

Following her appointment to the Board, Elaine Bailey was also appointed as Chair of the newly formed Sustainability Committee and member of the Audit, Remuneration and Nomination Committees.

Re-election of Directors

The Company's Articles of Association ("the Articles") provide that, at each AGM, at least one-third of the Directors shall retire from office and shall be eligible for reappointment. However, the Board has determined that all Directors will be subject to annual re-election by shareholders and will do so at the next AGM. James Thomson and

Stefan Allanson each hold service contracts that may be terminated by the Company with a notice period of one year.

Diversity policy

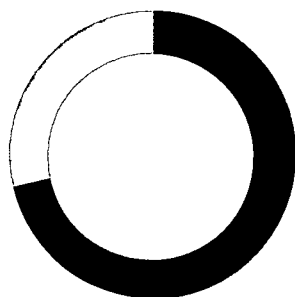
We believe that the composition and quality of the Board should be in keeping with the size, and geographical spread of the Group, its sector, culture and status as a listed company. A diverse Board with a range of views enhances decision-making, which is beneficial to the Group's long-term success and in the interests of the Company's stakeholders. However, we believe that it is in the interests of our shareholders that appointments to the Board and our senior management team are made on the basis of merit; therefore,

the Board does not set specific targets for boardroom diversity. We are unreservedly opposed to discrimination on the grounds of race, nationality, gender identity, sexual orientation, disability, age, religion or beliefs.

The Board diversity policy was approved in 2017 and sets the framework for Board appointments to ensure that candidates are assessed by objective criteria, which do not place any candidate at a disadvantage. This policy is kept under review by the Nomination Committee to reflect changes and developments in regulation.

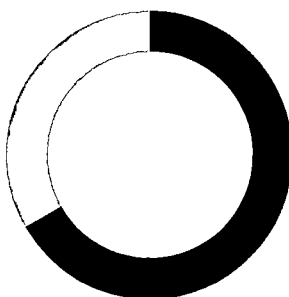
The Group also implements an equality and diversity policy in respect of its wider workforce, with further details set out on page 127.

Board



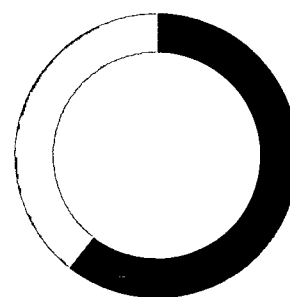
● Male 5 ○ Female 2

Senior management



● Male 14 ○ Female 7

Direct reports

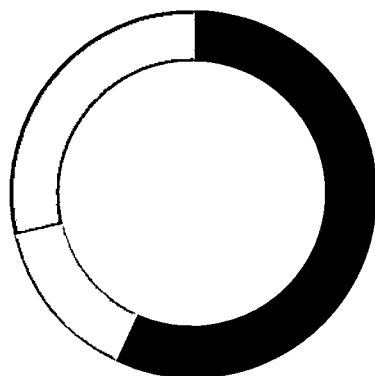


● Male 57 ○ Female 37

Nomination Committee Report

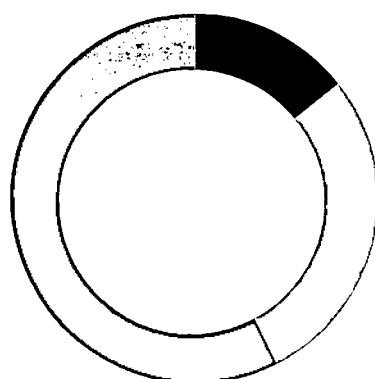
Continued

Board tenure



- 1-5 years 4
- 6-9 years 1
- Over 9 years 2

Independence

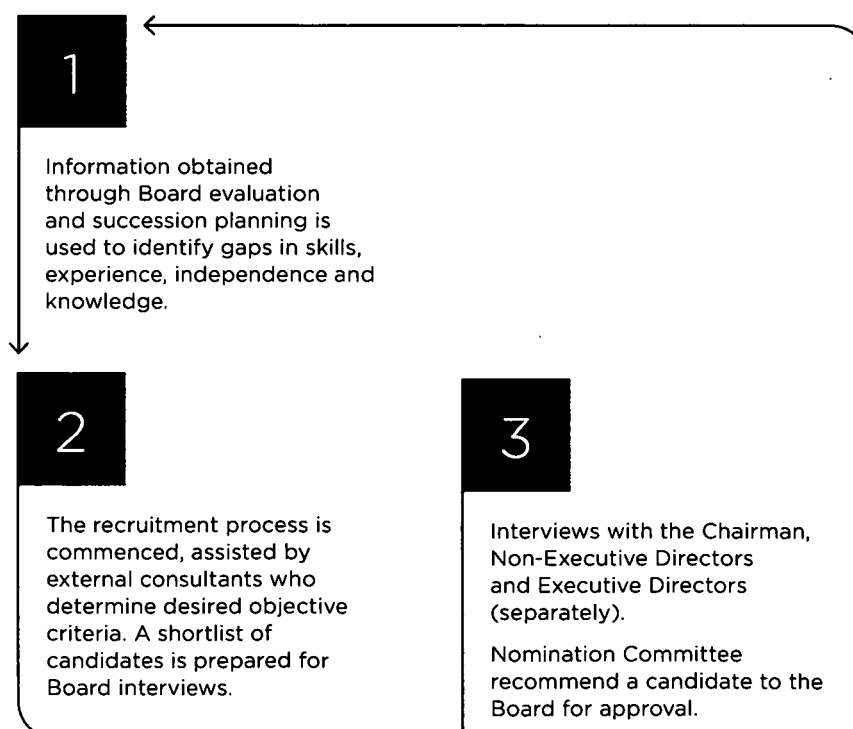


- Chairman 1
- Executive 2
- Independent Non-Executive 3
- Non-Independent Non-Executive 1

Nomination Committee priorities in 2021

Priorities	Work carried out	Outcome
Priority 1 Appointment of a new independent Non-Executive Director	The Committee reviewed the Board's composition and recommended that a further independent Non-Executive Director be appointed to enhance Board effectiveness and ensure compliance with Provision 11 of the Code. The Nomination Committee undertook a formal, rigorous and transparent recruitment and appointment process, supported by external consultants.	Elaine Bailey was appointed to the Board on 1 March 2021.
Priority 2 Appointment of an additional independent Non-Executive Director to the Audit, Remuneration, Nomination and Sustainability Committees	The Committee undertook a review of Board Committee composition. Whilst the Group is a smaller listed company and is only obliged to have two members on each of its committees, the Board agreed that a further independent Non-Executive Director would enhance committee effectiveness and succession planning.	Elaine Bailey was appointed as the Chair of the Sustainability Committee and a member of the Audit, Remuneration and Nomination Committees on 25 March 2021.

Board appointment process



Succession planning

We recognise that succession planning is an important contributor to the Group's long-term sustainable success. Succession planning for the Board is monitored regularly and is considered in detail during the Board's annual performance evaluation.

Board inductions

Following successful appointment to the Board, new Directors receive a comprehensive and tailored induction programme. The induction programme facilitates their understanding of the Group and the key drivers of business performance and is an opportunity for the Directors to meet key members of the senior management team and undertake site visits.

Elaine Bailey spent two days with the Executive Directors and senior management team at the Group's head office in Sheffield. During the induction, Elaine visited two development sites and met a number of our site-based employees.

How this supports a diverse pipeline

The process undertaken in Stage 1 identifies a recruitment need by looking at the tenure of each individual Director, the background, knowledge and skill set of each Director, and Board composition as a whole.

This process enables the Nomination Committee to implement plans for the short, medium and long term, which support a diverse pipeline.

External advisers

The Nomination Committee uses external advisers where required to assist with the recruitment process. During the year the Group used the services of a search agent with no connections to the Group or any of the Directors.

Board performance evaluation

Process

During the year, the Board undertook an evaluation of its own effectiveness, that of its Committees as well as that of individual Directors. This was based on completion of a detailed questionnaire and individual discussions between the Chairman and the Directors.

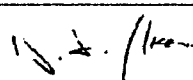
Being a smaller listed company, the Company is not required by the Code to undertake an external Board evaluation. However, the Nomination Committee is committed to ensuring that a rigorous and effective Board evaluation is conducted and has, therefore, decided to undertake an external Board evaluation in 2022, when the current Board has had a full year to settle into its role.

This year, the Board agreed to include additional questions in the Board evaluation, which asked the Board to consider how Board discussions are balanced so they are not unduly dominated by any one individual or group of individuals, whether the Non-Executive Directors provide effective challenge to the Executive Directors and the Board's approach to succession planning.

Andrew Coppel, in his role as Senior Independent Director, conducted an evaluation of the Chairman's performance in conjunction with the other Non-Executive Directors and with input from the Executive Directors.

Outcome

The outcome and conclusions reached from these evaluations were discussed by the Board and it was concluded that the Board, its Committees and the Chairman continued to perform effectively. Findings and actions arising are considered in more detail below.



Dermot Gleeson
Chairman

13 September 2021

Findings from the 2021 Board evaluation	Actions planned
Board composition and depth of experience has improved through the appointment of Elaine Bailey.	Continue to monitor the composition and depth of experience of the Board through annual Board evaluations and periodic reviews.
Board decisions are implemented properly and in a timely manner.	Maintain regular Board meetings and additional meetings as needed, with follow up on progress against agreed actions.
The Board holds open, transparent and robust discussions.	Continue to communicate effectively as a Board with open and transparent discussions and use this dialogue to reach robust conclusions.
The Board has a good understanding of shareholder views and expectations.	Continue to engage with stakeholders and ensure their views are understood and acted upon where appropriate.
The Board scored itself lowest on its approach to succession planning.	Actions to be agreed and progress monitored during the year to June 2022 in respect of Board and senior management succession planning.

Audit Committee Report

**Fiona
Goldsmith**

Chair of the Audit Committee

“

The Committee continues to have a busy agenda supporting the Board by monitoring the effectiveness of the Group's systems of risk management and control, together with internal and external audit processes and financial reporting.”

2021 key achievements

- Close monitoring of commercial processes, cost management, profit and margin recognition.
- Assessing the impact of the Covid-19 pandemic on going concern and viability, and the financial reporting of the Group.
- Assessing emerging and principal risks, including those related to climate change and environmental, social and governance matters.
- Obtaining assurance over areas of risk or complexity including taxes, carrying value of assets and IT security.

Areas of focus for 2022

- Continued focus on commercial processes, cost management, profit and margin recognition.
- Ongoing assurance over the financial controls, tax compliance and risk management processes of the Group.
- Resilience and security of key business systems against cyber risks and other threats.
- Developing further the Group's financial reporting including in relation to climate change.

Committee members

- Fiona Goldsmith (Chair)
- Andrew Coppel
- Elaine Bailey

Dear shareholder,

I am pleased to introduce the Audit Committee Report for the financial year ended 30 June 2021, which has been another busy year for the Committee.

Operation of the Committee

All members of the Committee are independent Non-Executive Directors. The Board is satisfied that the membership of the Audit Committee meets the requirement for relevant and recent financial experience. The biographies and professional qualifications of the members are shown on pages 84 and 85.

The Chief Executive Officer, Chief Financial Officer, Company Secretary and other senior management are invited to attend meetings, along with the Group's internal and external auditors, when required. The Committee also met with the Group's internal and external auditors without the presence of Executive Directors or senior management on several occasions throughout the year.

Committee meetings

The Committee is required, in accordance with its terms of reference, to meet at least three times a year. During the year, the Committee formally met four times and held two unscheduled meetings.



Activities during the year

During the year, the Committee dealt with the following key matters:

- Approving the Group's interim and annual financial reporting.
- Reviewing principal accounting matters and judgements.
- Reviewing new reporting disclosures including climate related disclosures under TCFD.
- Monitoring profit recognition and cost management.
- Obtaining assurance over work in progress and carrying value.
- Reviewing going concern and viability.
- Reviewing Group credit risk.
- Reviewing tax matters and approving the Group's tax strategy.
- Monitoring Legacy matters.
- Assessing compliance with Group policies and whistleblowing.
- Assessing external auditor effectiveness, independence and fees.
- Monitoring risk and assurance matters including:
 - reviewing the Group risk register;
 - internal audit plans and reports;
 - external audit strategy and findings;
 - internal control effectiveness;
 - IT and cyber security reports; and
 - GDPR compliance.

Audit Committee Report

Continued



Audit Committee activities in 2021

Activity	Work carried out	Outcome
Financial reporting – fair, balanced and understandable	The Committee reviewed the integrity of this Annual Report and formal announcements made during the year relating to the Group's financial performance. At the request of the Board, the Committee considered whether the 2021 Annual Report taken as a whole is fair, balanced and understandable and whether it provides the necessary information for shareholders to assess the Company's performance, business model and strategy. In doing so, the Committee received comments from management and the external auditors at its meeting in September 2021. It also reviewed the annual compliance procedures and management returns that support the Group's financial reporting governance framework and risk management process for the year ended 30 June 2021.	The Committee was satisfied that, taken as a whole, the 2021 Annual Report is fair, balanced and understandable and provides sufficient information for shareholders to assess the Group's performance, business model and strategy. The Committee recommended as such to the Board.
Risk management	The Committee reviewed the Group risk register at three of its scheduled meetings during the year. A summary of Group risks and any changes during the year is set out in Risk Management on pages 68 to 73. The Committee fully understands the risks faced by the Group and how these are being addressed. This enables the Committee and the Board to ensure that the major risks facing the Group are monitored and appropriate controls and mitigations are in place.	The Committee and the Board fully understand and manage the balance of risks in the business.
Profit recognition	Throughout the year, the Committee reviewed the processes, controls and assumptions for recognising margin on development sites including three particular areas: cost inflation, selling prices and contingencies. See further details under "Financial reporting and significant judgements".	The Committee satisfied itself that the associated processes and controls have continued to operate effectively across the Group and the assumptions applied by management in relation to profit recognition are appropriate.
Work in progress	The Committee reviewed reports from the Group's internal auditor on the carrying value and recoverability of land and work in progress on selected Gleeson Homes sites. The Committee also received reports on the recoverability and carrying value of work in progress in Gleeson Land. See further details under "Financial reporting and significant judgements".	The Committee satisfied itself that the carrying value of land and work in progress in both Gleeson Homes and Gleeson Land remains appropriate.



Activity	Work carried out	Outcome
Group taxes	The Committee received regular updates on Group tax matters. These cover all aspects of compliance including VAT, Corporation Tax, Construction Industry Scheme and employment taxes including off-payroll working arrangements. The Committee also received updates on potential changes to taxes including the proposed Residential Property Developers Tax and other updates. The Committee reviewed the Group's Tax Strategy statement for the year to 30 June 2021 and recommended its approval to the Board. A copy of the Tax Strategy statement can be found on the Company's website www.mjgleesonplc.com.	The Committee satisfied itself that the processes and controls associated with Group taxes remain robust.
Legacy matters	The Committee received and reviewed reports on claims associated with the Legacy businesses, being the contracting and engineering businesses sold more than ten years ago.	Whilst the level of claims has reduced to an insignificant level, the Committee, in conjunction with the Chief Financial Officer, continues to monitor the status of claims and any remaining liabilities.
Internal audit	The Committee set the internal audit plan for the year ended 30 June 2021 at its meeting in July 2020. As covered under "Internal audit", the Committee received and reviewed reports from the internal auditor throughout the year on internal audits conducted across the business.	The Committee remains satisfied with the effectiveness of the internal audit function.
External audit	As covered under "External audit", the Committee received and reviewed the external auditors' Group audit plan at its meeting in February 2021. Following completion of the audit of the Group, the external auditors presented their findings to the Committee in September 2021.	The Committee remains satisfied with the effectiveness of the external auditors and the audit process.

Other activities

During the year, the Committee reviewed reports on IT and cyber security, GDPR, credit risk, Corporate Criminal Offence, anti-bribery, and malpractice monitoring. New sustainability disclosures, which follow the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") as included in this Annual Report on pages 58 and 59, were also reviewed by the Committee.

Audit Committee Report

Continued

Financial reporting and significant judgements

The significant financial reporting matters and areas of significant judgement considered by the Committee during the year are those that present a risk of material misstatement to the Group's financial statements, being:

Area	Work carried out	Outcome
Carrying value of land and work in progress	The most significant asset carried by the Group is inventory, which includes land and work in progress. The Group carries inventories at the lower of cost and net realisable value, which is dependent on estimates of total build or land promotion costs and future selling prices. There is, therefore, a risk that land and work in progress is held at a value in excess of the lower of cost and net realisable value. In addition, the allocation of inventories to cost of sales on the sale of individual homes is dependent on estimates of total build costs and future selling prices for each site as a whole. These estimates, therefore, impact on the timing and amount of profit margin recognised on sales of individual homes. The Committee monitors the effectiveness of internal controls exercised over the key processes employed by the Group in site development activities and the forecasting of future costs, revenue and profits. The Committee receives regular reports regarding sales of homes and the costs and possible future costs relating to individual sites. The Committee reviewed the assumptions applied by management supporting the profit margin to be recognised on the sale of individual homes and concluded that they remain appropriate. The Committee also receives regular reports on the carrying value of land and work in progress in Gleeson Homes and Gleeson Land. The Committee reviewed these reports and debated them with the internal auditor and with management. The Committee satisfied itself that the carrying value of land and work in progress across the Group remains appropriate.	The Committee satisfied itself that the carrying value of land and work in progress remains appropriate. The Committee satisfied itself that the associated processes and controls have continued to operate effectively across the Group and the assumptions applied by management in relation to profit recognition are appropriate.
Going concern and viability reporting	The Committee examined the financial forecasts for the Group including the impact of a severe but plausible downturn in the housing and land markets. These were examined by the Committee in conjunction with its review of this Annual Report. The Committee satisfied itself, and subsequently the Board, that the going concern basis of preparation continues to be appropriate in the context of the Group's banking and liquidity position. Further details can be found in note 1 of the financial statements on page 145. In accordance with the provisions of the Code, the Committee considered the time period over which it could reasonably assess the Group's ability to continue to trade, taking into account the Group's financial budget period and operational forecasts. It concluded that this should remain a three-year period as explained in the viability statement on page 92. The Committee received detailed financial analysis based on the Group's latest budgets with a severe but plausible scenario applied over the three-year period and determined that there was a reasonable expectation that the Group will be able to continue in operation, meet its liabilities as they fall due and maintain compliance with its banking covenants.	The Committee satisfied itself that, based on the financial modelling undertaken, the Company and Group have adequate resources to continue in operation for the foreseeable future and operate in compliance with their bank facilities. The Committee recommended statements to this effect to the Board to approve for inclusion in this Annual Report.
Carrying value of investments	The activity of the Legacy businesses was previously disclosed as a discontinued operation. Given the level of claims has now reduced to an insignificant level, the Committee concluded that this no longer warrants separate disclosure as a discontinued operation. For this reason, the Legacy businesses have been presented within continuing operations, under Group activities in the current year as set out in note 3 to the financial statements. Following a review of the carrying value of investments in the Parent Company, the Company's investment in the Legacy businesses was written down by £1.7m in the Company only. This has no impact on the consolidated Group.	The Committee satisfied itself that the carrying value of investments held in the Parent Company, remains appropriate at the balance sheet date with no other indicators of impairment.

Effectiveness of internal controls and risk management systems

The Committee is responsible for reviewing and monitoring the effectiveness of internal controls and risk management systems on behalf of the Board. The Group's system of internal control includes the following processes:

- The Board and management committees meet regularly to monitor performance against key performance indicators, which include cash management and financial and operational measures. A variety of financial and non-financial reports are produced to facilitate this review process.
- The Board has established defined lines of authority to ensure that significant decisions are taken at an appropriate level.
- The Group employs individuals of appropriate calibre and provides any training that is necessary to enable them to perform their role effectively. Key objectives and opportunities for improvement are identified through annual performance and development reviews.
- Each division has defined procedures and controls to identify and minimise business, operational and financial risks. These procedures include segregation of duties, provision of regular performance information and exception reports, approval procedures for key transactions and the maintenance of proper records. Compliance with these procedures and controls is certified annually by management to the Committee. The Group's programme of insurance covers the major risks to the Group's assets and business and is reviewed annually.
- Authorities are in place that require divisional management to refer all significant decisions that exceed prescribed limits to either the Executive Directors or the Board for approval.

Regular reviews are undertaken in order to identify any changes in procedure or controls that may be required in the light of changing circumstances.

The effectiveness of the overall internal control framework and risk management process is monitored by both the Audit Committee and the Board. As part of this, the Committee reviews the annual compliance returns completed by each divisional management team, which confirm that key financial controls have been in operation throughout the year and that an effective control environment has been maintained.

Each divisional management team also completes an annual risk assessment. The results of this are reviewed by the Committee and risks identified are incorporated into the Group risk register. The Risk Management section on pages 68 to 73 sets out details of the key risks that the business may face and how it mitigates them.

The Committee has satisfied itself that an appropriate system of internal controls and risk management processes have been maintained throughout the year to safeguard shareholder interests as well as the Group's assets in accordance with the requirements of the Code.

Whistleblowing arrangements

The Company has in place a formal whistleblowing policy, internal whistleblowing mailbox monitored by the Head of Legal and Company Secretary, and an independent external whistleblowing helpline. These enable all employees of the Company to confidentially report any malpractice or matters of concern they have regarding the actions of employees, management or Directors, any unlawful behaviour or breaches of the Company's policies or practices, without fear of recrimination. The policy includes a process for proportionate and independent investigation of any reports received. This may involve an informal review, an internal inquiry, or a more formal investigation. Whenever possible, feedback is given to the whistleblower on the outcome of any investigation.

The Head of Legal and Company Secretary maintains a register of reports received through both internal and external processes, which is reviewed by the Committee at least every six months.

During the year, employee awareness was enhanced on the Company's whistleblowing policy through the induction process, newsletters, posters and reminders that "If you see something, say something". The Company also launched a mandatory online course for all employees, which is designed to raise awareness of reportable issues or incidents.

Anti-bribery and corruption policy

The Company values its long-standing reputation for ethical behaviour and integrity. Conducting its business with the highest ethical standards and a zero-tolerance approach to all forms of corruption is central to these values, the Company's image and reputation. The Company policy sets out the standards expected of all Company employees in relation to anti-bribery and corruption and the Board has overall responsibility for ensuring this policy complies with the Company's legal and ethical obligations and that everyone in the organisation complies with it. This policy is also relevant for third parties who supply goods or perform services for or on behalf of the Company. We require those parties to adhere to this policy or have in place equivalent policies and procedures to combat bribery and corruption.

During the year, the Company also rolled out a mandatory online course for all employees, which is designed to raise awareness of bribery and corruption offences and penalties for both individuals and the Company.

The Committee reviews a report on the registers of gifts and hospitality given or received by Directors and employees of the Company at least every six months. No incidents of bribery or corruption were reported to the Committee during the year.

Audit Committee Report

Continued

Human rights and modern slavery

During the year, the Company established new processes to enhance modern slavery checks and safeguards within the business. This is led by the Chief Financial Officer and comprises senior management and the Company Secretary.

As part of this, the Company launched a new modern slavery awareness campaign through a refreshed policy, newsletters, posters, regular site audits and enhanced due diligence checks on the supply chain. The Company also launched a mandatory e-learning course for all employees, which is designed to raise awareness of modern slavery in the workplace and what to look for.

Internal audit

The Committee is responsible for reviewing and approving the annual internal audit plan. This continues to cover a broad scope of activities across the Group focused on areas of risk and management judgement.

During the year, the Committee received eight reports from the internal auditor on the findings of internal audits conducted throughout the business, together with proposed recommendations to rectify any issues identified. The findings of these reports were actively debated by the Committee with the internal auditor and with management. The Committee monitored the follow up on actions identified.

The Committee reviewed the effectiveness of the internal audit function and concluded that it has operated effectively and provided a suitable level of independent scrutiny across the operations of the Group.

External audit

PricewaterhouseCoopers LLP were first appointed as auditors to the Group in December 2016 following a competitive audit tender, and were most recently reappointed following approval by shareholders at the AGM on 3 December 2020.

In February 2021, the auditors presented their Group audit plan to the Committee, identifying their assessment of key risks in the Group's financial reporting. For the 2021 financial year, as in prior years, the primary risk identified was in relation to the carrying value of land and work in progress in Gleeson Homes and Gleeson Land. Consistent with the prior year and as a result of the Covid-19 pandemic, the carrying value of investments in subsidiaries was also identified as a primary risk in relation to the Company only.

The Committee formulates and oversees the Group's policy on monitoring external auditors' objectivity and independence in relation to non-audit services and is responsible for the approval of all audit and non-audit fees for services provided by the Company's auditors. As a result of the EU Audit Reforms Regulations (as amended 11 June 2016), and the FRC's revised ethical



standard (as revised December 2019), the auditors are excluded from undertaking a range of work on behalf of the Group to ensure that the nature of non-audit services performed or fee income earned relative to the audit fees does not compromise, and is not seen to compromise, the auditors' independence, objectivity or integrity.

For the year to 30 June 2021, there were no non-audit fees paid to the external auditors. Details of the audit fees incurred are disclosed in note 4 to the financial statements.

The Committee assesses the performance and effectiveness of the external auditors on an annual basis. When making their assessment, the Committee considers



 Paul, Bricklayer, Dane Park, Hull, East Yorkshire

feedback from the Chief Financial Officer and other senior finance management, the auditors' fulfilment of the agreed audit plan, and the auditors' objectivity and independence during the process. The Committee also holds private meetings with the auditors on an annual basis. Matters discussed include the auditors' assessment of business risks and management activity thereon, the transparency and openness of interactions with management and confirmation that there has been no restriction in scope placed on them by management.

The Committee concluded that the audit process had been conducted robustly and PricewaterhouseCoopers LLP's performance as auditors to the Company was considered to be satisfactory. As the auditors have

indicated their willingness to continue in office, a resolution that they be reappointed will be proposed at the next AGM of the Company on 15 November 2021.

Under current regulations the Company is not due to re-tender its audit until 2026; however, the Committee will continue to monitor the performance of the external auditors during this time and make recommendations accordingly.

Fiona Goldsmith

Chair of the Audit Committee
13 September 2021

Sustainability Committee Report

Elaine
Bailey

Chair of the
Sustainability Committee

“

The Sustainability Committee supports the Board in ensuring the business operates in a responsible manner, adding value to society, improving communities, enhancing people's lives and reducing our impact on the environment.”

2021 key achievements

- Approval of the Group's sustainable business strategy and sustainability policies.
- Review of Group sustainability risks and mitigating actions.
- Review of progress against 2021 sustainability targets and setting 2022 targets.
- Review of Group reporting and disclosures on climate change and sustainability.

Areas of focus for 2022

- Monitoring progress against 2022 sustainability targets.
- Enhancing the Group's climate-related reporting disclosures and communications.
- Agreeing next steps on areas including water and biodiversity strategy and scope 3 emission reduction.

Committee members

- Elaine Bailey (Chair)
- James Thomson
- Stefan Allanson

Dear shareholder,

I am pleased to introduce the first Sustainability Committee Report for the financial year ended 30 June 2021. The Committee was newly formed in December 2020 to oversee the Group's approach to sustainability.

Operation of the Committee

The Committee comprises of the Chair, the Chief Executive Officer and the Chief Financial Officer. Other members of the Board, senior management or external advisors are invited to attend for all or part of any meeting as and when required.

Committee meetings

The Committee is required, in accordance with its terms of reference, to meet at least two times a year. The Committee met twice during the year and held one unscheduled meeting.

Activities during the year

During the year, the Committee dealt with the following key matters:

- Approving the Group's sustainability policy.
- Reviewing progress against 2021 sustainability targets.
- Agreeing new sustainability targets.
- Approving the Group's sustainable business strategy.
- Reviewing the Group's sustainability risk register.
- Reviewing the results of a stakeholder engagement process on material sustainability issues.
- Reviewing climate-related reporting disclosures (TCFD and SASB).
- Benchmarking peer group sustainability reporting and disclosures.
- Reviewing new sustainability policies on charitable donations, climate and environment, procurement, packaging, waste management and timber.
- Agreeing further steps for the Group in respect of:
 - scope 3 emissions reporting;
 - water and biodiversity strategies; and
 - reducing diesel usage.



Our aims

The creation of the Sustainability Committee emphasises the importance that the Board places on the environmental, social and economic value that the Company delivers to its stakeholders and to society.

Our ultimate aim to “do no harm, do good” is reflected in the Group’s sustainable business model and its support of the relevant UN Sustainable Development Goals (“SDGs”), in particular target 1 of SDG 11 for “access for all to safe and affordable housing”.

The business has a strong approach to sustainability, built around communities, people and the environment and is leading the way in many areas such as affordability, customer satisfaction and employee engagement. However, we recognise that there is more to do, in particular in respect of health and safety, carbon emissions and climate change.

As a Committee, we are focused on agreeing meaningful targets that can be achieved in a reasonable timeframe and ideally within the tenure of those who are measured against them. This enables environmental, social and governance targets to be linked to performance and remuneration more effectively, and drives purposeful outcomes.

We also recognise the need for a long-term strategic view, in particular around the environment and climate change. That is why we have taken the first step in publishing our full scope 3 emissions this year for every home sold. This will be a key area of focus for the coming year in developing our carbon reduction strategy.

We also aim to provide clarity and leadership in our reporting on sustainability, sharing the Group’s targets and performance, including where we have not achieved targets and the areas for improvement. We believe that stakeholders value this honesty in reporting.

Sustainability Committee Report

Continued

Sustainability Committee activities in 2021

Activity	Work carried out	Outcome
Sustainable business strategy	The Committee reviewed the sustainable business strategy, which sets out the Group's approach to sustainability including the objectives and targets. This is on pages 32 and 33. The strategy was reviewed by external consultants and developed in conjunction with the results of the stakeholder engagement process, which can be found on pages 30 and 31. The Committee reviewed the findings of the stakeholder engagement process, including the responses to questionnaires and interviews undertaken.	The Committee approved the Group's sustainable business strategy and recommended as such to the Board.
Sustainability targets	The Committee received updates on progress against the 2021 sustainability targets that were published in the prior year annual report. The Committee challenged where progress was falling short of the targets set and the mitigating actions being taken. Progress against our published 2021 targets can be found on pages 42 and 43. The Committee reviewed the proposed targets and actions for 2022. These can be found on page 45.	The Committee was satisfied with progress against three of the 2021 sustainability targets, but recognises that more work needs to be done for the Group to achieve its health and safety targets. The Committee approved the targets and actions proposed for 2022.
Sustainability risk register	The Committee reviewed the sustainability risk register. This assesses both the inherent and mitigated risks of the material sustainability issues relevant to the Group. Group level risks, including those related to climate change and sustainability, are monitored by the Audit Committee and the Board as set out in risk management on pages 68 to 73.	The Committee and the Board fully understand and manage the balance of risks in the business.
Sustainability policies	The Committee reviewed the Group sustainability policy. This is structured around three key themes: Communities, People and the Environment, and sets out the principles that underpin our sustainable approach. The Committee reviewed policies for the following: • Charitable giving; • Climate and environment; • Sustainable procurement; • Sustainable packaging; • Sustainable waste management; and • Sustainable timber.	The Committee approved the Group's sustainability policies for publication on the Company's website www.mjgleesonplc.com. The Committee intends to review policies on at least an annual basis to ensure that these are appropriate to support the Group's sustainability objectives.
Climate-related disclosures	The Committee reviewed the draft and final disclosures for inclusion in this Annual Report. This includes the disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), which can be found on pages 58 and 59, and the relevant Sustainability Accounting Standards Board ("SASB") Industry Standard, which can be found on pages 60 to 63.	The Committee approved the disclosures for inclusion in this Annual Report.

Elaine Bailey

C. E. Bailey

Chair of the Sustainability Committee
13 September 2021



 Kaivan and Luca, Holbeck Park, Burnley, Greater Manchester

Remuneration Committee Report

Andrew M
Coppel CBE

Chair of the Remuneration Committee
and Senior Independent Director

“

I am pleased to present the Annual Report on Remuneration for 2021. We are committed to a responsible approach to Executive pay and I trust this Annual Report on Remuneration reflects this sentiment.”

2021 key achievements

- Agreeing performance targets for Executive Director remuneration for 2021.
- Reviewing and assessing the fairness of 2021 outcomes.
- Assessing potential targets for Executive Director remuneration for 2022.
- Reviewing and approving proposals for staff pay and bonuses.
- Reviewing and approving gender pay reporting.

Areas of focus in 2022

- Setting targets for Executive remuneration that align to the Group's sustainable business strategy.
- Reviewing the Directors' Remuneration Policy for the purposes of setting a new policy for 2023 and subsequent years.
- Engaging with shareholders on Executive remuneration and remuneration policy development.
- Reviewing wider workforce remuneration and related policies.

Committee members

- Andrew Coppel (Chair)
- Fiona Goldsmith
- Elaine Bailey

Dear shareholder,

The report is split into two sections:

1. This statement, which provides an overview of the key decisions made on Directors' remuneration during the year; and
2. The Annual Report on Remuneration, which provides details of the remuneration earned by Directors during the year to 30 June 2021, and how we intend to apply the Directors' Remuneration Policy during the year to 30 June 2022.

The Directors' Remuneration Policy was approved by shareholders at the AGM on 5 December 2019 (with 98.2% of votes cast in favour) and became effective from that date. There are no proposals to amend the Policy at the 2021 AGM. The Committee addressed the factors in Provision 40 of the 2018 UK Corporate Governance Code when determining the Policy (see below).

The full Policy can be found in the 2019 Annual Report and Accounts, which is available to download from the Company's website at www.mjgleesonplc.com.

The Policy is approaching the end of its three-year term. The Committee will conduct a comprehensive review of the Policy this year to ensure it remains closely aligned with the Group's strategy and culture, and will seek consultation with major shareholders on any proposed material changes.

Pay and performance outcomes for 2021

Gleeson Homes delivered a record 1,812 new homes this year, an increase of 69.0% on the prior year (2020: 1,072). It opened 27 new sites, which was also a record for the business and closed the year with 81 build sites, of which 61 were actively selling.

The average selling price of £145,800 was 11.4% higher and reflects continued strong demand. As a result, Gleeson Homes delivered an operating profit of £37.4m (2020: £9.0m).

Gleeson Land sold eight sites during the year with the potential to deliver 1,978 plots for housing and delivered operating profit of £11.1m (2020: £0.2m). It ended the year with a portfolio of 71 sites (2020: 68 sites) with the potential to deliver 22,315 plots.



As a result of the strong performance in both divisions, Group profit before tax was £41.7m (2020: £5.6m).

In the prior year, the Group also set a number of sustainability targets for 2021. The performance against these targets is set out on pages 42 and 43.

Annual bonus

The Executive Directors were each awarded an annual bonus opportunity equal to 125% of salary based on Group profit before tax (as regards 80% of the potential award) and strategic and personal performance (as regards 20% of the potential award). James Thomson's strategic and personal objectives were based on: build site openings; forward order book performance; ESG performance; customer satisfaction; and employee engagement. Stefan Allanson's strategic and personal objectives were based on: build site openings; forward order book performance; work in progress; effective risk management; ESG performance; and broadening banking relationships.

James Thomson and Stefan Allanson each earned a bonus equal to 99.0% and 96.5% of maximum respectively (equivalent to 123.8% and 120.6% of salary) based on the outcome of the performance targets. See pages 116 and 117.

The Committee considered the bonus outcome for the profit and strategic and personal performance elements alongside broader perspectives including: underlying business performance and affordability; the experience of shareholders; and the experience of employees and other stakeholders. The following was noted:

- The Group resumed paying dividends, with a 5 pence interim dividend per share paid in April 2021. A final dividend equal to 10p per share is expected to be paid in November 2021, subject to shareholder approval.
- The Company's share price has increased by 36% over the year ended 30 June 2021 owing to strong performance during the year as the Group continues to recover from the impact of the Covid-19 pandemic.
- In January 2021, the Group repaid in full the £1.3m of support that it received under the Government's Coronavirus Job Retention Scheme.
- For the wider workforce, 89.9% of eligible staff were paid a bonus for the year, which on average equated to 11.2% of salary.

The Committee considered the outcome to be appropriate and no discretion was applied to amend the outcome.

Long Term Incentive Plan ("LTIP")

Stefan Allanson was granted an LTIP award in 2018 equal to 150% of salary. 69% of the maximum award vested on 6 July 2021 based on performance against absolute Total Shareholder Return targets measured over the three-year performance period ended 30 June 2021. See page 118.

The Committee considered the vesting outcome to be appropriate taking into account the strong returns delivered to shareholders over the three-year performance period and no discretion was applied to amend the amount vesting.

Under the Policy, Stefan Allanson is required to hold the vested shares until 30 June 2023 (other than to sell shares to cover taxes arising on exercise).

Remuneration Committee Report

Continued

Remuneration in 2022

Salary

A 2.5% salary increase was awarded to the Executive Directors, Non-Executive Directors and Chairman with effect from 1 July 2021, in line with the standard increase across the wider workforce.

Pension

Reflecting best practice and the expectations of shareholders and proxy voting agencies, in 2020 Stefan Allanson volunteered to have his pension opportunity reduced to bring it in line with the level available to the majority of the wider workforce by 1 July 2022. His pension opportunity reduced from 12% to 9% of salary on 1 July 2021 and will reduce to 6.5% of salary on 1 July 2022.

James Thomson's pension allowance was set at 6.5% of salary on his appointment as Chief Executive Officer.

Annual bonus

The maximum bonus that can be earned in the year will be 125% of salary for both Executive Directors.

80% of the award will be based on profit performance and 20% will be based on strategic and personal performance, which comprise site openings, forward order book, build quality and customer satisfaction, and sustainability targets including health and safety, staff turnover, employee engagement and carbon emission reduction. Details of the profit, strategic and personal performance targets will be fully disclosed in the Annual Report on Remuneration for the year ending 30 June 2022.

The Executive Directors will be required to defer one-third of any bonuses earned into shares for a two-year period.

LTIP

The maximum LTIP opportunity will be 150% of salary for both Executive Directors with 50% of the award based on EPS performance and 50% based on relative TSR performance measured over a period of three financial years ending 30 June 2024. Any awards that vest will be subject to a two-year holding period. See page 119 for details of performance targets.

The Committee has discretion to amend the vesting outcome of annual bonus and LTIP awards where it considers that it is not a fair reflection of business performance.

Gender pay gap

During the year, the Committee reviewed the gender pay gap statistics for the Group. The Group's median gender pay gap is -43%, indicating that the median pay for women is more than men, versus the national median of 15.5% in favour of men. Women occupy 14% of the highest paid jobs and 14% of the lowest paid jobs.

The Group is continuing to develop and encourage more women into roles that have traditionally been male occupied. This includes better provisions on sites for female employees and subcontractors. In respect of

pay, the Group does not discriminate on the grounds of gender and operates an equal pay policy.

Further details are set out in the Group's Gender Pay Gap Report, which can be found at www.mjgleesonplc.com.

Real Living Wage

The Group was the first major housebuilder to be accredited by the Living Wage foundation. Other housebuilders have now followed our lead and the Group believes that all employees in all sectors should be paid the real Living Wage or higher. The only exception to this is for apprentices, where the Group pays above the government's guidelines.

The Committee looks closely at market data when it comes to approving employee pay and rewards to ensure that these remain competitive and enable the Group to attract, motivate and retain high-quality staff.

How the Committee addressed the factors in Provision 40 of the 2018 UK Corporate Governance Code when determining the Policy

Our Directors' Remuneration Policy is designed to support an effective pay-for-performance culture, which enables the Company to attract, retain and motivate Executive Directors who have the necessary experience and expertise to deliver the Group's objectives and strategy. The Policy has been determined based on the following principles, taking into account Provision 40 of the 2018 UK Corporate Governance Code.

Clarity and simplicity – the Committee ensures that remuneration packages are simple and transparent, and take into account remuneration and related policies for the wider workforce. Performance targets are set in line with Group budgets and plans and reviewed and tested by the Committee.

Risk – we promote long-term sustainable performance through sufficiently stretching performance targets, whilst ensuring that the incentive framework does not encourage Executive Directors to take inappropriate business risks (including environmental, financial, social, health, safety and governance risks).

Predictability – detailed information on the potential values that may be earned through the remuneration arrangements are set out in the Directors' Remuneration Policy.

Proportionality – to ensure that total remuneration delivered fairly reflects Company and individual performance, the Committee has the discretion to override formulaic outturns where it believes the outcome is not truly reflective of underlying performance during the performance period and to ensure fairness to both shareholders and participants.

Alignment to culture – when determining the Policy, the Committee was clear to make decisions to drive the appropriate behaviours and ensure alignment with the Company's culture and long-term strategy.



Shareholder and employee engagement

The Group obtained a vote in favour of 60.7% in respect of the 2020 Annual Report on Remuneration. Whilst the Committee was pleased that the Annual Report on Remuneration was approved by shareholders, it also acknowledges the views of shareholders who opposed the resolution. The concerns of such shareholders related to the discretion applied to the vesting outcome of Stefan Allanson's 2017 LTIP award in light of the Covid-19 pandemic and its impact on TSR.

The Committee is committed to a responsible approach to executive pay and, following the 2020 AGM, we have reviewed our process for determining variable pay outcomes to ensure it is robust and appropriately takes into account broader perspectives, including underlying business performance and the experience of shareholders, employees and other stakeholders.

The Committee also offered the Company's largest shareholders the opportunity to discuss their thoughts on Executive remuneration, and the feedback provided will be considered as part of the Directors' Remuneration Policy review.

More generally, the Committee consults with major shareholders and their representative bodies on remuneration matters, particularly if any material changes are proposed to the Remuneration Policy. In these instances, the Committee seeks feedback from shareholders and develops and considers its proposals in light of this feedback.

As the Workforce Representative, Fiona Goldsmith engages directly with employees on a range of topics of interest to them, including Executive remuneration. Workforce engagement activities included site and office visits undertaken during the year, reviewing the results of the Group's employee engagement survey, and discussions with senior management and staff on business performance and matters of concern.

The Committee regularly reviews the remuneration of the wider workforce to ensure that it is attuned to general pay and conditions when considering Directors' remuneration (e.g. in determining salary increases for Executive Directors the Committee reviews salary increases across the Group).

Conclusion

I trust the information presented in this report enables our shareholders to understand both how we have operated our Directors' Remuneration Policy over the year and rationale for decision making. We believe that the Policy operated as intended and we consider that the remuneration received by the Executive Directors during the year was appropriate taking into account Group and personal performance, and the experience of shareholders and employees.

I will be available at the AGM to respond to any questions and discuss any aspects of the Annual Report on Remuneration or the Committee's activities.

Andrew M Coppel CBE

**Chair of the Remuneration Committee
and Senior Independent Director**

13 September 2021

Andrew M. Coppel

Annual Report on Remuneration

The Remuneration Committee's Annual Report on Remuneration for the year ended 30 June 2021 is set out below, including remuneration for the year ended 30 June 2021 and the implementation of the Directors' Remuneration Policy for 2022.

The auditors are required to report on the following information up to and including the table on Directors' interest in shares.

Single total figure of remuneration for each Director for the years ended 30 June 2021 and 30 June 2020

	2021								2020							
	Fixed pay				Variable pay				Fixed pay				Variable pay			
	Salary & fees £000	Benefits £000	Pension £000	Subtotal £000	Annual bonus £000	Value of LTIP awards £000	Subtotal £000	Total £000	Salary & fees £000	Benefits £000	Pension £000	Subtotal £000	Annual bonus £000	Value of LTIP awards £000	Subtotal £000	Total £000
Chairman																
Dermot Gleeson	125	1	-	126	-	-	-	126	116	1	-	117	-	-	-	117
Executive Directors																
James Thomson	500	21	33	554	619	-	619	1,173	458	24	32	514	255	-	255	769
Stefan Allanson	315	17	38	370	380	454	834	1,204	293	18	47	358	-	535	535	893
Non-Executive Directors																
Elaine Bailey ²	19	-	-	19	-	-	-	19	-	-	-	-	-	-	-	-
Andrew Coppel ³	58	-	-	58	-	-	-	58	32	-	-	32	-	-	-	32
Fiona Goldsmith ³	58	-	-	58	-	-	-	58	32	-	-	32	-	-	-	32
Christopher Mills	47	-	-	47	-	-	-	47	44	-	-	44	-	-	-	44
Total	1,122	39	71	1,232	999	454	1,453	2,685	975	43	79	1,097	255	535	790	1,887

- The Board agreed to a 30% reduction in salary and fees for the period 6 April 2020 to 30 June 2020 in response to the Covid-19 pandemic. The salaries and fees disclosed in the 2020 column are after the 30% reduction.
- Elaine Bailey was appointed to the Board on 1 March 2021.
- Andrew Coppel and Fiona Goldsmith were appointed to the Board on 1 October 2019.

Notes to the single total figure of remuneration

Salary and fees

Details of annual salaries for Executive Directors for the years ended 30 June 2021 and 30 June 2020 are set out below.

	Rate of salary from 1 July 2020 £000	Rate of salary from 2 December 2019 £000	Rate of salary from 1 July 2019 ² £000
James Thomson ¹	500	500	485
Stefan Allanson	315	n/a	315

- James Thomson's salary was increased to £500,000 per annum on 2 December 2019 following his appointment to the role of Chief Executive Officer on a permanent basis.
- The Board agreed to a 30% reduction in salary and fees for the period 6 April 2020 to 30 June 2020 in response to the Covid-19 pandemic.

Details of fees for Non-Executive Directors for the years ended 30 June 2021 and 30 June 2020 are set out below.

	Rate of fees from 1 July 2020 £000	Rate of fees from 1 July 2019 ² £000
Chairman ¹	125	125
Non-Executive Director fee	47.25	47.25
Fee for chairing a Committee	10.5	10.5

1. Includes a fee of £10,500 for chairing the Nomination Committee.

2. The Board agreed to a 30% reduction in salary and fees for the period 6 April 2020 to 30 June 2020 in response to the Covid-19 pandemic.

Taxable benefits provided to Executive Directors

The main benefits available to the Executive Directors during the year ended 30 June 2021 (and their associated values) were: car allowance of £13,000 for James Thomson and £13,000 for Stefan Allanson; car fuel of £6,000 for James Thomson and £2,000 for Stefan Allanson; private medical insurance of £1,000 for James Thomson and £1,000 for Stefan Allanson; and matching shares granted under the HMRC tax-qualifying all-employee scheme of £1,000 for James Thomson and £1,000 for Stefan Allanson.

Pension

The Executive Directors are eligible to participate in the MJ Gleeson Group Pension Plan, a defined contribution arrangement. During the year ended 30 June 2021, James Thomson received cash in lieu of pension contributions of 6.5% of salary (2020: 6.5% of salary) and Stefan Allanson received pension contributions and cash in lieu of pension contributions of 12% of salary (2020: 15% of salary).

Determination of annual bonus

The Executive Directors were each awarded a maximum bonus opportunity of 125% of salary based on Group profit before tax (as regards 80% of the potential award) and strategic and personal performance (as regards 20% of the potential award).

Profit performance

The Group achieved profit before tax of £41.7m for the year ended 30 June 2021. This was above the maximum and therefore 100% of the profit-related element of the bonus award was earned.

	Profit measure £m	Bonus achievable as percentage of maximum
Target		
Threshold	32.7	20%
Target	34.4	50%
Maximum	36.1	100%

Straight-line vesting between threshold and maximum.

Annual Report on Remuneration

Continued

Strategic and personal performance

Performance against strategic and personal performance objectives for the year ended 30 June 2021 is detailed below.

James Thomson

Objective	Performance	Weighting	Outcome
Site openings		4%	4%
Target range of 25 to 28 build site openings by 30 June 2021.	27 sites were opened during the year.		
Forward order book		4%	4%
Gleeson Homes to commence 2022 with an order book of at least 820 forward orders.	The forward order book at 30 June 2021 was 841.		
Environment, Social and Governance ("ESG")		4%	3%
Establish focus internally on the Group's ESG targets set out in the 2020 Sustainability Report and implement substantive measures to achieve the medium-term goals.	Shareholders scored 4.3 out of 5 for "how sustainable do you believe Gleeson's business model is?" (where 4 is 'above average' and 5 is 'very good').		
MJ Gleeson plc to be recognised widely for its ESG credentials, for shares to be held by investors where this is a requirement and to establish focus internally on the Company's targets set out in the Sustainability Report and to have put in place substantive steps to achieve the medium-term goals during the current financial year.	Shares were held by four leading ESG investors. Internal focus established through sustainability working teams with data captured on all four targets and actions. See pages 42 and 43. Health and safety target to significantly reduce incident rate was missed.		
Customer satisfaction		4%	4%
If either all three Homes Divisions achieve and maintain a 5-star rating, or Gleeson Homes as a whole achieves and maintains 90% or higher "would recommend Gleeson", then 100% of the bonus for this target will be paid.	Gleeson Homes achieved a 5-star InHouse rating of 90.6% for the year ended 30 June 2021.		
Employee engagement		4%	4%
The Group is positioned within the top quartile as measured by the People Insight Survey Improvements in Your Voice results versus prior year.	Top quartile and score improved from 88% to 89%.		
		20%	19%

Stefan Allanson

Objective	Performance	Weighting	Outcome
Site openings Target range of 25 to 28 build site openings by 30 June 2021.	27 sites were opened during the year.	4%	4%
Environment, Social and Governance ("ESG") Establish focus internally on the Group's ESG targets set out in the 2020 Sustainability Report and implement substantive measures to achieve the medium-term goals. MJ Gleeson plc to be recognised widely for its ESG credentials, for shares to be held by investors where this is a requirement and to establish focus internally on the Company's targets set out in the Sustainability Report and to have put in place substantive steps to achieve the medium-term goals during the current financial year.	Shareholders scored 4.3 out of 5 for "how sustainable do you believe Gleeson's business model is?" (where 4 is 'above average' and 5 is 'very good'). Shares were held by four leading ESG investors. Internal focus established through sustainability working teams with data captured on all four targets and actions. See pages 42 and 43. Health and safety target to significantly reduce incident rate was missed.	4%	3%
Work in progress ("WIP") and forward order book Gleeson Homes to commence 2022 with a strong WIP position of 1,230 slabs; and a strong forward order book of 820 forward orders.	Forward order book at 30 June 2021 was 841. Slabs at 30 June 2021 were 1,141.	4%	2%
Effective management of risk Effective management of risk across the Group, including Group risk management, commercial, legal and finance.	Enhanced Group risk register, new sustainability register established. Audit delivered on time with a clean audit report. Legal risk register established. Finance team fully partnered with MDs and DMDs and managing risks across the Group. Further improvements to be made on commercial risk management.	4%	3.5%
Broaden banking relationships To broaden our banking relationships beyond Lloyds by June 2021.	Santander added as a second bank and committed borrowing facility increased from £70m to £105m with £35m from Santander.	4%	4%
		20%	16.5%

The Committee considered the bonus outcome for the profit and strategic and personal performance elements alongside broader perspectives including: underlying business performance and affordability; the experience of shareholders; and the experience of employees and other stakeholders. See page 111 for further details. The Committee considered the outcome to be appropriate and no discretion was applied to the bonus outcome.

Bonus outcome

The total bonus outcome for each Executive Director is therefore:

	Bonus payable	
	% maximum	£000
James Thomson	99.0%	619
Stefan Allanson	96.5%	380

In accordance with the Remuneration Policy, one-third of the bonus payable is deferred into shares for two years.

Annual Report on Remuneration

Continued

2018 LTIP

The 2018 LTIP awards were subject to performance targets based on TSR. TSR is defined as the average share price measured over the three months prior to the end of the performance period (1 April 2021 to 30 June 2021) plus cumulative dividends per share paid over the performance period.

Details of the TSR performance targets and performance outcome are set out in the table below.

	3-year performance period ended 30 June 2021	
	TSR	vesting %
Threshold	£8.20	20%
Maximum	£10.00	100%
Actual performance	£9.23	
Outcome	69% of award to vest	

Therefore, the vesting outcome is as follows:

Executive Director	Number of shares granted	Number of shares vesting based on performance	Dividend equivalents ¹ £000	Total value of award on vesting ² £000	Amount of award attributable to share price appreciation since grant ³
					£000
Stefan Allanson	67,500	46,575	36	454	21.6%

1. The 2018 LTIP included dividend equivalent terms such that additional plan shares are awarded based on the value of dividends payable on the number of vested plan shares between the award date and vesting date.
2. Calculated based on the share price on the date of vesting (6 July 2021: £8.98). The total value of award on vesting includes the dividend equivalents.
3. The Company's share price increased by £1.94 between the date of grant (9 October 2018) and the date of vesting (6 July 2021). The proportion of the total value of award on vesting attributable to share price growth is therefore 21.6%.

The Committee considered the vesting outcome to be appropriate taking into account the strong returns delivered to shareholders over the three-year performance period and no discretion was applied to the outcome.

LTIP awards granted in the year ended 30 June 2021

The Committee granted awards under the LTIP equivalent to 150% of salary to James Thomson and Stefan Allanson on 24 September 2020. The awards are based on the achievement of EPS performance (as regards 50% of the awards) and relative TSR performance (as regards 50% of the awards) measured over a period of three financial years ending 30 June 2023. As disclosed in the 2020 Directors' Remuneration Report, the Committee chose to defer target setting for six months from the date of grant of awards in line with guidance published by the Investment Association. The targets were set and disclosed via an RNS announcement in March 2021.

Following the end of the performance period, the Committee will determine whether the performance targets have been satisfied. Eligible awards will vest following a two-year holding period after the end of the performance period.

The Committee has discretion to amend the vesting outcome where it considers that it is not a fair reflection of business performance. In particular, the Committee will consider whether there has been any "windfall gains" when determining the vesting outcome taking into account a number of factors, including:

- share price performance over the performance period on an absolute basis and relative basis against peer companies;
- underlying financial performance of the Group during the performance period; and
- the impact of the Covid-19 pandemic and any other significant events during the performance period on the Group's share price or market as a whole.

Details of the awards are as follows:

Director	Number of shares granted	Face value at grant £000 ¹
James Thomson	121,753	750
Stefan Allanson	76,704	472

1. Calculated based on the mid-market closing share price as at a date preceding the date of grant (22 September 2021: £6.16).

	Threshold (20%) of award vests	Maximum (100%) of award vests ²
EPS for the year ending 30 June 2023	70.0 pence	82.5 pence
Relative TSR ¹	Median	Upper quartile

1. To be compared against a group of listed housebuilders comprising Barratt Developments, Bellway, Berkeley, Countryside Properties, Crest Nicholson, Galliford Try, McCarthy & Stone, Persimmon, Redrow, Taylor Wimpey and Vistry Group.
2. Straight-line vesting between threshold and maximum performance.

Payment made to former Directors and payments for loss of office

No payments were made to former Directors and no payments for loss of office were made during the year ended 30 June 2021 (2020: £nil).

Directors' shareholdings and share interests

Shareholding guideline

Within-employment and post-employment shareholding guidelines were introduced with effect from 1 July 2019. The within-employment shareholding guideline requires Executive Directors to build up and retain a holding in shares equivalent to 200% of salary. As at 30 June 2021, James Thomson and Stefan Allanson held shares equivalent to 23.3% of salary and 343.1% of salary respectively.

Share interests

The interests of the Directors serving during the year and of their connected persons in the ordinary share capital of the Company as at 30 June 2021 are as shown below:

Director	Scheme	Owned outright	Unvested and subject to performance	Unvested and not subject to performance ¹	Vested and exercised	Total as at 30 June 2021
Chairman						
Dermot Gleeson	Shares	1,088,918	-	-	-	1,088,918
Executive Directors						
James Thomson	Shares	12,541	-	158	-	12,966
	LTIP 2019	-	93,750	-	-	93,750
	LTIP 2020	-	121,753	-	-	121,753
Stefan Allanson	Shares	120,407	-	238	-	120,645
	LTIP 2017 ²	-	-	-	77,345	77,345
	LTIP 2018 ³	-	67,500	-	-	67,500
	LTIP 2019	-	59,063	-	-	59,063
	LTIP 2020	-	76,704	-	-	76,704
Non-Executive Directors						
Elaine Bailey	Shares	-	-	-	-	-
Andrew Coppel	Shares	6,500	-	-	-	6,500
Fiona Goldsmith	Shares	5,000	-	-	-	5,000
Christopher Mills	Shares ⁴	6,055,000	-	-	-	6,055,000

1. Matching shares granted under the HMRC tax-qualifying all-employee scheme that have not yet vested.
2. The 2017 LTIP awards vested in full on 8 July 2020 following Committee approval of the outcome of the performance targets. Stefan Allanson exercised 77,345 shares (including 8,114 shares from dividend equivalents) under the 2017 LTIP on 16 July 2020. Stefan Allanson sold 36,461 shares to cover taxes and retained the remaining 40,884 shares.
3. 69% of the 2018 LTIP awards vested on 6 July 2021 following Committee approval of the outcome of the performance targets. Stefan Allanson exercised 50,549 shares (including 3,974 shares from dividend equivalents) under the 2018 LTIP on 20 July 2021. Stefan Allanson sold 23,829 shares to cover taxes and retained the remaining 26,720 shares.
4. Shares are held by funds managed by Harwood Capital LLP of which Christopher Mills is a Member/Director.

As at 31 August 2021, the total interests held by James Thomson was 13,014 and Stefan Allanson was 147,411. The Company has not been advised of any other changes to the interests of Directors and their connected persons to those set out in the table above.

Annual Report on Remuneration

Continued

LTIP awards

Additional details of the outstanding LTIP awards held by Executive Directors serving during the year are set out below.

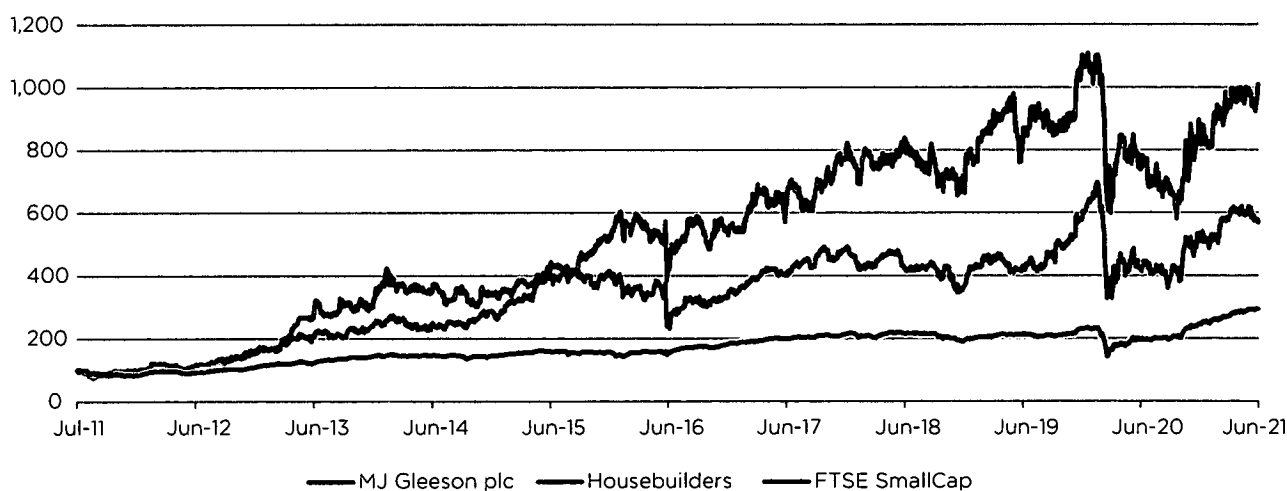
Executive Director	Scheme	30 June 2020	Granted during year	Vested and exercised during year	Lapsed in year	Share price at grant date	Total interests outstanding at 30 June 2021	End of performance period
James Thomson	LTIP 2019	93,750	-	-	-	£8.00	93,750	30/06/22
	LTIP 2020	-	121,753	-	-	£6.16	121,753	30/06/23
Stefan Allanson	LTIP 2017	69,231	-	77,345	-	£6.50	-	30/06/20
	LTIP 2018	67,500	-	-	-	£7.04	67,500	30/06/21
	LTIP 2019	59,063	-	-	-	£8.00	59,063	30/06/22
	LTIP 2020	-	76,704	-	-	£6.16	76,704	30/06/23

- As noted above, the 2017 LTIP awards vested in full on 8 July 2020 following Committee approval of the outcome of performance targets. Stefan Allanson exercised 77,345 shares (including 8,114 shares from dividend equivalents) under the 2017 LTIP on 16 July 2020.
- As noted above, 69% of the 2018 LTIP awards vested on 6 July 2021 following Committee approval of the outcome of the performance targets.

TSR performance

We have compared the Company's TSR performance over the last ten years with the TSR for the FTSE Small Cap Index, of which the Company is a member, and a comparator index of listed housebuilders. The peer group consists of a group of listed housebuilders comprising Barratt Developments, Bellway, Berkeley, Countryside Properties, Crest Nicholson, Galliford Try, Persimmon, Redrow, Taylor Wimpey and Vistry Group.

MJ Gleeson plc TSR comparison to index and peer group 1 July 2011 to 30 June 2021:



Chief Executive Officer's remuneration 2011 to 2021

Year	Chief Executive Officer	Single figure of total remuneration £000	Annual bonus paid against maximum opportunity	LTIP awards vesting against maximum opportunity
2021	James Thomson	1,173	99%	-
2020	James Thomson	769	45%	-
2019	James Thomson (appointed 10 June 2019)	31	-	-
2019	Jolyon Harrison (departed 10 June 2019)	2,482	-	100%
2018	Jolyon Harrison	3,056	100%	100%
2017	Jolyon Harrison	2,816	100%	100%
2016	Jolyon Harrison	873	100%	-
2015	Jolyon Harrison	2,917	100%	100%
2014	Jolyon Harrison	793	100%	-
2013	Jolyon Harrison (appointed 1 July 2012)	1,615	81%	100%
2012 ¹	n/a	-	-	-

1. No Chief Executive Officer held office during 2012.

Annual percentage change in remuneration of Directors and employees

The table below sets out the annual percentage change in each of the Directors' remuneration compared to the average employee remuneration.

% change	2020 to 2021			2019 to 2020		
	Salary & fees ¹	Benefits	Bonus	Salary & fees ¹	Benefits	Bonus
Chairman						
Dermot Gleeson	8%	-9%	-	-7%	-	-
Executive Directors						
James Thomson ²	9%	-11%	143%	n/a	n/a	n/a
Stefan Allanson ³	8%	-5%	n/a	-7%	2%	-
Non-Executive Directors						
Elaine Bailey ⁴	n/a	-	-	n/a	-	-
Andrew Coppel ⁵	n/a	-	-	n/a	-	-
Fiona Goldsmith ⁵	n/a	-	-	n/a	-	-
Christopher Mills	8%	-	-	-7%	-	-
Average employee⁶	2.2%	9.3%	49.9%	4.4%	8.2%	-8.1%

- The Board agreed to a 30% reduction in salary and fees for the period 6 April 2020 to 30 June 2020 in response to the Covid-19 pandemic. As such, the table above shows a reduction in salaries and fees between years ended 30 June 2019 and 30 June 2020, and an increase in salaries and fees between years ended 30 June 2020 and 30 June 2021. With the exception of James Thomson (see page 114), there were no increases to salaries or fees during the years ended 30 June 2020 and 30 June 2021.
- Appointed to the Board on 10 June 2019 and therefore the percentage change in remuneration between years ended 30 June 2019 and 30 June 2020 is not applicable.
- Stefan Allanson did not receive a bonus in respect of the year ended 30 June 2020.
- Appointed to the Board on 1 March 2021 and therefore the percentage change in remuneration is not applicable.
- Appointed to the Board on 1 October 2019 and therefore the annual percentage change in remuneration is not applicable.
- The annual percentage change of the average remuneration of the Group's salaried employees, calculated on a full-time equivalent basis. The increase reflects the reversal of pay cuts that were implemented for certain employees for the period 6 April 2020 to 30 June 2020 in response to the Covid-19 pandemic.

Annual Report on Remuneration

Continued

Chief Executive Officer pay ratio

The table below sets out the Chief Executive Officer's total remuneration as a ratio against the full-time equivalent remuneration of the 25th, 50th (median) and 75th percentile employees.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2021	Option B	64:1	40:1	17:1
2020	Option B	28:1	20:1	12:1

Option B methodology was selected on the basis that it is an efficient and robust approach. The remuneration figures for the employee at each quartile were determined as at the final day of the relevant financial year. Sensitivity analysis has been performed around the 25th, 50th and 75th percentile employees to ensure that they are reasonably representative.

A substantial proportion of the Chief Executive Officer's total remuneration is performance-related and delivered in shares. The ratios will therefore depend significantly on the Chief Executive Officer's annual bonus and LTIP outcomes, and may fluctuate year-to-year.

During 2020 in response to the Covid-19 pandemic, the Board agreed to a 30% reduction in salary and fees for the period 6 April 2020 to 30 June 2020. This reduced the Chief Executive Officer's pay and, therefore, the pay ratios for the prior year. In addition, the bonus paid to the Chief Executive Officer in the prior year was at 45% of the maximum bonus due to the financial performance in that year compared to the bonus achieved being 99% of the maximum bonus for 2021.

The Board believes that the median pay ratio is consistent with the Group's wider policies on employee pay, reward and progression. The Committee has reviewed the remuneration policies and practices for the wider workforce in conjunction with considering how the Directors' Remuneration Policy should be implemented. The Committee is satisfied that there is a good level of alignment in relation to pay policies throughout the company and that the median pay ratio is consistent with the Group's wider policies on employee pay, reward and progression.

Total pay and benefits used to calculate the ratios

The table below shows the employee percentile pay and benefits used to determine the above pay ratios and the salary component for each figure.

£000	Chief Executive Officer ¹	25th percentile	Median	75th percentile
2021				
Total pay and benefits ²	1,173	18	30	68
Salary component	500	18	25	60
2020				
Total pay and benefits ²	769	28	39	62
Salary component ³	458	26	35	53

1. The Chief Executive Officer's remuneration is the total single figure remuneration for the relevant financial year as disclosed on page 114.
2. The employee percentile pay and benefits has been calculated based on the amount paid or receivable for the financial year. The calculations are on the same basis as required for the Chief Executive Officer's remuneration for total single figure purposes.
3. The Board agreed to a 30% reduction in salary and fees for the period 6 April 2020 to 30 June 2020 in response to the Covid-19 pandemic.

Relative importance of spend on pay

Set out below is the amount spent on remuneration for all employees of the Group (including the Executive Directors) and the total amounts paid in distributions to shareholders over the year.

	2021 £m	2020 £m	Difference in spend £m	Difference as percentage
Remuneration for all employees	39.8	27.2	12.6	46.3%
Total distributions paid	2.9	-	2.9	n/a

Terms of engagement

The Chief Executive Officer's service agreement is on a rolling basis and requires 12 months' notice of termination on either side. The Chief Financial Officer's service agreement is on a rolling basis and requires six months' notice of termination from the Chief Financial Officer and 12 months' notice of termination from the Company. The dates of the Executive Directors' service agreements are as follows:

	Date of service agreement
James Thomson	2 December 2019
Stefan Allanson	29 June 2015

All Non-Executive Directors are engaged for an initial period of three years, which thereafter may be extended on an annual basis, subject to re-election at each AGM. The appointment of the Chairman may be terminated by either side on six months' notice and the appointment of the other Non-Executive Directors may be terminated on either side on one month's notice. The dates of each Non-Executive Director's original appointment are as follows:

	Date of original appointment	Expiry of current term ¹
Dermot Gleeson	27 November 1975	30 September 2021
Christopher Mills	1 January 2009	30 September 2021
Andrew Coppel	1 October 2019	30 September 2022
Fiona Goldsmith	1 October 2019	30 September 2022
Elaine Bailey	1 March 2021	29 February 2024

1. Subject to re-election at the 2021 AGM.

Implementation of the new policy for the year to 30 June 2022

Executive Directors

Salary

A 2.5% salary increase has been awarded to the Executive Directors with effect from 1 July 2021, in line with the standard increase across the wider workforce, noting that the average increase was 4.1%.

	Salary from 1 July 2021 £	Salary as at 30 June 2021 £
James Thomson	512,500	500,000
Stefan Allanson	322,875	315,000

Pension

Reflecting best practice and the expectations of shareholders and proxy voting agencies, in 2020 Stefan Allanson volunteered to have his pension opportunity reduced to bring it in line with the level available to the majority of the wider workforce by 1 July 2022. Stefan Allanson's pension opportunity reduced from 12% to 9% of salary on 1 July 2021 and will reduce to 6.5% of salary on 1 July 2022.

James Thomson's pension allowance was set at 6.5% of salary on his appointment as Chief Executive Officer.

Annual bonus

The maximum bonus that can be earned in the year will be 125% of salary for both Executive Directors.

80% of the award will be based on profit performance and 20% will be based on strategic and personal performance. Details of the profit, strategic and personal performance targets will be fully disclosed in the Annual Report on Remuneration for the year ending 30 June 2022. The Committee has discretion to amend the vesting outcome where it considers that it is not a fair reflection of business performance.

The Executive Directors will be required to defer one-third of any bonuses earned into shares for a two-year period.

Annual Report on Remuneration

Continued

LTIP

The maximum LTIP opportunity will be 150% of salary for both Executive Directors. 50% of the award will be based on EPS performance and 50% will be based on relative TSR performance measured over a period of three financial years ending 30 June 2024. The Committee has discretion to amend the vesting outcome where it considers that it is not a fair reflection of business performance.

The vesting date for the shares will be following a two-year holding period, on or around the date on which the Company announces its financial results for the financial year ending 30 June 2026.

Details of the EPS and relative TSR performance targets are set out below.

	Threshold (20%) of award vests	Maximum (100%) of award vests ²
EPS for the year ending 30 June 2024	82.0p	93.0p
Relative TSR	Median	Upper quartile

1. To be compared against a group of listed housebuilders comprising Barratt Developments, Bellway, Berkeley, Countryside Properties, Crest Nicholson, Galliford Try, Persimmon, Redrow, Taylor Wimpey and Vistry Group.
2. Straight-line vesting between threshold and maximum performance.

Chairman and Non-Executive Directors fees

In line with the pay increase of 2.5% to the wider workforce, the Committee agreed that the Chairman's fee for 2022 should increase from £125,000 to £128,000, and this includes a fee of £10,500 for chairing the Nomination Committee, which remains unchanged. The fees for the Non-Executive Directors increased from £47,250 to £48,500 plus an additional, unchanged, fee of £10,500 for chairing a Board Committee.

The Chairman and Non-Executive Directors fees will be reviewed during the year ending 30 June 2022 as part of a wider review of the Directors' Remuneration Policy.

The Remuneration Committee

The Committee was chaired by Andrew Coppel during the year ended 30 June 2021. The other Committee members were Fiona Goldsmith and Elaine Bailey, who was appointed to the Committee on 26 March 2021.

Each of the Non-Executive Directors are independent and have no potential conflicts of interest arising from cross directorships and no day-to-day involvement in running the business.

Biographical details of the members of the Committee are shown on pages 84 and 85, and details of their attendance at the meetings of the Committee during the year ended 30 June 2021 are shown on page 87.

Role and responsibilities of the Remuneration Committee

The Committee's primary purpose is to make recommendations to the Board on the Group's framework for Executive Directors and senior management remuneration. The Board has also delegated responsibility to the Committee for determining the remuneration, benefits and contractual arrangements of the Chairman and the Executive Directors. No individual is involved in deciding their own remuneration.

The Committee has written terms of reference available on the Company's website, www.mjgleesonplc.com, and its responsibilities include:

- recommending to the Board the policy for Executive Directors and senior management remuneration;
- agreeing the remuneration of the Chairman of the Board;
- agreeing the terms and conditions of employment for Executive Directors, including their annual remuneration and pension arrangements, and reviewing such provisions for senior management;
- agreeing the measures and targets for any performance-related bonus and share schemes;
- ensuring that, on termination, contractual terms and payments made are fair both to the Company and the individual so that failure is not rewarded;
- engaging with shareholders on Executive Directors and senior management remuneration;
- reviewing wider workforce remuneration and related policies; and
- agreeing the terms of reference of any remuneration consultants that it appoints.

Activities during the year

The Committee met on a number of occasions during the year, two of which were scheduled meetings. Papers were circulated in advance of each meeting for all matters considered. The main activities undertaken by the Committee during the year included:

- reviewing and approving the annual bonus and LTIP outcomes of the Executive Directors and senior management for the year ended 30 June 2020 and assessing the fairness of these outcomes;
- agreeing performance targets for annual bonus and LTIP awards for the Executive Directors and senior management for the year ended 30 June 2021;
- reviewing potential performance metrics and targets for annual bonus and LTIP awards for the Executive Directors and senior management to be granted in respect of the year ending 30 June 2022;
- reviewing and approving proposals for staff pay and bonuses, including examining benchmarking data and market information from third-party advisers;
- reviewing gender pay across the Group and approving gender pay reporting; and
- reviewing the terms of reference of the Committee such that these remain appropriate.

Remuneration Committee – support and advice

The Committee is supported by the Human Resources Director, Beth Broughton, and the Head of Legal and Company Secretary, Leanne Johnson.

The Company took advice from Deloitte LLP, who were appointed by the Committee in July 2019 following a tender process. Deloitte LLP is a founder member of the Remuneration Consultants Group and, as such, voluntarily operates under its Code of Conduct in relation to executive remuneration in the UK. The Committee is satisfied that the appointment of Deloitte LLP is in accordance with the Company's policy on the provision of non-audit services to the Group and that the external advice received is objective and independent. The fees paid to Deloitte LLP for their services to the Committee during the year, based on time and expenses, amounted to £24,500. Deloitte LLP also provided advice to the Company during the year in relation to share plans.

The Company also took advice from its legal advisors, Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden"), under its annual retainer. Skadden were appointed in November 2020. The Committee is satisfied that the advice received from Skadden is objective and independent.

Statement of voting at the Annual General Meeting

The following table sets out actual voting in respect of the resolutions to approve the Remuneration Policy and Annual Report on Remuneration at the Company's AGM.

	Votes in favour		Votes against		Total votes cast	Votes withheld
	No.	%	No.	%		
2020 AGM: Approval of the Annual Report on Remuneration	27,757,341	60.7	18,002,509	39.3	45,759,850	72,289
2019 AGM: Approval of the Directors' Remuneration Policy	38,188,152	98.2	681,785	1.8	38,869,937	2,801

The Board was disappointed with the overall voting result approving the Annual Report on Remuneration. Both prior to and following the AGM, the Chair of the Remuneration Committee (the "Committee") offered major shareholders the opportunity to engage with the Board and discuss their thoughts on remuneration matters. The primary concern of those shareholders who provided feedback was the Committee's adjustment of the performance period under the Company's long term incentive plan relating to Stefan Allanson's award. The Committee would like to assure shareholders that it is committed to taking a responsible approach to Director remuneration, and took, what it deemed at the time, appropriate and responsible actions in the circumstances. In keeping with the Investment Association guidance, an update statement was sent to the Investment Association and can be found on the corporate website www.mjgleesonplc.com.

The Committee considers that the remuneration policy, which was approved by shareholders in 2019, continues to be aligned with the Company's strategy and shareholder interests. This will be reviewed in consultation with advisory bodies next year and put to shareholders at the 2022 AGM.

Directors' Report

Statutory, regulatory and other information

This section contains the remaining matters on which the Directors are required to report each year that do not appear elsewhere in the Annual Report.

Strategic Report

We present a review of the business during the year to 30 June 2021 and of the position of the Group at the end of the financial year together with a description of the principal risks and uncertainties faced by the Group in the Strategic Report on pages 1 to 76.

Business review

The review of the development and performance of the business during the year, any significant events up to the date of this Report, and the future outlook of the Group are set out in the Chairman's Statement on pages 10 to 12, the Chief Executive's Statement on pages 24 to 27 and the Business Reviews on pages 28 and 29.

The Group's sustainable business strategy is set out in the Strategic Report on pages 32 and 33. The key performance indicators are set out in the Strategic Report on pages 20 and 21.

The Group's policy in respect of financial risk management and financial instruments, details of credit risk, capital risk management, liquidity risk and interest rate risk are given in note 15 to the financial statements.

Dividends

The Company may, by ordinary resolution, declare a dividend to be paid to shareholders but no dividend shall exceed the amount recommended by the Board. The Board may also agree to pay interim dividends when the financial position of the Company, in the opinion of the Board, justifies it.

During the previous year, in response to the Covid-19 pandemic, the Board suspended dividend payments. These were resumed during the year and, in April 2021, the Company paid an interim dividend to shareholders of 5.0p per share.

The Board proposes to pay, subject to shareholder approval at the 2021 AGM, a final dividend of 10.0p per share on 22 November 2021, to shareholders on the register at the close of business on 29 October 2021. The total dividend for the year to 30 June 2021 will be 15.0p.

Qualifying third-party indemnity

Directors risk personal liability under civil and criminal law for many aspects of the Company's main business decisions. As a consequence, the Directors could face a range of penalties including fines and/or imprisonment. In keeping with normal market practice, the Company believes that it is prudent, and in the best interests of the Company, to protect the individuals concerned from the consequences of innocent error or omission.

The Company obtains Directors' and Officers' liability insurance in order to indemnify Directors and other senior officers of the Company and its subsidiaries. This insurance policy does not provide cover where the Director or officer has acted fraudulently or dishonestly.

In addition, subject to the provisions of and to the extent permitted by relevant statutes, under the Articles, the Directors and other officers throughout the year, and at the date of approval of these financial statements, were indemnified out of the assets of the Company against liabilities incurred by them in the course of carrying out their duties or the exercise of their powers. A deed of indemnity was approved by the Board in November 2020.

Substantial shareholdings

At 31 August 2021, the shareholdings noted below, representing 3% or more of the issued share capital, had been notified to the Company.

Name of shareholder	Number of shares	Proportion of total
Funds managed by Harwood Capital LLP	6,055,000	10.38%
Schroder Investment Management	4,792,454	8.22%
Sandford DeLand Asset Management	4,660,000	7.99%
Polar Capital	2,303,453	3.95%
The Cooper Family*	2,257,465	3.87%
Highclere International Investors	2,236,382	3.84%
Royal London Asset Management	2,152,283	3.69%
Canaccord Genuity Wealth Management	2,077,500	3.56%

* Of which 538,150 shares are held in trusts of which Mrs J Cooper is a Trustee

Governance statement

The Disclosure Guidance and Transparency Rules require certain information to be included in a governance statement in the Directors' Report. Information that fulfils these requirements, including how the Group has complied with the UK Corporate Governance Code and our internal control and risk management systems, can be found in the Corporate Governance section on pages 78 to 129.

Political donations

The Company made no political donations in the year or in the previous year.

Directors and Directors' interests

The Directors of the Company as of the date of this Report and during the year and their biographical details are shown on pages 84 and 85.

Details of any related party transactions with Directors of the Company are shown in note 26 to the financial statements.

The beneficial interests of the Directors and their connected persons in the shares of the Company at 30 June 2021 are disclosed in the Annual Report on Remuneration on page 119. Details of the interests of the Executive Directors in share options and awards of shares can be found on page 120 within the same Report.

Employees

We are committed to ensuring that all employees, potential recruits and other stakeholders are treated fairly and equitably. The principles of equality and diversity are important to us and advancement is based upon individual skills and aptitude irrespective of race, gender identity, sexual orientation, disability, age, religion or beliefs.

Our policy for selection and promotion is based on an assessment of an individual's ability and experiences; we consider all applicants on their merits and have processes and procedures in place to ensure that individuals with disabilities are given fair consideration.

Every effort is made to retain and support employees who become disabled whilst in the employment of the Group.

We are committed to developing our employees so they can maximise their career potential, and our aim is to provide rewarding career opportunities in an environment where equality of opportunity is paramount. We seek to improve employee retention by providing benefits that employees value, including a Group stakeholder pension (including life assurance arrangements), private medical insurance and income replacement arrangements.

Employee share ownership continues to be encouraged through participation in the Group Share Purchase Plan under which the Company contributes one share for every three shares purchased.

Employee involvement

Our people are at the heart of our business and are involved in decision making across the business in a variety of ways. More details on employee engagement can be found on pages 36 and 37.

Stakeholder engagement

Details regarding our stakeholder engagement including suppliers, customers, local authorities and shareholders, and the effect on the principal decisions made in the year, can be found on pages 74 and 75.

Greenhouse gas emissions

All disclosures concerning the Group's greenhouse gas emissions, as required to be disclosed under regulations introduced by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Streamlined Energy and Carbon Reporting ("SECR") requirements are contained in the Strategic Report on pages 40 and 41.

Shareholder additional information

The Company is required to disclose certain additional information where not covered elsewhere in this Annual Report:

Share capital

The Company has one class of share in issue, being ordinary shares with a nominal value of 2 pence each, with no right to fixed income.

At 30 June 2021, the Company had issued share capital of 58,255,788 ordinary shares, with a nominal value of £1.2m. Further details are given in note 23 to the financial statements.

Rights and obligations attaching to shares

Subject to the Companies Act 2006 and other shareholders' rights, any share may be issued with such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board of the Company may decide. Subject to the Companies Act 2006, the Articles and any resolution of the Company, the Board may deal with any unissued shares as it may decide.

Amendment to the Articles of Association

Any amendments to the Articles may be made in accordance with the provisions of the Companies Act 2006 by way of special resolution.

Voting

Under and subject to the provisions of the Articles and subject to any special rights or restrictions as to voting attached to any shares, on a show of hands, every shareholder present in person at a general meeting of shareholders shall have one vote and on a poll every shareholder who was present in person or by proxy shall have one vote for every share of which they are the holder. Under the Companies Act 2006, shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at a general meeting or class meeting.

Restrictions on voting

A shareholder shall not be entitled to vote at any general meeting or class meeting in respect of any shares held by them unless all calls and other sums presently payable by them in respect of that share have been paid.

Variation of rights

The Articles specify that the special rights attached to any class of shares may, either with the consent in writing of holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of such holders (but not otherwise), be modified or abrogated.

Transfer of shares

Under and subject to the restrictions in the Articles, any shareholder may transfer all or any of their shares in certificated form by transfer in writing in any usual form or in any other form which the Board may approve. The Board may, save in certain circumstances, refuse to

Directors' Report

Statutory, regulatory and other information Continued

register any transfer of a certificated share not fully paid up. The Board may also refuse to register any transfer of certificated shares unless it is:

- in respect of only one class of shares;
- in favour of no more than four transferees;
- duly stamped or exempt from stamp duty;
- delivered to the office or at such other place as the Board may decide for registration; and
- accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may reasonably require to show the right of the intending transferor to transfer the shares.

Authority to purchase own shares

At the 2020 AGM, shareholders gave the Company authority to purchase up to the nominal value of ordinary shares of £116,511 of its own ordinary shares, representing approximately 10% of its issued ordinary share capital. No purchases have been made pursuant to this authority and a resolution will be put to shareholders at the 2021 AGM to renew the authority for a further period of one year.

Repurchase of shares

Subject to the provisions of the Companies Act and to any rights conferred on the holders of any class of shares, the Company may purchase all or any of its shares of any class, including any redeemable shares.

Appointment and replacement of Directors

The Directors shall not, unless otherwise determined by an ordinary resolution of the Company, be less than three or more than 15 in number. Directors may be appointed by the Company by ordinary resolution or by the Board.

A Director appointed by the Board shall retire from office at the next AGM of the Company but shall then be eligible for reappointment. The Board may appoint one or more Directors to hold any office or employment with the Company for such period (subject to the Companies Act requirements) and on such terms as it may decide and may revoke or terminate any such appointment. At each AGM, any Director who has been appointed by the Board since the previous AGM and any Director selected to retire by rotation shall retire from office. At each AGM, one-third of the Directors are required to retire by rotation or, if the number is not an integral multiple of three, the number nearest to one-third but not exceeding one-third. In addition, any Director who has been a Director at the preceding two AGMs is required to retire by rotation, provided that they were not appointed or reappointed at either such AGM or ceased to be a Director and been reappointed since either such AGM. Notwithstanding this, the Board has determined that all Directors will be subject to annual re-election by shareholders at each AGM.

The Company may, by ordinary resolution of which special notice has been given in accordance with the Companies Act, remove any Director before their period of office has expired notwithstanding anything in the Articles or in any agreement between that Director and the Company. A Director may also be removed from office by the service of a notice to that effect signed by or on behalf of all the other Directors, being not less than three in number.

Powers of the Directors

The business of the Company shall be managed by the Board, which may exercise all the powers of the Company, subject to the provisions of the Articles and any ordinary resolution of the Company. The Articles specify that the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertakings, property and assets and uncalled capital and to issue debentures and other securities, subject to the provisions of the Articles.

Takeovers and significant agreements

The Company is party to the following significant agreements that take effect, alter or terminate on a change of control of the Company following a takeover bid:

- the Company's share schemes and plans;
- the Company's payment guarantee bonds except with prior written consent from the bond provider; and
- the Group's revolving credit facility whereby upon a "change of control" all amounts become due and payable.

Information rights

Beneficial owners of shares who have been nominated by the registered holder of those shares to enjoy information rights under Section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares, rather than to the Company's registrars or to the Company directly.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

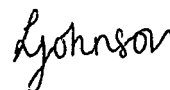
As set out on page 105, the auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the next AGM on 15 November 2021.

Annual General Meeting

The Notice of the AGM to be held on 15 November 2021, together with details of the Resolutions to be considered, will be sent out in a separate circular. Full details of the deadlines for exercising voting rights in respect of the resolutions to be considered at the AGM will be set out in the Notice of the AGM.

By order of the Board

Leanne Johnson
Company Secretary
13 September 2021



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 and the Company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Additionally, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules require the directors to prepare the group financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The company has also prepared financial statements in accordance with and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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 international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed, 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 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 also 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 and the Directors' Remuneration Report 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

The Directors consider that the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Governance Report confirm that, to the best of their knowledge:

- the Group and Company financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group and loss of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

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.

By order of the Board

James Thomson
Director
13 September 2021



Stefan Allanson
Director
13 September 2021



Financial Statements

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Paul and Natalie, Leadmills Walk,
Richmond, Richmondshire

Independent auditors' report to the members of MJ Gleeson plc

Report on the audit of the financial statements

Opinion

In our opinion, MJ Gleeson plc'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 30 June 2021 and of the group's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- 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 Accounts (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 June 2021; the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Statements of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Separate opinion in relation to international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in note 1 to the financial statements, the group and company, in addition to applying international accounting standards in conformity with the requirements of the Companies Act 2006, have also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the group and company financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The reporting units where we performed audit work accounted for 100% of the Group's profit before tax and 100% of the Group's total assets.

Key audit matters

- Carrying value of land and work in progress (group)
- Impact of COVID-19 (group and parent)
- Carrying value of investments (parent)

Materiality

- Overall group materiality: £2,086,000 (2020: £1,405,000) based on 5% of profit before tax (2020: 5% of a three year average of profit before tax).
- Overall company materiality: £1,423,000 (2020: £1,334,750) based on 1% of total assets.
- Performance materiality: £1,564,500 (group) and £1,067,500 (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.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<i>Carrying value of land and work in progress (group)</i> We focused upon this area because the value of the Group's land and work in progress represent a significant proportion of assets in the Group statement of financial position. Further, determining the recoverable amount of land and work in progress requires a high degree of estimation. For work in progress in Gleeson Homes, the key judgements include forecasting future costs to complete and selling prices which can be affected by market conditions and unexpected events. In Gleeson Land, the valuation of work in progress requires judgement regarding the future viability of each project. Based upon this assessment, it may be necessary to	For land and work in progress in Gleeson Homes, we: • Assessed the adequacy of controls over the authorisation and recording of costs, including testing of controls over the allocation of costs to the correct sites. • Visited a sample of sites to confirm the existence and condition of the work in progress, and also to evaluate the reasonableness of the assessment of stage of completion. • Attended a sample of quarterly valuation meetings to evidence controls and procedures undertaken and judgements made as part of the valuation process. • Tested and agreed a sample of land and work in progress costs incurred during the year, including land additions and build costs, to supporting evidence as well as reviewing

record provisions to determine the final carrying value of work in progress for each site.	the proportion of that expenditure recognised as a cost of sale in the year in respect of units sold. • Tested the percentage completion of units across a sample of sites and checked that forecasts have been appropriately updated for expected costs and selling prices to completion. We also assessed the level of gross margins achieved against those recorded previously and future forecasts. • Assessed the historical accuracy of management's forecasting. • Tested forecast costs to complete, including forecast preliminary costs, to supporting documentation for a sample of sites. • Performed an independent assessment of cost accruals and build contingency via enquiry and corroboration to supporting evidence. For work in progress in Gleeson Land, we: • Tested a sample of costs incurred during the year. • Tested the transfer from work in progress to cost of sales for those sites sold during the year. • Discussed and challenged the status of a sample of projects with management and corroborated explanations received. • Recalculated the provision made by management against year-end work in progress by applying the Group's provisioning methodology. Based on the procedures performed we did not identify any material adjustments to the carrying value of the Group's land and work in progress at year end.
<i>Impact of COVID-19 (group and parent)</i> COVID-19 was declared a global pandemic by the World Health Organisation on 11 March 2020 and the on-going response is having an unprecedented impact on the economy which has been considered as part of the audit. Management have considered the implications across the business, including the going concern assessment, the impact on asset impairment assessments, and appropriate disclosures in the Annual Report. In respect of the going concern assessment, management have prepared detailed analyses to assess the potential impact on revenue, profit and cash flows of a severe but plausible downside risk scenario. This analysis includes consideration of the group's liquidity and loan covenants. In doing so, management have made assumptions that are critical to the outcome of these considerations. Because of its significance to the financial statements and to our audit, we determined that management's consideration of the potential impact of COVID-19 on going concern is a key audit matter.	Our audit procedures performed in respect of the impact of COVID-19 on management's going concern assessment, and our conclusion in respect of going concern, are included in the "Conclusions relating to going concern" section below. We have evaluated and challenged management on how they reflected the impact on future cash flows of COVID-19 in their impairment analyses and the consistency of their assumptions with the forecasts used in their going concern assessment. We have also evaluated how management have reflected the impact on the recoverability of land and work in progress which is covered in the previous key audit matter. We have considered the impact of the ongoing pandemic on internal controls and the management's ability to maintain appropriate segregation of duties. We have reviewed management's disclosures in the financial statements in relation to COVID-19 and are satisfied that they are consistent with the risks affecting the group, their impact assessment and the procedures that we have performed.
<i>Carrying value of investments (parent)</i> We focused upon this area because of the size of the balance and the significant judgement required in determining the carrying value. The key judgement is the underlying cash generation and profitability of the Parent Company's subsidiaries which can be affected by market conditions and unexpected events, including the ongoing Covid-19 pandemic.	We compared the carrying value of the investments as at 30 June 2021 to the subsidiary's net assets and assessed the future cash flows of the subsidiaries. We assessed the requirement for, and the value of, the impairment recorded in the year. We also assessed the market capitalisation of the Company as at 30 June 2021, and compared it to the net assets of the Group and Parent Company. Based on this work we are satisfied that the carrying value of the investments held by the company are supported.

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 organised into two main operating divisions being Gleeson Homes and Gleeson Land, and each operating division represents a single reporting unit. The Group financial statements are a consolidation of these 2 reporting units and the Group's central entities which include a further 3 reporting units. Of the Group's 5 reporting units, we identified 4 which, in our view, required an audit of their complete financial information, either due to their size or their risk characteristics. This, together with additional procedures performed on the Group's remaining centralised functions, gave us the evidence we needed for our opinion on the Group financial statements as a whole. All work was performed by the Group audit team.

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
<i>Overall materiality</i>	£2,086,000 (2020: £1,405,000).	£1,423,000 (2020: £1,334,750).
<i>How we determined it</i>	5% of profit before tax (2020: 5% of a three year average of profit before tax)	1% of total assets
<i>Rationale for benchmark applied</i>	Based on the benchmarks used in the annual report, profit before tax is the primary measure used by the shareholders in assessing the performance of the group, and is a generally accepted auditing benchmark.	We believe total assets is the primary measure used by shareholders in assessing the performance of the entity.

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 £44,300 and £1,982,000. 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 £1,564,500 for the group financial statements and £1,067,500 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 the Audit Committee that we would report to them misstatements identified during our audit above £104,300 (group audit) (2020: £70,250) and £71,150 (company audit) (2020: £66,738) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

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 their conclusions with respect to the going concern basis of preparation of the financial statements and confirmed the mathematical accuracy of these assessments;
- We evaluated the historical accuracy of the budgeting process to assess the reliability of the data;
- We evaluated management's base case forecast and severe but plausible downside scenario and challenged the adequacy and appropriateness of the underlying assumptions; and

- In conjunction with the above we have also reviewed management's analysis of both liquidity and covenant compliance to satisfy ourselves that no breaches are anticipated over the period of assessment.

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.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

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 year ended 30 June 2021 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.

Directors' Remuneration

In our opinion, the part of the Annual Report on Remuneration to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

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 the Listing Rules and health and 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 of inappropriate journal entries to manipulate the group's result for the period. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, particularly in relation to the valuation of land and work in progress; and
- Identifying and testing journal entries on a sample basis, in particular journal entries posted with unusual account combinations or posted by unexpected users. Specifically we tested journal entries with credits to revenue, duplicate journals, 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.

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

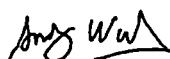
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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 and the part of the Annual Report on Remuneration to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 14 November 2016 to audit the financial statements for the year ended 30 June 2017 and subsequent financial periods. The period of total uninterrupted engagement is 5 years, covering the years ended 30 June 2017 to 30 June 2021.



Andy Ward (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Leeds

13 September 2021

Consolidated Income Statement

For the year ended 30 June 2021

	Note	2021 £000	2020 £000
Continuing operations*			
Revenue	2	288,575	147,181
Cost of sales		(199,230)	(106,744)
Gross profit		89,345	40,437
Impairment losses		-	(257)
Administrative expenses		(47,185)	(34,533)
Other operating income	5	923	282
Operating profit		43,083	5,929
Finance income	7	377	708
Finance expenses	7	(1,749)	(1,071)
Profit before tax		41,711	5,566
Tax	8	(7,839)	(758)
Profit for the year from continuing operations		33,872	4,808
Discontinued operations*			
Loss for the year from discontinued operations (net of tax)	3	-	(289)
Profit for the year attributable to the equity holders of the parent		33,872	4,519
Earnings per share from continuing and discontinued operations			
Basic	10	n/a*	8.13 p
Diluted	10	n/a*	8.04 p
Earnings per share from continuing operations			
Basic	10	58.16 p	8.65 p
Diluted	10	58.07 p	8.55 p

* All results classified as continuing for the year ended 30 June 2021 (see note 3)

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2021

	Note	2021 £000	2020 £000
Profit for the year		33,872	4,519
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Change in value of shared equity receivables at fair value	15	33	13
Movement in tax on share-based payments taken directly to equity	8	302	265
Other comprehensive income for the year (net of tax)		335	278
Total comprehensive income for the year		34,207	4,797

The notes on pages 145 to 169 form part of these financial statements.

Statement of Financial Position

At 30 June 2021

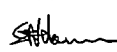
		Group		Company	
	Note	2021 £000	2020 £000	2021 £000	2020 £000
Non-current assets					
Property, plant and equipment	11	6,684	5,913	-	-
Investments in subsidiaries	12	-	-	99,067	100,800
Trade and other receivables	14	4,672	12,238	-	-
Deferred tax assets	20	1,233	2,176	567	331
		12,589	20,327	99,634	101,131
Current assets					
Inventories	13	239,961	216,336	-	-
Trade and other receivables	14	22,378	8,328	37,889	73,930
UK corporation tax		3,875	253	3,754	133
Cash and cash equivalents	21	34,331	76,807	1,023	15,313
		300,545	301,724	42,666	89,376
Total assets		313,134	322,051	142,300	190,507
Non-current liabilities					
Trade and other payables	16	(6,917)	(11,866)	-	-
Provisions	18	(236)	(200)	-	-
		(7,153)	(12,066)	-	-
Current liabilities					
Loans and borrowings	17	-	(60,000)	-	(60,000)
Trade and other payables	16	(61,027)	(37,365)	(88,654)	(66,873)
Provisions	18	(23)	(15)	-	-
		(61,050)	(97,380)	(88,654)	(126,873)
Total liabilities		(68,203)	(109,446)	(88,654)	(126,873)
Net assets		244,931	212,605	53,646	63,634
Equity					
Share capital	23	1,165	1,161	1,165	1,161
Share premium		15,843	15,843	15,843	15,843
Retained earnings		227,923	195,601	36,638	46,630
Total equity		244,931	212,605	53,646	63,634

Retained earnings of the Company

The loss of the Company in the financial year amounted to £8,250,000 (2020: £3,891,000).

The financial statements on pages 140 to 169 were approved by the Board of Directors on 13 September 2021 and signed on its behalf by:

James Thomson Stefan Allanson
Director Director

Company registration number: 09268016

The notes on pages 145 to 169 form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2021

Group	Note	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 July 2019		1,092	-	202,804	203,896
Adjustment on adoption of IFRS 16 on 1 July 2019		-	-	(87)	(87)
Total comprehensive income for the year					
Profit for the year		-	-	4,519	4,519
Other comprehensive income		-	-	278	278
Total comprehensive income for the year		-	-	4,797	4,797
Transactions with owners, recorded directly in equity					
Contributions and distributions to owners					
Share issue	23	69	15,843	-	15,912
Purchase of own shares		-	-	(63)	(63)
Share-based payments	24	-	-	717	717
Dividends	9	-	-	(12,567)	(12,567)
Transactions with owners, recorded directly in equity		69	15,843	(11,913)	3,999
At 30 June 2020		1,161	15,843	195,601	212,605
Total comprehensive income for the year					
Profit for the year		-	-	33,872	33,872
Other comprehensive income		-	-	335	335
Total comprehensive income for the year		-	-	34,207	34,207
Transactions with owners, recorded directly in equity					
Contributions and distributions to owners					
Share issue	23	4	-	-	4
Purchase of own shares		-	-	(61)	(61)
Share-based payments	24	-	-	1,089	1,089
Dividends	9	-	-	(2,913)	(2,913)
Transactions with owners, recorded directly in equity		4	-	(1,885)	(1,881)
At 30 June 2021		1,165	15,843	227,923	244,931

Statement of Changes in Equity

For the year ended 30 June 2021

Company	Note	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 July 2019		1,092	-	62,341	63,433
Total comprehensive expense for the year					
Loss for the year		-	-	(3,891)	(3,891)
Other comprehensive income		-	-	67	67
Total comprehensive expense for the year		-	-	(3,824)	(3,824)
Transactions with owners, recorded directly in equity					
Contributions and distributions to owners					
Share issue	23	69	15,843	-	15,912
Purchase of own shares		-	-	(37)	(37)
Share-based payments	24	-	-	717	717
Dividends	9	-	-	(12,567)	(12,567)
Transactions with owners, recorded directly in equity		69	15,843	(11,887)	4,025
At 30 June 2020		1,161	15,843	46,630	63,634
Total comprehensive expense for the year					
Loss for the year		-	-	(8,250)	(8,250)
Other comprehensive income		-	-	187	187
Total comprehensive expense for the year		-	-	(8,063)	(8,063)
Transactions with owners, recorded directly in equity					
Contributions and distributions to owners					
Share issue	23	4	-	-	4
Purchase of own shares		-	-	(105)	(105)
Share-based payments	24	-	-	1,089	1,089
Dividends	9	-	-	(2,913)	(2,913)
Transactions with owners, recorded directly in equity		4	-	(1,929)	(1,925)
At 30 June 2021		1,165	15,843	36,638	53,646

Statement of Cash Flows

For the year ended 30 June 2021

	Note	Group		Company	
		2021 £000	2020 £000	2021 £000	2020 £000
Operating activities					
Profit/(loss) before tax from continuing operations		41,711	5,566	(8,300)	(3,915)
Loss before tax from discontinued operations	3	-	(307)	-	-
		41,711	5,259	(8,300)	(3,915)
Adjustments for:					
Depreciation of property, plant and equipment	11	2,772	2,289	-	1
Share-based payments	24	1,089	717	1,089	717
Profit on redemption of shared equity receivables	15	(230)	(223)	-	-
Loss on disposal of property, plant and equipment	11	200	254	-	-
Impairment of investments in subsidiaries	12	-	-	1,733	-
Impairment of investment properties		-	257	-	-
Disposals of right-of-use assets		50	-	-	-
Finance income	7	(377)	(708)	-	(37)
Finance expenses	7	1,749	1,071	1,490	692
Operating cash flows before movements in working capital		46,964	8,916	(3,988)	(2,542)
Increase in inventories		(23,626)	(33,215)	-	-
(Increase)/decrease in receivables		(6,709)	42,207	341	(27)
Increase/(decrease) in payables		19,706	(28,236)	1,227	189
Decrease/(increase) in amounts due from subsidiary undertakings		-	-	42,532	(51,837)
Increase in amounts due to subsidiary undertakings		-	-	20,655	9,442
Cash generated/(used) in operating activities		36,335	(10,328)	60,767	(44,775)
Tax paid		(10,216)	(3,596)	(10,216)	(3,596)
Finance costs paid		(1,934)	(728)	(1,827)	(719)
Net cash flow surplus/(deficit) from operating activities		24,185	(14,652)	48,724	(49,090)
Investing activities					
Proceeds from disposal of shared equity receivables		858	1,065	-	-
Proceeds from disposal of property, plant and equipment		7	-	-	-
Interest received		6	64	-	37
Purchase of property, plant and equipment	11	(3,839)	(2,410)	-	-
Net cash flow (deficit)/surplus from investing activities		(2,968)	(1,281)	-	37
Financing activities					
(Repayment)/increase of loans and borrowings	17	(60,000)	60,000	(60,000)	60,000
Net proceeds from issue of shares	23	4	15,912	4	15,912
Purchase of own shares		(61)	(63)	(105)	(37)
Dividends paid	9	(2,913)	(12,567)	(2,913)	(12,567)
Principal element of lease payments		(723)	(848)	-	-
Net cash flow (deficit)/surplus from financing activities		(63,693)	62,434	(63,014)	63,308
Net (decrease)/increase in cash and cash equivalents		(42,476)	46,501	(14,290)	14,255
Cash and cash equivalents at beginning of period		76,807	30,306	15,313	1,058
Cash and cash equivalents at end of period	21	34,331	76,807	1,023	15,313

Notes to the Financial Statements

1 Accounting policies

MJ Gleeson plc ("the Company") is a public limited company that is listed on the London Stock Exchange and is incorporated and domiciled in England. The address of the registered office is 6 Europa Court, Sheffield Business Park, Sheffield, S9 1XE.

Basis of preparation

Both the Parent Company Financial Statements and the Group Financial Statements have been prepared and approved by the directors in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 (IFRS) and the applicable legal requirements of the Companies Act 2006. In addition to complying with international accounting standards in conformity with the requirements of the Companies Act 2006, the Financial Statements also comply with International financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except as otherwise stated below.

The principal accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Company has taken advantage of section 408 of the Companies Act 2006 and consequently a statement of comprehensive income of the Company is not presented as part of these financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all of its subsidiary undertakings (together referred to as "the Group").

Going concern

During the year, the Group negotiated a committed club facility with Lloyds Bank plc and Santander UK plc. The facility has a limit of £105m (previously £70m with Lloyds Bank plc), which expires in October 2024 and provides the Group with additional liquidity and investment funding.

The Group has maintained its strong financial position and ended the year with cash balances of £34.3m and no debt (30 June 2020: £16.8m net cash).

Current forecasts are based on the latest three-year budget approved by the Board in May 2021. This reflected a cautious view on the trading outlook based on the current market and the degree of macro-economic risk that remains from the ongoing Covid-19 pandemic.

These forecasts were then subject to a range of sensitivities including a severe but plausible scenario together with the likely effectiveness of mitigating actions. The assessment considered the impact of a number of realistically possible, but severe and prolonged changes to principal assumptions from a downturn in the housing and land markets including:

- reduction in Gleeson Homes volumes of approximately 15%;
- reduction in Gleeson Homes selling prices by 5%;
- material build cost increases of 10% over and above the levels forecast; and
- a delay on the timing of Gleeson Land transactions and land selling values.

Under these sensitivities, after taking mitigating actions, the Group continues to have a sufficient level of liquidity, operate within its financial covenants and meet its liabilities as they fall due.

Based on the results of the analysis undertaken, the Directors have a reasonable expectation that the Company and the Group have adequate resources available to continue in operation for the foreseeable future and operate in compliance with the Group's bank facilities and financial covenants. As such, the financial statements for the Company and the Group have been prepared on a going concern basis.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Notes to the Financial Statements

continued

1 Accounting policies continued

Revenue recognition

Revenue represents the fair value of the consideration received or receivable in respect of the sale of homes and land net of value added tax and discounts, which is based on an underlying signed legal agreement. Revenue is recognised when control transfers to a customer as follows:

- Revenue from the sale of homes and sales extras, is a single performance obligation that is satisfied when control is transferred to the customer, which is deemed to be on legal completion when title of the property passes to the customer. Where deposit and exchange funds are received in advance, no revenue is recognised until legal completion occurs and the remaining funds are received.
- Revenue from land sales is typically a single performance obligation that is satisfied at the earlier of when unconditional contracts to sell are exchanged and control has passed to the customer or when contracts to sell are completed and title has passed. Revenue from planning promotion agreements is recognised at the point at which the Group is unconditionally entitled to a share of the disposal proceeds under the terms of the promotion agreement contract. Payment terms vary on each land sale; where deferred receipts exceed one year from completion, the transaction price is adjusted to reflect the time value of money. Variable consideration such as an overage is not recognised until the point at which it is considered highly probable that there will not be a significant future reversal, which typically occurs when the amount is agreed by all parties

The Group has adopted the practical expedient allowed under IFRS 15 "Revenue from contracts with customers" that states an entity need not adjust the amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All segment operating results are reviewed regularly by the Executive Directors to make decisions about resources to be allocated to the segment and to assess its performance. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business that has been disposed of or has been abandoned. Discontinued operations are presented in the consolidated income statement in the comparative period as a single line entry recording the gain or loss of the discontinued operation.

Finance income and expenses

Finance income comprises interest income on bank deposits and the unwinding of discounts on deferred receivables. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest and fees on bank facilities, leases and the unwinding of discounts on deferred payables. Also included is the amortisation of fees associated with the arrangement of financing. Interest expense is recognised in the consolidated income statement using the effective interest method.

Government grants

Grants are credited to the consolidated income statement over the period of time in which the conditions are satisfied. Grants are deducted from the related expense within cost of sales or administrative expenses in the consolidated income statement.

Leasing

The Group assesses whether a contract is, or contains, a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

1 Accounting policies continued

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses an incremental borrowing rate that is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability, plus any initial direct costs and an estimate of asset retirement obligations, less any lease incentives. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability. Depreciation is calculated on a straight-line basis over the length of the lease.

The Group applies IAS 36 "Impairment of assets" to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in line with the Group's impairment accounting policy.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following basis:

Property: over the term of the lease for right-of-use assets

Plant and equipment: between three and six years

Depreciation of these assets is charged to the consolidated income statement.

Investments

Investments are stated at cost less impairment.

Inventories

Inventories are valued at the lower of cost and net realisable value and are subject to regular impairment reviews. Inventories comprise all direct costs incurred in bringing the individual inventories to their present state at the reporting date, including direct materials, direct labour costs and related overheads, and the costs incurred in promoting land under planning promotion agreements, less the value of any impairment losses.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The key assumptions underpinning the assessment of net realisable value are forecast costs to complete, site margins, contingencies, selling prices and expected land values in the case of land sales and planning promotion agreements. Deferred land purchases are included in inventories at their net present value.

Shared equity receivables

Shared equity receivables are loans offered to certain customers to assist in the purchase of their home. Shared equity receivables are recorded at fair value through other comprehensive income ("OCI"), representing the amount receivable by the Group discounted to present day values. The difference between the nominal value and the initial fair value is credited over the deferred term to finance income, with the financial asset increasing to its full cash settlement value on the anticipated receipt date. The Group holds a second charge over property sold under shared equity schemes. Changes in the fair value of shared equity receivables are recognised in other comprehensive income. Interest calculated using the effective interest method and impairment losses on shared equity receivables are recognised in the consolidated income statement.

Trade receivables

Trade receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and cash held in solicitors' client accounts on the Group's behalf and are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

continued

1 Accounting policies continued

Impairment: financial assets

The Group assesses the expected credit losses associated with its financial assets carried at amortised cost on a forward-looking basis. For trade receivables, the Group applies the simplified approach as permitted by IFRS 9 "Financial instruments", which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment: non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated income statement.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Loans and borrowings

Interest bearing bank loans are initially measured at fair value (being proceeds received, net of direct issue costs) and are subsequently measured at amortised cost. Capitalised finance costs are held in other receivables and amortised over the period of the facility.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying values of assets and liabilities for financial reporting purposes and the values used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Employee benefits

Defined contribution pension plans

Obligations for contributions to defined contribution pension schemes are charged to the consolidated income statement in the period to which the contributions relate.

Share options

Share option schemes allow employees to acquire shares in the ultimate Parent Company. The fair value of options granted is recognised as an employee expense, with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become entitled to the options. The fair value of the options granted is measured using generally accepted option pricing models, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except where forfeiture is due only to performance conditions not being met. These awards are granted by the ultimate Parent Company and the cost of the share-based award relating to each subsidiary is calculated, based on an appropriate apportionment, at the date of grant and recharged through intercompany.

1 Accounting policies continued

Own shares held by Employee Benefit Trusts

The Group has elected to treat the Employee Benefit Trusts ("EBT"), which hold shares for the purpose of the employee share purchase plans, as separate legal entities and as subsidiaries of the Company. Any loan made to the EBT is accounted for as an intercompany loan with the Company. These shares are not treasury shares as defined by the London Stock Exchange.

Dividends

Dividends are recorded in the financial statements when paid. Final dividends are recorded in the financial statements in the period in which they receive shareholder approval.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires 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 the judgements about carrying values of assets and liabilities that 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty at the balance sheet date are:

Inventories (land and work in progress)

Inventories are stated at the lower of cost and net realisable value. For Gleeson Homes, the assessment of net realisable value is performed on a site-by-site basis, taking into account an estimation of costs to complete and remaining revenue. These are carried out at regular intervals throughout the year, during which site development costs are allocated between units built in the current year and those to be built in future years. For Gleeson Land, the assessment of net realisable value is performed on a site-by-site basis. Net realisable value is largely dependent on the prospect of obtaining successful planning consent. Given this, there is some uncertainty over the net realisable value of each site. These assessments include a degree of inherent uncertainty when estimating the profitability of a site and in assessing any impairment provisions that may be required.

Shared equity receivables

The valuation of shared equity receivables is made in the light of current market conditions, expected house price inflation, cost of money and the expected time to realisation of the assets and is, therefore, subject to a degree of inherent estimation uncertainty.

Adoption of new and revised standards

For the year ended 30 June 2021, the Group has applied the following new and revised standards that were mandatorily effective for an accounting period beginning on or after 1 January 2020.

IFRS 3 "Business combinations" (amended 2018)

IFRS 9, IAS 39 and IFRS 17 "Interest rate benchmark reform" (issued 2019)

IAS 1 and IAS 8 "Definition of material" (issued 2018)

The adoption of these standards and amendments has not had any material impact on the disclosures or amounts reported in these financial statements.

Standards not yet applied

There are a number of standards and interpretations issued by the International Accounting Standards Board that are effective for financial statements after this reporting period. The following have not been adopted by the Company in preparing the financial statements for the year ended 30 June 2021:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest rate benchmark reform - phase 2" (effective 1 January 2021)

IAS 1 "Classification of liabilities" (effective 1 January 2023)

Amendments to IFRS 3 "Business combinations", IAS 16 "Property, plant and equipment", IAS 37 "Provisions, contingent liabilities and contingent assets" (effective 1 January 2022)

Amendments to IAS 1 "Presentation of financial statements" (effective 1 January 2023)

Amendments to IAS 8 "Accounting policies" (effective 1 January 2023)

The application of the standards and interpretations not yet applied is not expected to have a material impact on the Group and Company's financial performance or position, or give rise to additional disclosures in the financial statements.

Notes to the Financial Statements

continued

2 Segmental analysis

The Group is organised into the following two operating divisions under the control of the Executive Board, which is identified as the Chief Operating Decision Maker as defined under IFRS 8 "Operating segments":

- Gleeson Homes
- Gleeson Land

All of the Group's operations are carried out entirely within the United Kingdom. Segment information about the Group's operations is presented below:

	Note	2021 £000	2020 £000
Revenue			
Gleeson Homes		265,770	140,860
Gleeson Land		22,805	6,321
Total revenue		288,575	147,181
Divisional operating profit			
Gleeson Homes		37,437	8,960
Gleeson Land		11,080	229
		48,517	9,189
Group administrative expenses		(5,434)	(3,260)
Finance income		377	708
Finance expenses		(1,749)	(1,071)
Profit before tax		41,711	5,566
Tax		(7,839)	(758)
Profit for the period from continuing operations		33,872	4,808
Loss for the year from discontinued operations (net of tax)	3	-	(289)
Profit for the year		33,872	4,519

The revenue in the Gleeson Homes segment primarily relates to the sale of residential properties. In addition, within revenue for Gleeson Homes is £1,521,000 relating to land sales (2020: £510,000). All revenue for the Gleeson Land segment is in relation to the sale of land interests. There is no revenue relating to Group activities.

No single customer accounts for more than 10% of revenue (2020: no single customer).

Balance sheet analysis of business segments:

	30 June 2021			30 June 2020		
	Assets £000	Liabilities £000	Net assets/ (liabilities) £000	Assets £000	Liabilities £000	Net assets/ (liabilities) £000
Gleeson Homes	223,328	(54,892)	168,436	198,201	(37,082)	161,119
Gleeson Land	50,487	(9,106)	41,381	45,902	(9,831)	36,071
Group activities	4,988	(4,205)	783	1,141	(2,533)	(1,392)
Cash net of borrowings	34,331	-	34,331	76,807	(60,000)	16,807
	313,134	(68,203)	244,931	322,051	(109,446)	212,605

2 Segmental analysis continued

Other information:

	2021		2020	
	Capital additions £000	Depreciation £000	Capital additions £000	Depreciation £000
Gleeson Homes	3,833	2,664	2,397	2,182
Gleeson Land	6	107	13	106
Group activities	-	1	-	1
	3,839	2,772	2,410	2,289

3 Discontinued operations

The activity of Gleeson Construction Services Limited was previously disclosed as a discontinued operation. Whilst the Directors expect that Gleeson Construction Services Limited will continue to manage the unwind of historic construction and employment liability claims, these are now at a level that is wholly immaterial to the Group and this no longer warrants separate disclosure as a discontinued operation. For this reason, the costs associated with Gleeson Construction Services Limited of £356,000 have been represented within continuing operations, under Group activities, in the current year in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations".

	2021 £000	2020 £000
Revenue	-	-
Cost of sales	-	-
Gross loss	-	-
Administrative expenses	-	(307)
Operating loss	-	(307)
Loss before tax	-	(307)
Tax	-	18
Loss for the year from discontinued operations	-	(289)

The cash flow statement includes the following relating to the operating loss on discontinued operations:

	2021 £000	2020 £000
Operating activities	-	(409)

4 Expenses and auditors' remuneration

Profit for the year is stated after charging/(crediting):

	Note	2021 £000	2020 £000
Staff costs	6	39,814	27,193
Depreciation of property, plant and equipment	11	2,772	2,289
Impairment of investment properties		-	257
Profit on redemption of shared equity receivables	15	(230)	(223)
Loss on disposal of property, plant and equipment	11	200	255
Auditors' remuneration:			
Audit of these financial statements		203	115
Audit of financial statements of subsidiaries pursuant to legislation		57	40
Non-audit services		-	-

Notes to the Financial Statements

continued

5 Other operating income

	Note	2021 £000	2020 £000
Profit on redemption of shared equity receivables	15	230	223
Other operating income		693	59
		923	282

6 Staff costs

		Group		Company	
	Note	2021 £000	2020 £000	2021 £000	2020 £000
Wages and salaries		33,427	22,499	2,394	1,498
Redundancy		-	274	-	-
Share-based payments	24	1,089	717	758	403
Social security costs		4,109	2,677	586	294
Other pension costs	19	1,189	1,026	78	84
Total		39,814	27,193	3,816	2,279

In January 2021, the Group repaid all furlough grants claimed under the Government's Coronavirus Job Retention Scheme. This is reflected as an additional £1,381,000 of staff costs in 2021 to reverse the furlough grant income recognised in 2020. Prior year redundancy costs relate to an internal reorganisation of our regional structure and our sales team.

The monthly average number of employees during the year was:

	Group	
	2021 No.	2020 No.
Gleeson Homes	625	572
Gleeson Land	16	15
Group activities	4	3
	645	590

The monthly average number of Company employees and Non-Executive Directors during the year was eight (2020: nine).

Key management remuneration

Key management personnel, as defined under IAS 24 "Related party disclosures", have been identified as the Board of Directors, as the controls operated by the Group ensure that all key decisions are reserved for the Board. Full details of the Directors' remuneration are provided in the audited part of the Annual Report on Remuneration on pages 114 to 125.

7 Finance income and expenses

	2021 £000	2020 £000
Finance income		
Interest on bank deposits	-	37
Unwinding of discount on long-term receivables	370	640
Other interest income	7	31
	377	708
Finance expenses		
Interest on bank overdrafts and loans	(818)	(430)
Bank facility charges	(672)	(262)
Unwinding of discount on long-term payables	(185)	(256)
Unwinding of discount on lease liabilities	(72)	(119)
Other external interest	(2)	(4)
	(1,749)	(1,071)
Net finance expenses	(1,372)	(363)

8 Tax

	Note	Continuing operations		Discontinued operations		Total	
		2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
Current tax							
Current year expense		7,261	647	-	-	7,261	647
Adjustment in respect of prior years		(533)	91	-	-	(533)	91
Current tax expense for the year		6,728	738	-	-	6,728	738
Deferred tax							
Current year expense/(credit)	20	674	(7)	-	-	674	(7)
Adjustment in respect of prior years	20	589	113	-	-	589	113
Impact of rate change	20	(152)	(86)	-	(18)	(152)	(104)
Deferred tax expense/(credit) for the year		1,111	20	-	(18)	1,111	2
Total tax charge/(credit)		7,839	758	-	(18)	7,839	740

Corporation tax has been calculated at 18.8% of assessable profit for the year (2020: 14.1%). The applicable UK corporation tax rate is 19%, which has been effective from 1 April 2017.

The charge for the year can be reconciled to the profit before tax per the consolidated income statement as follows:

Total tax charge reconciliation

	Note	2021		2020	
		£000	%	£000	%
Profit before tax from continuing operations		41,711		5,566	
Loss before tax from discontinued operations	3	-		(307)	
Profit before tax		41,711		5,259	
Tax at current corporation tax rate		7,925	19.0%	999	19.0%
Expenses not deductible for tax purposes		3	0.0%	7	0.1%
Non-qualifying depreciation		64	0.2%	19	0.4%
Relief for share-based payments		(6)	(0.0%)	7	0.1%
Capital allowances super deduction		(51)	(0.1%)	-	-
Land remediation relief		-	-	(182)	(3.5%)
Impact of change in tax rate		-	-	(105)	(2.0%)
Impact of rate differences		(152)	(0.4%)	-	-
Adjustments in respect of prior years - current tax		(533)	(1.3%)	(118)	(2.2%)
Adjustments in respect of prior years - deferred tax	20	589	1.4%	113	2.2%
Total tax charge and effective tax rate for the year		7,839	18.8%	740	14.1%

The difference between the headline rate of 19% and the effective tax rate of 18.8% is primarily driven by the adjustments in respect of prior year when the tax computations were finalised.

Notes to the Financial Statements

continued

8 Tax continued

The current tax charge for the year can be reconciled to the profit before tax per the consolidated income statement as follows:

Current tax charge reconciliation

	2021		2020	
	£000	%	£000	%
Profit before tax from continuing operations	41,711		5,566	
Loss before tax from discontinued operations	-		(307)	
Profit before tax	41,711		5,259	
Tax at current corporation tax rate	7,925	19.0%	999	19.0%
Tax effect of:				
Expenses not deductible for tax purposes	122	0.3%	7	0.1%
Non-qualifying depreciation	64	0.2%	19	0.4%
Relief for share-based payments	86	0.2%	(259)	(4.9%)
Capital allowances super deduction	(51)	(0.1%)	-	-
Land remediation relief	-	-	(182)	(3.5%)
Impact of capital allowances in excess of depreciation	(200)	(0.5%)	307	5.8%
(Utilisation)/creation of losses	(634)	(1.5%)	85	1.6%
Adjustments in respect of prior years - current tax	(533)	(1.3%)	(118)	(2.2%)
Short-term timing differences	(51)	(0.1%)	(120)	(2.3%)
Current tax charge for the year	6,728	16.1%	738	14.0%

Tax recognised directly in equity

	Note	Group		Company	
		2021 £000	2020 £000	2021 £000	2020 £000
Current tax related to equity-settled share-based payments		(134)	(767)	(55)	(112)
Deferred tax related to equity-settled share-based payments	20	(168)	502	(132)	45
Total tax credit recognised directly in other comprehensive income		(302)	(265)	(187)	(67)

9 Dividends

	2021 £000	2020 £000
Amounts recognised as distributions to equity holders:		
Interim dividend for the year ended 30 June 2021 of 5.0p (2020: £nil) per share	2,913	-
Final dividend for the year ended 30 June 2020 of £nil (2019: 23.0p) per share	-	12,567
	2,913	12,567

A final dividend of 10.0 pence per share has been proposed for year ended 30 June 2021, equating to £5,831,000 (2020: £nil).

10 Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings	2021 £000	2020 £000
Profit from continuing operations	33,872	4,808
Loss from discontinued operations	-	(289)
Profit for the purposes of basic and diluted earnings per share	33,872	4,519

	2021 No. 000	2020 No. 000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	58,235	55,583
Effect of dilutive potential ordinary shares:		
- Share-based payments	97	625
Weighted average number of ordinary shares for the purposes of diluted earnings per share	58,332	56,208

Continuing operations	2021 p	2020 p
Basic earnings per share	58.16	8.65
Diluted earnings per share	58.07	8.55

Discontinued operations*	2021 p	2020 p
Basic loss per share	n/a	(0.52)
Diluted loss per share	n/a	(0.51)

Continuing and discontinued operations*	2021 p	2020 p
Basic earnings per share	n/a	8.13
Diluted earnings per share	n/a	8.04

*All results classified as continuing for the year ended 30 June 2021 (see Note 3)

Notes to the Financial Statements

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11 Property, plant and equipment

	Group		Company	
	Property £000	Plant and equipment £000	Total £000	Plant and equipment £000
Cost or valuation				
At 1 July 2019	-	6,633	6,633	1
Initial recognition of right-of-use assets at 1 July 2019	2,868	551	3,419	-
Additions	-	2,410	2,410	-
New leases entered in the year	191	93	284	-
Disposals	-	(1,994)	(1,994)	-
At 30 June 2020	3,059	7,693	10,752	1
Additions	-	3,839	3,839	-
New leases entered in the year	650	82	732	-
Leases ended/exited in the year	(982)	-	(982)	-
Disposals	-	(1,226)	(1,226)	-
At 30 June 2021	2,727	10,388	13,115	1
Accumulated depreciation				
At 1 July 2019	-	4,290	4,290	-
Charge for the year	475	1,814	2,289	1
Disposals	-	(1,740)	(1,740)	-
At 30 June 2020	475	4,364	4,839	1
Charge for the year	476	2,296	2,772	-
Leases ended/exited in the year	(161)	-	(161)	-
Disposals	-	(1,019)	(1,019)	-
At 30 June 2021	790	5,641	6,431	1
Net book value				
At 1 July 2019	-	2,343	2,343	1
At 30 June 2020	2,584	3,329	5,913	-
At 30 June 2021	1,937	4,747	6,684	-

The Group has recorded a depreciation charge of £2,772,000 (2020: £2,289,000), of which £544,000 (2020: £395,000) has been charged in cost of sales and £2,228,000 (2020: £1,894,000) in administrative expenses.

At 30 June 2021, the net book value of right-of-use assets was £2,108,000 (2020: £2,946,000), of which £1,940,000 (2020: £2,584,000) is within property and £168,000 (2020: £362,000) is within plant and equipment. The depreciation charge recorded for right-of-use assets was £749,000 (2020: £761,000).

The Company recorded a depreciation charge of £nil (2020: £1,000).

12 Investments in subsidiaries

	Company £000
Cost	
At 1 July 2019	100,800
At 30 June 2020	100,800
Impairment	(1,733)
At 30 June 2021	99,067

The Directors have reviewed the carrying value of investments at the balance sheet date, including the impact of Covid-19 on underlying operations, and concluded an impairment of £1.7m was necessary. The Directors consider the carried forward investment carrying values to be appropriate.

Principal subsidiary undertakings

The following are the principal subsidiary undertakings of MJ Gleeson plc. MJ Gleeson plc owns 100% of the ordinary share capital of the subsidiaries, all of which are incorporated in England and Wales and operate in the United Kingdom. The registered address for all subsidiary undertakings of MJ Gleeson plc is 6 Europa Court, Sheffield Business Park, Sheffield, S9 1XE.

Company name	Principal activity
Gleeson Developments Limited	House building
Gleeson Regeneration Limited	House building
Gleeson Developments (North East) Limited	House building
Gleeson Strategic Land Limited	Land promotion and sale
Gleeson Strategic Land (Fleet) Limited ¹	Land promotion and sale

1. Shares held by Gleeson Strategic Land Limited.

The following are the other subsidiary companies of MJ Gleeson plc:

Company name	Principal activity
MJ Gleeson Group Limited	Intermediate holding company
Gleeson Construction Services Limited ²	In run off - Construction services
Colroy Limited ³	Dormant*
Haredon Developments Limited ³	Dormant*
Gleeson Capital Solutions Limited	Dormant*
Gleeson Classic Homes Limited ¹	Dormant*
Gleeson Homes Southern Limited ¹	Dormant*
Gleeson Housing Developments Limited ¹	Dormant*
Gleeson PFI Investments Limited	Dormant*
Gleeson Properties Limited	Dormant*
Gleeson Properties (Kingley) Limited ³	Dormant*
Gleeson Properties (Petersfield) Limited ³	Dormant*
Gleeson Services Limited	Dormant*
KW Cannock Properties Limited	Dormant*
MJ Gleeson (International) Limited	Dormant*
MJG (Management) Limited	Dormant*
Oakmill Properties Limited ³	Dormant*
Sindale Properties Limited ¹	Dormant*

2. Shares held by Gleeson Developments Limited.

3. Shares held by MJ Gleeson Group Limited.

4. Shares held by Gleeson Properties Limited.

* Exempt from audit by virtue of s479A of the Companies Act 2006.

Notes to the Financial Statements

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13 Inventories

	2021 £000	2020 £000
Land held for development	97,550	79,941
Work in progress	142,411	136,395
	239,961	216,336

Net realisable value provisions held against inventories at 30 June 2021 were £5,470,000 (2020: £5,249,000). The amount of inventory write-down recognised as an expense in the period was £1,216,000 (2020: £3,269,000) and the amount of reversal of previously recognised inventory write-down was £859,000 (2020: £243,000). The cost of inventories recognised as an expense in cost of sales was £197,533,000 (2020: £107,181,000).

Company

The Company held no inventories at 30 June 2021 (2020: £nil).

14 Trade and other receivables

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Current receivables				
Trade receivables	17,825	5,758	-	11
VAT recoverable	3,403	1,358	28	20
Prepayments and accrued income	1,150	1,212	357	457
Amounts due from subsidiary undertakings	-	-	37,504	73,442
	22,378	8,328	37,889	73,930
Non-current receivables				
Trade receivables	2,150	8,570	-	-
Shared equity receivables	2,522	3,668	-	-
	4,672	12,238	-	-

The Directors consider that the carrying amount of trade and other receivables approximates their fair value and includes an allowance for impairment of trade receivables.

See note 15 for reference to credit risk associated with trade receivables and further disclosures in respect of shared equity receivables.

Amounts due from subsidiary undertakings are unsecured, repayable on demand, and interest free. Expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. No allowance for expected credit losses is deemed necessary in respect of amounts owed by Group undertakings.

15 Financial instruments

Risk exposure

The Company operates a central treasury function providing services to the Group. The treasury function arranges loans and funding, invests any surplus liquidity and manages financial risk. The treasury function is not a profit centre and no speculative trades are permitted or executed. It operates within specific policies, agreed by the Board, to control and monitor financial risk within the Group. Prudent and controlled use of financial instruments is permitted where appropriate.

Cash and cash equivalents

Cash and cash equivalents comprises cash, demand deposits and cash held in solicitors' client accounts on the Group's behalf. The carrying amount of these assets equals their fair value.

Credit risk

The Group's principal financial assets are trade and other receivables.

The Group's and Company's credit risk is primarily attributable to its trade and other receivables. The Group applies a simplified approach in calculating expected credit losses. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The expected credit loss is based on the risk of default estimated by the Group's management based on prior experience, forward-looking assessments of the economic environment and relative counter-party risk. For this purpose, a default is determined to have occurred if the Group becomes aware of evidence that it will not receive all contractual cash flows that are due. The Directors consider that the carrying value of trade receivables approximates to their fair value and no expected credit loss is recognised.

The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

At 30 June 2021, the Group's most significant credit risk was with a listed housebuilder and amounted to £7,569,000 (2020: £10,287,000) of the trade and other receivables carrying amount, with the deferred receivables secured by way of first legal charge over the land. The fair value of any land held as security is considered by management to be sufficient in relation to the carrying amount of the receivable to which it relates.

The Group's remaining credit risk is spread over a number of counterparties and customers.

Group

	Book value		Carrying value	
	2021 £000	2020 £000	2021 £000	2020 £000
Financial assets				
Cash and cash equivalents	34,331	76,807	34,331	76,807
Trade receivables	19,975	14,328	19,975	14,328
Shared equity receivables	3,002	4,436	2,522	3,668
	57,308	95,571	56,828	94,803
	Book value		Carrying value	
	2021 £000	2020 £000	2021 £000	2020 £000
Financial liabilities				
Loans and borrowings	-	(60,000)	-	(60,000)
Land payables	(11,373)	(6,852)	(11,373)	(6,852)
Trade and other payables	(54,249)	(39,296)	(54,249)	(39,296)
Lease liabilities	(2,322)	(3,083)	(2,322)	(3,083)
	(67,944)	(109,231)	(67,944)	(109,231)

Notes to the Financial Statements

continued

15 Financial instruments continued

Company

	Book value		Carrying value	
	2021 £000	2020 £000	2021 £000	2020 £000
Financial assets				
Cash and cash equivalents	1,023	15,313	1,023	15,313
Trade receivables	-	11	-	11
	1,023	15,324	1,023	15,324
	Book value		Carrying value	
	2021 £000	2020 £000	2021 £000	2020 £000
Financial liabilities				
Loans and borrowings	-	(60,000)	-	(60,000)
Trade and other payables	(2,489)	(1,363)	(2,489)	(1,363)
	(2,489)	(61,363)	(2,489)	(61,363)

The ageing of gross trade receivables at the reporting date was:

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Not past due	19,965	14,182	-	11
Past due 0-30 days	-	88	-	-
Past due 31-120 days	8	-	-	-
Past due 121-365 days	12	2	-	-
Past due more than one year	129	152	-	-
	20,114	14,424	-	11

All trade receivables are from UK customers. The amounts due are included at expected realisable value.

Included in trade receivables not past due are £2,150,000 (2020: £8,570,000) receivables due in more than one year.

In addition to the above, the Company has intercompany receivables which are repayable on demand.

The movement in the allowance for impairment of trade receivables during the year was as follows:

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Balance at 1 July	96	484	-	-
Impairment loss recognised	43	-	-	-
Release of impairment allowance	-	(388)	-	-
Balance at 30 June	139	96	-	-

Trade and other receivables deemed to have no reasonable expectation of recovery following unsuccessful attempts to pursue the debt are written off in the financial statements, but are still subject to enforcement activity. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

Market risk

The Group has no significant exposure to foreign currency risk or equity risk.

15 Financial instruments continued

Interest rate risk

The Group closely monitors its exposure to variations in interest rates but has limited exposure. Loans and borrowings are set out in note 17. The Group has no other material interest-bearing financial liabilities.

	2021		2020	
	Weighted average interest rate		Weighted average interest rate	
	%	£000	%	£000
Bank borrowings	2.13	-	2.42	(60,000)
Bank overdraft	-	-	2.87	-

Based on average net cash balances during the year, a 0.5% change in interest rates, which the Directors consider to be a reasonably possible change, would affect profit before tax by £65,000-£86,000 (2020: £62,000).

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources available to meet its obligations as they fall due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, matching the expected cash flow timings of financial assets and liabilities with the use of cash and cash equivalents and loans and borrowings as set out in Note 17. At the balance sheet date, the total unused committed amount was £105,000,000 (2020: £10,000,000) and cash and cash equivalents were £34,331,000 (2020: £76,807,000).

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Non-derivative financial liabilities Group

	Carrying amount £000	Contractual cash flows £000	On demand or within 6 months £000	6-12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
30 June 2021							
Trade and other payables	(65,622)	(65,666)	(55,423)	(5,035)	(5,208)	-	-
Lease liabilities	(2,322)	(3,501)	(320)	(247)	(441)	(1,033)	(1,460)
	(67,944)	(69,167)	(55,743)	(5,282)	(5,649)	(1,033)	(1,460)

	Carrying amount £000	Contractual cash flows £000	On demand or within 6 months £000	6-12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
30 June 2020							
Loans and borrowings	(60,000)	(60,000)	(60,000)	-	-	-	-
Trade and other payables	(46,148)	(46,378)	(35,961)	(480)	(7,950)	(1,987)	-
Lease liabilities	(3,083)	(3,467)	(442)	(391)	(552)	(1,329)	(753)
	(109,231)	(109,845)	(96,403)	(871)	(8,502)	(3,316)	(753)

Company

The non-derivative financial liabilities of the Company in the current and prior year are predominantly intercompany balances that are payable on demand. The external balances are payable within six months.

Fair values

The fair values of the Group's financial assets and liabilities are not materially different from the carrying values. Shared equity receivables are measured at fair value through other comprehensive income ("FVOCI"). The following summarises the major methods and assumptions used in estimating the fair values of financial instruments.

Notes to the Financial Statements

continued

15 Financial instruments continued

Shared equity receivables measured at FVOCI

	Group	
	2021 £000	2020 £000
Balance at 1 July	3,668	4,436
Redemptions	(594)	(793)
Shared equity provision	(600)	-
Unwind of discount (finance income)	49	61
Fair value movement recognised in other comprehensive income	(1)	(36)
Balance at 30 June	2,522	3,668

Shared equity receivables represent shared equity loans advanced to customers and secured by way of a second charge on the property sold. They are carried at fair value, which is determined by discounting forecast cash flows for the residual period of the contract. The difference between the nominal value and the initial fair value is credited over the deferred term to finance income, with the financial asset increasing to its full cash settlement value on the anticipated receipt date.

Redemptions in the year of shared equity loans carried at fair value of £594,000 (2020: £793,000) generated a profit on redemption of £230,000 (2020: £223,000), which has been recognised in other operating income in the consolidated income statement.

In addition, a net change in the value of shared equity receivables of £33,000 (2020: £13,000) has been recognised in other comprehensive income. This is made up as follows:

	Group	
	2021 £000	2020 £000
Fair value movement recognised in other comprehensive income	(1)	(36)
Fair value recycled through profit and loss	34	49
Total movement recognised in other comprehensive income	33	13

Forecast cash flows are determined using inputs based on current market conditions and the Group's historic experience of actual cash flows resulting from such arrangements. These inputs are by nature estimates and as such the fair value has been classified as Level 3 under the fair value hierarchy laid out in IFRS 13 "Fair value measurement". There have been no transfers between fair value levels in the financial year.

Significant unobservable inputs into the fair value measurement calculation include regional house price movements based on the Group's actual experience of regional house pricing and management forecasts of future movements, the anticipated period to redemption of loans that remain outstanding and a discount rate based on current observed market interest rates offered to private individuals on secured second loans.

The key assumptions applied in calculating fair value as at the balance sheet date were:

- Forecast regional house price inflation: 2.0%
- Average period to redemption: 5 years
- Discount rate: 8%

15 Financial instruments continued

The sensitivity analysis of changes to each of the key assumptions applied in calculating fair value, whilst holding all other assumptions constant, is as follows:

Change in assumption	2021	2020
	Increase/ (decrease) in fair value £000	Increase/ (decrease) in fair value £000
Forecast regional house price inflation – increase by 1%	156	181
Average period to redemption – increase by 1 year	(173)	(204)
Discount rate – decrease by 1%	149	173

Capital risk management

In line with the disclosure requirements of IAS 1 “Presentation of financial statements”, the Group regards its capital as being the equity as shown in the statement of changes in equity.

Note 23 to the financial statements provides details regarding the Company’s share capital movements in the year.

The primary objective of the Group’s capital management is to ensure that it maintains investor, creditor and market confidence and to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders and issue or return capital to shareholders.

Neither the Company nor any of the subsidiaries are subject to externally imposed capital requirements.

16 Trade and other payables

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Current payables				
Trade payables	29,272	15,726	109	137
Lease liabilities	566	923	-	-
Other taxation and social security	1,891	1,280	68	48
Contract liabilities	2,294	1,858	-	-
Accruals and deferred income	27,004	17,578	2,312	1,178
Amounts due to subsidiary undertakings	-	-	86,165	65,510
	61,027	37,365	88,654	66,873
Non-current payables				
Trade payables	5,161	9,706	-	-
Lease liabilities	1,756	2,160	-	-
	6,917	11,866	-	-

Amounts due to subsidiary undertakings are unsecured, repayable on demand, and interest free.

Contract liabilities relate to customer deposits and exchange monies that have not yet met the performance obligations to be classified as revenue. Of the prior year balance, £1,836,000 (2020: £640,000) has been recognised in revenue in the current year as the performance obligations were met.

Notes to the Financial Statements

continued

17 Loans and borrowings

	2021 £000	2020 £000
Revolving credit facility	-	(60,000)
	-	(60,000)

The Directors consider that the carrying amount of loans and borrowings approximates their fair value.

In April 2021, the Group negotiated a committed club facility with Lloyds Bank plc and Santander UK plc. The facility has a limit of £105m (previously £70m with Lloyds Bank plc), expires in October 2024 and has a one year optional extension provided by both banks.

The Company, together with certain other companies in the Group, has given cross guarantees in respect of the bank facilities available to Group undertakings in the normal course of business. At 30 June 2021, borrowings covered by these guarantees amount to £nil (2020: £60,000,000).

These borrowings are secured by a fixed and floating charge over the assets of the Group, and are for a fixed term. Repayment is due at the end of the fixed term unless the borrowings are extended for a further period of time.

18 Provisions

	Group dilapidations £000
As at 1 July 2019	(130)
Provisions made during the year	(85)
As at 30 June 2020	(215)
Provisions made during the year	(44)
As at 30 June 2021	(259)

	2021 £000	2020 £000
Current provisions	(23)	(15)
Non-current provisions	(236)	(200)
	(259)	(215)

Dilapidations

The dilapidations provision covers the Group's leased property estate. The expected provision needed at the end of each lease is recognised straight-line over the term of the lease. There is no material uncertainty in either the timing or amount.

Company

At 30 June 2021, the Company did not have any provisions (2020: £nil).

19 Employee benefits

Defined contribution pension plan

The Group operates a defined contribution pension plan. The assets of the pension plan are held separately from those of the Group in funds under the control of the trustees.

Group

The total pension cost charged to the consolidated income statement of £1,190,000 (2020: £1,026,000) represents contributions payable to the defined contribution pension plan by the Group at rates specified in the plan rules. At 30 June 2021, contributions of £176,000 (2020: £154,000) due in respect of the current reporting period had not been paid over to the pension plan. Since the year end, this amount has been paid.

Company

The total pension cost charged to the income statement of £78,000 (2020: £84,000) represents contributions payable to the defined contribution pension plan by the Company at rates specified in the plan rules.

20 Deferred tax assets

Group	Plant and equipment £000	Losses £000	Short-term timing differences £000	Share-based payments £000	Total £000
At 1 July 2019	332	762	468	1,097	2,659
Adjustment in respect of prior year	35	(140)	(8)	-	(113)
Credit/(charge) to income	308	85	(120)	(266)	7
Charge to equity	-	-	-	(502)	(502)
Impact of rate change	43	21	38	2	104
Arising on initial recognition of right-of-use assets	-	-	21	-	21
At 30 June 2020	718	728	399	331	2,176
Adjustment in respect of prior year	(344)	(94)	(151)	-	(589)
(Charge)/credit to income	(200)	(634)	67	93	(674)
Credit to equity	-	-	-	168	168
Impact of rate change	54	-	30	68	152
At 30 June 2021	228	-	345	660	1,233

At the balance sheet date, the Group has unrecognised tax losses of £8,876,000 (2020: £8,866,000) available for offset against future profits. Losses may be carried forward indefinitely against future taxable trading profits. These losses have not been recognised as a deferred tax asset as it is not considered probable that there will be suitable profits or gains available in future periods against which they may be offset. All tax losses previously recognised as a deferred tax asset have now been utilised (2020: £3,840,000).

Of the total deferred tax asset, £331,000 (2020: £880,000) is expected to be recovered within 12 months of the balance sheet date.

Company	Plant and equipment £000	Losses £000	Short-term timing differences £000	Share-based payments £000	Total £000
At 1 July 2019	2	-	33	204	239
Adjustment in respect of prior year	-	-	-	-	-
Credit to income	-	85	23	22	130
Charge to equity	-	-	-	(44)	(44)
Impact of rate change	-	-	-	6	6
Arising on initial recognition of right-of-use assets	-	-	-	-	-
At 30 June 2020	2	85	56	188	331
Adjustment in respect of prior year	-	(12)	(14)	-	(26)
(Charge)/credit to income	-	(73)	29	103	59
Credit to equity	-	-	-	132	132
Impact of rate change	-	-	17	54	71
At 30 June 2021	2	-	88	477	567

Notes to the Financial Statements

continued

21 Net cash/(debt)

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Cash and cash equivalents	34,331	76,807	1,023	15,313
Borrowings	-	(60,000)	-	(60,000)
Cash net of borrowings	34,331	16,807	1,023	(44,687)
Lease liabilities	(2,322)	(3,083)	-	-
Net cash/(debt)	32,009	13,724	1,023	(44,687)

At 30 June 2021, monies held by solicitors on behalf of the Group and included within cash and cash equivalents were £4,870,000 (2020: £1,910,000).

No monies were held by solicitors on behalf of the Company at the balance sheet date (2020: Nil).

	Cash and cash equivalents £000	Borrowings £000	Cash net of borrowings £000	Lease liabilities £000	Total £000
Net cash/(debt) at 1 July 2019	30,306	-	30,306	-	30,306
Recognised on adoption of IFRS 16 on 1 July 2019	-	-	-	(3,527)	(3,527)
Cash flows	46,501	(60,000)	(13,499)	848	(12,651)
New leases	-	-	-	(284)	(284)
Finance expenses	-	-	-	(120)	(120)
Net cash/(debt) at 30 June 2020	76,807	(60,000)	16,807	(3,083)	13,724
Cash flows	(42,476)	60,000	17,524	723	18,247
New leases	-	-	-	(732)	(732)
Lease disposals	-	-	-	842	842
Finance expenses	-	-	-	(72)	(72)
Net cash/(debt) at 30 June 2021	34,331	-	34,331	(2,322)	32,009

22 Bonds and securities

At 30 June 2021, the Group had bonds and securities of £37,828,000 (2020: £29,456,000) provided by financial institutions in support of ongoing contracts.

The Directors have determined that the Group and Company require no specific provision for bonds, securities or guarantees for subsidiary companies.

23 Share capital

	Number	£000
Issued and fully paid 2p ordinary shares:		
At 1 July 2019	54,587,753	1,092
Shares issued during year	3,479,782	69
At 30 June 2020	58,067,535	1,161
Shares issued during year	188,253	4
At 30 June 2021	58,255,788	1,165

23 Share capital continued

Ordinary shares

The Company has one class of ordinary share that carries no rights to fixed income. All issued shares are fully paid.

During the year, the Group issued 188,253 new ordinary shares at the nominal value of 2 pence per share as a result of share-based payments as set out in note 24.

In the prior year, the Group issued 2,730,100 new ordinary shares at 600 pence per share with a nominal value of 2 pence each through a share placing, in addition to 749,682 new ordinary shares at the nominal value of 2 pence per share as a result of share-based payments as set out in note 24.

At 30 June 2021, the Employee Benefit Trusts ("EBT") held 9,000 shares (2020: 16,000) at a cost of £84,000 (2020: £107,000) which have not yet vested unconditionally. The shares are held in the EBT for the purpose of satisfying matched share awards that have been granted under the employee share ownership plans.

24 Share-based payments

The Group operates a number of share-based payment schemes, a summary of which is shown below. The share purchase plans encourage employee share ownership whereby the Company contributes one share for every three shares purchased and is available to employees after one year of employment. The long term incentive plans ("LTIP") are part of the remuneration packages for the Executive Directors and senior management. Additional information regarding the share-based payment arrangements for the Executive Directors is set out in the Annual Report on Remuneration on pages 114 to 125. All schemes are equity-settled.

	Share purchase plans		PSP 30/09/2015 No. of shares	PSP 04/10/2016 No. of shares	LTIP 12/12/2016 No. of shares	LTIP 26/09/2017 No. of shares	LTIP 09/10/2018 No. of shares	LTIP 10/12/2019 No. of shares	LTIP 24/09/2020 No. of shares
	MJ Gleeson Group plan	MJ Gleeson Group 2014 plan							
	No. of shares	No. of shares							
Outstanding at 1 July 2019	22,225	20,913	279,158	14,000	276,315	390,062	67,500	-	-
Granted in the year	-	7,282	-	-	-	-	-	212,721	-
Forfeited	-	(15)	-	-	-	(73,846)	-	-	-
Exercised	(4,332)	(3,001)	(279,158)	(14,000)	(276,315)	(147,692)	-	-	-
Outstanding at 30 June 2020	17,893	25,179	-	-	-	168,524	67,500	212,721	-
Granted in the year	-	8,538	-	-	-	-	-	-	394,153
Forfeited	-	(8)	-	-	-	-	(20,925)	-	-
Exercised	(1,815)	(4,484)	-	-	-	(168,524)	-	-	-
Cancelled	-	-	-	-	-	-	-	(19,969)	-
Outstanding at 30 June 2021	16,078	29,225	-	-	-	-	46,575	192,752	394,153
Remaining contractual life	Rolling scheme	Rolling scheme	nil	nil	nil	nil	nil	12 months	24 months
Weighted average exercise price	-	-	-	-	-	-	-	-	-
Weighted average share price at date of exercise – current year	£8.48	£8.15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Weighted average share price at date of exercise – prior year	£4.94	£10.81	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Fair value is used to measure the value of the outstanding options. The weighted average life for all schemes outstanding at the end of the year was 19 months (2020: 13 months).

Notes to the Financial Statements

continued

24 Share-based payments continued

Share purchase plan

The fair value of each share granted in the share purchase plan is equal to the share price at the date of the grant. Shares are granted on a monthly basis.

Performance share plans/long term incentive plan

The fair value per option has been calculated using a modified Monte Carlo model. The inputs into the model at each grant date and the estimated fair value were as follows:

Date of grant	PSP 30/09/2015	PSP 04/10/2016	LTIP 12/12/2016	LTIP 26/09/2017	LTIP 09/10/2018	LTIP 10/12/2019	LTIP 24/09/2020
The model inputs were:							
Share price at grant date	£4.82	£5.95	£5.70	£6.50	£7.04	£8.00	£6.16
Total shareholder return target	£6.15	£6.50	£6.50	£8.00	£10.00	n/a ³	n/a ³
Exercise price	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Expected volatility ¹	32%	30%	30%	36%	35%	27%	33% ⁴
Expected dividends	2.00%	3.20%	n/a ²	n/a ²	n/a ²	n/a ²	n/a ²
Expected life	3 years	3 years	31 months	33 months	33 months	31 months	33 months
Risk-free interest rate	0.76%	0.30%	0.60%	0.50%	0.98%	0.57%	0.10%
Fair value of one option	£2.37	£3.15	£2.95	£3.40	£3.41	£3.64	£4.64 ⁴

- Expected volatility was determined by calculating the historical volatility of the Company's share price; volatility was measured over the previous three years.
- Awards made under the LTIP allows, on vesting, for an additional award of shares to be made to the option holder equivalent to the dividends paid over the vesting period on the underlying shares.
- The 2019 and 2020 LTIP grants include EPS and relative TSR targets for the Executive Directors as set out on page 120 together with non-market, profit-related targets for other participants. Non-market conditions are not factored into the fair value but are instead captured by adjusting the number of shares expected to vest.
- Volatility rates and fair value of options vary based on the type of target set; the weighted average of the three types is shown.

The total share-based payment cost charged to the consolidated income statement was £1,089,000 (2020: £717,000).

25 Capital commitments

At 30 June 2021, the Group had no material capital commitments (2020: £nil). The Company had no capital commitments (2020: £nil).

26 Related party transactions

Identity of related parties

The Group has a related party relationship with its joint ventures and key management personnel.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Transactions with key management personnel

The Group's key management personnel are the Executive and Non-Executive Directors, as identified on pages 84 to 85.

During the year, the Group exchanged contracts on a conditional agreement to purchase an area of land from Hampton Investment Properties Ltd ("HIPL") for £1,050,000. HIPL is a company in which North Atlantic Smaller Companies Investment Trust plc ("NASCIT"), a substantial holder in the company, holds a majority investment. In addition, Christopher Mills, a Non-Executive Director of the Company, is considered a related party by virtue of his interest in and directorship of NASCIT and his position as a Director of HIPL. The land, if purchased, will form part of a new Gleeson Homes site being developed in the ordinary course of business. Approval of this purchase was granted by the majority of shareholders at the AGM in December 2019.

Other than disclosed above, there were no other transactions with key management personnel in either the current or prior year.

26 Related party transactions continued

Identity of related parties with which the Company has transacted

The Company receives charges from various suppliers in respect of services for the whole Group. The Company allocates and consequently invoices these charges to subsidiaries.

	Administrative expenses		Receivables outstanding		Payables outstanding	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
Subsidiaries	2,943	1,977	37,504	73,442	(86,165)	(65,510)

Five Year Review

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Revenue	288,575	147,181	249,899	196,741	160,384
Operating profit	43,083	5,929	40,999	36,854	32,963
Net finance (expense)/income	(1,372)	(363)	213	165	49
Profit before tax	41,711	5,566	41,212	37,019	33,012
Tax charge	(7,839)	(758)	(7,648)	(6,526)	(6,488)
Profit after tax	33,872	4,808	33,564	30,493	26,524
Discontinued operations	-	(289)	(297)	(257)	(310)
Profit for the year	33,872	4,519	33,267	30,236	26,214
Total assets	313,134	322,051	281,240	242,785	215,742
Total liabilities	(68,203)	(109,446)	(77,344)	(54,686)	(44,371)
Net assets	244,931	212,605	203,896	188,099	171,371
	pence	pence	pence	pence	pence
Total dividend per share for the year	15.0	-	34.5	32.0	24.0
Earnings per share from continuing operations	58.2	8.7	61.5	56.0	49.1
Earnings per share – normalised*	58.2	8.1	61.0	55.6	48.5
Net assets per share	420	366	374	345	317

* Normalised earnings per share include discontinued operations in prior years – reported in continuing operations from 2021 onwards.

Further Information

Corporate directory

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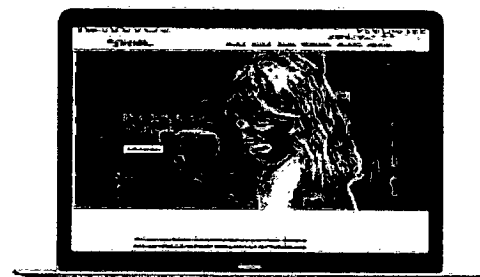
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Our website

For more information on our homes, investor relations and career opportunities please visit www.mjgleesonplc.com.



Shareholder information

Shareholder enquiries

Any shareholder with enquiries should, in the first instance, contact our registrars using the address provided in the Corporate Directory.

Share price information

London Stock Exchange
Symbol: GLE

Investor relations

MJ Gleeson plc
6 Europa Court
Sheffield Business Park
Sheffield S9 1XE

Email: companysecretary@mjgleeson.com
Tel: 0114 261 2900

Financial calendar

Financial year end	30 June 2021
Full year results announced	14 September 2021
Annual General Meeting	15 November 2021

About this report

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