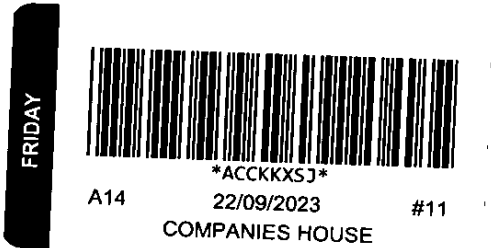


Countryside Partnerships Limited (formerly Countryside Partnerships PLC)
ANNUAL REPORT AND ACCOUNTS (Amended)
30 SEPTEMBER 2022
Company number 09878920



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Amendment to the Annual Report and Accounts

This amended version of the Annual Report and Accounts replaces an original version that was filed with Companies House on 30 March 2023. The accounts have been amended solely to correct an omission in Note 24 to the Accounts, where asterisks have been added against certain subsidiary entities and narrative included to disclose an exemption under Section 479 of the Companies Act. This amended version of the Annual Report and Accounts therefore constitutes the statutory accounts of the Group and Company for the year ended 30 September 2022, with the accounts prepared in all other respects as they were at the date of the original version.

Strategic Report

The Directors present their Strategic Report on the performance and position of Countryside Partnerships Limited ("Countryside", the "Group" or the "Company") for the year ended 30 September 2022.

Countryside Partnerships Limited (the "Company") is a company incorporated and domiciled in Brentwood, Essex in the United Kingdom. The Company previously traded as Countryside Properties PLC up until 27 January 2022, and as Countryside Partnerships PLC between 28 January 2022 and 2 December 2022, at which point it was renamed Countryside Partnerships Limited. Its shares were publicly traded on the London Stock Exchange from 12 February 2016 to 11 November 2022.

Cash and share combination of Vistry and Countryside

On 5 September 2022, the Board of Countryside and the Board of Vistry Group PLC ("Vistry") announced that they had reached agreement of the terms of a recommended cash and share combination, pursuant to which Vistry would acquire the entire issued and to be issued ordinary share capital of Countryside for a total consideration of £1.27 billion. Following approval of the shareholders and the required Court sanction, the Company implemented a Scheme of Arrangement which became effective on 11 November 2022, at which point Vistry acquired the entire share capital of Countryside. The Company was de-listed from the London Stock Exchange ("LSE") on 11 November 2022 and the admission and commencement in dealings in New Vistry shares on the LSE commenced on 14 November 2022. Further to the de-listing, the Group is a wholly-owned subsidiary of Vistry.

Vistry is a FTSE 250 housebuilder, whose purpose is to develop sustainable new homes and communities across all sectors of the UK housing market.

Principal activities and future developments

Countryside is a UK housebuilder and a leader in the delivery of high-quality, mixed-tenure communities in partnership with housing associations, public bodies and institutional private rental operators, with a strong focus on place-making and regeneration, to create places people love to live.

The Company's strategy over the period was to focus all of its resources on its successful Partnerships business, operating through four divisions centred around the South, the Home Counties, the Midlands and the North. In so doing, land and developments that formed part of the previous Housebuilding operation but do not fit the Partnerships strategy have continued either to be sold or completed in line with the Company's commitments to partners and customers as part of the Legacy business.

Following the combination with Vistry, Countryside's core Partnerships business will be combined with Vistry Partnerships to form an expanded Partnerships business within the enlarged Vistry Group and to be branded "Countryside Partnerships". No change is expected to the principal activities of the Company in the future.

Key performance indicators

The Directors consider the following to be key performance indicators ("KPIs"):

Key performance indicators	30 September 2022	30 September 2021
Completions (#)	5,041	5,385
Plots owned and with planning (#)	14,347	16,605
Reported revenue	£1,531.7m	£1,371.4m
Reported gross profit	£60.9m	£185.8m
Reported operating (loss)/profit	£(185.8)m	£71.3m
Net asset value	£912.3m	£1,107.5m
NHBC Recommend a Friend score	91.3%	91.6%

The reasons for the movement versus prior year in net asset value, reported revenue, reported gross profit, reported operating loss and net asset value, are set out in the Financial Review below. The key reasons for the change in other KPIs versus FY 2021 are as follows:

- Completions (#) – The continued recovery of the housing market led to an increase in private completions, as well as increased PRS delivery as the Group continued to execute its growth strategy in the Midlands. This was offset by a reduction in affordable delivery, which contributed to a decrease in overall completions against the prior year.
- Plots owned and with planning (#) – Plots owned and with planning reduced as the Group continued to realise its Legacy Operations assets.
- The NHBC Recommend a Friend score was broadly unchanged and the Group's NHBC 5 Star rating was retained, reflecting our continued focus on delivering a high level of customer satisfaction.

Business review

The ongoing strategy has been to focus all of the Company's resources on its Partnerships business, with the objective of delivering strong growth and attractive returns while having a positive social impact and maintaining an unceasing focus on sustainability.

The Group's results for the year and financial position at the year-end are set out in the consolidated statement of comprehensive income on page 32 and in the consolidated statement of financial position on page 33

Finance review

Revenue

Reported revenue increased 11.7% to £1,531.7m (2021, £1,371.4m) despite a decrease in overall completions, primarily due to a shift in sales mix between tenure types and geographical regions compared to the prior year; increased pricing as a result of the strong housing market; and an increase in land sales as the Group continued to realise its Legacy Operations assets.

Gross profit

Despite the increase in reported revenue, reported gross profit decreased by £124.9m to £60.9m, in large part due to a charge of £133.0m recognised during the year through cost of sales in respect of expected remediation costs for multi-occupancy buildings (refer to Note 7 for further detail).

Operating profit

The Group reported a statutory operating loss of £185.8m (2021: profit of £71.3m). Further to the key items noted above, significant movements versus the prior year include a charge of £76.9m relating to the impairment of acquisition-related intangible assets and costs of £38.7m in respect of the closure of the Group's Bardon factory (refer to Note 7 for further detail)

Statement of financial position

As at 30 September 2022, the Company's net assets were £912.3m (2021: £1,107.5m), principally driven by the loss after tax of £148.6m recognised for the year and a reduction in equity of £44.2m due to the continuation of the Company's share buy-back programme over the first half of the year (see below).

The net investment in joint ventures and associates, including loans from the Group, totalled £119.3m (2021: £101.4m), as a result of increased profits within the Company's active investments.

Deferred land and overage payables totalled £251.0m (2021: £250.6m), broadly unchanged on the prior period.

The Company's cash position increased by £236.4m in the year to 30 September 2022 to £279.8m, with a significant cash contribution generated from the sale of assets previously held within the Group's Legacy Operations. Overall, net cash increased by £236.3m to £277.3m (2021: £41.0m).

Share buy-back programme

The Company operated a share buy-back programme until the programme was suspended on 13 June 2022, being the date on which the Board announced the intention to undertake a formal sale process of Countryside. During the programme, which commenced in July 2021, a total of 25.2 million shares were repurchased at a cost of £97.2m, with all held in treasury upon purchase. As announced on 5 September 2022, following the Board of Countryside's recommendation of the cash and share combination with Vistry, the share-buy-back programme was terminated.

Subsequent to the completion of the transaction, the 24.8 million shares held in treasury were cancelled effective 11 November 2022.

Dividends

The Board did not recommend the payment of a final dividend in respect of 2022 performance (2021: nil).

Financial risks

Financial instruments and risk management are documented in the Directors' Report on page 11 and in Notes 26 and 27 to the financial statements.

Principal Risks and Uncertainties

Risk governance structure

Board

The Board had ultimate responsibility for risk management within Countryside and determined the Group's overall risk profile and appetite for achieving its strategy for long-term value creation. This included an assessment of the Group's principal and emerging risks during the 2022 financial year.

The day to-day management of risk during the financial period was delegated by the Board to the Risk Management Committee ("RMC"), which met three times during the last 12 months to review and consider the principal risks facing the Group and the measures in place to address each risk. The RMC's membership consisted of all members of Countryside's Executive Committee and the Director of Risk Assurance.

Part of the RMC's business was to review the Group's risk register, which was maintained to record all risks and uncertainties identified in each part of the business. For each risk, the most appropriate member of the Executive Committee was allocated as a "risk owner". The risk owners would call upon appropriate expertise to conduct an analysis of each risk, according to a defined set of assessment criteria. The RMC would also, as part of its regular business, consider any emerging risks and discuss their inclusion in the risk management process.

The Board reviewed the Group's risk register and the assessment of the Group's principal and emerging risks most recently at its meeting on 4 October 2022. The Audit Committee considered the effectiveness of the Group's systems and reported on its findings at the Board's 4 October 2022 meeting, in order to support it in making its confirmation that it had carried out a robust assessment of the principal and emerging risks.

Risk identification and management is built into every aspect of Countryside's daily operations. Like most businesses, there was extensive consideration given to the increase in inflation and its impact on the cost of living and, particularly, Countryside's people. Further details of the steps taken to help employees address the cost of living impact can be found on page 8.

Following the acquisition of Countryside by Vistry Group on 11 November 2022 as noted above, the Countryside Partnerships business was brought under Vistry Group's wider risk management process and framework. The commentary below is therefore focussed on Countryside's approach to managing its principal risks during the financial year ended 30 September 2022 and prior to the acquisition date.

The Group's principal risks, their impact, how they were managed and the change over the financial year were as follows:

Risk and impacts	How we monitor and manage the risk	Risk change during the period
<p>1. A major incident impacts the United Kingdom or countries where key suppliers are located and significantly impacts the business</p> <p>The impact of a catastrophic event, such as flooding, failure of the National Grid, or the spread of an infectious disease on an epidemic or pandemic scale, can lead to the imposition of Government controls on the movement of people with the associated cessation of large parts of the economy for a significant period of time. The cessation of business can lead to zero or reduced revenues until business activity can be safely recommenced</p>	<ul style="list-style-type: none"> Maintenance of a strong balance sheet to sustain periods of complete or partial cessation of business. Monitoring of World Health Organization and/or UK Government health warnings. Robust and tested business interruption plans, including "slow down" and "stop" procedures for all supply and contractor agreements. Site layouts and planning to facilitate swift roll-out of social distancing requirements. 	<p>Risk change</p> <p>No change</p>
<p>2. Adverse macroeconomic conditions</p> <p>A decline in macroeconomic conditions, or conditions in the UK residential property market, can reduce the propensity to buy homes. Higher unemployment, interest rates and inflation can affect consumer confidence and reduce demand for new homes. Constraints on mortgage availability, or higher costs of mortgage funding, may make it more difficult to sell homes.</p>	<ul style="list-style-type: none"> Funds are allocated between the businesses according to the Company's capital allocation principles. Land is purchased based on planning prospects, forecast demand and market resilience. In Partnerships, contracts are phased and, where possible, subject to viability testing. In all cases, forward sales, cash flow and work in progress are carefully monitored to give the Group time to react to changing market conditions. 	<p>Risk change</p> <p>Increased</p>
<p>3. Adverse changes to Government policy and regulation</p> <p>Adverse changes to Government policy in areas such as climate change, tax, housing, planning, the environment and building regulations (including the potential for</p>	<ul style="list-style-type: none"> The potential impact of changes in Government policy and new laws and regulations are monitored and communicated throughout the business. Detailed policies and procedures are in place to address the prevailing regulations. 	<p>Risk change</p> <p>Increased</p>

extending historical liability periods) may result in increased costs and/or delays. Failure to comply with laws and regulations could expose the Group to penalties and reputational damage. The discontinuation of Government backed purchase assistance programmes (such as Help to Buy) may adversely affect the Group's sales.

4. Climate change

Failure to adequately recognise and prepare for the impacts of climate change on our operations and value chain, the risks of which are severe resource constraints, significant delays to programme, rising build costs, an inability to meet new, more demanding, regulations and loss of customer confidence.

- Carbon Net Zero Pathway in place with a comprehensive spread of actions covering operations and central support activities.
- Greenhouse Gases Management Plan in place to assimilate climate change data collection and reporting mechanisms.
- Group-level targets cascaded down and addressed at monthly regional board meetings and within quarterly central services forums (e.g. Group technical forum).
- Group technical team evaluating and addressing significant changes to building regulations.
- Close liaison with the Home Builders Federation Future Homes Hub.
- Adaptation/flood risk assessment undertaken as part of land acquisition process.

Risk change

No change

5. Constraints on construction resources

Costs may increase beyond budget due to the reduced availability of skilled labour or shortages of sub-contractors or building materials at competitive prices to support the Group's growth ambitions. The Group's strategic geographic expansion may be at risk if new supply chains cannot be established.

- Optimise use of standard house types and design to maximise buying power.
- Use of strategic suppliers to leverage volume price reductions and minimise unforeseen disruption.
- Robust contract terms to control costs.
- Modular panel factory mitigates supply chain exposures.
- Resource efficient processes on sites and in the factory to minimise wastage.

Risk change

Increased

6. Poor operational performance

Inadequate controls or failures in compliance will impact the Group's operational and financial performance.

- Uniform implementation of Group-wide policies and procedures.
- Clear delegated authorities.
- Group Directors responsible for key functions across the Group (e.g. Finance, Commercial, Technical, Sales, Health and Safety and Legal).
- Regular training.
- Regular review of all applicable policies and procedures with accompanying "bring-up" system.
- Systematic audit process of all key procedures over an agreed time period

Risk change

No change

7. Inadequate land availability that suits the Partnerships business model due to an inability to source suitable land or significant delays in obtaining necessary planning permission

Inability to source suitable land or obtain necessary planning. Failure to secure timely planning permission on economically viable terms may cause delay or potentially termination of project.

- Identify land needs and requirements for at least a five-year period
- Maintain a significant forward land bank (with as much controlled but not owned) to ensure forward visibility of earnings.
- Maintain strong relationships and reputation with landowners and agents.
- Sufficient and skilled internal land and associated technical teams.
- Use methods of land acquisition that give best opportunity of acquiring land at below current market value (e.g. use of optional/conditional contracts subject to planning).

Risk change

No change

8. Inability to attract and retain talented employees

Inability to attract and retain highly skilled, competent people, with adequate diversity and inclusion, at all levels could adversely affect the Group's results, prospects and financial condition.

- Remuneration packages are regularly benchmarked against industry standards to ensure competitiveness.
- Succession plans are in place for all key roles within the Group.
- Exit interviews are used to identify any areas for improvement.
- People development training programmes.
- Embedding the culture, values and behaviours to support the agreed strategy.
- Flexible working policy where practical.

Risk change
Increased

9. Inadequate health, safety and environmental procedures

A deterioration in the Group's health, safety and environmental standards could put the Group's employees, contractors or the general public at risk of injury or death and could lead to litigation or penalties or damage the Group's reputation.

- Procedures, training and reporting are all carefully monitored to ensure that high standards are maintained.
- An environmental risk assessment is carried out prior to any land acquisition.
- Appropriate insurance is in place to cover the risks associated with housebuilding.
- Health and safety audits.
- Professional health and safety team.

Risk change
No change

10. Cyber security

A failure of the Group's IT systems, a security breach of the internal systems or website, loss of data or ransomware could significantly impact the Group's business

- Maintenance and communication of Group-wide IT policies and procedures.
- Regular systems updates, backups and storage of data off site.
- Compulsory GDPR and IT/cyber risk training for all employees within the business.
- All systems have the ability to accommodate home working.
- Third-party assessments, including penetration testing.

Risk change
Risk increased

11. Failure to generate or access adequate capital

The Group may fail to generate or access enough liquidity to manage the short or long-term funding or investment requirements.

- Corporate Plan/budget process and timetable are clearly communicated.
- Rigour around the forecasting process with the Development Managers updating the underlying financial appraisals supported by information provided by the Surveyors and market research team, etc.
- Thorough market testing at estimating stage (pre-bid) and at procurement stage is undertaken to ensure costs are correctly forecast.
- Performance vs budget and forecast is assessed on a monthly basis with commentary on all significant variances
- Regular updates to cash flow forecasts and regular reviews of forecasting accuracy.
- Assessment of risks and opportunities is documented and reviewed on a monthly basis

Risk change
No change

12. Reputational damage

The perception of Countryside and its brand and values deteriorates in the eyes of investors, customers, suppliers, local authorities, housing associations, banks, analysts or auditors which could lead to increased operational and financial risks.

- Agreement of Company "purpose" and implementation of culture and values to support agreed strategy.
- Code of Conduct and Business Ethics.
- Alignment of actions with cultural values.
- Clear environmental, social and governance objectives and plan to achieve them.
- Clear Whistleblowing Policy and independent whistleblowing reporting hotline.
- Shareholder engagement programme.

Risk change
Risk increased

Section 172 statement

To promote Countryside's success, the Company strives to foster strong business relationships with customers, suppliers and the communities in which it operates, and meet the interests of employees while acting fairly for the benefit of shareholders as a whole. Engagement with its key stakeholders helps to ensure the Company has a long-term sustainable business model that provides *good quality homes for Countryside's customers*.

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The Company's key stakeholders during the financial reporting period were its shareholders, business partners (such as *housing associations and local authorities that we work with*), employees, suppliers, the communities in which Countryside operated, customers and the Government and regulators.

Going forward, the stakeholder engagement process for the enlarged Group including Countryside Partnerships will be directed by the Board of Vistry Group, however the process that operated during the financial year covered by this annual report and up to the acquisition date is set out below:

Stakeholder	How we engaged during the year	Areas of focus and what we did
Shareholders Regular engagement with shareholders in order to understand their views on governance and performance against strategy was facilitated through a comprehensive investor relations programme, ensuring that Board members met with investors and analysts regularly, supported when appropriate by other members of the senior Executive team.	<ul style="list-style-type: none"> The Company operated a well-established investor relations programme of investor and analyst presentations and meetings (including the investor relations website). These followed the annual financial timetable and were undertaken following the announcement of the year-end and half-year results, as well as quarterly trading updates and ad hoc announcements Published regular press releases and RNS announcements on business events All Directors attended the Annual General Meeting ("AGM") and were available to engage with shareholders Held a Capital Markets Event, at which the Group Chief Executive and senior members of Group management presented an update on the Group's strategy and growth plans 	<ul style="list-style-type: none"> Continued to focus on the investment case, as a 100% focused Partnerships business Maintained the review of capital allocation policy Continued to demonstrate robust ESG credentials, consistent with the Company's stated strategy Solicited the views of significant shareholders on the future of the Group as an independently listed company, ahead of announcing a formal sale process in June 2022 Considered matters of Board succession
Partners Creating enduring relationships with local authorities, housing associations and PRS providers helps us to maintain our reputation as a preferred delivery partner. The Company engages with them at all stages of a development to ensure that Countryside creates communities where people love to live	<ul style="list-style-type: none"> The Company engages with large housing associations through the G15 group and other forums Countryside is a member of the Home Builders Federation District Council Network, County Council Network, Civic Voice and National Planning Forum Regular engagement meetings with other partners Partner with Future of London, a cross-sector body, to support partnerships between public and private sectors Engagement with the Housing Forum, a cross-sector group focused on delivering housing in partnership 	<ul style="list-style-type: none"> Held regular engagement sessions with different partners at Board meetings Undertook early planning discussions, public engagement and master planning workshops Held regular community events to engage residents in planning and design Maintained commitment to social impact plans on developments Continued to focus on creating tenure-blind communities Ensured clear delivery programmes and communication at all stages Arranged annual partnering awards to celebrate success, alongside milestone celebrations such as ground-breaking events and topping out ceremonies Organised project reviews, including Post-Occupancy Evaluation Undertook annual project-based business plan reviews and resetting of targets and plans Conducted regular site tours with partners
Employees Countryside's employees are the backbone of the organisation and the Company believes that its people truly differentiate us from its competition. Without the talent of	<ul style="list-style-type: none"> New joiner inductions with Executive team Quarterly business update presentations Staff intranet and magazine 	<ul style="list-style-type: none"> Continued to modernise and transform the Group's working environments Further embedded the Company's purpose and values across the Group

<p>Countryside employees, the Company would not be able to build sustainable communities where people want to live. The Company therefore understands the importance of both developing and engaging with its employees, to ensure it retains strong talent.</p>	<ul style="list-style-type: none"> • Meet the CEO breakfast meetings • Staff engagement groups at a regional level, with feedback to Group Executive Committee and NED involvement • Board visits to different sites and offices • Increased virtual training and personal development sessions and HR roadshows • Staff survey • Employee mailers sent to all employee addresses 	<ul style="list-style-type: none"> • Built upon the Company's Diversity, Equity and Inclusion strategy Continued to review the employee journey, including training, benefits and culture • Launched "Be You", a campaign encouraging colleagues to be themselves at work, which evolved into new employee forums • Introduced a "Cost of Living Allowance" to support employees through the prevailing difficult economic times and increased focus on free financial wellbeing sessions • Hosted 26 graduates across the regions and supported 97 employee apprenticeships
<p>Suppliers</p> <p>Without its suppliers, the Company would not be able to build its homes at the same pace or to the standards Countryside's customers have come to expect. The Company therefore needs to maintain its relationships and support development with its suppliers to ensure that the standards remain high, suppliers choose to work with Countryside and costs are controlled. The Company negotiates with sub-contractors and suppliers, both on a national and a local basis, to develop national framework agreements and to agree both national and local commercial terms.</p>	<ul style="list-style-type: none"> • Detailed tendering process • Liaison through central procurement department, working closely with major suppliers nationally • Centralised process to provide unified data, trend analysis and risk profiling • Local buying teams engaging with local suppliers • Networking events and liaison with wider supply chain partners (sub-contractors and distributors) • Contractors and supply chain survey • Collaborative scoping meetings • Regular meetings, engagement groups, training and "toolbox talks" 	<ul style="list-style-type: none"> • Undertook regular meetings with all key suppliers, through the Group Procurement department, to discuss: <ul style="list-style-type: none"> • the Company's core policies and principles on sustainability; • key risks and mitigation plans; and • project pipeline and tender feedback to continue to improve transparency • Continued to improve the timing of payments to suppliers • Focused on managing cost inflation by fostering robust volume-based, long-term agreements with supply chain partners • Secured required volume in exchange for continuity of supply • Further raised awareness of key sustainability issues with suppliers via the Supply Chain Sustainability School
<p>Communities</p> <p>A critical element for the success of the Company's strategy of creating "places people love" involves interacting with the local communities to take their views fully into account. Countryside develops a tailored planning and community engagement strategy for each development site, working closely with communities, local councils and other local stakeholders throughout all aspects of the development process.</p>	<ul style="list-style-type: none"> • Consultation through the planning process to understand the needs of the local community • Meetings with councillors, planning officers and other key officials, such as in highways and education • Town hall meetings, consultation events and drop-in sessions • Collaboration with local charities and community groups • Developing scheme-specific websites and social media to reach a wider group of people • Newsletter drops and social media communication targeted to surrounding community to keep them informed of proposals • Employing local people who understand local needs • Dedicated community development team with community liaison officers 	<ul style="list-style-type: none"> • Continued to ensure that community engagement is at the heart of developments, working with specialist engagement consultants to deliver best practice • Supported community champions • Delivered volunteering hours by our teams for project-linked causes • Delivered timely infrastructure to support Countryside's new communities • Continued to create "community chests" where residents choose how localised grant funding is invested on our regeneration projects • Maintained the use of localised external architectural design, to ensure homes built have relevance and respond to the context of each development • Undertook visits to local schools • Further invested in innovation through the Company's partnerships with LSE Cities and Make Space for Girls
<p>Customers</p> <p>Delivering high levels of customer satisfaction enhances the reputation of Countryside's business and reduces the costs associated with</p>	<ul style="list-style-type: none"> • Consultations on planning and regeneration 	<ul style="list-style-type: none"> • Maintained customer service as one of the employee bonus metrics • Awarded Countryside five-star builder status for the third year running

rectifying poor-quality work. The Board and the Group management team regularly review customer satisfaction scores as independently reported and consider ways in which these can be improved.

- Sales advisors and site management liaise with customers through the home-buying process
- Meet the builder sessions on site
- Home buyer demonstrations
- Designated Executive Committee member with responsibility for the customer journey
- Customer service teams
- In-house and NHBC surveys
- On-site community engagement events
- Resident community boards
- Sustained a high level of customer satisfaction at 91.3%, as independently measured
- Further invested in the standardisation of Group policies and procedures to drive consistency and best practice across the Group and enhance the overall customer journey from initial enquiry through to legal completion and beyond
- Continued to approve clear plans to address leasehold and building safety issues
- Undertook regular reviews of customer service data
- Ensured feedback continued to inform future design and specification
- Made further website enhancements and virtual adaptations – including online reservations, video and virtually assisted show home tours, and home demonstration videos

Government and regulators

Government policy and regulation have a significant impact on the housebuilding industry and therefore Countryside Regulation and policies around planning, Help to Buy, health and safety, quality, fire safety, stamp duty and leasehold among others continually evolve and therefore the Company not only needs to engage with Government to help inform it but also keep up to date with future policy changes

- Regular dialogue with Government and industry groups
- Active member of the HBF
- Ongoing engagement with planning authorities
- Regular communication with other regulators such as HMRC and HSE
- Continued to engage with Government departments directly, or through the Home Builders Federation, on the industry's opportunities and challenges
- Maintained engagement with local planning authorities
- Continued to embrace modern methods of construction through investment in modular panel factories, with 56% of homes built in FY 2022 being timber frame
- Retained inclusion in the FTSE4Good Index
- Approved undertakings given to the CMA

Energy and carbon reporting – Streamlined Energy and Carbon Reporting 2021/22

Information relating to the Company's energy and carbon reporting is set out in the Directors' Report on pages 11 to 14.

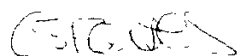
Workforce gender diversity

As at 30 September 2022, the ratio of female to male employees was as follows:

	Female	Male	Ratio female: male
Total employees	672	1,341	33%:67%
Senior management	57	212	21%:79%
Executive Committee	2	6	25%:75%
Board	3	5	38%:62%

Board of Directors

Approved by the Board of Directors and signed on behalf of the Board



Clare Bates

Company Secretary

10 February 2023

Directors' Report

The Directors present their report and the audited financial statements of Countryside Partnerships Limited (the "Company") and its subsidiaries (together, the "Group") for the year ended 30 September 2022.

The Company has chosen, in accordance with Section 414C (1) of the Companies Act 2006, to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' Report. This Directors' Report therefore incorporates the Strategic Report on pages 3 to 10

Dividend

As set out on page 4 of the Strategic Report, the Board does not recommend the payment of a final dividend in respect of 2022 performance (2021: nil).

Post balance sheet events

On 5 September 2022, the Board of Countryside Partnerships PLC ("Countryside") and the Board of Vistry Group PLC ("Vistry") announced that they had reached agreement of the terms of a recommended cash and share combination. This combination was effected by means of a Court-sanctioned Scheme of Arrangement under Part 26 of the Companies Act 2006 (the "Scheme"). On 1 November 2022, the Company's shareholders voted to approve the Scheme at the General Meeting and on 10 November 2022 the Court issued a Court Order sanctioning the Scheme. On 11 November 2022, the Court Order was filed with the Registrar of Companies, following which the Scheme became effective and the Company became a wholly owned subsidiary of Vistry Group PLC on 11 November 2022.

The Company was de-listed from the London Stock Exchange ("LSE") on 11 November 2022 and the New Vistry Shares were admitted and commenced dealings on the LSE on 14 November 2022.

Financial instruments and risk management

The Board reviews and approves policies and financial instruments for risk management. Further information on financial instruments is contained in Note 26 to the financial statements.

Going concern and future developments

As a result of the acquisition by Vistry Group PLC, all of the Company's pre-existing facilities were fully repaid and the Company became reliant on the financial support of the wider Vistry Group. The Directors of the Company have confirmed with the Directors of Vistry, as the ultimate controlling party, that Vistry will continue to provide the necessary financial support to the Company for a period of at least 12 months from the date of approval of these financial statements. The Directors of the Company and of the parent Company also have no intention of liquidating the Company in the foreseeable future.

Vistry Group PLC is now the ultimate parent of the combined Vistry and Countryside Partnerships Group (the "Enlarged Group"). The Enlarged Group has a strong balance sheet supported by available banking facilities in excess of £1bn to support working capital requirements. Enlarged Group forecasts have been prepared based on combined operational plans. The forecasts were subject to a range of sensitivities including severe but plausible scenarios together with the likely effectiveness of mitigating actions. The forecasts continue to demonstrate that Vistry is able to provide financial support to the Company for a period of at least 12 months from the date at which these financial statements have been approved and authorised for issue.

The Directors of the Company are of the view, at the time of approving the financial statements, that there is a reasonable expectation the Company will be able to remain in existence for a period of at least 12 months from the date of approval of these financial statements and confirmation has been received from the Directors of Vistry that they will be able to provide support to the Company over this period.

Share capital

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in Note 22 to the financial statements. The Company had one class of ordinary shares. There were no restrictions on transfer or limitations on the holding of ordinary shares. None of the shares carried any special rights with regard to control of the Company.

There were no known arrangements under which financial rights are held by a person other than the holder of the shares and no known agreements or restrictions or voting rights. The Company had employee share schemes in which the voting rights in respect of the shares were exercisable by the employees.

Market purchase of shares

At the Company's 2022 AGM on 20 January 2022, shareholders renewed the Directors' authority to purchase up to a maximum of 52.5 million ordinary shares under the share buy-back programme. As at 30 September 2022, 25.2 million shares at a nominal value of £97.2m had been repurchased. During the course of the acquisition, the Group ceased purchasing shares on the open market and as such 0.3 million treasury shares were used to satisfy share scheme vests. Effective 11 November 2022, the remaining 24.8 million shares held in treasury were cancelled. This equated to 4.7% of the ordinary issued share capital.

Energy and carbon reporting – Streamlined Energy and Carbon Reporting 2021/22

The information provided below addresses the Company's obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, commonly referred to as Streamlined Energy and Carbon Reporting ("SECR"). This report builds on the information provided by the Group for previous reporting years under the Mandatory Greenhouse Gas ("GHG") requirements.

Meeting the needs of society and future generations

2022 was a year in which society faced unprecedented challenges. Countryside continued to play its part by responding to the issues that go way beyond its business and affect the happiness, health and prosperity of people, places and the planet.

Through its Partnerships model and mixed-tenure approach, Countryside turned its ambitious, impact-driven sustainability plans developed in 2021 into action with a determined aim: to deliver positive change through the homes and communities the Company developed.

50% of land used was brownfield, minimising environmental impact and maximising regeneration opportunities. As a leader in Modern Methods of Construction ("MMC"), 56% of homes the Company built were timber frame. Countryside continues to believe this approach is critical to delivering sustainable homes at the scale, pace and quality society needs.

Built to last

The standard of Countryside's homes and its award-winning customer service differentiate the Company from its peers. The Home Builders Federation ("HBF") awarded Countryside five-star builder status for the third year running, and the Company's independently measured customer satisfaction rating reached 91.3% (2021: 91.6%)

Pathway to net zero

The Company has made more progress towards the goal of achieving net zero carbon by 2030. Countryside's homes built by both MMC and traditional methods have been modelled to not only meet the interim Future Homes Standard but also to prepare for the higher 2025 standard too. For example, on c.12 developments, with over 2,000 plots at advanced planning and design stage, homes will feature heat pumps and a renewable heating system.

Countryside continues to work closely with the Home Builders Federation and construction industry peers to develop a sector-wide climate and environment plan. We reduced our scope 1 and 2 greenhouse gas ("GHG") emissions by switching to renewable energy and adopting greener fuel for most of our directly hired plant and generators.

Sustainable communities

Creating places people love is at the heart of what Countryside does. Through high-quality master planning, the Company goes beyond building homes, to provide the wider infrastructure required to establish well-connected communities that meet local needs and aspirations. This is achieved by collaborating with customers and other stakeholders throughout the planning process, and is guided by Countryside's Social Value Charter, driving the Company to co-create more prosperous communities, invest more in local businesses, and deliver better environmental outcomes.

Thriving together

Countryside has always believed in empowering its people to reach their full potential and build meaningful careers to make a positive contribution to society and the economy – regardless of their background. This means driving diversity, equity and inclusion, building a confident workforce through development and training, and supporting mental health and wellbeing. In November 2021 the Company launched "Be You", a campaign encouraging colleagues to be themselves at work. This evolved into new employee forums, open to everyone, including our Disability and Carers Forum which gives employees somewhere to share experiences, learn and be supported. As a business, Countryside welcomes people with a disability or long-term health condition and those who care for people living with disabilities.

As UK inflation reached a 40-year high, the rising cost of everyday essentials put household finances under incredible strain. Helping Countryside's people and their families is a key priority, and the Company introduced a "Cost of Living Allowance" to support employees through the most difficult times and increased our focus on financial wellbeing sessions which are free to all colleagues.

Countryside remains dedicated to supporting early careers in construction and nurturing the next generation of community creators, with programmes to help young people realise their ambitions. The Company hosted 26 graduates across its regions and supported 97 employee apprenticeships.

While many challenges lie ahead, the Company believes it can continue to help meet the needs of society through Countryside's Partnerships model, delivering significant benefits now and for future generations.

Energy and greenhouse gas data

Group Impact	2022	2021	2020
Scope 1 emissions (tonnes)	5,881	8,770	7,561
Scope 1 emissions (tonnes) per 100m ² completed	1.34	1.81	1.51
Scope 2 location-based emissions (tonnes)	1423	1957	1755
Scope 2 market-based emissions (tonnes)	1605	n/a	n/a
Scope 2 location-based emissions (tonnes) per 100m ² completed	0.32	0.40	0.35
Scope 2 market-based emissions (tonnes) per 100m ² completed	0.36	n/a	n/a
Scope 1 and 2 location-based emissions (tonnes)	7,304	10,727	9,316
Scope 1 and 2 market-based emissions (tonnes)	7,486	n/a	n/a
Scope 3 measured emissions (tonnes)	3,441	2,930	151
Scope 3 measured emissions (tonnes) per 100m ² completed	0.78	0.60	0.03
Scope 1, 2 and 3 emissions (tonnes)	10,745	13,657	9,467
Scope 1, 2 and 3 emissions (tonnes) per 100m ² completed	2.44	2.82	1.89
Scope 1, 2 and 3 emissions (tonnes) per £m revenue	6.30	8.95	9.57
Scope 1, 2 and 3 emissions (tonnes) per employee	5.05	6.68	4.86
Scope 1 energy consumption (MWh)	29,725	29,315	24,808
Scope 2 energy consumption (MWh)	7,309	9,210	7,883
Solar power generation (MWh)	243	146	n/a

Third-party data verification

RPS Consultants Ltd conducted the verification of the Company's greenhouse gas emissions statements for the period 1 October 2021 to 30 September 2022, through which it is confirmed that the reported emissions for scope 1, 2 and 3 (specified categories) have received limited verification in accordance with the requirements of the ISO 14064 – part 3: 2019 standard. The boundary of the verification included covers emissions arising from Countryside's direct operations and includes scope 1, 2 and 3 emissions from the Company's construction sites, offices and manufacturing facilities (factories). The verification engagement assessed the year-on-year performance change, as well as the total energy consumption (electricity and natural gas) as required by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the "2018 Regulations").

Parent Company financial position

As at 30 September 2022, the Parent Company had net assets of £673.7m (2021: £724.3m) and net current liabilities of £53.3m (£2.7m). The parent company's ability to continue as a going concern is inextricably linked to the results of the Group as a whole. Having considered the Group's cash flow forecasts, the Directors are satisfied that the parent company has sufficient liquidity and covenant headroom to enable the parent company to meet its liabilities as they fall due for at least the next 12 months

Unless otherwise stated, the Directors of the Company during the year ended 30 September 2022 and up until the date of approval of the financial statements were:

Name	Date appointed	Date resigned
Mike Scott	1 October 2018	29 November 2021
Iain McPherson	1 January 2020	13 January 2022
Douglas Hurt	1 January 2018	11 November 2022
Amanda Burton	17 December 2015	11 November 2022
Sally Morgan	17 December 2015	11 November 2022
Simon Townsend	1 March 2019	11 November 2022
John Martin	13 April 2021	12 July 2022
Peter Lee	21 January 2022	11 November 2022
Amanda Clack	10 March 2022	11 November 2022
Tim Lawlor	28 March 2022	
Earl Sibley	11 November 2022	

The Directors who served on the Board Committees during the financial reporting period were as follows:

Name	Audit Committee	Remuneration Committee	Nomination Committee
Mike Scott	—	—	—
Iain McPherson	—	—	—
Douglas Hurt	●	●	●
Amanda Burton	●	●	●
Sally Morgan	●	●	●
Simon Townsend	●	●	●
John Martin*	—	●	●
Peter Lee*	—	—	●
Amanda Clack*	●	●	●
Tim Lawlor	—	—	—

* John Martin resigned from the Nomination Committee on 12 July 2022. Peter Lee was appointed to the Nomination Committee on 21 January 2022. Amanda Clack was appointed to the Nomination and Remuneration Committees on 10 March 2022.

Further to the combination with Vistry and the de-listing of the Company from the LSE on 11 November 2022, the following Directors stood down from the Board of Countryside: Douglas Hurt, Amanda Burton, Sally Morgan, Simon Townsend, Peter Lee and Amanda Clack. Tim Lawlor remained a Director of the Company and on 11 November 2022, Earl Sibley was appointed a Director of Countryside.

Appointment and replacement of Directors

The rules governing the appointment and replacement of Directors are contained in the Companies Act 2006, legislation and the Company's Articles of Association.

Directors' powers

The Company's Directors have powers set out within the Companies Act 2006, legislation and the Company's Articles of Association, in particular, powers in relation to the allotment and repurchase of its own Company shares as granted by shareholders at the 2022 AGM.

Directors' interests

Apart from service contracts and share options, no Director had a material business interest during the financial year in any contract in the Company.

Conflicts of interest

Under Countryside's Articles of Association, the Board may authorise any actual or potential conflicts of interest for Directors. Each Director provides the Company Secretary with information about any actual or potential interests that may conflict with those of Countryside. These might include other directorships and any other potential interests that each thinks may cause a conflict.

requiring prior Board authorisation. If the circumstances of any of these disclosed interests change, the relevant Director must update the Company Secretary promptly. The register setting out each Director's current disclosures (where relevant) was last reviewed and approved by the Board at its meeting on 4 October 2022. In each such situation, the Director under consideration did not vote on the matter. The Board will continue to review the register of interests regularly to ensure that the authorisations, and any conditions attached to them, are appropriate for the relevant matter to remain authorised. The Company Secretary maintains a list of all authorisations granted to Directors, setting out the date of authorisation, its expiry and scope and any limitations imposed (as applicable).

Significant agreements on a change of control

From 11 November 2022, Vistry Group PLC became the ultimate controlling party. Following completion of the corporate action, the Company agreed with debt providers to make a voluntary cancellation of the Countryside RCF, with new facilities issued through Vistry Group PLC.

Political donations

No political donations were made during the 2022 financial year (2021: nil).

Research and development

The Group did not undertake any research and development activities during the year ended 30 September 2022 (2021: nil).

Overseas branches

The Company and its subsidiaries have no overseas branches during the year ended 30 September 2022 (2021: nil).

Directors' and officers' liability insurance

In accordance with Article 88 of the Articles of Association and to the extent permitted by the Companies Act 2006, the Company maintains directors' and officers' liability insurance, provided by a qualifying third-party indemnity, which is reviewed annually and remains in force at the date of this report.

People

The Group is committed to employment policies which follow best practice based on equal opportunities for all employees, irrespective of gender, race, nationality, colour, disability, marital status, sexual orientation, age or religion. All decisions relating to employment practices are objective, free from bias and based upon work criteria and individual merit. The Group's policy is to offer appropriate training and career development to disabled persons that are, as far as possible, identical to other employees and in line with best practice. In the event of a member of staff becoming disabled, the Group makes every effort to continue employment, arrange appropriate retraining and offer opportunities for promotion.

Engagement with suppliers, customers and others

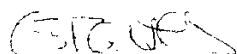
The ways in which the Company engages with key stakeholders and the areas of focus which have been taken into account in the Board's decision-making process are set out within the Strategic Report on pages 8 to 10.

Auditors

Having been appointed on 17 January 2022, Deloitte LLP undertook the audit for the year to 30 September 2022.

Each Director of the Company confirms that, as far as each is aware, there is no relevant audit information of which the Company's auditors are unaware and that each of the Directors has taken all the steps they ought to have taken individually as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.



Clare Bates

Company Secretary

10 February 2023

Statement of Directors' Responsibilities

In respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the Parent Company financial statements, the directors are required to:

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

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This responsibility statement was approved by the Board of Directors on X February 2023 and is signed on its behalf by:

By order of the Board

Tim Lawlor

Director

10 February 2023

Earl Sibley

Director

10 February 2023

Directors' Remuneration Report

This report is on the activities of the Remuneration Committee for the period to 30 September 2022. It sets out the Remuneration Policy and remuneration details for the Executive and Non-Executive Directors of the Company. It has been prepared in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the "Accounting Regulations") as amended.

As set out in the Directors' Report on page 13, the Directors below served on the Remuneration Committee during FY 2022 and, further to the combination with Vistry and the de-listing of the Company from the London Stock Exchange on 11 November 2022, Countryside's separate Remuneration Committee was dissolved, and the members stood down.

About the Remuneration Committee in the year and Committee attendance

The number of Committee meetings attended by each member during the 2022 financial year was as follows:

	Remuneration Committee	Overall Attendance
Number of meetings held	6	
Amanda Burton	6	100%
John Martin ¹	4	100%
Sally Morgan	5	83%
Douglas Hurt	6	100%
Simon Townsend	6	100%
Amanda Clack ²	3	100%

1. John Martin attended the four Remuneration Committee meetings prior to resigning from the Board

2. Amanda Clack attended the three Remuneration Committee meetings held since becoming a member of the Committee

This report was prepared with the assistance of the Remuneration Committee Chair during the financial year, Amanda Burton, before she stepped down from the Board on 11 November 2022. It is divided into two sections: this statement and the annual report on remuneration for the year ended 30 September 2022.

At the time that the Non-Executive Directors stepped down from the Board of the Company, the audit had not been completed. The Committee in place just prior to the change of control (the "Committee") therefore made an assessment of performance against the latest unaudited results at the latest practicable time and made recommendations for bonuses and other cash incentive plans for the Board of Vistry to consider. The Board of Vistry had previously confirmed that it was satisfied with this approach.

The Co-Operation Agreement, dated 5 September 2022, set out how the change of control of the Company would impact the Company's various share plans. The Committee was required to decide the extent (if at all) share awards should vest and the context surrounding the decisions taken by the Committee is included below.

There was significant change at Board level during the year. Mike Scott left as CFO. Iain McPherson left as CEO and John Martin stepped up as interim CEO. Tim Lawlor joined as CFO. Mike Woolliscroft and Phil Chapman were then appointed co-interim CEOs for the Group (though were not appointed as Directors of the Company). Peter Lee and Amanda Clack joined as NEDs. John Martin then resigned as Chair to be replaced by Douglas Hurt. This was a period of high uncertainty for employees, with the Housebuilding division being wound down and a decision taken to seek offers for the Company. This culminated in the agreed merger with Vistry. As a result, the Committee's focus was on ensuring stability of the team and retention of key talent, made more challenging by the expectation that most of the LTIP awards were unlikely to pay out. The Committee introduced appropriate retention bonuses and amended the bonus plan for below the level of the Board which facilitated the completion of the merger and retention of key individuals afterwards.

Performance in 2022

The performance of the Company in FY 2022 is set out in the Finance review on page 4 of the Strategic Report.

2022 annual bonus

The 2022 annual bonus operated on a similar basis to previous years. Performance was based on adjusted operating profit (50%), adjusted operating margin (35%) and the NHBC Recommend a Friend score (15%). However, in relation to Tim Lawlor, reflecting that he joined mid-year, in line with the Directors' Remuneration Policy, the Committee determined that it was appropriate to set him objectives linked to key strategic tasks that needed to be completed in a period of significant upheaval. The Committee evaluated his performance against these objectives and concluded that they had been met in full and that he should be paid a time pro-rated bonus accordingly.

In relation to Mike Woolliscroft and Phil Chapman, co-interim CEOs, the Committee determined that it was appropriate for them to remain on the Divisional targets set for the whole of FY 2022. They were appointed co-interim CEOs on 18 May 2022 and they retained their Divisional responsibilities for the duration of the financial year. The FY 2022 annual bonus for employees below Executive Director level operated on a similar basis to previous years. Performance for Mike Woolliscroft and Phil Chapman was therefore based on adjusted operating profit (35%), adjusted operating margin (15%), ROCE (35%) and the NHBC Recommend a Friend score (15%).

LTIP awards

- (i) Iain McPherson's 2019/20 LTIP was eligible to vest dependent on performance from 1 October 2019 to 30 September 2022. The 2019/20 LTIP award was assessed against the ROCE (50%) and EPS (50%) targets over the performance period. The targets for this award were deemed not to have been reached by the Committee and so the award lapsed.
- (ii) Iain McPherson's 2020/21 LTIP award was originally eligible to vest dependent on performance between 1 October 2020 and 30 September 2023. The Committee assessed the performance against the ROCE (50%) and EPS (50%) targets including likely performance until the end of the performance period. Based on the review, the Committee concluded that the awards should lapse.

- (iii) Iain McPherson's 2021/22 LTIP award lapsed in accordance with the terms of his departure.
- (iv) Tim Lawlor received an LTIP grant on 1 June 2022 shortly after his appointment to the Board. The EPS and ROCE targets that applied to Iain McPherson's LTIP award were no longer considered appropriate for the June grant. The Committee decided that the most suitable metric was total shareholder return performance against the FTSE 250 index of companies. The Committee assessed the TSR performance averaging it over the period from grant until 31 October 2022 shortly before the change of control took effect. This resulted in a top quartile ranking. To reflect the shortening of the performance period and earlier vesting of the award, the Committee scaled the number of shares back by one-third and required that any resulting shares in Vistry that he acquired after sale to meet tax and NIC obligations be held for at least two years. Based on the TSR calculations and one-third reduction, it was determined that the LTIP should pay out at 66.6% of maximum.
- (v) In line with the Directors' Remuneration Policy, awards were granted to Tim Lawlor to compensate him for remuneration forfeited by leaving his previous employer (Wincanton). These awards included a share award to compensate for the loss of the 2019 Wincanton LTIP grant that vested in July 2022 and an award to partially compensate for the loss of the 2020 Wincanton LTIP grant. Awards were granted on an equivalent basis. The 2019 Wincanton LTIP replacement grant vested in July 2022 based on Wincanton's relative TSR and underlying EPS performance. As stated in Wincanton's 2022 annual report, 61.8% of the award vested. The 2020 Wincanton LTIP replacement grant was subject to Wincanton's TSR performance versus the FTSE All Share (excluding investment trusts) between 1 April 2020 and 31 March 2023 (reflecting the performance period for the original award). To determine the extent to which the LTIP award should vest, the Committee assessed Wincanton's TSR performance across the performance period to 31 October 2022 compared to the comparator group. This resulted in a top quartile ranking and the Committee determined that the award should vest in full.

Based on the performance over the year and the recommendations and approved remuneration outcomes, the Committee confirmed at its last meeting that it felt that the Directors' Remuneration Policy had operated as intended in relation to the financial year just ended.

Board changes during the year

As referred to above, there were a number of changes to the Board in FY 2022. The Board reached an agreement with Iain McPherson that he would step down from his role as CEO on 13 January 2022. In the context of his departure, having mutually agreed to step down from the role, he received a payment in lieu of notice through to the year end and was treated as a good leaver in connection with his incentives.

John Martin acted as interim CEO from 13 January 2022 until 18 May 2022, when Mike Woolliscroft and Phil Chapman were appointed co-interim CEOs. These roles did not sit on the Board but, under the Companies Act, the Directors' Remuneration Policy applied to them as if they were Executive Directors of the Company. In relation to their appointment as co-interim CEOs, Mike Woolliscroft and Phil Chapman each received a temporary salary increase of £180,000 per annum to reflect their increased responsibilities. This temporary increase was not pensionable and did not operate for the bonus or LTIP grants. John Martin did not receive any additional remuneration in relation to his temporary role as interim CEO.

On 12 July 2022, John Martin resigned from his role as Non-Executive Chair. From 13 April 2021 to 12 July 2022, John Martin received an annual fee of £200,000. Douglas Hurt, formerly the Senior Independent Director, took over the role of Non-Executive Chair and Chair of the Nomination Committee. Douglas Hurt retained the role of Audit Committee Chair on a temporary basis. Amanda Burton was appointed as the Senior Independent Director on 13 July 2022.

As disclosed in the 2021 Annual Report, Tim Lawlor was appointed Group Chief Financial Officer on 28 March 2022. His annual base salary was set at £410,000 based on his level of experience and market data. Tim's pension contribution was capped at 10% of salary in line with the average for the rest of the workforce. He was eligible for a pro-rata bonus and a 2021/22 LTIP award.

In addition, the Committee approved a temporary salary increase for Tim of £100,000 per annum from 18 May 2022 to reflect the additional responsibility and workload that he took on since John Martin ceased to be interim CEO. The temporary salary increase was to apply until either of the 12-month anniversary of the increase or when a CEO was permanently appointed. The temporary increase was pensionable and operates for the FY 2022 and FY 2023 annual bonuses on a time pro-rated basis. However, recognising that the salary increase was temporary, it would not operate for any payment in lieu of notice that might be paid whilst the temporary salary increase was in payment. Tim Lawlor's temporary salary increase of £100,000 ceased on his appointment to the Vistry board on 11 November 2022.

Decisions made by the Remuneration Committee in relation to remuneration for Executive Directors (including the co-interim CEOs) in 2023

The key decisions taken for 2022/23 included:

Base salaries

Tim Lawlor, Mike Woolliscroft and Phil Chapman received a salary increase of 4% from 1 October 2022; this was the most common increase across the workforce and less than the mean average. In addition, Mike Woolliscroft and Phil Chapman continue to receive their temporary salary increase of £180,000 p.a. while acting as co-interim CEOs. This allowance is not pensionable and will not be included in any payment in lieu of notice. Tim Lawlor's temporary salary increase of £100,000 ceased on his appointment to the Vistry board on 11 November 2022 as explained above.

Pension contributions

Pension contributions for the Executive Directors (including the co-interim CEOs) are now aligned to the wider workforce at 10% of salary.

Annual bonus

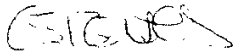
Tim Lawlor, Mike Woolliscroft and Phil Chapman have a maximum annual bonus opportunity of 150% of salary. As the transaction with Vistry was expected to be completed during Q1 FY 2023 and the financial year end changed to 31 December 2022, targets were set for the first quarter only.

LTIP

The LTIP is not expected to be operated again.

Details on how the Group has engaged with wider stakeholders including the workforce and, when the Group was listed, shareholders is included on page 8.

Signed for and on behalf of the Board



Clare Bates

Company Secretary

10 February 2023

Remuneration Report

Remuneration Policy

The Company's Remuneration Policy was approved for three years at the Countryside Group's AGM in January 2020. The full Remuneration Policy is set out on pages 77 to 83 in the 2019 Annual Report.

Remuneration Committee

The Remuneration Committee assisted the Countryside Board in fulfilling its responsibilities in relation to remuneration. This included making recommendations to the Board on the Company's policy on Executive remuneration; setting the overarching principles, parameters and governance framework of the Group's Remuneration Policy; and determining the individual remuneration and benefits package of each of the Company's Executive Directors.

The Remuneration Committee also ensured compliance with the UK Corporate Governance Code in relation to remuneration. The UK Corporate Governance Code provides that a remuneration committee should comprise at least three members who are independent Non-Executive Directors (other than the Chair).

Advisors

Korn Ferry was appointed by the Remuneration Committee to provide independent advice to the Committee after a competitive tender process in 2020. During the year, Korn Ferry provided advice on market practice and benchmarking, and supported management in producing the Remuneration Report. Korn Ferry also provided other human capital related services during the year to a separate part of the business, but these services were carried out by a separate team to the remuneration advisory team. The Committee was satisfied that the advice received from Korn Ferry in relation to Executive remuneration matters during the year was objective and independent. Terms of engagement are available on request from the Company Secretary. Korn Ferry is a member of the Remuneration Consultants Group and abides by the Remuneration Consultants Group Code of Conduct, which requires its advice to be objective and impartial. The fees paid to Korn Ferry during the year were £165,268 (2021: £56,498). Following the acquisition of Countryside by Vistry Group in November 2022 and the dissolution of Countryside's separate Remuneration Committee, Korn Ferry has ceased providing remuneration advisory services to the Committee.

Statement of shareholder voting

Votes cast at the AGM held in January 2022 in respect of the Remuneration Report are shown below.

	Remuneration Report	
	Total number of votes	Percentage of votes cast
For	413,117,193	91.69%
Against	37,464,913	8.31%
Total	450,582,106	100%
Withheld	6,451	N/A

Votes cast at the AGM held in January 2020 in respect of the Remuneration Policy are shown below.

	Remuneration Policy	
	Total number of votes	Percentage of votes cast
For	370,380,362	95.69%
Against	16,667,086	4.31%
Total	387,047,448	100%
Withheld	26,570,188	N/A

Single total figure of remuneration (audited)

The table below sets out a single remuneration figure for Executive and Non-Executive Directors for all qualifying services for the year ended 30 September 2022:

		Salary/ fees £'000	Benefits ¹ £'000	Pension ² £'000	Annual bonus ³ £'000	Long-term incentives ⁴ £'000	Buyout arrangements £'000	Total fixed pay £'000	Total variable pay £'000	Total pay £'000
Executive Directors										
Tim Lawlor ⁵	2022	248	9	22	365	—	875	279	1,240	1,519
Iain McPherson ⁶	2022	193	5	17	28	—	—	215	28	243
	2021	508	18	43	708	183	—	569	891	1,460
Mike Scott ⁷	2022	93	3	8	—	—	—	104	—	104
	2021	400	18	35	—	—	—	453	—	453
Co-interim CEOs										
Mike Woolliscroft ⁶	2022	163	8	12	264	—	—	183	264	447
Phil Chapman ⁶	2022	162	8	10	466	—	—	180	466	646
Non-Executive Directors										
John Martin ⁶	2022	156	1	20	—	—	—	177	—	177
	2021	93	—	—	—	—	—	93	—	93
Amanda Burton	2022	59	—	—	—	—	—	59	—	59
	2021	58	—	—	—	—	—	58	—	58
Sally Morgan	2022	50	—	—	—	—	—	50	—	50
	2021	50	—	—	—	—	—	50	—	50
Douglas Hurt ⁸	2022	95	—	—	—	—	—	95	—	95
	2021	65	—	—	—	—	—	65	—	65
Simon Townsend	2022	50	—	—	—	—	—	50	—	50
	2021	50	—	—	—	—	—	50	—	50
Amanda Clack ⁹	2022	28	—	—	—	—	—	28	—	28

1 Benefits include both cash and non-cash benefits, which are valued at their taxable amount. For the relevant Directors above, this included a car allowance and private medical insurance.

2 Pension payments are stated net of employer's National Insurance contributions where a taxable allowance is paid in lieu of pension contributions.

3 The annual bonus relates to performance during the financial year. The cash element is paid in December of the following financial year.

4 Long-term incentives for 2022 relate to the December 2019 and January 2020 LTIP awards. The performance period for the aforementioned awards ended on 30 September 2022, however, none of the awards are expected to vest in December 2022. Long-term incentives for 2021 relate to the TSR element of the December 2018 LTIP award and have been restated to reflect the actual vesting price from December 2021.

5 Buyout arrangements for 2022 relate to awards granted to Tim Lawlor to replace awards forfeited on leaving his previous position as CFO of Wincanton PLC. The single total figure of remuneration figure includes a £270,626 bonus relating to FY 2021 performance and a £266,619 payout to compensate for forfeited deferred bonus shares. Tim's Wincanton LTIP granted in July 2019 was converted to Countryside equivalent shares in June 2022. The performance period for the July 2019 LTIP award ended on 29 July 2022 and the award vested at 61.8% of maximum in line with Wincanton terms. Of the £337,402 relating to long-term incentives, £5,018 resulted from share price appreciation.

6 Iain McPherson left his role as Chief Executive Officer on 13 January 2022. John Martin, who held the role of Chair at that time, was appointed Interim CEO following Iain's departure from the business. John Martin left his role of interim CEO on 18 May 2022 when Mike Woolliscroft and Phil Chapman were appointed co-interim CEOs. John left his role of Chairman on 12 July 2022.

7 Mike Scott left his role as Chief Financial Officer on 29 November 2021. Tim Lawlor was appointed in his place on 28 March 2022.

8 Douglas Hurt was appointed as Chair on 13 July 2022. Douglas waived his Audit Chair fee upon becoming Chairman.

9 Amanda Clack was appointed Non-Executive Director on 10 March 2022.

Further details of each element of the Executive Directors' remuneration package are set out on pages 20 to 24.

Total pension entitlements (audited)

Executive Directors are eligible to participate in the Group's pension plan, a defined contribution arrangement. The Executive Directors and co-interim CEOs received pension contributions and/or a salary supplement which were together equivalent to 10% of salary reduced for National Insurance contributions where a salary supplement was received in lieu of pension.

None of the Executive Directors had a prospective entitlement to a defined benefit pension plan by reference to qualifying services.

Buyout arrangements for Tim Lawlor

Under the Remuneration Policy, the Committee may grant one-off awards to replace awards forfeited from the previous employer. The Committee seeks to structure any replacement awards so that, overall, they are no more favourable than the awards due to be forfeited. In determining the quantum and structure of any buyout, the Committee takes into account the fair value and, as far as practicable, the timing and performance requirements of foregone remuneration.

The Committee reviewed the awards forfeited by Tim Lawlor when he left his position as CFO of Wincanton.

Forfeited awards from Wincanton	Buyout arrangement
FY 2021 bonus	The Committee agreed to a cash payment of £270,626. The payment was made in line with the Wincanton bonus payout. Tim Lawlor was required to invest the net amount in Countryside shares. If Tim Lawlor leaves voluntarily within 12 months of appointment, the cash must be repaid.
Deferred bonus (vested in March 2022)	The Committee agreed to compensate Tim Lawlor for deferred bonus shares forfeited to the value of £266,619. This payment was made in line with Wincanton timelines. Tim Lawlor was required to invest the net amount in Countryside shares. If Tim Lawlor leaves voluntarily within 12 months of appointment, the cash must be repaid.
2019 LTIP grant (vested in July 2022)	Tim Lawlor's 2019 Wincanton LTIP grant was converted to Countryside Partnership shares on an equivalent basis and will continue to use Wincanton's metrics, targets and performance period. Further details are set out on page 23. The awards vested in July 2022 based on Wincanton's performance. As stated in Wincanton's 2022 annual report, 61.8% of the 2019 LTIP grant vested based on EPS and relative TSR performance.
2020 LTIP grant (scheduled to vest in March 2023)	To partially compensate for Tim Lawlor's 2020 and 2021 LTIP, a special LTIP award of £200,000 worth of shares was made on 1 June 2022. Awards are subject to 2020 LTIP Wincanton TSR targets and vest on their normal vesting date. Further details are set out on page 23.

Annual bonus targets and outcomes (audited)

The table below sets out the 2022 bonus targets and outcomes relating to the annual bonus figures shown in the single total figure of remuneration table on page 20.

The annual bonus targets set for Iain McPherson are set out below. The annual bonus targets were set to focus management on the growth of the business in line with our strategy and on improving operational efficiency to improve returns to shareholders.

2022 measure	Performance required			
	Threshold (25% payout)	Target (50% payout)	Maximum (100% payout)	Payout level (% of maximum)
Adjusted operating profit (50% weighting)	£209.6m	£220.6m	£231.7m	0%
Adjusted operating margin (35% weighting)	11.0%	11.5%	12.0%	0%
NHBC Recommend a Friend score (15% weighting)	90.0%	91.0%	91.5%	84%

Actual performance achieved against the adjusted operating profit and adjusted operating margin requirements were 70% and 80% of the threshold payout levels respectively. The NHBC Recommend a Friend score was 91.3%, and the payout level of 84% was achieved.

Based on performance against the measures outlined in the above table, the formulaic outcome of the Countryside Group bonus was 12.6% of maximum. The Committee is comfortable that this result reflects the underlying performance of the Group.

As set out in the Chair's Statement, as a result of leaving employment by mutual agreement and in accordance with the discretions included in the relevant plan rules, Iain was treated as a good leaver for incentive plan purposes. As a result, he remained entitled to receive an annual bonus in respect of the financial year ended 30 September 2022, time pro-rated for his period of employment. Therefore, Iain was eligible to receive a bonus payout of £28,151 representing 12.6% of the time pro-rated maximum opportunity of 150% of salary.

The objectives set for Tim Lawlor for the period of time from appointment to 30 September 2022, including the Remuneration Committee's assessment of his performance against them were:

- Lead the process for the preparation of due diligence materials for Project Jubilee (the proposed merger with Vistry), including a credible business plan. To be delivered no later than 30 September 2022 – Met in full;
- Implement monthly performance review process in the business and prepare a summary monthly report to the board of the outcome, including significant variances against plan. To be delivered for each month from June 2022 onwards – Met in full;
- Secure the financing facilities that the group requires at least until 30 September 2023. To be delivered no later than 30 November 2022. – Met in full.

The Committee evaluated his performance against these objectives and concluded that they had been met in full and that he should be paid a time pro-rated bonus accordingly. As a result, Tim received a bonus pay-out of £365,219 for FY 2022, representing a time pro-rated pay-out of his maximum opportunity of 150% of salary. The bonus payment was time pro-rated for the period 28 March 2022 to 30 September 2022.

The bonus plan operated as follows for the co-interim CEOs:

The Committee determined that it was appropriate for Mike Woolliscroft and Phil Chapman to remain on the Divisional targets they were set for 2022. They were appointed co-interim CEOs on 18 May 2022 and they retained their Divisional responsibilities for the duration of the year. The 2022 annual bonus for employees below Executive Director level operated on a similar basis to previous

years. Performance for Mike Woolliscroft and Phil Chapman was therefore based on adjusted operating project (35%), adjusted operating margin (15%), ROCE (35%) and NHBC Recommend a Friend score (15%).

Ordinarily, two-thirds of the bonus would be paid in cash, with the remainder deferred into shares for three years. Deferred shares are only subject to continued service requirements. However, following the acquisition of Countryside by Vistry Group in November 2022, the Company's shares ceased to be listed and so the deferral bonus will not operate and, rather, the full bonus entitlement was paid in cash in December 2022.

Deferred shares granted in the year to 30 September 2022 (audited)

Awards of deferred bonus shares over the Company's shares were granted on 13 December 2021 as shown below. The deferred share award was based on one-third of the bonus awarded for the year to 30 September 2021. Vesting of the awards is normally subject to continued employment at the date of vesting in three years' time.

Executive	Type	No. of shares ^{1 2}	Face value of the award at grant date	Grant date	Vest date
Iain McPherson	Conditional	44,951	£235,984	13 December 2021	13 December 2024
Mike Woolliscroft	Conditional	26,318	£138,164	13 December 2021	13 December 2024
Phil Chapman	Conditional	28,401	£149,100	13 December 2021	13 December 2024

- 1 The number of shares was determined by reference to the average of the closing middle market prices of a share over the last 30 days of the financial year ended 30 September 2021 of £5.2498 per share
- 2 Awards are not subject to performance conditions

As a result of the Vistry transaction, the terms of the deferred share awards were amended such that they were accelerated to vest on the 11 November 2022.

Share scheme interests awarded during the year (audited)

Long-Term Incentive Plan awards

Iain McPherson and Tim Lawlor (on appointment) were invited to participate in the Company's Long-Term Incentive Plan ("LTIP") in line with the Company's Remuneration Policy. There is no minimum value guaranteed on vesting, with the following awards subject to a two-year post-vest holding period (other than the awards granted to Mike Woolliscroft and Phil Chapman who were granted their awards before they were appointed co-interim CEOs). The table below sets out details of the Executive Directors' participation in the LTIP.

	Date of grant	Award	Type ¹	No. of shares	Value of the award ²	Performance conditions	Performance period
Iain McPherson	13 December 2021	Performance	Nil-cost options	219,568	£1,014,997	50% target ROCE 50% target EPS	Three financial years ending 30 September 2024
Mike Woolliscroft	13 December 2021	Performance	Nil-cost options	93,289	£431,247	50% target ROCE 50% target EPS	Three financial years ending 30 September 2024
Phil Chapman	13 December 2021	Performance	Nil-cost options	93,127	£430,498	50% target ROCE 50% target EPS	Three financial years ending 30 September 2024
Tim Lawlor	1 June 2022	Performance	Nil-cost options	287,245	£819,998	Relative TSR (100%)	Three years from grant ending 31 May 2025

- 1 Directors may choose to receive LTIP awards as nil-cost options or conditional share awards
- 2 Calculated based on the average of the closing mid-market share prices for the three dealing days prior to the grant. For the December award this resulted in a share price of 462.27 pence. For the June award this resulted in a share price of 285.47 pence

NOTE: The award granted to Mike Scott lapsed during the year as a result of his resignation

The performance targets for the LTIP award made in December 2021 are set out below:

	Payout % of element	Adjusted basic EPS (50%) Pence	ROCE (50%) %
Below threshold	0%	<45.7	<40%
Threshold	25%	45.7	40%
Target	50%	46.9	41%
Maximum	100%	48.1	42%

Vesting occurs on a linear basis between threshold and target and between target and maximum

The performance criteria set out above were no longer considered appropriate for the June 2022 grant. The Committee decided that the most suitable metric was total shareholder return performance against the FTSE 250 index of companies. The targets for the June 2022 award are set out below:

	Payout % of element	Relative TSR vs FTSE 250
Below threshold	0%	<Median
Threshold	25%	Median
Maximum	100%	Upper quartile

Vesting occurs on a linear basis between threshold and maximum.

Recruitment awards – Tim Lawlor

As summarised below, awards were granted to Tim Lawlor to compensate him for remuneration forfeited with his previous employer. These awards included a share award to compensate him for the loss of the 2019 Wincanton LTIP grant that vested on 29 July 2022 and an award to compensate him for the loss of the 2020 Wincanton LTIP grant. Awards were granted on an equivalent basis.

Name	Date of grant	Award	Type ¹	No. of shares	Value of the award ²	Performance conditions	Performance period
Tim Lawlor	1 June 2022	2019 LTIP replacement grant – performance	Nil-cost options	188,518	£ 470,031	40% Wincanton's TSR vs FTSE All Share (excl. investment trusts) 60% Wincanton underlying EPS growth	1 April 2019–31 March 2022
	1 June 2022	2020 LTIP replacement grant – performance	Nil-cost options	80,214	£199,998	Wincanton's TSR vs FTSE All Share (excl. investment trusts)	1 April 2020–31 March 2023

1. Directors may choose to receive LTIP awards as nil-cost options or conditional share awards.

2. Calculated based on the average share price for the 30-day period up to and including 1 June 2022 of £2.4933

The 2019 LTIP replacement grant vested on 29 July 2022 based on Wincanton's relative TSR and underlying EPS performance. As stated in Wincanton's 2022 annual report, 61.8% of the award vested.

The 2020 LTIP replacement grant was subject to Wincanton's relative TSR performance as set out in the table below.

	Payout % of element	Relative TSR vs FTSE All Share (excl. investment trusts)
Below threshold	0%	<Median
Threshold	25%	Median
Maximum	100%	Upper quartile

Vesting occurs on a linear basis between threshold and maximum.

To determine the extent to which the LTIP award should vest, the Committee assessed Wincanton's TSR performance across the performance period to 31 October 2022 compared to the comparator group. This resulted in a top quartile ranking and the Committee determined that the award should vest in full.

Long-Term Incentive Plan awards included in 2022 total remuneration figure (audited)

2019/20 LTIP vesting

Mike Scott, Mike Woolliscroft and Phil Chapman received a 2019/20 LTIP grant on 12 December 2019. Additional LTIP awards were granted to Iain McPherson and Mike Woolliscroft on 7 January 2020. The vesting criteria of these LTIP awards are set out below, along with the performance against the criteria as assessed to 30 September 2022:

LTIP award	Performance condition	Threshold (25% vesting)	Target (50% vesting)	Maximum (100% vesting)	Actual	% Vesting
December 2019 and January 2020	Three-year compound adjusted basic EPS growth (£m)	4%	6.5%	9%	- 50.0%	0%
	ROCE (%)	35%	37%	39%	19.4%	0%

As a consequence of the Group's equity placing in July 2020 and the Group's share buy-back programme announced in July 2021, the Committee reviewed the out-turn of the December 2019 and January 2020 LTIPs to ensure that the original targets were no easier or harder to achieve.

As the performance targets were not achieved, the awards lapsed. Mike Scott's 2019/20 LTIP lapsed in accordance with the terms of his departure.

2021/22 LTIP vesting

Ahead of the acquisition of Countryside by Vistry Group in November 2022, the Remuneration Committee reviewed the extent to which any outstanding LTIP awards should vest, including Tim Lawlor's 2021/22 LTIP award. As Tim's LTIP award was subject to Countryside's TSR performance, the Committee assessed the TSR performance over the period from grant until 31 October 2022, shortly before the change of control took effect. This resulted in a top quartile ranking. To reflect the shortening of the performance period and earlier vesting of the award, the Committee scaled the number of shares back by one-third and required that any resulting shares in Vistry that Tim acquired, after sales to meet tax and NIC obligations, be held for at least two years. Based on the TSR calculations and one-third reduction, it was determined that the LTIP should pay out at 66.7% of maximum.

LTIP award	Performance condition	Threshold (25% vesting)	Maximum (100% vesting)	Actual	% vesting
June 2022	Relative TSR vs FTSE 250	Median	Upper quartile	Above upper quartile	66.7% after time pro-rating

The Committee was comfortable that the level of vesting was in line with underlying performance and shareholder experience over the performance period.

The 2021/22 LTIP will therefore vest as follows:

Executive Director	Number of shares granted	Number of shares due to vest
Tim Lawlor	287,245	287,245

The share price was 285.47 pence at the time of grant of the award, compared to a lower share price at vesting, therefore there was no share price appreciation.

All employee share plan awards

In June 2022, Tim Lawlor and Mike Woolliscroft received an award under the Company's SAYE scheme. The savings contract commenced on 22 June 2022. Further details are shown below.

	Number of options granted ¹	Exercise price ²	Face value at grant ³	% of award vesting at threshold	Date on which exercisable
Tim Lawlor	8,493	211.92p	235.47p	N/A	1 August 2025
Mike Woolliscroft	6,795	211.92p	235.47p	N/A	1 August 2025

1. Number of options granted during the year are based on the total monthly savings under the SAYE scheme by the grantee over a period of three-years divided by the exercise price. Awards under the Company SAYE scheme are not subject to performance conditions
2. The exercise price is based on a 10% discount to the face value of option at the grant date
3. The face value at grant date is based on the average of the closing middle market share prices derived from the Daily Official List for the three business days preceding the invitation date of 27 May 2022.

Following completion of the Vistry transaction, the terms of the June 2022 SAYE awards were amended such that they may be exercised (to the extent of their accrued savings at the date of exercise) at any time in the six months after closing of the combination. Should the employee opt not to exercise the shares during this period, the shares are to be converted into new Vistry share awards on an equivalent basis.

Directors' shareholdings (audited)

Under the terms of their service contracts, Executive Directors are required to hold shares in the Company to the value of 200% of annual salary within five years of their appointment. Non-Executive Directors are expected to hold shares in the Company to the value of 50% of their annual fee within five years of their appointment. The beneficial interests of the Directors in office (plus the co-interim CEOs) at the year-end (or their date of departure if earlier) in the shares of the Company are shown below. As at the year-end no Executive Director had failed to meet their required shareholding.

Director	Total share interests at 30 Sep 2022	Shares held, included connected persons, at 30 Sep 2022	Subject to performance conditions	Subject to continued service		Number of options vested but not exercised at 30 Sep 2022 ²
			Outstanding LTIP share awards at 30 Sep 2022 ¹	Outstanding deferred share bonus awards at 30 Sep 2022	Outstanding SAYE options at 30 Sep 2022 ¹	
Tim Lawlor	436,045	60,093	367,459	—	8,493	—
Mike Woolliscroft	419,534	94,807	284,271	26,318	8,263	5,875
Phil Chapman	276,546	—	240,801	28,401	7,344	—
Iain McPherson ³	—	—	—	—	—	—
John Martin ⁴	—	—	—	—	—	—
Mike Scott ⁵	—	—	—	—	—	—
Amanda Burton	13,372	13,372	—	—	—	—
Sally Morgan	12,638	12,638	—	—	—	—
Douglas Hurt	14,137	14,137	—	—	—	—
Simon Townsend	21,940	21,940	—	—	—	—
Amanda Clack	—	—	—	—	—	—

1. All outstanding awards are structured in the form of options
2. No options were exercised by Executive Directors during the financial year
3. Iain McPherson stepped down from his role as CEO on 13 January 2022
4. John Martin stepped down from the Board on 12 July 2022
5. Mike Scott stepped down from the Board on 29 November 2021.

Between the year end and the date of this report, all of the share interests have reduced to zero.

Payments for loss of office and to past Directors (audited)

In connection with Iain McPherson stepping down from the Board, he was eligible to receive pay in lieu of notice for the duration of his notice period (12 months).

A payment in lieu of notice for the period from when he left the Company to the end of his notice period, being 13 January 2023, was being paid in monthly instalments. Payments in lieu of notice paid during the year to 30 September 2022 totalled £409,647.

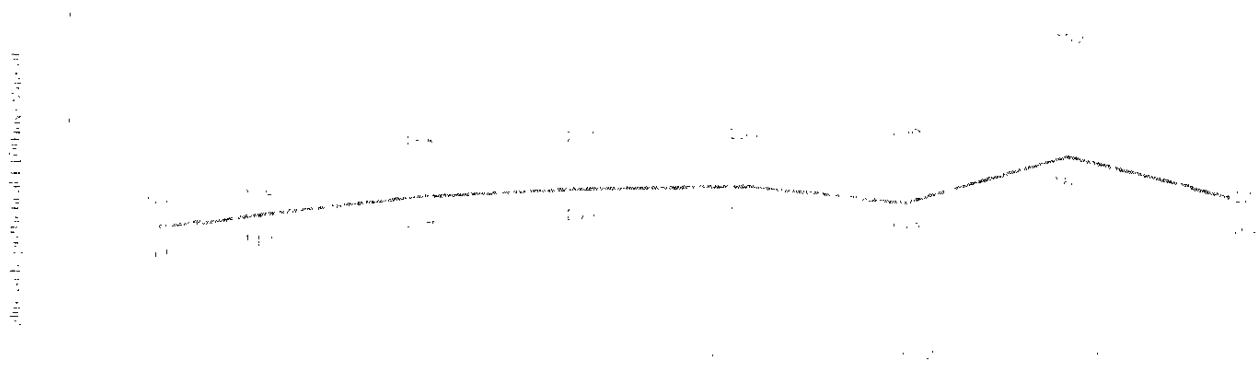
As a result of leaving employment by mutual agreement and in accordance with the discretions included in the relevant plan rules, Iain was treated as a good leaver for incentive plan purposes. As a result, he remained entitled to receive an annual bonus in respect of the financial year ended 30 September 2022, time pro-rated for his period of employment and subject to the achievement of the performance conditions detailed above on page 23. His bonus was payable on the normal payment date in December 2022, subject to malus and clawback provisions. With regard to his outstanding share awards granted under the Long-Term Incentive Plan ("LTIP"), he was granted 219,568 nil-cost options on 13 December 2021 and 239,048 nil-cost options on 11 December 2020. These remained eligible to vest on the normal vesting date, subject to the achievement of the relevant performance criteria and time pro-rating for his service during the performance period. These awards subsequently lapsed. Iain was granted deferred bonus share awards on 13 December 2021 over 44,951 shares, which would continue to vest on the normal vesting date. These awards subsequently vested. Iain was entitled to legal advice and outplacement services, paid for by the Company.

John Martin stepped down from the Board on 12 July 2022. He has not received any payments from the Company since his leaving date.

All payments that have been or will be received will be made within the terms of the termination policy as set out in the Policy and no discretion has been applied to any of the arrangements.

Total shareholder return

The graph below illustrates the Company's total shareholder return performance against the performance of the FTSE 250 index since the Company's initial public offering ("IPO") in February 2016. The FTSE 250 index has been chosen because it is a broad-based index of which the Company has been a constituent member throughout the period



Executive Directors' pay table Group Chief Executive

Financial year	Name	Total remuneration £'000	Annual bonus as % of maximum	Vesting of LTIP as % of maximum
2022	Iain McPherson ¹	243	12.6%	0%
	John Martin ²	177	N/A	N/A
	Mike Woolliscroft ³	447	61.3%	0%
	Phil Chapman ³	646	83.2% ⁴	0%
2021	Iain McPherson	1,460 ⁵	93.0%	30.0%
2020	Iain McPherson	469 ⁶	0%	16.4%
2020	Ian Sutcliffe	344	0%	16.4%
2019	Ian Sutcliffe	3,208	69.1%	77.9%

1. Iain McPherson resigned from the Board as Group Chief Executive on 13 January 2022.

2. John Martin did not receive any additional pay for his role as interim CEO.

3. Mike Woolliscroft and Phil Chapman were appointed as co-interim CEOs on 18 May 2022. They are not members of the Board.

4. Bonus payout to Phil Chapman in respect of performance in the financial year ending 30 September 2022 includes a payment outside of the standard performance percentile outcomes for the year in respect of legacy operations.

5. The 2021 total remuneration figure includes the vesting of the December 2018 LTIP award which was measured at 30 September 2021. The 2021 total remuneration figure has been restated to reflect the actual vesting price of the shares in December 2021.

6. The 2020 total remuneration includes the TSR element of the December 2017 LTIP award vesting.

Change in remuneration of Countryside Directors and employees

The table below shows the percentage change in remuneration of the Directors and the corresponding employee average. As the Company has no employees, in either year, the average employee of the Group is used as the comparator.

Role		Percentage change FY21 to FY22			Percentage change FY20 to FY21		
		Salary/ Fees ⁶ £'000	Benefits £'000	Bonus £'000	Salary/ Fees ⁶ £'000	Benefits £'000	Bonus £'000
Executive Directors							
Tim Lawlor ¹	Group Chief Financial Officer (from 28 March 2022)	100%	100%	100%	N/A	N/A	N/A
Mike Scott ²	Group Chief Financial Officer (until 29 November 2021)	-77%	-84%	—	18%	—	—
Iain McPherson ³	Group Chief Executive (until 13 January 2022)	-62%	-71%	-96%	42%	28%	100%
Co-interim CEOs							
Mike Woolliscroft ⁴	Co-interim Group Chief Executive (from 18 May 2022)	100%	100%	100%	N/A	N/A	N/A
Phil Chapman ⁴	Co-interim Group Chief Executive (from 18 May 2022)	100%	100%	100%	N/A	N/A	N/A
Non-Executive Directors							
John Martin ⁵	Chair (until 12 July 2022) and Interim Group Chief Executive (from 13 January 2022 until 18 May 2022)	68%	100%	100%	N/A	N/A	N/A
Amanda Burton	Senior Independent Director (from 13 July 2022)	2%	—	—	4%	—	—
Sally Morgan	Non-Executive Director	0%	—	—	3%	—	—
Douglas Hurt	Chair (from 13 July 2022)	46%	—	—	3%	—	—
Simon Townsend	Non-Executive Director	0%	—	—	3%	—	—
Amanda Clack	Non-Executive Director (from 10 March 2022)	100%	—	—	N/A	N/A	N/A
Employee average⁸		7%	11%	(10)%	1%	(1)%	366%

For change in remuneration of former Executives that were not in role during the last financial year, see the 2021 annual report.

- 1 The base salary, benefits and annual bonus for 2022 used in the calculation of Tim Lawlor's remuneration above represents the six months from 28 March 2022 in his role as Group Chief Financial Officer
- 2 The base salary, benefits and annual bonus for 2022 used in the calculation of Mike Scott's remuneration above represents the two months until 29 November 2021 when he left his role as Group Chief Financial Officer
- 3 The base salary, benefits and annual bonus for 2020 used in the calculation of Iain McPherson's remuneration above represents the nine months from 1 January 2020 in his role as Group Chief Executive. The figure used to calculate his remuneration in 2022 are representative of the 3 months until 13 January 2022 when he left the role
- 4 The base salary, benefits and annual bonuses for 2022 used in the calculation of Mike Woolliscroft and Phil Chapman's remuneration above represent the five months from 18 May 2022 in their roles as co-interim Group Chief Executives
- 5 The base salary, benefits and annual bonus for 2022 used in the calculation for John Martin's remuneration above represent the nine months until 12 July 2022 when he left his role as Chairman. It also includes the period during FY 2022 in which he was appointed Interim CEO from 13 January 2022 until 18 May 2022
- 6 The Remuneration Committee approved a temporary salary increase for Tim Lawlor of £100,000 per annum from 18 May 2022 until his appointment to the Vistry Board on 14 November 2022 to reflect the additional responsibilities and workload which he took on following John Martin's departure from the Board
- 7 A pay rise of 1.5% was awarded to all employees, excluding the Group Chief Financial Officer, from 1 October 2020. The Group Executive Committee and Main Board voluntarily took a 20% cut in base pay during April and May 2020, the period when two-thirds of employees were placed on paid leave. There were no changes in the annual fees for the Non-Executive Directors in 2021 or 2022, with the exception of Douglas Hurt and Amanda Burton, who received pay increases on appointment of their new roles as Chairman and Senior Independent Director respectively
- 8 The average employee figures exclude the base salary, benefits and annual bonus of the Directors. Sales commissions and site bonuses, where performance targets were met during the year have been included in the bonus figure for the calculation above for the average employee

Chief Executive pay ratio

The table below details an adjusted and combined average total figure of remuneration across all four individuals that undertook the role of CEO during the year. This combined single figure of remuneration has been compared to Group employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile) of its employee population.

Consistent with the approach for 2020 and 2021, the Company has used Option B in preparing the Chief Executive pay ratio. This option was considered the most appropriate method as it was the most efficient and robust approach and allowed us to use gender pay gap figures. The pay ratios for 2022, 2021 and 2020 are set out in the table below:

Year	Method	25th percentile ratio	Median ratio	75th percentile ratio
2022	Option B	21.5:1	13.3:1	7.6:1
2021	Option B	39.2:1	25.3:1	15.1:1
2020	Option B	22.9:1	14.0:1	10.0:1

For the 2022 ratio, the remuneration figures used for the employee at each quartile were determined with reference to the financial year ended 30 September 2022.

Under Option B of The Companies (Miscellaneous Reporting) Regulations 2018, the latest available gender pay gap data (i.e. from April 2022) was used to identify the best equivalent for three Group employees whose hourly rates of pay are at the 25th, 50th and 75th percentiles for the Group.

The Committee is comfortable that this approach provides a fair representation of pay comparison between individuals that undertook the role of CEO to those who undertook Group employee roles during the year and is appropriate in comparison to

alternative methods, balancing the need for statistical accuracy with internal operational resource constraints. A full-time equivalent ("FTE") total pay and benefits figure for 2022 was then calculated for each of those employees. In the case of leavers between the 5 April 2022 gender pay gap snapshot date and 30 September 2022, an FTE has also been applied to calculate their total pay and benefits figure. The individuals identified at each quartile were sense checked against a sample of employees with hourly pay rates either side of the identified individuals to ensure that the appropriate representative employee was selected. If the individual was not considered to be an appropriate representation of the percentile, an alternative individual was selected from the sample that received pay and benefits which were considered most representative of the quartile. Each employee's pay and benefits were calculated using each element of employee remuneration on a full-time basis, consistent with the calculation for the single figure table. The table below sets out the salary and total pay and benefits for the three comparator individuals identified for the 25th, 50th and 75th percentiles.

Year	25th percentile (P25)	Median (P50)	75th percentile (P75)
Base salary	27,604	47,100	76,633
Total pay and benefits	34,339	55,201	97,247

Due to a number of changes in CEO during the year ending 30 September 2022, the single total figure of remuneration applied to the pay ratio calculation for FY 2022 is an adjusted and combined average total figure of remuneration across all four individuals that undertook the role of CEO during the year. The 2021 single total figure of remuneration has also been updated with LTIP vesting amounts from December 2021, replacing the previous estimates. The 2021 pay ratio figures have therefore changed slightly on what was reported last year.

Whilst the comparator total pay and benefit figures presented are similar to those reported in the 2021 Annual Report, there was a reduction in the CEO single total figure of remuneration applied to the FY 2022 ratio calculation. This was largely due to a reduction in overall variable pay, with LTIP performance a key factor. This has resulted in a reduction to the CEO pay ratio at each employee percentile in comparison to FY 2021.

The Committee considers that the median pay ratio is consistent with the relative roles and responsibilities of the Group CEO, and the identified employees, and is consistent with the Company's wider policies on employee remuneration and progression.

Base salaries of all employees, including our Executive Directors, are set with reference to a range of factors including market practice, experience and performance in role. The Committee also recognises that due to the nature of our business and the ways in which we pay our employees, the flexibility permitted within the regulations for identifying and calculating the total pay and benefits for employees, as well as differences in employment and remuneration models between companies, the ratios reported above may not be comparable to those reported by other companies.

There have been no significant changes to the Countryside workforce demographics between 2021 and 2022.

Relative importance of remuneration

The relative importance of remuneration in relation to other significant uses of the Group's cash is outlined below:

	2022 £m	2021 £m
Total staff costs	172.4	152.2
Distributions to shareholders ¹	61.6	34.8

¹ The distributions to shareholders for 2022 and 2021 reflect the cash outflows relating to the share buy-back programme in the year. No dividends were paid in either year.

Decisions made by the Remuneration Committee in relation to the remuneration for Executive Directors (including the co-interim CEOs) in 2023

The Remuneration Committee determined the implementation of the Remuneration Policy prior to the change of control. All of the proposals are in line with the Remuneration Policy and generally do not represent a significant change to the previous approach. The key decisions taken for 2022/23 included:

Base salary

In FY 2022, the Remuneration Committee reviewed permanent salaries for the Co-interim CEOs and the CFO. This is in line with the standard increase to the wider workforce of 4%.

	2022 ¹	2023	% increase
Tim Lawlor	£410,000	£426,400	4%
Mike Woolliscroft	£287,499	£298,999	4%
Phil Chapman	£287,000	£298,480	4%

2023 salaries are effective from 1 October 2022

In addition, Mike Woolliscroft and Phil Chapman continued to receive a temporary salary increase of £180,000 while acting as co-interim CEOs. This allowance is not pensionable and does not include any payments in lieu of notice that may be paid. Tim Lawlor continued to receive a temporary salary increase of £100,000 until his appointment to the Vistry board on 14 November 2022. Tim's temporary salary increase was to apply until either the 12-month anniversary of the increase (18 May 2023), or a permanent CEO was appointed. The temporary increase was pensionable and operated for the FY 2022 and FY 2023 annual bonuses on a time pro-rated basis. However, recognising that the salary increase was temporary, it would not operate for an LTIP grant made or payment in lieu of notice paid whilst the temporary salary increase was in payment.

Pension and benefits

As described in the Policy report, the CFO and Co-interim CEOs receive a pension contribution equivalent to 10% of base salary, reduced for National Insurance contributions where a salary supplement was received in lieu of pension. No other elements of remuneration are pensionable.

Benefits will be in line with those provided previously and include a car allowance and private medical insurance.

Annual bonus

Executive Directors are eligible to receive up to 150% of base salary as an annual bonus.

The transaction with Vistry completed during the first quarter of FY 2023. Therefore, the annual bonus will be based on the targets for Q1 only and pro-rated accordingly

Metric	% of maximum bonus
Group adjusted operating profit	75
Customer service NHBC Recommend a Friend score	25

Note: Details of the targets for each metric are commercially sensitive and will not be disclosed prospectively.

Long-Term Incentive Plan

No LTIP awards are expected to be granted.

Approval

The Directors' Remuneration Report was approved by the Board of Directors on X February 2023 and signed for and on its behalf by:



Clare Bates

Company Secretary

10 February 2023

Independent Auditors' Report

To the members of Countryside Partnerships Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Countryside Partnerships Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statement of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related notes to the consolidated and parent company financial statements. 1 to 33 and 1 to 10 respectively.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

- Review and challenge of the going concern assessment for the group including the commitment of financial support from the ultimate controlling party, Vistry Group Plc and the ability for the ultimate controlling parent to provide any support that is required over the going concern period;
- Assessing the group's financing facilities including access to any funding provided by the ultimate controlling parent and the nature of financing in place;
- Challenging assumptions used in the going concern model and assessed how appropriate they are in light of the current and forecast developments in the macro-economic environment;
- Performing sensitivity analysis to forecasts; and
- Evaluating whether the group's disclosures in respect of going concern within the financial statements meet the requirements of IAS 1.

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 parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the Countryside Partnerships Limited (formerly Countryside Partnerships PLC) | Annual Report and Accounts 2022

financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. 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.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation, tax legislation and Building Safety Regulations; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the environmental regulations and health and safety law.

We discussed among the audit engagement team including relevant internal specialists such as tax, IT, and real estate industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area: margin estimation, and our specific procedures performed to address it are described below:

- Assessed the design and implementation of key relevant controls relating to margin estimation;
- Analysed margins on a site-by-site basis to identify material movements in site margins, loss-making sites and sites that present other characteristics of heightened fraud or error risk;
- With the assistance from our internal real estate experts, for a sample of sites, attended the cost-to-complete management meeting to enhance our understanding of the sites and enable us to challenge the assumptions being made relating to costs to complete and forecast revenue;
- On a sample of sites, made enquiries with management to support their estimates associated with the costs to complete the development and the revenue to come. For a sample of these inputs we obtained external supporting evidence to verify amounts; and
- Evaluated key inputs to the margin calculation, including the current and forecast sales price assumptions and the impact of house price and build cost inflation and recalculate the margin to be recognised. These have been assessed in the context of current and forecast changes in the macro-economic environment.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

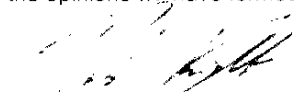
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Rob Knight FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

10 February 2023

Consolidated statement of comprehensive income

For the year ended 30 September 2022

	Note	2022 £m	2021 £m
Revenue	6	1,531.7	1,371.4
Cost of sales		(1,470.8)	(1,185.6)
Gross profit		60.9	185.8
Administrative expenses		(246.7)	(128.4)
Other income	7	—	13.9
Operating (loss)/profit	7	(185.8)	71.3
Finance costs	8	(21.1)	(17.3)
Finance income	8	2.3	1.5
Share of post-tax profit from joint ventures and associate	14, 15	31.8	29.9
(Loss)/profit before income tax		(172.8)	85.4
Income tax credit/(expense)	9	24.2	(13.1)
(Loss)/profit and total comprehensive (loss)/income for the year		(148.6)	72.3
(Loss)/profit is attributable to:			
– Owners of the parent		(148.6)	72.3
– Non-controlling interest		—	—
		(148.6)	72.3
(Loss)/earnings per share (expressed in pence per share):			
Basic	10	(29.4)	13.8
Diluted	10	(29.4)	13.7

Consolidated statement of financial position

As at 30 September 2022

	Note	2022 £m	2021 £m
Assets			
Non-current assets			
Intangible assets	11	41.9	127.9
Property, plant and equipment	12	18.2	26.6
Right of use assets	13	33.8	70.6
Investment in joint ventures	14	55.1	38.3
Investment in associate	15	0.8	0.8
Deferred tax assets	16	18.7	-
Trade and other receivables	18	19.8	25.1
		188.3	289.3
Current assets			
Inventories	17	1,012.2	1,143.8
Trade and other receivables	18	238.2	250.4
Current income tax receivable		-	6.4
Cash and cash equivalents	19	279.8	43.4
		1,530.2	1,444.0
Total assets		1,718.5	1,733.3
Liabilities			
Current liabilities			
Borrowings	19	(2.5)	-
Trade and other payables	20	(364.7)	(306.0)
Current income tax payable		(0.1)	-
Lease liabilities	13	(6.6)	(8.0)
Provisions	21	(56.4)	(56.0)
		(430.3)	(370.0)
Non-current liabilities			
Borrowings	19	-	(2.4)
Trade and other payables	20	(190.2)	(182.3)
Lease liabilities	13	(55.2)	(64.8)
Deferred tax liabilities	16	-	(5.3)
Provisions	21	(130.5)	(1.0)
		(375.9)	(255.8)
Total liabilities		(806.2)	(625.8)
Net assets		912.3	1,107.5
Equity			
Share capital	22	5.2	5.2
Share premium	22	5.3	5.3
Retained earnings		901.5	1,096.7
Equity attributable to owners of the parent		912.0	1,107.2
Equity attributable to non-controlling interest		0.3	0.3
Total equity		912.3	1,107.5

The notes on pages 36 to 72 form part of these financial statements.

These financial statements were approved for issue by the Board of Directors on 10 February 2023.

On behalf of the Board

Tim Lawlor
Director

Consolidated statement of changes in equity

For the year ended 30 September 2022

	Note	Share capital £m	Share premium £m	Retained earnings £m	Equity attributable to owners of the parent £m	Non-controlling interest £m	Total equity £m
At 1 October 2020		5.2	5.3	1,075.2	1,085.7	0.3	1,086.0
Comprehensive income							
Profit and total comprehensive income for the year		—	—	72.3	72.3	—	72.3
Transactions with owners							
Share-based payments, net of deferred tax	16, 28	—	—	2.8	2.8	—	2.8
Purchase of shares by Employee Benefit Trust	22	—	—	(1.4)	(1.4)	—	(1.4)
Purchase of own shares, including transaction costs	22	—	—	(52.2)	(52.2)	—	(52.2)
Total transactions with owners		—	—	(50.8)	(50.8)	—	(50.8)
At 30 September 2021		5.2	5.3	1,096.7	1,107.2	0.3	1,107.5
Comprehensive income							
Loss and total comprehensive income for the year		—	—	(148.6)	(148.6)	—	(148.6)
Transactions with owners							
Share-based payments, net of deferred tax	16, 28	—	—	0.9	0.9	—	0.9
Purchase of shares by Employee Benefit Trust	22	—	—	(3.3)	(3.3)	—	(3.3)
Movement in treasury shares, including transaction costs	22	—	—	(44.2)	(44.2)	—	(44.2)
Total transactions with owners		—	—	(46.6)	(46.6)	—	(46.6)
At 30 September 2022		5.2	5.3	901.5	912.0	0.3	912.3

Consolidated cash flow statement

For the year ended 30 September 2022

	Note	2022 £m	2021 £m
Cash generated/(used) in operations	23	275.6	(10.0)
Interest paid – lease liabilities		(3.1)	(2.2)
Interest paid – other		(4.3)	(3.2)
Interest received		1.7	0.8
Tax received/(paid)		5.7	(19.1)
Net cash inflow/(outflow) from operating activities		275.6	(33.7)
Cash flows from investing activities			
Purchase of intangible assets	11	(0.2)	(2.1)
Purchase of property, plant and equipment	12	(3.6)	(13.8)
Proceeds from disposal of property, plant and equipment	12	0.6	—
Proceeds from disposal of interest in joint venture	7	16.2	—
Advances made to joint ventures and associate	25	(127.0)	(60.4)
Repayments from joint ventures and associate	25	127.3	67.2
Repayment of members' interest from joint ventures	14	—	5.8
Dividends received from joint ventures and associate	14, 15	18.2	24.3
Net cash inflow from investing activities		31.5	21.0
Cash flows from financing activities			
Repayment of lease liabilities		(6.5)	(8.2)
Purchase of shares by Employee Benefit Trust		(2.6)	(1.4)
Movement in treasury shares, including transaction costs		(61.6)	(34.8)
Net cash outflow from financing activities		(70.7)	(44.4)
Net increase/(decrease) in cash and cash equivalents		236.4	(57.1)
Cash and cash equivalents at the beginning of the year		43.4	100.5
Cash and cash equivalents at the end of the year	19	279.8	43.4

Notes to the consolidated financial statements

For the year ended 30 September 2022

1. General information

Countryside is the leader in the delivery of high quality mixed-tenure communities in partnership with housing associations, public bodies and institutional private rental operators, with a strong focus on placemaking and regeneration.

Countryside Partnerships Limited (the "Company") is a company incorporated and domiciled in England and Wales with the registration number 09878920. The Company previously traded as Countryside Partnerships PLC (formerly Countryside Properties PLC) between 12 February 2016 and 11 November 2022, and its shares were publicly traded on the London Stock Exchange during that period.

On 5 September 2022, the Countryside Board recommended to shareholders that they accept an offer by Vistry Group PLC ("Vistry") to acquire the entire issued and to be issued share capital of Countryside Partnerships PLC. Following approval of the shareholders and the required Court sanction, the Company implemented a Scheme of Arrangement which became effective on 11 November 2022 at which point Vistry acquired the entire share capital of Countryside. The Company was de-listed from the London stock exchange on 11 November 2022 and re-registered as a Limited Company on 2 December 2022.

The Company's registered office is Countryside House, The Drive, Brentwood, Essex CM13 3AT. The Company, its subsidiaries, joint ventures and associate are together defined as the "Group".

The parent company financial statements are on pages 67 to 72.

2. Critical accounting judgements and estimates

The preparation of the Group's financial statements requires the Directors to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and related disclosures.

Critical accounting judgements

In the process of applying the Group's accounting policies, which are described in Note 3, the Directors have made no individual judgements that have a significant impact on the financial statements, apart from those involving estimates which are described below.

Key sources of estimation uncertainty

Estimates and underlying assumptions affecting the financial statements are based on historical experience and other relevant factors and are reviewed on an ongoing basis. This approach forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information. Such changes are recognised in the year in which the estimate is revised.

The key sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are described below.

Estimation of site profitability

In order to determine the profit or loss that the Group recognises on its developments and construction contracts in a specific period, the Group allocates the total cost of each development or construction contract between the proportion completing in the period and the proportion completing in future periods. The assessment of the total costs to be incurred requires a degree of estimation.

Actual costs may differ to forecasts for several reasons such as site delays, unforeseen costs, change orders and uncontracted cost inflation and the Group is also exposed to various market fluctuations. Actual costs may also reduce against forecast if efficiency savings are realised as a build progresses. The long-term nature of the Group's activities adds further complexity as forecasts are required for the duration of developments or construction contracts.

The current macro-economic climate and recent global events including the war in Ukraine and the longer-term impact of the Covid-19 pandemic increases this estimation uncertainty due to the potential impact on house prices, materials, labour costs and construction timelines. Group management has established internal controls to review and ensure the appropriateness of estimates made on an individual development or contract basis.

The Directors note that a change in estimated margins on several sites (due, for example, to changes in estimates of cost inflation or a material reduction in house prices in the private market) could materially alter future profitability.

As an illustration, if the Directors were to reduce the forecast margins from the beginning of the year by 10 basis points across all developments, the gross profit recognised in the year would have reduced by £153m through increased cost of sales, with a reduction to WIP and net assets of the same value. This equates to a 10.6% increase in cost of sales, which is considered to be reasonably possible in light of recent inflation.

Remediation costs for multi-occupancy buildings

During the year, the Group increased the value of the provision held to cover expected remediation costs for multi-occupancy buildings by a further £133.0m, bringing the total unutilised provision as at the reporting date to £171.1m. This was in response to changes in government legislation during the year, the Company becoming a signatory to the building safety repairs pledge on 6 April 2022, and as a result of further progress in the detailed review and assessment exercise that was commenced in the prior year.

The Directors have made estimates as to the extent of the remedial works required and the associated costs, using currently available information including third-party quotations where possible. The quantification of the cost of these remedial works is inherently complex and depends on a number of factors including the number of buildings potentially requiring remediation; the extent of remedial works required; the size of the buildings; the timeframe over which the remediation will take place; the

associated costs of investigation, materials and labour; the potential cost of managing disruption to residents; and the impact of inflation over the next five years. It is also highly likely that there will be further revisions these estimates as government legislation and regulation in this area evolves.

As an illustration the following reasonably possible movements would have the following effect on the provision:

Sensitivity	Increase/(decrease) in provision as at 30 September 2022 £m
10% increase in estimated cost per linear metre on pledge buildings	7.1
100 bps increase in discount rate	(6.2)
100 bps increase in inflation rate	4.5

Impairment of assets

Determining whether assets, such as goodwill and acquisition-related intangible assets, are impaired requires an estimation of the value in use of the cash-generating units to which the assets have been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to be generated by the cash-generating units, and a suitable discount rate and long-term growth rate to apply in order to calculate present value. During the period, these estimates resulted in an impairment charge of £76.9m (2021: £Nil) relating to goodwill and customer-related intangible assets recognised on the acquisition of Westleigh in 2018. Refer to Note 11.

A reasonably possible increase of 100 bps to the discount rate applied would have increased the impairment charge by £13.2m, whilst a reduction to the discount rate by the same amount would have resulted in a reduction to the impairment charge of £15.5m. Increasing the long-term growth rate by 100 bps would have reduced the impairment charge by £11.9m.

3. Accounting policies

Basis of preparation

These financial statements for the year ended 30 September 2022 are those of the Company and all of its subsidiaries and have been prepared in accordance with IAS in conformity with the requirements of the Companies Act 2006. On 31 December 2020, IFRS as adopted by the European Union at that date were brought into UK law and became UK adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. These Financial Statements have, therefore, been prepared in accordance with UK adopted IFRS as issued by the IASB.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared on a going concern basis in Sterling and rounded to the nearest £0.1m under the *historical cost convention*, except for share-based payments, and certain other assets and liabilities recognised at fair value as a result of business combinations

Going concern

Following the acquisition of Countryside Partnerships Limited (formerly Countryside Partnerships PLC) by Vistry Group PLC on 11 November 2022, Countryside became a wholly-owned subsidiary of the Vistry group. As a result of the acquisition, all of the Company's pre-existing facilities were fully repaid and the Company became reliant on the financial support of the wider Vistry group. The Directors of the Company have confirmed with the Directors of Vistry, as the ultimate controlling party, that Vistry will continue to provide the necessary financial support to the Group and Company for a period of at least 12 months from the date of approval of these financial statements. The Directors of the Company and of the parent Company also have no intention of liquidating the Company in the foreseeable future.

Vistry Group PLC is now the ultimate parent of the combined Vistry and Countryside Partnerships Group ("the Enlarged Group"). The Enlarged Group has a strong balance sheet supported by available banking facilities in excess of £1bn to support working capital requirements. Forecasts for the Enlarged Group have been prepared based on combined operational plans and were subject to a range of sensitisation including severe but plausible scenarios together with the likely effectiveness of mitigating actions. The forecasts continue to demonstrate that Vistry is able to provide financial support to the Group and Company for a period of at least 12 months from the date at which these financial statements have been approved and authorised for issue.

The Directors of the Company are of the view, at the time of approving the financial statements, that there is a reasonable expectation the Group and Company will be able to remain in existence for a period of at least 12 months from the date of approval of these financial statements.

Adoption of new and revised accounting standards

During the financial year ended 30 September 2022, the Group adopted the following standards and amendments issued by the International Accounting Standards Board ("IASB"):

- Definition of a Business – Amendments to IFRS 3 "Business Combinations";
- Definition of Material – Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
- Interest Rate Benchmark Reform – Phase 1 – Amendments to IFRS 9, IAS 39 and IFRS 7; and
- Covid-19 Related Rent Concessions – Amendment to IFRS 16 "Leases".

The adoption of these amendments did not have a material impact on the Group financial statements.

Standards, interpretations and amendments in issue but not yet effective

The following amendments to standards and interpretations have also been issued, but are not yet effective and have not been early adopted for the financial year ended 30 September 2022:

- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The adoption of this amendment is not expected to have a material impact on the Group financial statements

Basis of consolidation

Subsidiaries are entities which the Group has the power to control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to govern the financial and operating policies so as to obtain economic benefits from its activities. The financial statements of subsidiaries are consolidated in the Group financial statements using the acquisition method of accounting from the date on which control is obtained up until the date that control ceases.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income and the statement of changes in equity.

Where the accounting policies of a subsidiary or equity-accounted investee do not conform in all material respects to those of the Group, adjustments are made on consolidation to reflect the accounting policies of the Group.

Intragroup transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated in preparing the financial statements. Gains arising from transactions with joint arrangements and associates are eliminated as described below.

Joint arrangements and associates

Where the Group collaborates with other entities on a development or contract, the arrangement is accounted for in accordance with IFRS 11. Where there is joint control, the arrangement is classified as a joint arrangement and accounted for using the equity method (for joint ventures) or on the basis of the Group's proportional share of the arrangement's assets, liabilities, revenues and costs (for joint operations).

An associate is an entity over which the Group is in a position to exercise significant influence but does not exercise control or joint control. Investments in associates are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures and associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture or associate equals or exceeds its interests in the joint venture or associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture or associate.

Unrealised losses arising on transactions between the Group and its joint ventures and associates are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group funds its joint ventures and associate through a combination of equity investments and debt (advances to joint ventures). The Directors review the recoverability of its investments and advances for impairment annually.

Purchase of own shares

During the year ended 30 September 2022, the Company announced that it would suspend the return of surplus cash to shareholders via on-market purchases of ordinary shares, until a formal sale process either completed or terminated. Shares purchased prior to suspension of the programme were held as treasury shares and resulted in a charge to retained earnings during the year. All directly attributable costs incurred relating to the purchase of treasury shares were also charged to retained earnings.

Prior to the acquisition of the Company's shares by Vistry, the Countryside Employee Benefit Trust ("EBT") purchased shares of the Company in order to hold an appropriate level of shares towards the future settlement of outstanding share-related incentives on behalf of the Group. The EBT was funded directly by the Group and waived its dividend and voting rights in respect of the shares it held. The purchase value of EBT shares has been charged to retained earnings during the year. The Group ceased any share transactions for the duration of the formal sale process, and therefore where typically a purchase would have been made by the EBT in order to satisfy the vesting of share-related incentives, this was instead satisfied in part through the shares held in treasury during that period.

Business combinations

All acquisitions are accounted for using the acquisition method of accounting. The cost of an acquisition is the aggregate of the fair values of the assets transferred, liabilities incurred or assumed, and equity instruments issued at the date of acquisition. The consideration transferred includes the fair value of the asset or liability resulting from a deferred or contingent consideration arrangement, unless that arrangement is dependent on continued employment of the beneficiaries.

The identified assets and liabilities are measured at their fair value at the date of acquisition. The excess of consideration over the Group's share of the fair value of the total identifiable net assets acquired is recorded as goodwill. Costs directly relating to an acquisition are expensed to the statement of comprehensive income.

Intangible assets

Goodwill

Goodwill recognised on acquisition of a subsidiary represents the excess of consideration over the Group's share of the fair value of the total identifiable net assets acquired. If the total consideration transferred is less than the fair value of the net assets acquired, the difference is recognised directly in the statement of comprehensive income.

An impairment review is carried out annually or when circumstances arise that may indicate an impairment is likely. The carrying value of goodwill is compared to its recoverable amount, being the higher of its value in use and its fair value less costs of disposal. Any impairment is charged immediately to the statement of comprehensive income and is not subsequently reversed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated at the acquisition date to cash generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the business combination. Each CGU or group of CGUs to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Brands

The Group carries assets on the statement of financial position in respect of acquired brands. The cost is determined at acquisition as being the directly attributable cost or, where relevant, by using an appropriate valuation method. Brand assets are tested for impairment when a triggering event is identified and are amortised over the estimated useful life of the brand, up to a maximum of 20 years.

Customer-related assets

The Group carries customer-related intangible assets resulting from acquisitions on the statement of financial position. These assets are recognised initially at fair value and are amortised over a period of between two and a half and ten years. The assets are tested for impairment when a triggering event is identified, and where provisions for impairment are recognised these are reviewed annually to ensure that no additional charge or reversal of previously recognised impairment losses is required.

Computer software

Computer software that generates an economic benefit of greater than one year, and is controlled by the Group, is recognised as an intangible asset and carried at cost less accumulated amortisation. Computer software costs that are recognised as an asset are amortised on a straight-line basis over their economic useful life of either four or five years. These assets are reviewed for impairment at such time as there is a change in circumstances which may indicate that the carrying value is no longer recoverable.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any applicable impairment losses.

Depreciation is charged at rates to write off the cost of the asset (to its residual value) on a straight-line basis over the estimated useful life of the asset. The applicable useful lives are:

- Plant and machinery four to five years, except for manufacturing machinery with a maximum useful life of twelve years
- Fixtures and fittings ten years

The Group does not own any land or buildings considered to be non-trade related.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Inventories

Inventories are held at the lower of cost or net realisable value, with the exception of inventories acquired as part of a business combination which are held at fair value.

Cost comprises land, land option costs, materials, applicable direct labour and those overheads incurred to bring the inventories to their present location and condition, less the value of inventories charged to cost of sales. The Group determines the value of inventories charged to cost of sales based on the total forecast margin of developing a site or part of a site. Refer to page 42 for the Group's cost of sales accounting policy.

Net realisable value represents the estimated selling price comprising all elements of a development, including private, affordable and PRS sales as well as any other sources of income that will result from the development, less all estimated costs to sell, including sales and marketing costs.

Purchased land options are initially stated at cost and are regularly assessed to determine if there has been a change in circumstances that would indicate a diminution in value and likely impairment, such as a refusal of planning permission. Any impairments are recognised immediately in the statement of comprehensive income. Upon exercise, the carrying value of the option at that point in time is included within the value of inventory for the relevant site.

Land inventory is recognised when the Group obtains control of the land, which is considered to be on unconditional exchange of contracts. Where land is purchased on deferred payment terms, the liability is discounted to fair value with the land recognised at the discounted value in inventories. The liability is presented as "deferred land payments" within trade and other payables.

Pre-contract expenditure is capitalised into inventories where it is probable that a contract will be signed or otherwise is recognised as an expense within costs of sales in the statement of comprehensive income.

Where appropriate, impairment provisions are recognised against inventories to reduce them to their net realisable value.

Financial assets

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial assets are derecognised only when the contractual rights to the cash flows from the financial assets expire or when the Group is no longer considered to have control over the assets.

The Group's financial assets comprise "trade and other receivables" and "cash and cash equivalents" in the statement of financial position. Trade and other receivables are classified as financial assets at amortised cost. Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any provision for impairment.

The Group applies the simplified approach under IFRS 9 to measure expected credit losses ("ECL") associated with trade and other receivables. The carrying value of the receivable is reduced at each reporting date for any increase in the lifetime ECL, with an impairment loss recognised in the statement of comprehensive income.

If collection is expected in one year or less, receivables are classified as current assets. If not, they are classified as non-current assets.

Where land is sold on deferred payment terms, the revenue and associated receivable are discounted to their fair value. The discount to fair value is amortised over the period to the settlement date and credited to finance income using the effective interest rate method. Changes in estimates of the final amount due are recognised in revenue in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and other short-term deposits held by the Group with maturities of three months or less. Funds held to Countryside's order with solicitors on the balance sheet date, which are then subsequently transferred to Countryside on the next working day are also presented within cash and cash equivalents.

Trade and other payables

Trade and other payables on normal terms are not interest bearing and are stated initially at their fair value and subsequently at amortised cost. They are classified as current liabilities if payment is due within 12 months. If not, they are classified as non-current liabilities.

Where land is purchased on deferred payment terms, the liability is discounted to fair value with the land recognised at the discounted value in inventories. The discount to fair value relating to the liability is amortised over the period of the credit term and charged to finance costs using the effective interest rate method.

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

Changes in estimates of the final payment value of deferred land payments and overage payable are capitalised into inventories and, in due course, to cost of sales in the statement of comprehensive income. If there is a change to the timing of payments, the present value of the revised payments is recalculated with any change to the liability recognised within finance costs.

Deposits received from customers relating to sales of new properties are classified within current trade payables.

Leases

Lease liabilities are initially recognised at the present value of future lease payments. Future lease payments are included in the lease liability where they are fixed in value, or variable based on an index or a rate. Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the condition that triggers the payment occurs. To calculate the present value of future lease payments, the payments are discounted at the Group's incremental borrowing rate, which is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Subsequently, lease liabilities increase to reflect the unwind of discount and reduce by the value of payments made to lessors. Lease liabilities are remeasured where the Group's assessment of the expected lease term changes or there is a modification to the lease terms. The unwind of the discount on lease liabilities is recorded in finance costs in the statement of comprehensive income. Cash outflows relating to lease interest are presented within net cash flows from operating activities in the statement of cash flows.

Right of use assets are initially measured at cost, comprising the initial value of the lease liabilities adjusted for rental payments made at or prior to the start of the lease term, initial direct costs, lease incentives and restoration costs.

Subsequently, right of use assets are measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. Right of use assets are depreciated over the shorter of the asset's estimated useful life and the lease term on a straight-line basis. Depreciation is recorded in either cost of sales or administrative expenses in the statement of comprehensive income depending on the nature of the asset.

The Group applies the recognition exemptions for short-term and low-value asset leases. The rental expense for these leases is recognised on a straight-line basis in the statement of comprehensive income. The rental expense is recorded in either cost of sales or administrative expenses depending on the nature of the asset. Short-term leases are leases with a lease term of 12 months or less.

Borrowings

Interest-bearing bank loans and overdrafts are recorded initially at fair value. Such instruments are subsequently carried at amortised cost and finance charges, including premiums payable on settlement or redemption, are amortised over the term of the instrument using the effective interest rate method.

Bank loans are reported net of direct transaction costs to the extent that borrowings are available for offset. If the value of unamortised borrowing costs exceeds the value of borrowings, these amounts are disclosed within prepayments.

Bank loans are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

Bank overdrafts are classified as current liabilities.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event which is probable to result in an outflow of economic benefits that can be reliably estimated. Where the effect of the time value of money is material, the provision is discounted at the pre-tax discount rate that reflects the risks specific to the liability.

Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are presented in share premium as a deduction from the proceeds received.

Revenue

Revenue comprises the fair value of the consideration received or receivable, net of applicable value-added tax, stamp duty land tax, rebates and discounts and after eliminating sales within the Group.

The Group operates a range of legal and contractual structures which are tailored according to the land structure and parties to the contract. Recognition of revenue reflects the underlying nature of these contracts, as described below in more detail by category.

Mixed Tenure Sites

- *Private housing revenue*

Revenue is recognised on the sale of private housing at a point in time on legal completion, as this is when the customer obtains control of the property, and the Group has fulfilled its performance obligations. Revenue is recognised at the fair value of the consideration received.

Cash incentives are considered to be a discount from the purchase price offered to the acquirer and are therefore accounted for as a reduction to revenue.

Cash is received by the Group on legal completion and there is no variable or financing component to the consideration received. Where customers use the Government's Help to Buy scheme, the Group typically receives the cash from Homes England within two weeks of legal completion.

- *Affordable housing and private rental sector ("PRS") revenue*

For mixed tenure developments, the Affordable and PRS contract revenues is estimated using an output measure based upon surveyor-certified valuations of work performed at the balance sheet date.

Where there is a disposal of land to the customer under the contract, revenue for this disposal is recognised in line with the accounting policy for land sales below.

As the build progresses, customer-controlled assets are created, with the design tailored to the specification of the customer. The Group has an enforceable right to be paid for the work completed to date and invoices are issued and paid over the life of the development. Variations in contract work and claims are included to the extent that it is highly probable that there will not be a significant reversal when the value of such payments is finalised.

Where progress towards the satisfaction of performance obligations cannot be reasonably determined, revenue is recognised over time as the work is performed, to the extent that costs have been incurred and are expected to be recoverable, and contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately in the statement of comprehensive income within cost of sales.

Partner delivery

Partner delivery relates to sites where the development is solely for the delivery of affordable and PRS units. Partner delivery revenue is recognised over time, using an input measure based upon costs plus expected margin as a percentage of expected total contract costs. In each accounting period, the revenue and margin recorded reflect the latest year end estimates of cumulative progress.

For all contracts, costs are expensed in the income statement as incurred.

In the prior year, partner delivery was recognised using an output measure based upon surveyor-certified valuations of work performed. The impact of the change in policy if applied to the prior financial year was not material and therefore no prior year information has been restated.

Other revenue – land sales

In prior years, revenue for land sales was recognised on unconditional exchange of contracts. During the year, the Directors have re-assessed the point at which control transfers to the customer and has changed the Group's policy to recognise revenue on legal completion. The impact of the change in policy if applied to the prior financial year would not be material and therefore no prior year information has been restated. Revenue is measured as the fair value of consideration received or receivable.

Where there are residual obligations in the land sale contract that are not satisfied at the balance sheet date, an element of the transaction price is deferred into future periods. If the stand-alone selling price of the residual obligations is not directly observable, the transaction price is derived by calculating a value for the land element of the contract and deducting this from the total transaction price. The remainder is allocated to the residual obligations. Revenue is recognised on the residual obligations at a point in time when the performance obligations have been satisfied.

Cash is either received on completion or on deferred settlement terms. Where land is sold on deferred settlement terms the revenue and associated receivable are discounted to their fair value. The discount to fair value is amortised over the period to the settlement date and credited to finance income using the effective interest rate method. Changes in estimates of the final amount due are recognised in revenue in the statement of comprehensive income.

Other revenue – commercial sales

Revenue is typically recognised in the statement of comprehensive income at a point in time on unconditional exchange of contracts as this is the point at which the Group is considered to have satisfied its performance obligations. Cash is received on legal completion, and, in most cases, there is no variable or financing component to the consideration received.

In some cases, where longer-term performance obligations are present, for example in design and build contracts, revenue is recognised over time as described above in "Affordable housing and private rental sector ("PRS") revenue". Revenue is measured as the fair value of consideration received or receivable.

Other revenue – project management services

Revenue earned for the provision of project management services, typically to the Group's joint ventures and associates, is recognised on an accruals basis in line with the underlying contract.

Other revenue – part exchange

In certain instances, property may be accepted as part consideration in the sale of a Countryside property. The fair value of the part exchange property is established by independent surveyors and reduced for costs to sell. The sale of the Countryside property is recorded in line with the accounting policy for private housing described above, with the value of revenue recognised reflecting the total of cash proceeds and the fair value of the part exchange property received by the Group. The part exchange property is recognised within inventories until sold.

The subsequent sale of the part exchange property is treated as a separate transaction with revenue recognised in line with the treatment of private housing described above.

Other revenue – freehold reversions

Revenue is recognised on freehold reversion sales on unconditional exchange.

Cost of sales

The Group determines the value of inventories charged to cost of sales as follows:

Mixed Tenure Sites

For mixed tenure developments, the group recognises costs of sale based upon revenue recognised, from both private and Affordable/private rental sector ("PRS") income streams, less the expected margin. The margin is determined on a monthly basis, looking prospectively at expected revenue and costs remaining over the life of the site or a phase of a site. In making this estimate, no cumulative adjustment is made to the estimated cost of sales.

Partner delivery

For Partner delivery developments which solely consist of Affordable housing and PRS delivery, cost of sales are expensed immediately in the income statement as incurred. In the prior year, partner delivery cost of sales were recognised based on expected margin with reference to the output based measure of completion described in the revenue policy. The impact of the change in policy if applied to the prior financial year was not material and therefore no prior year information has been restated.

Finance costs and finance income

Borrowing costs

Borrowing costs in relation to the Group's debt facility are recognised on an accruals basis. Also included in borrowing costs is the amortisation of fees associated with the arrangement of the financing.

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the statement of comprehensive income using the effective interest method. These amounts are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

The Group capitalises borrowing costs into developments only where project-specific borrowings are used.

Unwind of discounting

The finance costs and income associated with the time value of money on discounted payables and receivables are recognised within finance costs and income as the discount unwinds over the life of the relevant item.

Current and deferred income taxation

Income tax comprises current and deferred tax.

Current taxation

The current taxation payable is based on taxable profit for the period which differs from accounting profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and those items never taxable or deductible. The Group's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred taxation

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

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled based upon tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to the statement of changes in equity, in which case the deferred tax is also dealt with in equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the Group intends to settle the balances on a net basis.

Segmental reporting

Segmental reporting is presented in respect of the Group's reportable segments reflecting the Group's management and internal reporting structure as at the balance sheet date. This was the basis upon which strategic operating decisions were made by the Group's Chief Operating Decision Maker ("CODM") during the financial year, which has been identified as the Group's Executive Committee. The Group's two reportable segments are Partnerships and Legacy Operations. The Partnerships business specialises in mixed tenure developments, including affordable homes, homes for institutional private rental and homes for private sale, working collaboratively with partners in the public and private sectors. As detailed in Note 2, any non-Partnerships activities are regarded as Legacy Operations and are no longer a core focus of the Group. The Partnerships business comprises four geographical operating segments across the United Kingdom, each managed by a Divisional Chief Executive. All Divisional Chief Executives are members of the Group's Executive Committee. The Group aggregates the Partnerships operating segments into one reportable segment on the basis that they share similar economic characteristics. Each of the divisions build and deliver homes on mixed tenure sites, sell to similar customers, operate in the same legal and regulatory environment, and have similar target financial returns.

Pension plans

The Group operates a defined contribution pension plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised on an accruals basis as employee benefit expenses.

Share-based payments

The Group provides benefits to employees of the Group, including Directors, in the form of equity-settled share-based awards, whereby employees render services in exchange for rights over shares.

For equity-settled share-based payments, the fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or options granted, excluding the impact of any non-market vesting conditions. All share options are valued using an option-pricing model (Black Scholes or Monte Carlo). This fair value is charged to the statement of comprehensive income over the vesting period of the share-based awards.

The Group does not operate any cash-settled share-based payment plans.

Dividends

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Dividends payable are recorded in the period in which they become unconditional.

4. Segmental reporting

Segmental reporting is presented in respect of the Group's reportable segments reflecting the Group's management and internal reporting structure as at the balance sheet date. This was the basis upon which strategic operating decisions were made by the Group's Chief Operating Decision Maker ("CODM") during the financial year, which has been identified as the Group's Executive Committee.

The Group's two reportable segments are Partnerships and Legacy Operations. The Partnerships business specialises in mixed tenure developments, including affordable homes, homes for institutional private rental and homes for private sale, working collaboratively with partners in the public and private sectors. As detailed in Note 2, any non-Partnerships activities are regarded as Legacy Operations, which the Group is exiting as soon as practical. The Partnerships business comprises four geographical operating segments across the United Kingdom, each managed by a Divisional Chief Executive. All Divisional Chief Executives are members of the Group's Executive Committee. The Group aggregates the Partnerships operating segments into one reportable segment on the basis that they share similar economic characteristics. Each of the divisions build and deliver homes on mixed tenure sites, sell to similar customers, operate in the same legal and regulatory environment, and have similar target financial returns.

(a) Segmental financial performance

Segmental operating profit includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Central head office costs that are directly attributable to a segment are allocated where possible, or otherwise allocated between segments based on an appropriate allocation methodology.

	Partnerships £m	Legacy Operations £m	Group items £m	Total £m
Year ended 30 September 2022				
Revenue	1,105.4	426.3	—	1,531.7
Operating (loss)/profit	(90.3)	37.8	(133.3)	(185.8)
	Partnerships £m	Legacy Operations £m	Group items £m	Total £m
Year ended 30 September 2021				
Revenue	902.3	469.1	—	1,371.4
Operating profit/(loss)	34.4	65.5	(28.6)	71.3

(b) Segmental financial position

Segmental net asset value ("NAV") represents the net assets of each operating segment. It includes items directly attributable to each segment, as well as those that can be allocated on a reasonable basis.

	Partnerships £m	Legacy Operations £m	Group items £m	Total £m
As at 30 September 2022				
Segment assets	1,412.9	269.0	36.6	1,718.5
Segment liabilities	(662.0)	(144.2)	—	(806.2)
NAV	750.9	124.8	36.6	912.3
As at 30 September 2021				
Segment assets	1,131.6	473.8	127.9	1,733.3
Segment liabilities	(480.4)	(137.0)	(8.4)	(625.8)
NAV	651.2	336.8	119.5	1,107.5

(c) Segmental other items

	Partnerships £m	Legacy Operations £m	Group items £m	Total £m
Year ended 30 September 2022				
Investment in joint ventures	52.3	2.8	—	55.1
Investment in associate	—	0.8	—	0.8
Share of post-tax profit from joint ventures and associate	30.4	1.4	—	31.8
Capital expenditure – property, plant and equipment	2.7	0.9	—	3.6
Capital expenditure – right of use assets	2.2	0.8	—	3.0
Capital expenditure – intangible assets	—	—	0.2	0.2
Depreciation – property, plant and equipment	2.7	0.9	—	3.6
Depreciation – right of use assets	5.8	2.0	—	7.8
Amortisation – intangible assets	—	—	9.3	9.3
Impairment of acquisition-related intangible assets	—	—	76.9	76.9
Share-based payments	—	—	1.9	1.9
Year ended 30 September 2021				
Investment in joint ventures	36.8	1.5	—	38.3
Investment in associate	—	0.8	—	0.8
Share of post-tax profit from joint ventures and associate	26.1	3.8	—	29.9
Capital expenditure – property, plant and equipment	11.8	2.0	—	13.8
Capital expenditure – right of use assets	44.4	6.1	—	50.5
Capital expenditure – intangible assets	—	—	2.1	2.1
Depreciation – property, plant and equipment	1.7	0.6	—	2.3
Depreciation – right of use assets	4.7	1.5	—	6.2
Amortisation – intangible assets	—	—	10.4	10.4
Gain on sale of Group's interest in joint venture	—	13.9	—	13.9
Share-based payments	—	—	1.9	1.9

5. Employee costs

	2022 £m	2021 £m
Wages and salaries	143.4	127.5
Social security costs	16.9	14.9
Other pension costs	10.2	7.9
Share-based payments (Note 28)	1.9	1.9
	172.4	152.2

All the Group's employees are entitled to join the Group's defined contribution schemes, which are invested with Aegon. Annual contributions to these plans expensed in the statement of comprehensive income amounted to £10.2m (2021: £7.9m), of which £1.2m (2021: £1.1m) was outstanding as at 30 September 2022. The Group does not operate any defined benefit pension schemes.

The average monthly number of employees (including Directors) for the year for each of the Group's principal activities was as follows:

	2022 Number	2021 Number
Development	1,833	1,826
Head office	240	219
	2,073	2,045

6. Revenue

An analysis of Group reported revenue by type is set out below:

	2022 £m	2021 £m
Partnerships:		
– Private housing	547.1	449.2
– Affordable	244.5	274.9
– PRS	191.7	141.5
– Other	122.1	36.7
	1,105.4	902.3
Legacy Operations:		
– Private housing	324.1	344.3
– Affordable	34.3	41.5
– PRS	0.7	7.5
– Other	67.2	75.8
	426.3	469.1
Total revenue	1,531.7	1,371.4

Other revenue of £189.3m (2021: £112.5m) includes land sales of £163.0m (2021: £87.2m) and project management fee income of £20.8m (2021: £19.2m)

At 30 September 2022, the aggregate amount of unsatisfied performance obligations relating to contracts with customers was £1,152.0m (2021: £1,042.3m). Approximately 40% of these amounts are expected to be recognised as revenue within one year, with the remainder recognised over varying contractual lengths

7. Operating (loss)/profit

(a) Operating (loss)/profit

Operating loss of £185.8m (2021: profit of £71.3m) is stated after charging/(crediting):

	Note	2022 £m	2021 £m
Inventories expensed to cost of sales		1,265.8	1,151.2
Staff costs	5	172.4	152.2
Remediation costs for multi-occupancy buildings		133.0	41.0
Impairment of acquisition-related intangible assets and goodwill	11	76.9	—
Bardon factory close-out costs		38.7	—
Write-down of inventories	17	25.0	(0.7)
Amortisation – intangible assets	11	9.3	10.4
Depreciation – property, plant and equipment	12	3.6	2.3
Depreciation – right of use assets	13	7.8	6.2
Costs relating to the sale of the Countryside Group	31, 33	3.5	—
Gain on sale of Group's interest in joint venture ¹	14	—	(13.9)

¹ The gain on sale of the Group's interest in joint venture relates to the sale of the Group's interest in Cambridge Medipark Limited in the prior year. As the proceeds from the sale were a debtor on the balance sheet at the prior year-end, their receipt is presented as a cashflow from investing activities on the face of the consolidated statement of cashflows in the current year

Key items recognised during the year include:

Remediation costs for multi-occupancy buildings

During the year a charge of £133.0m (2021: £41.0m) has been recognised in relation to remediation costs for multi-occupancy buildings. Refer to Note 21 for further detail.

Impairment of acquisition-related intangible assets and goodwill

During the year the Group recognised an impairment charge of £76.9m (2021: £Nil) against the goodwill and customer related intangible assets previously recognised on the acquisition of Westleigh in 2018. Refer to Note 11 for further detail.

Bardon factory close-out costs

A further outcome of the site-by-site review communicated on 7 April 2022, was that the Board had identified excess capacity within the Group's manufacturing division and would be actively assessing options to address this over the second half of the financial year. In July 2022, the Board announced that it had taken the decision to close the Group's modular panel factory in Bardon, and this was communicated to affected employees at that time. Costs of £38.7m relating to the closure of the factory have been recognised within administrative expenses during the year, principally impairment charges to write down the value of the leasehold factory and associated plant and machinery to their recoverable amounts, employee severance costs, advisory fees and charges in respect of onerous contractual obligations.

Write-down of inventories

In March 2022, the Directors approved a change in strategy at one site in the North division due to a significant increase in the upfront working capital requirements for the site and the deterioration in the forecast margin and ROCE, which had been identified since the acquisition was approved by the Board in 2018. An impairment charge of £22.0m has been recognised in the year to reduce the carrying amount of the land to its net realisable value. Other provisions totalling £3.0m have been recognised against inventory based on management's assessment of recoverable amount as at the year-end.

Costs relating to the sale of the Countryside Group

On 5 September 2022 the Board announced its recommendation to Countryside shareholders that they accept an offer by Vistry Group PLC to purchase the entire share capital of Countryside Partnerships PLC and combine the two business. The Group has incurred significant legal and advisory fees over the second half of the year in evaluating the Vistry proposal and in supporting the extensive due-diligence exercise that was carried out over the summer before recommending acceptance of the offer to shareholders. In addition to the above, the Group had also incurred costs to evaluate two previous purchase offers from existing shareholders, prior to receiving the approach by Vistry. These costs total £3.5m and relate to work that had been completed by the balance sheet date, where the Group's obligation is not contingent on the transaction completing.

It should be noted that significant further fees that were contingent on the transaction completing on the 11 November 2022 are not provided for in the figure above. Shareholder approval was achieved on 1 November 2022, at which point the Group accrued for these costs, which crystallised at £11.8m upon completion of the transaction on 11 November. These costs have therefore been disclosed as contingent liabilities as at 30 September 2022. Refer to Note 31 for further detail.

During the year the Group received the following services from the Group's auditor:

	2022 £m	2021 £m
Fees payable to the Group's auditor for the audit of parent and consolidated financial statements	0.7	0.8
Fees payable to the Group's auditor for other services:		
– Audit of subsidiary companies	0.6	0.5
– Audit of joint ventures and associate (Group share)	0.1	0.1
– Audit-related services	0.2	0.2
Total	1.6	1.6

No non-audit services were provided to the Group by the Group's auditor during the year.

8. Net finance costs

	Note	2022 £m	2021 £m
Bank loans and overdrafts		(4.3)	(3.2)
Amortisation of debt finance costs	19	(0.9)	(0.9)
Unwind of discount relating to:			
Land purchases on deferred payment terms		(8.6)	(10.9)
Provisions	21	(4.1)	—
Lease liabilities	13	(3.1)	(2.2)
Other loans		(0.1)	(0.1)
Finance costs		(21.1)	(17.3)
Interest receivable		1.7	0.8
Unwind of discount relating to:			
Land sales on deferred settlement terms		0.6	0.7
Finance income		2.3	1.5
Net finance costs		(18.8)	(15.8)

9. Income tax expense

	2022 £m	2021 £m
Analysis of charge for the year		
Current tax		
Current year	0.7	13.3
Adjustments in respect of prior periods	0.1	—
Total current tax	0.8	13.3
Deferred tax (Note 16)		
Origination and reversal of temporary differences	(25.0)	0.3
Adjustments in respect of prior periods	—	(0.5)
Total deferred tax	(25.0)	(0.2)
Total income tax (credit)/expense	(24.2)	13.1

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% and this rate had been enacted at the reporting date. Deferred tax has been measured using the enacted rates that are expected to apply to the period in which each asset or liability is expected to unwind.

In the Autumn Statement 2021, the Government confirmed that the Residential Property Developer Tax ("RPDT") would be introduced with effect from 1 April 2022. The RPDT came into force further to the enactment of the Finance Act 2022 and is charged at 4% on relevant profits exceeding an annual allowance of £25m. No liability to RPDT has been recorded in this period.

The Group effective tax rate for the year of 13.7% (2021: 15.3%) results in a lower tax credit (2021: lower tax expense) than the standard rate of corporation tax in the United Kingdom of 19.0% (2021: 19.0%). The table below shows the reconciliation of the Group's income tax credit calculated at the standard rate of tax in the United Kingdom to the Group's income tax credit at the effective tax rate

	2022 £m	2021 £m
(Loss)/profit before income tax	(172.8)	85.4
Tax calculated at the parent entity rate of tax of 19.0% (2021: 19.0%)	(32.8)	16.2
– Impairment of goodwill	13.7	—
– Adjustments to deferred tax due to increase in UK tax rates	(5.3)	1.7
– Other timing differences	1.3	(1.5)
– Joint ventures and associate tax	(1.4)	(1.6)
– Deferred tax credited/(charged) directly to reserves	(1.0)	0.9
– Adjustments in respect of prior periods – current tax including group relief	0.1	—
– Adjustments in respect of prior periods – deferred tax	—	(0.5)
– Income not taxable	—	(3.1)
– Enhanced deductions for land remediation	(0.2)	(0.3)
– Expenses not deductible for tax	1.4	1.3
Income tax (credit)/expense	(24.2)	13.1

10. (Loss)/earnings per share

Basic earnings per share ("basic EPS") is calculated by dividing the profit from continuing operations attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

The weighted average number of shares in issue is adjusted to exclude the weighted average number of treasury shares held by the Company and shares held by the Employee Benefit Trust ("EBT"). Refer to Note 22. The weighted average number of shares held in treasury during the year was 18.6 million (2021: 0.6 million) and the weighted average number of shares held in the EBT during the year was 0.3 million (2021: 1.0 million).

For diluted earnings per share ("diluted EPS"), the weighted average number of ordinary shares also assumes the conversion of all potentially dilutive share awards. However, the weighted average number of shares in the table below is not adjusted for the impact of dilutive shares for the year ended 30 September 2022 as a result of the Group being loss making during the year.

(a) Basic and diluted (loss)/earnings per share

	2022	2021
(Loss)/profit from continuing operations attributable to equity holders of the parent (£m)	(148.6)	72.3
Basic weighted average number of shares (millions)	504.7	523.0
Basic (loss)/earnings per share (pence per share)	(29.4)	13.8
Diluted weighted average number of shares (millions)	504.7	526.7
Diluted (loss)/earnings per share (pence per share)	(29.4)	13.7

11. Intangible assets

	Software £m	Customer related £m	Brand £m	Goodwill £m	Total £m
Cost					
At 1 October 2020	11.1	42.1	34.6	109.8	197.6
Additions	2.1	—	—	—	2.1
Disposals and de-recognition	(5.4)	—	(10.4)	—	(15.8)
At 30 September 2021	7.8	42.1	24.2	109.8	183.9
Additions	0.2	—	—	—	0.2
Disposals and de-recognition	(4.2)	(8.4)	(10.7)	—	(23.3)
At 30 September 2022	3.8	33.7	13.5	109.8	160.8
Accumulated amortisation and impairment					
At 1 October 2020	5.5	16.8	13.7	18.5	54.5
Amortisation charge for the year	1.9	3.4	5.1	—	10.4
Disposals and de-recognition	(1.6)	—	(7.3)	—	(8.9)
At 30 September 2021	5.8	20.2	11.5	18.5	56.0
Amortisation charge for the year	0.7	3.0	5.6	—	9.3
Impairment charge for the year	—	4.9	—	72.0	76.9
Disposals and de-recognition	(4.2)	(8.4)	(10.7)	—	(23.3)
At 30 September 2022	2.3	19.7	6.4	90.5	118.9
Net book value					
At 30 September 2022	1.5	14.0	7.1	19.3	41.9
At 30 September 2021	2.0	21.9	12.7	91.3	127.9

(a) Goodwill

Goodwill held by the Group comprises that resulting from the following acquisitions:

	2022 £m	2021 £m
Copthorn Holdings Limited ("Copthorn") – April 2013	19.3	19.3
Westleigh Group Limited ¹ ("Westleigh") – April 2018	—	72.0
	19.3	91.3

¹ Westleigh Group Limited was subsequently renamed as Countryside Properties (WGL) Limited

Goodwill is tested annually for impairment at the year-end unless indicators of a potential impairment arise during the year, at which point an impairment assessment will be undertaken by management.

Impairment of acquisition-related intangible assets

On 13 January 2022, the Group announced Q1 FY22 results that were significantly behind Board expectations. Following this announcement, a detailed site-by-site review was carried out resulting in a number of costs being recognised and a review of regional structures and forecasts.

On 7 April 2022, the Group announced the results of these reviews, which included the closure of two operating regions and a significant reduction to profit guidance for FY22. One of the regions identified for closure in the Midlands division was a cash generating unit ("CGU") to which an element of the Westleigh goodwill had previously been allocated.

In addition to the above, the Group also saw a significant reduction in share price during the period from 505.5 pence on 30 September 2021 to 270.8 pence on 31 March 2022.

The Directors considered the events above to be indicators of potential impairment and therefore a full impairment assessment was carried out as at 31 March 2022. The impairment reviews were performed by comparing the value in use with the carrying amount of the relevant CGU, or group of CGUs, including the allocated goodwill. The recoverable amount has been determined to be the value in use, in line with the prior year assessment.

The key estimates for the value in use calculations were the forecast cash flows and the discount rates.

Forecast cash flows were derived from the most recent Board-approved forecasts. Following the site-by-site review, the Directors prepared a revised forecast for FY22 and FY23 on a site-by-site basis, reflecting an updated expectation of future growth plans for the relevant CGUs. These forecasts were used for the value in use calculation. The cash flows reflected the Directors' assessment of current market conditions at that time relating to house prices and the costs of materials and labour. The forecast also considered broader market trends and expected regulatory and tax changes.

Cash flows beyond FY23 were extrapolated using a growth rate of 1% (2021: 1%) per annum based on GDP growth forecasts by HM Treasury, the Bank of England and the British Chambers of Commerce.

To calculate the value in use, the forecast cash flows were discounted using a pre-tax discount rate that reflected a current market assessment of the time value of money, and the estimated relative risk profile of each group of CGUs. The discount rate applied for each group of CGUs to which the Copthorn goodwill has been allocated was 12.1% (2021: 10.1%), whilst 13.1% (2021: 12.1%) was applied to the CGU, and group of CGUs, to which the Westleigh goodwill was allocated.

The impairment testing for the CGU, and group of CGUs, to which the Westleigh goodwill was allocated illustrated that the carrying amount exceeded the recoverable amount by £76.9m. As a result, an impairment charge was recognised in the period to 31 March 2022 to impair the goodwill of £72.0m in full. The remaining £4.9m shortfall was allocated to the customer relationships asset, reducing the carrying value to £15.3m as at 31 March 2022. The total impairment charge of £76.9m is included within administrative expenses (refer to Note 7).

The impairment testing for the groups of CGUs to which the Copthorn goodwill has been allocated illustrated that the recoverable amount exceeded the carrying amount, and therefore no impairment charge was recognised in the period to 31 March 2022 in respect of this asset.

Management has reviewed both goodwill assets as at the 30 September 2022 and has concluded that no impairment is required in respect of the Copthorn goodwill, and that no reversal or further charge is required in respect of the impairment recognised against customer related intangible assets (see below)

(b) Brands

Brands reflect those acquired in business combinations and are not internally generated:

	Acquired (year)	Life (years)	2022 £m	2021 £m
Countryside	2013	20.0	7.1	7.8
Millgate	2014	8.7	—	4.9
			7.1	12.7

In the year-ended 30 September 2021 management reviewed the useful life of the Millgate brand and considered it to have no future value to the Group beyond 30 September 2022. As such, the £4.9m carrying value on the balance sheet at the prior year-end has been fully amortised during the year, and the cost and accumulated depreciation derecognised as at the 30 September 2022.

No indicators of impairment were identified during the year in respect of the Countryside brand and therefore the value recognised on acquisition continues to be amortised over a useful life of 20 years.

(c) Customer-related intangible assets

Customer-related intangible assets of £14.0m (2021: £21.9m) relate to customer relationships and contract assets recognised on the acquisition of Westleigh in April 2018. The useful economic life of the customer relationships has been assessed as a maximum of 10 years from the acquisition date, reflecting the expected timeframe over which the Group will derive value from these assets, though this may be adjusted down for specific assets if management identify that this timeframe has reduced. Contract assets are amortised over the term of the contract, and the Group has derecognised cost and accumulated amortisation of £8.4m during the year in respect of a contract which became fully amortised during the year.

As noted in section (a) above, in addition to the amortisation charge for the year, an impairment charge of £4.9m was also recognised against the customer relationships assets, reflecting the excess of the impairment charge for the Westleigh group of CGUs, over the value of the Westleigh goodwill on the balance sheet as at 31 March 2022.

Amortisation is charged to administrative expenses in the statement of comprehensive income.

12. Property, plant and equipment

	Plant and machinery £m	Fixtures and fittings £m	Assets under construction £m	Total £m
Cost				
At 1 October 2020	11.6	12.1	2.4	26.1
Additions	0.7	6.8	6.3	13.8
Disposals	(5.9)	(4.2)	—	(10.1)
At 30 September 2021	6.4	14.7	8.7	29.8
Additions	2.2	1.4	—	3.6
Disposals	(0.8)	(0.1)	—	(0.9)
Reclassification	8.7	—	(8.7)	—
At 30 September 2022	16.5	16.0	—	32.5
Accumulated depreciation and impairment				
At 1 October 2020	7.3	3.7	—	11.0
Depreciation charge for the year	1.1	1.2	—	2.3
Disposals	(5.9)	(4.2)	—	(10.1)
At 30 September 2021	2.5	0.7	—	3.2
Depreciation charge for the year	1.7	1.9	—	3.6
Impairment charge for the year	6.6	1.2	—	7.8
Disposals	(0.2)	(0.1)	—	(0.3)
At 30 September 2022	10.6	3.7	—	14.3
Net book value				
At 30 September 2022	5.9	12.3	—	18.2
At 30 September 2021	3.9	14.0	8.7	26.6

Depreciation is charged to administrative expenses in the statement of comprehensive income.

Transfers from assets under construction of £8.7m comprises machinery at the modular panel factory in Bardon, Leicestershire, that became capable of operation during the year.

The impairment charge for the year relates to plant, machinery and fixtures and fittings at the Bardon factory (refer to Note 7).

13. Leases

The Group's leases consist primarily of buildings (offices, factories and show homes). The Group also leases other assets such as company cars and IT equipment, presented within "Other" below.

(a) Right of use assets

	Buildings £m	Other £m	Total £m
Cost			
At 1 October 2020	27.1	6.4	33.5
Additions	47.1	3.4	50.5
De-recognition	—	(0.5)	(0.5)
At 30 September 2021	74.2	9.3	83.5
Additions	0.3	2.7	3.0
Remeasurement	(7.6)	—	(7.6)
Disposals	(0.5)	(1.0)	(1.5)
At 30 September 2022	66.4	11.0	77.4
Accumulated depreciation and impairment			
At 1 October 2020	5.3	1.9	7.2
Depreciation charge for the year	4.0	2.2	6.2
De-recognition	—	(0.5)	(0.5)
At 30 September 2021	9.3	3.6	12.9
Depreciation charge for the year	4.9	2.9	7.8
Impairment charge for the year	24.1	—	24.1
Disposals	(0.5)	(0.7)	(1.2)
At 30 September 2022	37.8	5.8	43.6
Net book value			
At 30 September 2022	28.6	5.2	33.8
At 30 September 2021	64.9	5.7	70.6

Right of use asset additions during the year mainly relate to company vehicles.

The impairment charge for the year relates to the Bardon factory building (refer to Note 7).

(b) Lease liabilities

	2022 £m	2021 £m
Current	6.6	8.0
Non-current	55.2	64.8
Total	61.8	72.8

The total cash outflow relating to lease liabilities for the year ended 30 September 2022 was £9.6m (2021: £10.4m). A maturity analysis of the contractual undiscounted future lease payments is presented in Note 27.

(c) Amounts recognised in the statement of comprehensive income

	2022 £m	2021 £m
Depreciation of right of use assets	7.8	6.2
Impairment of right of use assets	24.1	-
Finance costs – unwind of discount	3.1	2.2
Expenses relating to leases of short term and low value assets	0.4	0.5

14. Joint arrangements

Joint ventures

The Directors have aggregated the disclosure of the joint ventures' statements of financial position and statements of comprehensive income, and separately disclosed material joint ventures below

The Group's aggregate investment in joint ventures is represented by:

	2022			2021		
	Partnerships £m	Legacy Operations £m	Group £m	Partnerships £m	Legacy Operations £m	Group £m
Summarised statement of financial position:						
Non-current assets	8.6	—	8.6	1.3	0.1	1.4
Current assets excluding cash	280.4	2.4	282.8	239.6	7.8	247.4
Cash	13.4	13.0	26.4	6.7	9.8	16.5
Current liabilities	(109.5)	(9.5)	(119.0)	(79.1)	(11.8)	(90.9)
Non-current liabilities	(88.2)	(0.3)	(88.5)	(94.8)	(2.9)	(97.7)
Net asset value	104.7	5.6	110.3	73.7	3.0	76.7
Movements in net assets:						
At 1 October	73.7	3.0	76.7	65.9	15.9	81.8
Profit for the year	60.9	2.8	63.7	52.2	7.4	59.6
Dividends paid	(36.5)	—	(36.5)	(38.4)	(9.0)	(47.4)
Repayment of members' interest	—	—	—	(6.0)	(5.5)	(11.5)
Disposal	—	—	—	—	(4.6)	(4.6)
Other movements	6.6	(0.2)	6.4	—	(1.2)	(1.2)
At 30 September	104.7	5.6	110.3	73.7	3.0	76.7
Summarised statement of comprehensive income:						
Revenue	328.3	18.8	347.1	261.8	47.6	309.4
Expenses	(256.0)	(16.0)	(272.0)	(204.0)	(40.0)	(244.0)
Operating profit for the year	72.3	2.8	75.1	57.8	7.6	65.4
Finance costs	(8.0)	—	(8.0)	(1.8)	(0.2)	(2.0)
Income tax expense	(3.4)	—	(3.4)	(3.8)	—	(3.8)
Profit for the year	60.9	2.8	63.7	52.2	7.4	59.6
Share of revenue ¹	164.1	9.4	173.5	130.9	23.8	154.7
Share of operating profit ¹	36.1	1.4	37.5	28.9	3.8	32.7
Dividends received by the Group	18.2	—	18.2	19.2	4.5	23.7
Investment in joint ventures	52.3	2.8	55.1	36.8	1.5	38.3

Investment in joint ventures

The table below reconciles the movement in the Group's aggregate investment in joint ventures:

	2022 £m	2021 £m
At 1 October	38.3	40.9
Share of post-tax profit	31.8	29.8
Dividends received	(18.2)	(23.7)
Repayment of members' interest	—	(5.8)
Disposal	—	(2.3)
Other movements	3.2	(0.6)
At 30 September	55.1	38.3

The amount due from joint ventures is £65.9m (2021: £62.8m) and the amount due to joint ventures is £2.5m (2021: £0.5m). Transactions between the Group and its joint ventures are disclosed in Note 25.

Individually material joint ventures

The Directors consider that joint ventures are material where they contribute 10% or more of the share of post-tax profit from joint ventures and associate recognised by the Group, or more than 5% of Group net assets. Countryside Clarion (Eastern Quarry) LLP is reported as an individually material joint venture for the first time in the current year, whilst Countryside L&Q (Oaks Village) is no longer considered individually material to the Group. The summarised results and position of individually material joint ventures are highlighted below, all of which form part of the Partnerships segment:

2022	Acton Gardens LLP £m	Greenwich Millennium Village Limited £m	Countryside Zest (Beaulieu Park) LLP £m	Countryside Clarion (Eastern Quarry) LLP £m
Summarised statement of financial position:				
Non-current assets	0.9	0.1	7.4	0.1
Current assets excluding cash	52.6	65.6	89.1	37.5
Cash	3.7	6.1	0.8	2.3
Current liabilities	(39.9)	(14.8)	(10.9)	(20.1)
Non-current liabilities	(2.0)	(6.9)	(61.3)	(9.5)
Net asset value	15.3	50.1	25.1	10.3
Movements in net assets:				
At 1 October	16.2	35.6	19.5	0.3
Profit for the year	15.3	14.5	25.8	10.0
Dividends paid	(16.2)	—	(20.2)	—
Repayment of members' interest	—	—	—	—
At 30 September	15.3	50.1	25.1	10.3
Summarised statement of comprehensive income:				
Revenue	65.9	75.9	121.1	51.3
Expenses	(50.6)	(57.6)	(95.5)	(39.7)
Operating profit for the year	15.3	18.3	25.6	11.6
Finance costs	—	(0.3)	0.2	(1.6)
Income tax expense	—	(3.5)	—	—
Profit for the year	15.3	14.5	25.8	10.0

Current and non-current liabilities comprise trade and other payables or provisions for all material joint ventures presented above, with the exception of current lease liabilities totalling £52k and non-current lease liabilities totalling £11k, both within Acton Gardens LLP. During the year, depreciation of £53k and £34k was recognised in Acton Gardens LLP and Countryside Zest (Beaulieu Park) LLP respectively.

	Partnerships			Legacy Operations
	Acton Gardens LLP £m	Greenwich Millennium Village Limited £m	Countryside Zest (Beaulieu Park) LLP £m	Countryside L&Q (Oaks Village) LLP £m
2021				
Summarised statement of financial position:				
Non-current assets	1.5	0.1	0.5	0.1
Current assets excluding cash	50.0	50.4	115.0	3.9
Cash	0.2	1.9	2.2	9.6
Current liabilities	(34.3)	(8.7)	(12.7)	(7.9)
Non-current liabilities	(1.2)	(8.1)	(85.5)	(2.9)
Net asset value	16.2	35.6	19.5	2.8
Movements in net assets:				
At 1 October	16.6	31.9	9.8	11.1
Profit for the year	16.1	15.7	19.6	6.1
Dividends paid	(16.5)	(12.0)	(9.9)	(8.9)
Repayment of members' interest	—	—	—	(5.5)
At 30 September	16.2	35.6	19.5	2.8
Summarised statement of comprehensive income:				
Revenue	80.7	76.4	91.6	31.2
Expenses	(64.6)	(56.6)	(72.0)	(25.0)
Operating profit for the year	16.1	19.8	19.6	6.2
Finance costs	—	(0.3)	—	(0.1)
Income tax expense	—	(3.8)	—	—
Profit for the year	16.1	15.7	19.6	6.1

Current and non-current liabilities comprised trade and other payables or provisions for all material joint ventures presented above, with the exception of current lease liabilities totalling £50k and non-current lease liabilities totalling £63k, both within Acton Gardens LLP. During the year, depreciation of £54k and £36k was recognised in Acton Gardens LLP and Countryside Zest (Beaulieu Park) LLP respectively.

The Group's joint ventures

All of the Group's joint ventures are incorporated and domiciled in the UK, which is also their principal place of business, and are accounted for using the equity method. The Group's joint ventures are listed below:

	Country of incorporation	Ownership interest %	Principal activity
Acton Gardens LLP	UK	50.0	Development
Bracknell Forest Cambium Partnership LLP	UK	50.0	Development
Brenthall Park (Commercial) Limited	UK	50.0	Non-trading
Brenthall Park (Infrastructure) Limited	UK	50.0	Non-trading
Brenthall Park (Three) Limited	UK	50.0	Non-trading
Brenthall Park Limited	UK	50.0	Non-trading
Bromley Regeneration (Calverley Close) LLP	UK	50.0	Development
Bromley Regeneration (Pike Close) LLP	UK	50.0	Development
Cambridge Road (RBK) LLP	UK	50.0	Development
Camden Development Partnership LLP	UK	50.0	Development
C.C.B. (Stevenage) Limited	UK	33.3	Non-trading
Clapham Park (Metropolitan Countryside) LLP	UK	50.0	Development
Countryside 27 Limited	UK	50.0	Commercial
Countryside L&Q (Oaks Village) LLP	UK	50.0	Development
Countryside L&Q (North East Chelmsford) LLP	UK	50.0	Development
Countryside Annington (Mill Hill) Limited	UK	50.0	Development
Countryside Clarion (Eastern Quarry) LLP	UK	50.0	Development
Countryside Properties (Accordia) Limited	UK	50.0	Non-trading
Countryside Properties (Booth Street 2) Limited	UK	39.0	Non-trading
Countryside Properties (Merton Abbey Mills) Limited	UK	50.0	Non-trading
Countryside Places for People (Lower Herne) LLP	UK	50.0	Development
Countryside Maritime Limited	UK	50.0	Development
Countryside Neptune LLP	UK	50.0	Non-trading
Countryside Sovereign Swindon LLP	UK	50.0	Development
Countryside Zest (Beaulieu Park) LLP	UK	50.0	Development
Greenwich Millennium Village Limited	UK	50.0	Development
Mann Island Estate Limited	UK	50.0	Estate management
Marrco 25 Limited	UK	50.0	Non-trading
Oaklands Hamlet Resident Management Limited	UK	50.0	Estate management
Peartree Village Management Limited	UK	50.0	Estate management
Westleigh Cherry Bank LLP	UK	50.0	Non-trading

All joint ventures hold the registered address of Countryside House, The Drive, Brentwood, Essex CM13 3AT, except for C.C.B. (Stevenage) Limited (Croudace House, Tupwood Lane, Caterham, Surrey CR3 6XQ).

No joint venture was committed to the purchase of any property, plant and equipment or software intangible assets as at 30 September 2022 (2021: £Nil).

Joint operations

The Group has a number of joint operations. These include Beam Park in Rainham, Rochester Riverside on the Kent Medway, South Oxhey in Hertfordshire, Fresh Wharf in Barking and Hazel End in Bishops Stortford, where the Group has joint control of the developments, alongside a housing association. Joint operations are proportionally consolidated with 50% of the assets, liabilities, income and expenses included in the consolidated financial statements.

15. Investment in associate

The Group holds 28.5% of the ordinary share capital with pro-rata voting rights in Countryside Properties (Bicester) Limited, a company incorporated and domiciled in the UK, whose principal activity is the sale of serviced parcels of land, and for segmental purposes is disclosed within Legacy Operations. It is accounted for using the equity method.

The Group's investment in associate is represented by:

	2022 £m	2021 £m
Summarised statement of financial position:		
Current assets excluding cash	0.4	0.5
Cash	5.9	8.4
Current liabilities	(3.1)	(5.6)
Non-current liabilities	(0.3)	(0.4)
	2.9	2.9
Movements in net assets:		
At 1 October	2.9	4.7
Profit for the year	—	0.2
Dividends paid	—	(2.0)
At 30 September	2.9	2.9
Summarised statement of comprehensive income:		
Revenue	—	0.2
Expenses	—	—
Operating profit	—	0.2
Finance income	—	—
Income tax expense	—	—
Profit for the year	—	0.2
Share of revenue ¹	—	0.1
Share of operating profit ¹	—	0.1
Dividends received by the Group	—	0.6
Investment in associate	0.8	0.8

Transactions between the Group and its associate are disclosed in Note 25. No amounts are due to or from the associate as at 30 September 2022 (2021: £Nil).

The table below reconciles the movement in the Group's investment in associate:

	2022 £m	2021 £m
Reconciliation to carrying amount:		
At 1 October	0.8	1.3
Share of post-tax profit	—	0.1
Dividends received	—	(0.6)
At 30 September	0.8	0.8

Countryside Properties (Bicester) Limited is the sole subscriber to Kingsmere Estate Management Limited, an estate management company limited by guarantee. The address of the registered office of Countryside Properties (Bicester) Limited and Kingsmere Estate Management Limited is Countryside House, The Drive, Brentwood, Essex CM13 3AT.

16. Deferred tax assets and liabilities

Deferred tax assets held on the balance sheet date have the following expected maturities:

	2022 £m	2021 £m
Amounts due to be recovered within one year	23.2	3.0
Amounts due to be recovered after more than one year	2.6	3.0
	25.8	6.0

Deferred tax liabilities held on the balance sheet date have the following expected maturities:

	2022 £m	2021 £m
Amounts due to be settled within one year	1.0	1.8
Amounts due to be settled after more than one year	6.1	9.5
	7.1	11.3
Net deferred tax position	18.7	(5.3)

The movement in the year in the Group's net deferred tax position was as follows:

	Share-based payments £m	Deferred relief on trading losses £m	Other timing differences £m	Total £m
At 1 October 2020	0.9	—	(7.3)	(6.4)
Credit/(charge) to the statement of comprehensive income for the year	0.3	—	(0.1)	0.2
Credit to the statement of changes in equity for the year	0.9	—	—	0.9
At 30 September 2021	2.1	—	(7.4)	(5.3)
Credit/(charge) to the statement of comprehensive income for the year	(0.9)	20.7	5.2	25.0
Credit/(charge) to the statement of changes in equity for the year	(1.0)	—	—	(1.0)
At 30 September 2022	0.2	20.7	(2.2)	18.7

Temporary differences arising in connection with interests in joint ventures and associate are not significant. There are no unrecognised tax assets on joint ventures and associate relating to historical losses (2021: Nil). No deferred tax asset has been recognised in relation to losses where it is considered that they are not recoverable in the near future. The Group has unrecognised deferred tax assets of £2.0m on historical losses of £8.0m (2021: £1.9m on historical losses of £7.8m).

17. Inventories

	2022 £m	2021 £m
Development land and work in progress	981.7	1,092.9
Completed properties unsold or awaiting sale	30.5	50.9
	1,012.2	1,143.8

Development land and work in progress of £981.7m (2021: £1,092.9m) includes land and land options with a carrying value of £598.4m (2021: £646.2m) and development expenditure of £383.3m (2021: £446.7m).

During the year, the Group recognised a net charge to provisions relating to inventories of £25.0m (2021: net release of £0.7m).

No borrowing costs were capitalised into inventories during the year (2021: £Nil).

18. Trade and other receivables

	2022 £m	2021 £m
Amounts falling due within one year:		
Trade receivables	107.3	65.2
Amounts recoverable on construction contracts	21.4	53.0
Advances to joint ventures	65.9	62.8
Other taxation and social security	—	3.3
Other receivables	6.3	7.2
Prepayments and accrued income	37.3	58.9
	238.2	250.4
Amounts falling due in more than one year:		
Trade receivables	—	9.6
Amounts recoverable on construction contracts	19.8	15.5
	19.8	25.1
Total trade and other receivables	258.0	275.5

Trade and other receivables are stated after provisions for expected credit losses of £0.6m (2021: losses of £0.3m).

A provision of £8.0m (2021: £8.0m) is held against an advance to Countryside Neptune LLP, a joint venture, to reflect the Directors' view of the recoverability of this advance.

Prepayments and accrued income of £37.3m (2021: £58.9m) include £29.7m of contract assets (2021: £47.5m) relating to uninvoyed amounts where revenue has been recognised in the statement of comprehensive income.

The fair value of the financial assets included in trade and other receivables is not considered to be materially different from their carrying value.

19. Cash and borrowings

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term deposits held in Sterling of £279.8m (2021: £43.4m)

As at 30 September 2022, no cash balances were ring-fenced for specific developments (2021: £Nil).

(b) Borrowings

	2022 £m	2021 £m
Other loans	(2.5)	(2.4)
Total borrowings	(2.5)	(2.4)

Bank loans

As at the balance sheet date, the Group had a £250m (2021: £300m) revolving credit facility ("RCF") with Lloyds Bank PLC, Barclays Bank PLC and Santander UK PLC. The agreement had a floating interest rate based on S plus a Margin. As at 30 September 2022 and 30 September 2021 the Group had no drawings under its RCF facility.

Subsequent to the balance sheet date and following completion of the Group's acquisition by Vistry, the Group relinquished its existing RCF facility on 11 November 2022, with future funding requirements to be provided for as part of Vistry's wider treasury management structure, including Vistry's own RCF agreement and a new intercompany loan facility with the Group.

Bank loan arrangement fees are amortised over the term of the facility. At 30 September 2022, unamortised loan arrangement fees were £1.4m (2021: £1.3m). Amortisation of £0.9m (2021: £0.9m) is included in finance costs in the statement of comprehensive income (Note 8). Any fees that had not been amortised by 11 November 2022 when the Group relinquished its RCF facility, have been written off through profit and loss at that date.

As the Group did not have any drawings under the facility at 30 September 2022 or 30 September 2021, the unamortised loan arrangement fees are included within prepayments in the statement of financial position.

Other loans

During the year ended 30 September 2018, the Group received an interest-free loan of £2.5m for the purpose of funding remediation works in relation to one of its joint operations. Subsequent to the balance sheet date, this loan was repaid in full in November 2022.

20. Trade and other payables

	2022 £m	2021 £m
Amounts falling due within one year:		
Trade payables	67.4	54.7
Deferred land payments	70.6	87.3
Overage payable	12.5	4.7
Accruals and deferred income	195.6	134.7
Other taxation and social security	4.5	4.1
Other payables	11.6	20.0
Advances from joint ventures	2.5	0.5
	364.7	306.0
Amounts falling due in more than one year:		
Trade payables	22.3	23.7
Deferred land payments	158.3	139.2
Overage payable	9.6	19.4
	190.2	182.3
Total trade and other payables	554.9	488.3

Trade and other payables principally comprise amounts outstanding for trade purchases and land acquired on deferred terms. The Directors consider that the carrying amount of trade payables approximates to their fair value.

The carrying amount of deferred land payments and overage payable represents the discounted payment obligations. Land acquired on deferred payment terms is discounted using an interest rate of 4.0% for transactions entered in to from 1 October 2021, 3.4% for transactions entered into between 1 April 2017 and 30 September 2021, and 6.0% for transactions prior to 1 April 2017. Discount rates are regularly reviewed to ensure that the most appropriate rate is applied at the inception of new developments. At 30 September 2022, the liabilities had been discounted by £15.9m (2021: £15.1m), reflecting the time value of money.

Accruals and deferred income include £30.4m (2021: £4.0m) of contract liabilities, where the value of payments made by customers exceeds the revenue recognised in the statement of comprehensive income. The Group recognised revenue of £3.2m during the year relating to the contract liabilities of £4.0m as at 30 September 2021.

21. Provisions

	Remediation costs for multi-occupancy buildings £m	Close-out and restructuring costs £m	Ground Rent Assistance Scheme £m	Other £m	2022 Total £m	2021 Total £m
At 1 October	39.7	—	13.4	3.9	57.0	11.4
Charged in the year	133.0	15.7	—	2.4	151.1	47.9
Released in the year	—	—	—	—	—	(0.2)
Unwind of discount	4.1	—	—	—	4.1	—
Utilised in the year	(5.7)	(5.7)	(12.1)	(1.8)	(25.3)	(2.1)
At 30 September	171.1	10.0	1.3	4.5	186.9	57.0
Current	41.6	10.0	1.3	3.5	56.4	56.0
Non-current	129.5	—	—	1.0	130.5	1.0
Total provisions	171.1	10.0	1.3	4.5	186.9	57.0

Remediation costs for multi-occupancy buildings

As disclosed previously, the Group recognised a provision of £41.0m in FY21 reflecting the estimated costs to remediate buildings where works were required to enable an EWS1 certificate to be issued.

On 10 January 2022, the Secretary of State at the Department for Levelling Up, Housing and Communities ("DLUHC") wrote to residential property developers describing its approach to the safety of multi-occupancy residential buildings of 11 metres or more. On 6 April 2022, Countryside signed the Government's proposed Fire Safety Pledge ("the Pledge"), entailing the following voluntary commitments, beyond its legal obligations, subject to shareholder approval if required:

- Countryside will meet the cost of remediating buildings currently proposed to be remediated via the Building Safety Fund ("BSF") or the Aluminium Composite Material ("ACM") Remediation Fund; and

- Countryside will take responsibility for performing or funding self-remediation works relating to life-critical fire safety issues on all buildings of 11 metres or more, built in the last 30 years, which Countryside developed.

The Directors have reviewed the latest relevant information that is currently available on Countryside buildings built in the last 30 years and note that an overall provision of approximately £174.0m is expected to be required for potential remediation works as a result of these commitments, including £30.7m relating to 34 buildings which are registered by the BSF. In addition to this, the Group has provided for the cost of the dedicated building remediation division that was set-up during the year to deliver these works. This standalone management and delivery team is solely focussed on these remediations and represents a purely incremental cost to the Group that is expected to total approximately £19.5m over the life of the project.

Further to this, during the period the British Standards Institution has issued Publicly Available Specification ("PAS") 9980:2022, which replaces previous guidance with the intention of encouraging a more proportionate response to dealing with critical fire safety issues. The Directors note that it is not yet possible to anticipate how this new guidance will work in practice and what impact it will have on the scope and cost of the remediation works, and therefore its effect on the provision recognised.

The estimation of the provision for remediation costs for multi-occupancy buildings is a key area of estimation uncertainty (Note 2). The quantification of the cost of these remedial works is inherently complex and depends on a number of factors including the number of buildings potentially requiring remediation; the extent of remedial works required; the size of the buildings; the timeframe over which the remediation will take place; the associated costs of investigation, materials and labour; and the potential cost of managing disruption to residents. It is also highly likely that there will be further revisions these estimates as government legislation and regulation in this area evolves.

During the period, a total charge of £133.0m (2021: £41.0m) has been recognised for remediation costs within cost of sales in the consolidated statement of comprehensive income. The cumulative charge of £174.0m relates to 155 buildings that may require remediation and reflects gross costs of £197.4m net of discount of £23.3m to reflect the present value of future cash outflows.

The majority of contributions to the BSF are expected to be incurred in the next financial year, and this accounts for £33.5m of the £41.6m portion of the provision that is presented as current at the year-end. The remaining remediation costs are expected to be phased relatively evenly over the next six years to 2028.

Close-out and restructuring costs

During the year the Group recognised provisions in respect of close-out and restructuring costs for the South Midlands region and the Bardon factory, as well as for the close-out of legacy Westleigh sites. Refer to Note 7 for further detail. Utilisation to date principally relates to employee termination payments.

Ground Rent Assistance Scheme

Following the Competition and Markets Authority's ("CMA's") review into the sale of leasehold properties, on 15 September 2021 Countryside announced that it had agreed voluntary undertakings with the CMA to seek the removal of all 10-year and 15-year doubling clauses from leases where the ground rent is not for the ultimate benefit of a local authority or registered provider of social housing, at no cost to leaseholders. During the year, the Group reached agreements with the majority of freehold owners, with the freehold owners accepting the Group's offer of compensation. Total cash payments of £12.1m were made during the year, with the remainder expected to be utilised within the next 12 months.

Other provisions

The remaining provisions and movements during the year primarily relate to legal provisions and amounts in respect of expected dilapidations on office buildings that are leased by the Group. Dilapidations provisions may be utilised a number of years in to the future depending on the terms of the lease that they relate to and are therefore predominantly presented as non-current.

22. Reserves

(a) Share capital and share premium

	Number of shares		Share capital		Share premium	
	2022 million	2021 million	2022 £m	2021 £m	2022 £m	2021 £m
Allotted, issued and fully paid						
Ordinary shares of £0.01 each	524.6	524.6	5.2	5.2	5.3	5.3

(b) Treasury shares

On 7 July 2021, the Company announced its intention to return surplus cash to shareholders via on-market purchases of ordinary shares. A total of 18,029,840 shares were purchased during the year under the programme, all of which were held in treasury upon repurchase. For a time, the Group utilised treasury shares to satisfy share scheme vests and 321,672 shares were withdrawn from the treasury share reserve. At 30 September 2022, 24,833,147 (2021: 7,124,979) shares were held in treasury.

The cash outflows during the year associated with the share repurchases totalled £61.6m including transaction costs. This figure includes £3.0m in relation to the settlement of repurchase transactions that were executed in the prior year.

On 13 June 2022, the Board announced that it would suspend the share repurchase programme. On 11 November 2022, and as a result of the acquisition of the Group by Vistry, the Group cancelled all 24,833,147 shares held in treasury that had been purchased as part of the share buy-back programme. The cancellation of the shares resulted in a decrease in called-up share capital of £0.2m and a corresponding increase in the Group's retained earnings subsequent to the balance sheet date.

(c) Employee Benefit Trust

In September 2022, the EBT acquired 1,700,000 shares in the Company through purchases on the London Stock Exchange to meet the Group's expected obligations under share-based incentive arrangements. The total amount paid by the EBT for the shares was £3.3m, which was fully funded by the Group.

The EBT has waived its right to vote and to dividends on the shares it holds, which are unallocated. The number of shares held in the EBT as at 30 September 2022 was 1,726,723 (2021: 1,046,182).

Reconciliation of shares in issue

The table below reconciles the movements in the number of shares in issue during the year:

	Treasury	EBT	Other	Total
At 1 October 2021	7,124,979	1,046,182	516,455,709	524,626,870
Exercised share options	(321,672)	(1,019,459)	1,341,131	—
On-market purchases of ordinary shares	18,029,840	—	(18,029,840)	—
Purchase of shares by Employee Benefit Trust	—	1,700,000	(1,700,000)	—
At 30 September 2022	24,833,147	1,726,723	498,067,000	524,626,870

23. Notes to the cash flow statement

The table below provides a reconciliation of profit before income tax to cash generated from operations:

	Note	2022 £m	2022 £m
(Loss)/profit before income tax		(172.8)	85.4
– Amortisation – intangible assets	11	9.3	10.4
– De-recognition – intangible assets	11	—	6.9
– Depreciation – property, plant and equipment	12	3.6	2.3
– Depreciation/derecognition – right of use assets	13	8.0	6.2
– Impairment of goodwill and other intangible assets	11	76.9	—
– Impairment of right of use and tangible fixed assets	11	31.9	—
– Share of post-tax profit from joint ventures and associate	14, 15	(31.8)	(29.9)
– Share-based payments (pre-tax)	28	1.9	1.9
– Finance costs	8	21.1	17.3
– Finance income	8	(2.3)	(1.5)
– Gain on disposal of interest in joint venture		—	(13.9)
– Decrease/(increase) in inventories		131.6	(84.7)
– Decrease in trade and other receivables		(0.4)	(47.5)
– Increase/(decrease) in trade and other payables		68.7	(8.5)
– Increase in provisions	21	129.9	45.6
Cash generated from/(used in) operations		275.6	(10.0)

Changes in liabilities relating to financing activities are shown below:

	Borrowings £m	Lease liabilities £m	Share buy- back £m	Total £m
Liabilities from financing activities at 1 October 2020	2.3	30.5	—	32.8
Share buy-back programme	—	—	52.2	52.2
Financing cash flows	—	(8.2)	(34.8)	(43.0)
Operating cash flows	—	(2.2)	—	(2.2)
Lease additions	—	50.5	—	50.5
Unwind of discount	0.1	2.2	—	2.3
Liabilities from financing activities at 30 September 2021	2.4	72.8	17.4	92.6
Financing cash flows	—	(6.5)	(17.4)	(23.9)
Operating cash flows	—	(3.1)	—	(3.1)
Lease additions	—	3.1	—	3.1
Lease remeasurement	—	(7.6)	—	(7.6)
Unwind of discount	0.1	3.1	—	3.2
Liabilities from financing activities at 30 September 2022	2.5	61.8	—	64.3

24. Investments

The Company substantially owns, directly or indirectly, the whole of the issued and fully paid ordinary share capital of its subsidiary undertakings.

A number of subsidiaries in the Group have taken the exemption from the requirements of the Companies Act 2006 in relation to the audit of accounts under section 479A of the Companies Act 2006 for the year ended 30 September 2022. These subsidiaries are marked with an asterisk in the table below. The Company will guarantee the debts and liabilities of the companies marked with an asterisk in accordance with section 479C of the Companies Act 2006. The Company has assessed the probability of loss under the guarantee as remote.

Subsidiary undertakings of the Group as at 30 September 2022 are presented below:

	Country of incorporation	Voting rights %	Principal activity
Direct investment			
Cophthorn Holdings Limited	UK	100	Holding company
Indirect investment			
Allium Park Management Company Limited	UK	100	Non-trading
Alma Estate (Enfield) Management Company Limited	UK	100	Estate management
Ashmere Resident Management Company Limited	UK	100	Estate management
Ashmere Resident (2) Management Company Limited	UK	100	Estate management
Barnwood Place (Smarden) Management Company Limited	UK	100	Estate management
Beaulieu Park E (Chelmsford) Management Limited	UK	100	Estate management
Beaulieu Park M&N (Chelmsford) Management	UK	100	Estate management
Beaulieu Park O&P (Chelmsford) Management Company Limited	UK	100	Estate management
Brenthall Park (One) Limited*	UK	100	Non-trading
Beechgrove (Sunninghill) Management Company Limited	UK	100	Estate management
Breedon Place Management Company Limited	UK	100	Estate management
Berrywood Estates Ltd*	UK	100	Non-trading
Chatham Maritime Sector 15 Resident Management Company Limited	UK	100	Estate management
Charlton Gardens Residents Management Company Limited	UK	100	Estate management
Countryside 26 Limited*	UK	100	Development
Countryside 28 Limited*	UK	100	Development
Countryside Cambridge One Limited*	UK	100	Holding land
Countryside Cambridge Two Limited*	UK	100	Holding land
Countryside Developments Limited	UK	100	Non-trading
Countryside Four Limited*	UK	100	Holding company
Countryside Properties (Commercial) Limited	UK	100	Non-trading
Countryside Properties (Housebuilding) Limited	UK	100	Development
Countryside Properties (In Partnership) Limited*	UK	100	Non-trading
Countryside Properties (Joint Ventures) Limited*	UK	100	Holding company
Countryside Properties Land (One) Limited*	UK	100	Holding land
Countryside Properties Land (Two) Limited*	UK	100	Holding land
Countryside Properties (London & Thames Gateway) Limited	UK	100	Non-trading
Countryside Properties (Northern) Limited*	UK	100	Non-trading
Countryside Properties Residential (ABC) Limited	UK	100	Non-trading
Countryside Properties Residential (Chelmsford) Limited	UK	100	Non-trading
Countryside Properties Residential (Dartford) Limited	UK	100	Non-trading
Countryside Properties (Salford Quays) Limited*	UK	100	Non-trading
Countryside Properties (Southern) Limited*	UK	100	Non-trading
Countryside Properties (Special Projects) Limited	UK	100	Non-trading
Countryside Properties (Springhead) Limited*	UK	100	Development
Countryside Properties (Strategic Land) Limited*	UK	100	Development
Countryside Properties (Uberior) Limited*	UK	100	Development
Countryside Properties (UK) Limited	UK	100	Development
Countryside Properties (WGL) Limited*	UK	100	Holding company
Countryside Properties (WHL) Limited*	UK	100	Holding company
Countryside Properties (WPL) Limited*	UK	100	Development
Countryside Residential Limited	UK	100	Non-trading
Countryside Residential (South Thames) Limited	UK	100	Non-trading
Countryside Residential (South West) Limited	UK	100	Non-trading
Countryside Seven Limited	UK	100	Non-trading
Countryside Sigma Limited	UK	74.9	Development
Countryside Thirteen Limited*	UK	100	Development
Countryside Timber Frame Limited	UK	100	Manufacturing
Countryside (UK) Limited	UK	100	Non-trading
Dracan Village Residents Management Company Limited	UK	100	Non-trading
Dunton Garden Suburb Limited*	UK	100	Land promotion
Fresh Wharf Residents Management Company Limited	UK	100	Estate management
Harold Wood Management Limited	UK	100	Estate management
Hilborn Management Company Limited	UK	100	Estate management
Houghton Regis Parcel 8 Residents Management Company Limited	UK	100	Estate management
Knight Strategic Land Limited*	UK	100	Land promotion

	Country of incorporation	Voting rights %	Principal activity
Mandeville Place (Radwinter) Management Limited	UK	100	Estate management
Marlowe Road Management Company Limited	UK	100	Estate management
Millfields (Hall Green) Management Company Limited	UK	100	Estate management
Millgate Developments Limited*	UK	100	Development
Millgate (UK) Holdings Limited*	UK	100	Holding company
Moat Farm Management Company Limited	UK	100	Estate management
Mulberry Green Management Company Limited	UK	100	Estate management
New Avenue (Cockfosters) Management Company Limited	UK	100	Estate management
Newhall Land Limited*	UK	100	Development
Newhall Resident Management Company Limited	UK	100	Estate management
North West Quartet Estate Management Company Limited	UK	100	Estate management
Oakhurst Residents Management Company Limited	UK	100	Estate management
Parklands Manor Management Company Limited	UK	100	Estate management
Regency Grange Residents Management Company Limited	UK	100	Estate management
Rosewood (Maidstone) Managing Company Limited	UK	100	Estate management
Saint Cloud Way Management Company Limited	UK	100	Estate management
Skyline 120 Management Limited	UK	100	Estate management
Skyline 120 Nexus Management Limited	UK	100	Estate management
Springhead Resident Management Company Limited	UK	100	Estate management
Tattenhoe Park residents Management Company Limited	UK	100	Estate management
The Paddocks Tye Green Management Company Limited	UK	100	Estate management
The Burrows (Paddock Wood) Management Limited	UK	100	Estate management
Urban Hive Hackney Management Limited	UK	100	Estate management
Watersplash Lane Management Company Limited	UK	100	Estate management
Westleigh Construction Limited*	UK	100	Non-trading
Westleigh LNT Limited*	UK	100	Non-trading
Westleigh Homes Limited*	UK	100	Non-trading
York Road (Maidenhead) Management Limited	UK	100	Estate management

All subsidiaries are fully consolidated, after eliminating intragroup transactions. The registered office address of all subsidiaries is Countryside House, The Drive, Brentwood, Essex CM13 3AT.

25. Related party transactions

Transactions with joint ventures and associate

	Joint ventures		Associate	
	2022 £m	2021 £m	2022 £m	2021 £m
Sales during the year	19.8	22.0	0.1	0.2
Net advances to joint ventures and associate at 1 October	62.3	69.1	—	—
Net advances/(repayments) during the year	1.1	(6.8)	—	—
Net advances to joint ventures and associate at 30 September	63.4	62.3	—	—

Sales of goods and services to related parties related principally to the provision of services to the joint ventures and associate at contractually agreed prices. No purchases were made by the Group from its joint ventures or associate. The amounts outstanding ordinarily bear no interest and will be settled in cash.

Remuneration of key management personnel

Key management personnel are deemed to be the Executive Committee, along with other Directors of the Company, including the Non-Executive Directors.

	2022 £m	2021 £m
Salaries and bonus	4.9	6.1
Retirement benefits	0.4	0.4
Share-based payments	0.7	0.3
	6.0	6.8

Included within the above is £1.4m (2021: £2.1m) relating to the Board of Directors, including £0.9m (2021: £1.3m) relating to the highest paid Director. Refer to the Annual Report on Remuneration on pages 16 to 28 for further detail.

The disclosures of shares granted under the long-term incentive schemes are included in Note 28.

Transactions with key management personnel

As at the reporting date, three of the Group's employees (2021: two employees) have a close family member on the Executive Committee. These individuals were recruited through the normal interview process and are employed at salaries commensurate with their experience and roles. The combined annual salary and benefits of these three individuals is less than £80,000 (2021: two individuals, less than £60,000).

26. Financial instruments

The following tables categorise the Group's financial assets and liabilities included in the statement of financial position:

	Financial assets at amortised cost £m
2022	
Assets	
Trade and other receivables	154.8
Amounts due from joint ventures	65.9
Cash and cash equivalents	279.8
	500.5
2021	
Assets	
Trade and other receivables	150.5
Amounts due from joint ventures	62.8
Cash and cash equivalents	43.4
	256.7

There were no transfers of assets or liabilities between levels of the fair value hierarchy during the year

Trade and other receivables presented above excludes "prepayments and accrued income" and "other taxation and social security".

	Other financial liabilities at amortised cost £m
2022	
Liabilities	
Other loans	2.5
Deferred land payments and overage payable	251.0
Lease liabilities	61.8
Other trade and other payables	101.3
Amount due to joint ventures	2.5
	419.1
2021	
Liabilities	
Other loans	2.4
Deferred land payments and overage payable	250.6
Lease liabilities	72.8
Other trade and other payables	98.4
Amount due to joint ventures	0.5
	424.7

Other trade and other payables presented above excludes "accruals and deferred income" and "other taxation and social security".

27. Financial risk management

The Group has identified the main financial risks to be liquidity risk, interest rate risk, housing market risk and credit risk. The Directors are responsible for managing these risks and the policies adopted are set out below.

Liquidity risk

The Group finances its operations through a mixture of equity (Company share capital, reserves and retained earnings) and debt (bank loan facilities).

Liquidity risk arises from the cyclical nature of the Group's working capital demands and the requirement of the Group to remain within certain covenant limits in order to maintain its source of debt finance. This liquidity risk is managed by monitoring existing facilities for both financial covenant compliance and funding headroom against forecast requirements based on short-term and long-term cash flow forecasts.

During the year, the Group had access to a £300m revolving credit facility provided by a syndicate of four banks, reducing the Group's exposure to any single institution. On 30 September 2022 the facility was renewed at £250m provided by a syndicate of three banks. The facility was subject to a number of financial and technical covenants which, if breached, could have resulted in the facility becoming immediately repayable. The Directors regularly reviewed forecasts which extended beyond the maturity of the facility to ensure acceptable headroom existed across all of these financial covenants, including under certain downside scenarios.

Subsequent to the balance sheet date and following completion of the Group's acquisition by Vistry, the Group relinquished this £250m RCF facility on 11 November 2022, with future funding requirements to be provided for as part of Vistry's wider treasury management structure, including Vistry's own RCF agreement and a new intercompany loan facility with the Group.

Maturity analysis

The following table sets out the contractual undiscounted maturities, including estimated cash flows, of the financial liabilities of the Group at 30 September:

	Less than one year £m	One to two years £m	Two to five years £m	Over five years £m	Total £m
2022					
Liabilities					
Other loans	2.5	—	—	—	2.5
Deferred land payments and overage payable	86.0	89.3	82.0	9.5	266.8
Lease liabilities	7.5	7.8	17.8	36.3	69.4
Other trade and other payables	82.0	7.2	8.9	1.0	99.1
Amounts due to joint ventures	2.5	—	—	—	2.5
	180.5	104.3	108.7	46.8	440.3
2021					
Liabilities					
Other loans	—	2.5	—	—	2.5
Deferred land payments and overage payable	94.5	57.0	96.7	17.5	265.7
Lease liabilities	8.4	8.3	22.8	60.7	100.2
Other trade and other payables	74.9	11.7	11.6	0.2	98.4
Amounts due to joint ventures	0.5	—	—	—	0.5
	178.3	79.5	131.1	78.4	467.3

Market risk

Interest rate risk

Interest rate risk reflects the Group's exposure to fluctuations in interest rates in the market. This risk arises from bank loans that are drawn under the Group's loan facilities with variable interest rates based upon SONIA (Sterling Overnight Interest Average). For the year ended 30 September 2022 it is estimated that an increase of 1.5% to SONIA would have decreased the Group's profit before tax by £1.9m (2021: increase of 0.5% to UK LIBOR would have decreased the Group's profit before tax by £0.4m).

The Group's financial assets and liabilities are non-interest bearing with the exception of cash and cash equivalents of £279.8m (2021: £43.4m) which attracts interest at floating rates.

The Group has minimal exposure to foreign currency risk.

Housing market risk

The Group is affected by price fluctuations in the UK housing market. These are in turn affected by the wider economic conditions such as mortgage availability and associated interest rates, employment and consumer confidence. Whilst these risks are beyond the Group's ultimate control, the Group's mixed-tenure model provides resilience by reducing the reliance on the private for sale market. The geographical spread of the Group's sites across the UK also reduces the risk of adverse conditions in regional housing markets significantly impacting the Group. The Directors are of the opinion that this diversity in the Group's operations and revenue streams reduces its exposure to Housing market risk.

Build cost risk

The Group is affected by changes in the costs of building materials and labour used in the development of its housing projects. The Group manages this risk through careful management of its subcontract trades and seeks to agree fixed prices at the commencement of developments where possible.

Credit risk

The Group's exposure to credit risk is limited solely to the UK for housebuilding activities and by the fact that the Group receives cash at the point of legal completion of its sales.

The Group's remaining credit risk predominantly arises from trade receivables, amounts recoverable from construction contracts and cash and cash equivalents.

Trade and other receivables primarily comprise amounts receivable from Homes England (in relation to Help to Buy), housing associations and joint ventures. The Directors consider the credit rating of the various debtors to be good in respect of the amounts outstanding and therefore credit risk is considered to be low. The Directors are of the opinion that there are no significant concentrations of credit risk.

Trade receivables on deferred settlement terms arise from land sales. The amount deferred is secured by a charge over the land until payment is received.

Cash and cash equivalents are held with UK clearing banks which are either A or A- rated.

Capital management

During the year, the Group sought to protect returns to shareholders by ensuring that the Group had the ability to continue to generate positive cashflows. The Group aimed to optimise its capital structure of debt and equity over the medium term so as to minimise its cost of capital, though for operational flexibility chose to use varying levels of debt in the short term. The Group managed its capital with regard to the risks inherent in the business and the sector within which it operates, by monitoring its actual cash flows against bank loan facilities, financial covenants and the cash flow forecasts approved by the Directors.

Following the acquisition of the Group by Vistry in November 2022, Countryside will operate its working capital as a division of the combined Vistry Group. It is expected that a new intercompany loan relationship will be created between the primary operating companies of Countryside and Vistry, being Countryside Properties (UK) Limited and Vistry Homes Limited respectively, which will provide Countryside with continued access to liquidity and working capital via Vistry's £500m Revolving Credit Facility ("RCF").

Management will ensure that the Group continues to maintain sufficient access to liquidity facilities as a key source of working capital in order to manage the typical seasonal cash profile of the business and to mitigate against the risk of any unforeseen events.

	2022 £m	2021 £m
Total borrowings	2.5	2.4
Total equity	916.1	1,107.5
Total capital	918.6	1,109.9

28. Share-based payments

The Group recognised £1.9m (2021: £1.9m) of employee costs related to share-based payment transactions during the financial year, excluding accrued National Insurance contributions. A deferred tax asset of £0.2m (2021: £2.1m) is held in relation to share-based payments, with £0.9m charged to the statement of comprehensive income (2021: £0.3m credited) and £1.0m was charged directly to equity (2021: £0.9m credited) during the year.

National Insurance contributions are payable in respect of certain share-based payment transactions and are treated as cash-settled transactions. The cost of these contributions during the year was £0.3m (2021: £0.7m). At 30 September 2022, the carrying amount of National Insurance contributions payable was £0.2m (2021: £0.9m), which is included in accruals within trade and other payables in the statement of financial position.

The Group operated a number of share-based payment schemes during the financial year (all of which are equity settled) as set out below:

(a) Savings-Related Share Option Scheme ("SRSOS")

The Group operates an SRSOS, which is open to all employees at the date of invitation. This is a UK tax-advantaged Save As You Earn ("SAYE") plan.

Under the SAYE, eligible participants are granted options over such number of shares as determined by reference to their monthly savings contract over three years. Participants remaining in the Group's employment at the end of the three-year savings period are entitled to use their savings to purchase shares in the Company at a stated exercise price (set at a discount of up to 20% of the share price on the day preceding the date of grant). Employees leaving for certain reasons are able to use their savings to purchase shares within six months of their cessation of employment. A reconciliation of option movements is shown below.

Options granted during the year were valued using the Black Scholes option-pricing model. No performance conditions or assumptions regarding service were included in the fair value calculations. The fair value per option granted during the year and the assumptions used in the calculation are detailed in the table below:

Date of grant	22 June 2022	22 June 2021	24 June 2020	27 June 2019
Options granted (millions)	2.9	0.7	2.2	2.1
Share price at date of grant (pence)	264	492	329	293
Exercise price (pence)	212	401	245	245
Volatility (%)	45	39	36	30
Option life (months)	36	36	36	36
Expected dividend yield (%)	0.0	2.0	2.6	3.9
Risk-free rate (%)	2.1	0.3	(0.1)	0.6
Fair value per option – Black Scholes (pence)	111	152	77	63

Movements in the year	Instruments m	Instruments m	Instruments m	Instruments m
Options outstanding at 1 October 2020	—	—	2.1	1.9
Granted	—	0.7	—	—
Forfeited	—	—	(0.2)	(0.2)
Exercised	—	—	—	—
Options outstanding at 30 September 2021	—	0.7	1.9	1.7
Granted	2.9	—	—	—
Forfeited	(0.2)	(0.5)	(0.7)	(0.3)
Exercised	—	—	—	(0.4)
Options outstanding at 30 September 2022	2.7	0.2	1.2	1.0

The resulting fair value is expensed over the service period of three years, on the assumption that each year 15% of options will lapse as employees leave the Company based on the Group's experience of employee attrition rates.

Options under the June 2019 grant vested on 27 June 2022, with 66% of granted options vesting. The average share price during the year ended 30 September 2022 was 321 pence.

As part of the Vistry transaction, participants of the 2020 and 2022 schemes have been offered to partake in a mix and match facility for Vistry shares, receiving a replacement SAYE Award. The 2021 scheme is exercisable for 6-months following the combination.

The weighted average remaining contractual life of share options outstanding at 30 September 2022 was 2.1 years (2021: 1.5 years).

(b) Long-Term Incentive Plan ("LTIP")

Under the LTIP, shares are conditionally awarded to senior managers of the Group. The core awards are calculated as a percentage of the participants' salaries and scaled according to grade. Awards issued in the years ended 30 September 2019, 30 September 2020 and 30 September 2021, and the award issued on 13 December 2021 are assessed against ROCE and adjusted basic EPS. The award issued 01 June 2022 is assessed against relative total shareholder return ("TSR").

Straight-line vesting will apply if performance falls between threshold and target or target and maximum. Performance will be measured at the end of the three-year performance period. If the required level of performance has been reached, the awards vest and the shares under award will be released. Dividends do not accrue on the shares that vest.

For grants from 1 October 2018, once released, the shares issued to the Group Chief Executive and the Group Chief Financial Officer are subject to a two-year post-vesting holding period.

The weighted average remaining contractual life of LTIP awards outstanding at 30 September 2022 was 1.3 years (2021: 1.3 years). Details of the shares conditionally allocated at 30 September 2022 are set out below.

The conditional shares were valued using the following methods:

- for the non-market-based elements of the award, a Black Scholes option-pricing model, and
- for the relative TSR elements of the award, a Monte Carlo simulation model.

The key assumptions underpinning the Black Scholes option-pricing model and Monte Carlo simulation model are set out in the table below:

Share price at date of grant (pence)	01 June 2022	01 June 2022	01 June 2022	13 December 2021	20 September 2021	4 March 2021	26 January 2021	11 December 2020	7 January 2020	12 December 2019	19 December 2018
Awards granted (millions)	0.10	0.20	0.30	2.10	0.04	0.10	0.20	1.90	0.30	1.70	3.50
Share price at date of grant (pence)	283	283	283	455	516	493	428	400	462	426	288
Exercise price (pence)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Volatility (%)	28	73	45	39	40	40	40	39	29	29	35
Award life (months)	9	2	36	36	36	36	36	36	36	36	36
Expected dividend yield (%)	0.0	0.0	0.0	0.0	1.8	1.8	1.8	1.9	4.7	4.7	4.8
Risk-free rate (%)	1.5	0.4	1.7	0.4	(0.1)	(0.1)	(0.1)	(0.1)	0.6	0.6	0.7
Fair value per conditional share – Black Scholes – no holding period (pence)	n/a	283	n/a	455	489	467	405	378	401	370	174
Fair value per conditional share – Monte Carlo – no holding period (pence)	079	n/a	202	n/a	n/a	n/a	n/a	n/a	n/a	n/a	46
Total fair value per conditional share – no holding period (pence)	079	283	202	455	489	467	405	378	401	370	220
Fair value per conditional share – Black Scholes – two-year holding period (pence)	n/a	245	n/a	394	n/a	n/a	n/a	326	367	339	157
Fair value per conditional share – Monte Carlo – two-year holding period (pence)	068	n/a	175	n/a	n/a	n/a	n/a	n/a	n/a	n/a	48
Total fair value per conditional share – two-year holding period (pence)	068	245	175	394	n/a	n/a	n/a	326	367	339	205
Movements in the year (millions)											
Awards outstanding at 1 October 2020	—	—	—	—	—	—	—	—	—	—	—
Granted	—	—	—	—	0.04	0.1	0.2	1.9	0.3	1.3	2.2
Lapsed	—	—	—	—	—	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—	—	(0.1)	—	(0.1)	(0.1)
Exercised	—	—	—	—	—	—	—	—	—	—	—
Awards outstanding at 30 September 2021	—	—	—	—	0.04	0.1	0.2	1.8	0.3	1.2	1.9
Granted	0.1	0.2	0.3	2.1	—	—	—	—	—	—	—
Lapsed	—	(0.1)	—	(0.3)	—	—	—	(0.2)	(0.1)	—	(1.1)
Forfeited	—	—	—	(0.2)	—	(0.1)	—	(0.2)	—	(0.3)	(0.3)
Exercised	—	(0.1)	—	—	—	—	—	—	—	—	(0.5)
Awards outstanding at 30 September 2022	0.1	—	0.3	1.6	0.04	—	0.2	1.4	0.2	0.9	—

Awards under the December 2018 grant vested on 19 December 2021 with 30.0% of the awards outstanding vesting.

As part of the acquisition of the Group, at the date the combination became effective, the LTIP awards vested to the extent that the applicable performance conditions had been met.

(c) Deferred Bonus Plan ("DBP")

Under the DBP, certain senior managers and Directors of the Group receive one-third of their annual bonus entitlement as a conditional share award. The number of shares awarded is calculated by dividing the value of the deferred bonus by the average mid-market share price on the three business days prior to grant. The shares vest after three years subject to the employee remaining in the employment of the Group. If an employee leaves during the three-year period, the shares are forfeited except in certain circumstances as set out in the Plan rules. Additional shares are issued on vesting equivalent to the value of dividends declared by the Company during the vesting period.

The fair value of the awards is equal to the share price on the date of grant. The fair value is expensed to the statement of comprehensive income in a straight line over four years, being the year in which the bonus is earned and the three-year holding period.

A reconciliation of the number of shares conditionally allocated is shown below:

	13 December 2021 m	12 December 2019 m	19 December 2018 m
Movements in the year			
Awards outstanding at 1 October 2020	—	0.3	0.3
Exercised	—	—	—
Awards outstanding at 30 September 2021	—	0.3	0.3
Granted	0.2	—	—
Forfeited	—	(0.1)	(0.1)
Exercised	(0.1)	(0.1)	(0.2)
Awards outstanding at 30 September 2022	0.1	0.1	—

Awards under the December 2018 grant vested on 19 December 2021.

As part of the acquisition of the Group, both schemes were accelerated to vest at 11 November 2022.

29. Capital commitments

At 30 September 2022, the Group was not committed to the purchase of any property, plant or equipment (2021: plant and equipment of £1.0m relating to machinery for modular panel factory in Bardon, Leicestershire).

The Group was not committed to the purchase of any software intangible assets at 30 September 2022 (2021: £Nil)

30. Guarantees

Subsidiaries of the Group have made guarantees to its joint ventures and associate in the ordinary course of business.

The Group has entered into counter indemnities with banks, insurance companies, statutory undertakings and the National House Building Council in the ordinary course of business, including those in respect of the Group's joint ventures and associate, from which it is anticipated that no material liabilities will arise.

31. Contingent liabilities and contingent assets

The Group is subject to various claims, audits and investigations that have arisen in the ordinary course of business. These matters include but are not limited to employment and commercial matters. The outcome of all these matters is subject to future resolution, including the uncertainties of litigation. Based on information currently known to the Group and after consultation with external lawyers, the Directors believe that the ultimate resolution of these matters, individually and in aggregate, will not have a material adverse impact on the Group's financial condition. Where necessary, applicable costs are included within the cost to complete estimates for individual developments or are otherwise accrued in the statement of financial position.

Remediation costs for multiple occupancy buildings

A further provision of £133.0m has been recognised during the year in relation to remediation costs for multi-occupancy buildings (refer to Note 21). The provision is based on currently available information and reflects the Directors' best estimate of gross cash outflows for the Group. The quantification of the cost of these remedial works is inherently complex and depends on a number of factors, including the size of the building, the cost of investigation and replacement materials and associated labour and the potential cost of managing the disruption to residents, all of which may increase over time with inflation.

As detailed in Note 21, on 6 April 2022, Countryside signed the Government's proposed Fire Safety Pledge ("the Pledge"), entailing the certain voluntary commitments, beyond its legal obligations. The housebuilding industry generally, are currently awaiting finalisation of the long form agreement (the "Long Form Agreement") to be entered into with the DLUHC, which will set out in full the commitments outlined in the Pledge. At present, the provision assessment in these financial statements is based on current Pledge requirements for the Countryside Group. Once the Long Form Agreement has been finalised, it is possible that obligations and liabilities could increase should the UK Government's position on certain additional remedial charges prevail, depending on the scope and nature of the commitments that are included in the Long Form Agreement.

The Directors also note that as Government legislation, regulation and guidance further evolves in this area this may result in additional liabilities for the Group that cannot currently be reliably estimated. The updated Building Safety Bill, which obtained Royal Assent on 28 April 2022, has also extended the limitation period to bring a claim under the Defective Premises Act from 6 years to 15 years prospectively, and 30 years retrospectively. There may also be changes concerning the use of materials currently undergoing fire safety tests instructed by product manufacturers. If such materials are no longer considered safe, this could result in an increase in the number of buildings requiring remediation works as well as an increase in the estimated cost to remediate the buildings currently provided for. We may however expect further Government intervention if such circumstances arise.

In respect of the remediation costs noted above, the Directors believe that Countryside may be able to recover some of these costs via insurance or, in the case of defective workmanship, from subcontractors or other third parties. However, any such recoveries are not deemed to be virtually certain and therefore no contingent assets have been recognised.

Costs relating to the sale of the Countryside Group

On 11 November 2022, the entire share capital of Countryside Partnerships PLC was purchased by Vistry Group PLC and the two business were combined. The Countryside Group was liable for legal and advisory fees that were contingent on the transaction completing, the value of which were in part determined by the Vistry share price as at the completion date. These costs were accrued at the point that shareholder approval for the merger was achieved on 1 November 2022 and crystallised at £11.8m upon completion of the transaction on 11 November 2022. As such, they have been disclosed as contingent liabilities as at 30 September 2022.

32. Dividends

No dividends have been declared or distributions made in the year (2021: £Nil).

33. Post balance sheet events

On 5 September 2022, the Countryside Board recommended to shareholders that they accept an offer by Vistry Group PLC to acquire the entire issued and to be issued share capital of Countryside Partnerships PLC. Following approval of the shareholders and the required Court sanction, the Company implemented a Scheme of Arrangement which became effective on 11 November 2022, at which point Vistry acquired the entire share capital of Countryside. The Company was de-listed from the London stock exchange on 14 November 2022 and re-registered as a Limited Company on 2 December 2022.

As described in Note 31 above, legal and advisory fees totalling £11.8m crystallised for the Group on completion of the transaction on 11 November 2022 and were paid by the Group on the same day.

On 14 November 2022, the Enlarged Group announced its intention to review the decision to close the Bardon Modular Panel Factory on the basis that the combined output of the Enlarged Group had the potential to utilise the excess manufacturing capacity that had previously existed within the Countryside manufacturing division. Any change in strategy for the Barden facility may result in changes to amounts previously provided as set out in Notes 7, 13 and 21.

Parent company statement of financial position

As at 30 September 2022

	Note	2022 £m	2021 £m
Fixed assets			
Investments	4	727.0	727.0
Current assets			
Debtors	5	67.7	67.4
Cash and cash equivalents		10.6	—
Current liabilities			
Creditors: amounts falling due within one year	6	(131.6)	(70.1)
Net current liabilities		(53.3)	(2.7)
Total assets less current liabilities		673.7	724.3
Capital and reserves			
Share capital	7	5.2	5.2
Share premium	7	5.3	5.3
Retained earnings		663.2	713.8
Total equity		673.7	724.3

In accordance with the provisions of section 408 of the Companies Act 2006, a separate Income Statement for the Company has not been presented. The Company's loss for the year was £5.0m (2021: £3.3m loss).

The notes on pages 69 to 72 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 10 February 2023 and are signed on its behalf by:

Tim Lawlor
Director

Company Registration No. 09878920

Parent company statement of changes in equity

As at 30 September 2022

	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
At 1 October 2020	5.2	5.3	768.8	779.3
Loss and total comprehensive expense for the year	—	—	(3.3)	(3.3)
Share-based payments	—	—	1.9	1.9
Purchase of shares by Employee Benefit Trust	—	—	(1.4)	(1.4)
Movements in own shares, including transaction costs	—	—	(52.2)	(52.2)
At 30 September 2021	5.2	5.3	713.8	724.3
Loss and total comprehensive expense for the year	—	—	(5.0)	(5.0)
Share-based payments	—	—	1.9	1.9
Purchase of shares by Employee Benefit Trust	—	—	(3.3)	(3.3)
Movements in own shares, including transaction costs	—	—	(44.2)	(44.2)
At 30 September 2022	5.2	5.3	663.2	673.7

Notes to the parent company financial statements

For the year ended 30 September 2022

1. Accounting policies

Company information

Countryside Partnerships Limited (the "Company") is a company incorporated and domiciled in England and Wales. The Company previously traded as Countryside Partnerships PLC between 12 February 2016 and 11 November 2022, and its shares were publicly traded on the London Stock Exchange during that period.

On 5 September 2022, the Countryside Board recommended to shareholders that they accept an offer by Vistry Group PLC ("Vistry") to acquire the entire issued and to be issued share capital of Countryside Partnerships PLC. Following approval of the shareholders and the required Court sanction, the Company implemented a Scheme of Arrangement which became effective on 11 November 2022 at which point Vistry acquired the entire share capital of Countryside. The Company was de-listed from the London stock exchange on 11 November 2022 and re-registered as a limited company on 2 December 2022.

The Company is a limited company domiciled and incorporated in England and Wales. The Company's registered office is Countryside House, The Drive, Brentwood, Essex CM13 3AT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the statement of cash flows, included in these financial statements, includes the Company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- from disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18(c), 26.19 to 26.21 and 26.23, concerning its own equity instruments. The Company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein; and
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

As permitted by Section 408 of the Companies Act 2006, the parent company's profit and loss account has not been presented in these financial statements.

The financial statements are prepared in Sterling, which is the functional currency of the Company, and are rounded to the nearest hundred thousand pounds.

The financial statements are prepared on a going concern basis under the historical cost convention. The principal accounting policies adopted are set out below.

The Company has not disclosed the information required by regulation 5(1)(b) of the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 as the Group financial statements of the Company are required to comply with regulation 5(1)(b) as if the undertakings included in the consolidation were a single group.

1.2 Going concern

Following the acquisition of the Company by Vistry Group PLC on 11 November 2022, the Company became a wholly-owned subsidiary of the Vistry group. As a result of the acquisition, all of the Company's pre-existing facilities were fully repaid and the Company became reliant on the financial support of the wider Vistry group. The Directors of the Company have confirmed with the Directors of Vistry, as the ultimate controlling party, that Vistry will continue to provide the necessary financial support to the Company for a period of at least 12 months from the date of approval of these financial statements. The Directors of the Company and of the parent Company also have no intention of liquidating the Company in the foreseeable future.

Vistry Group PLC is now the ultimate parent of the combined Vistry and Countryside Partnerships Group ("the Enlarged Group"). The Enlarged Group has a strong balance sheet supported by available banking facilities in excess of £1bn to support working capital requirements. Forecasts for the Enlarged Group have been prepared based on combined operational plans and were subject to a range of sensitisation including severe but plausible scenarios together with the likely effectiveness of mitigating actions. The forecasts continue to demonstrate that Vistry is able to provide financial support to the Company for a period of at least 12 months from the date at which these financial statements have been approved and authorised for issue.

The Directors of the Company are of the view, at the time of approving the financial statements, that there is a reasonable expectation the Company will be able to remain in existence for a period of at least 12 months from the date of approval of these financial statements.

1.3 Fixed asset investments

The value of the investment in each subsidiary held by the Company is recorded at cost less any impairment in the Company's statement of financial position.

A subsidiary is an entity where the Company has the power of control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to govern the financial and operating policies so as to obtain economic benefits from its activities.

Please refer to Note 2 for further information regarding the Company's approach to assessing fixed asset investments for impairment.

1.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and other short-term deposits held by the Company with maturities of three months or less. Bank overdrafts are classified within current liabilities.

1.5 Financial instruments

Fair value measurement of financial instruments

The Company has elected to adopt the recognition and measurement provisions of IAS 39 "Financial Instruments: Recognition and Measurement" and the disclosure requirements of Sections 11 and 12 of FRS 102.

Financial assets

Financial assets primarily represent loans to subsidiary companies and cash, which are initially recognised at fair value.

Borrowings

Interest-bearing bank loans and overdrafts are recorded initially at their fair value, net of direct transaction costs. Borrowings are subsequently carried at their amortised cost and loan arrangement fees are amortised over the term of the instrument. Finance costs associated with each individual drawdown are expensed over the period of that drawdown.

1.6 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

1.7 Dividends

Dividend distributions to the Company's shareholders are recognised in the Company's financial statements in the periods in which the final dividends are approved in the Annual General Meeting, or when paid in the case of an interim dividend.

1.8 Share-based payments

The Company recharges its subsidiary undertakings an amount equivalent to the fair value of the grant of options over its equity instruments. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

1.9 Taxation

The current tax payable is based on taxable profit/(loss) for the period which differs from accounting profit/(loss) as reported in the statement of changes in equity because it excludes items of income or expense that are taxable or deductible in other years and those items never taxable or deductible. The Group's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

1.10 Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in share premium as a deduction from the proceeds.

1.11 Related parties

The Group discloses transactions with related parties as described in Note 25 to the Group financial statements. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

2. Critical accounting judgements and estimates

The preparation of the financial statements requires the Directors to make estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income, expenses and related disclosures.

Critical accounting judgements

In the process of applying the Company's accounting policies, which are described above, the Directors have made no individual judgements that have had significant impact upon the financial information.

Key sources of estimation uncertainty

Estimates and underlying assumptions affecting the financial statements are based on historical experience and other relevant factors and are reviewed on an ongoing basis. This approach forms the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information. Such changes are recognised in the year in which the estimate is revised.

There are no key sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

3. Operating loss

The Company had no employees during the year (2021: none).

Directors' emoluments are disclosed in Note 5 to the Group financial statements

Details of the audit fees can be found in Note 7 to the Group financial statements

4. Investments

	2022 £m	2021 £m
At 1 October and 30 September	727.0	727.0

Details of the Company's subsidiaries at 30 September 2022 are included in Note 24 to the Group financial statements.

5. Debtors

Amounts falling due within one year:

	2022 £m	2021 £m
Amounts due from Group undertakings	66.3	66.1
Prepayments and accrued income	1.4	1.3
	67.7	67.4

The amounts owed by Group undertakings to the Company are unsecured, repayable on demand and non-interest bearing (2021: same terms).

6. Creditors: amounts falling due within one year

	2022 £m	2021 £m
Amounts due to Group undertakings	129.8	52.5
Accruals and deferred income	1.8	17.6
	131.6	70.1

Amounts owed to Group undertakings by the Company are unsecured, repayable on demand and non-interest bearing (2021: same terms).

Bank loans

Details of the Group's facilities and borrowings are disclosed in Note 19 to the Group financial statements.

7. Share capital and share premium

	Number of shares		Share capital		Share premium	
	2022 m	2021 m	2022 m	2021 m	2022 m	2021 m
Allotted, issued and fully paid						
Ordinary shares of £0.01 each	524.6	524.6	5.2	5.2	5.3	5.3

Treasury shares

On 7 July 2021, the Company announced its intention to return surplus cash to shareholders via on-market purchases of ordinary shares. A total of 18,029,840 shares were purchased during the year under the programme, all of which were held in treasury upon repurchase. For a time, the Group utilised treasury shares to satisfy share scheme vests and 321,672 shares were withdrawn from the treasury share reserve. At 30 September 2022 24,833,147 (2021: 7,124,979) shares were held in treasury.

The cash outflows during the year associated with the share repurchases totalled £58.6m including transaction costs. Refer to Note 33 to the Group financial statements.

On 13 June 2022, the Board announced that it would suspend the share repurchase programme. As a result of the acquisition, the Group cancelled all 24,833,147 shares held in treasury, purchased as part of the share buy-back programme, on 11 November 2022. This led to a subsequent decrease in called-up share capital of £0.2m and an increase in the Group's retained earnings.

Employee Benefit Trust

In September 2022, the EBT acquired 1,700,000 shares in the Company through purchases on the London Stock Exchange to meet the Group's expected obligations under share-based incentive arrangements. The total amount paid by the EBT for the shares was £3.3m, which was fully funded by the Group.

The EBT has waived its right to vote and to dividends on the shares it holds which are unallocated. The number of shares held in the EBT as at 30 September 2022 was 1,726,723 (2021: 1,046,182).

Reconciliation of shares in issue

The table below reconciles the movements in the number of shares in issue during the year:

	Treasury	EBT	Other	Total
At 1 October 2021	7,124,979	1,046,182	516,455,709	524,626,870
Exercised share options	(321,672)	(1,019,459)	1,341,131	—
On-market purchases of ordinary shares	18,029,840	—	(18,029,840)	—
Purchase of shares by Employee Benefit Trust	—	1,700,000	(1,700,000)	—
At 30 September 2022	24,833,147	1,726,723	498,067,000	524,626,870

8. Commitments and contingent liabilities

Guarantees

The Company has made guarantees to the Group's joint ventures and associate, in the ordinary course of business.

The Company has entered into counter indemnities to banks, insurance companies, statutory undertakings and the National House Building Council in the normal course of business, including those in respect of joint ventures from which it is anticipated that no material liabilities will arise.

9. Dividends

No dividends have been declared or distributions made in the year (2021: £Nil).

10. Parent and ultimate parent undertakings

During the year ended 30 September 2022, the Company had no immediate or ultimate parent company.

Following the acquisition of the Company's entire issued share capital by Vistry Group subsequent to the balance sheet date, from the 14 November 2022 the Company's immediate parent and ultimate controlling party is Vistry Group PLC which is registered in England and Wales.

The smallest and largest group to consolidate these financial statements for the year ended 30 September 2022 is Countryside Partnerships PLC. Financial statements for Countryside Partnerships PLC are available from the Company Secretary, Countryside House, The Drive, Brentwood, Essex, CM13 3AT.