Company Registration No. SC031286 (Scotland)

SPRINGFIELD PROPERTIES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2025

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COMPANY INFORMATION

DIRECTORS:	Mr Sandy Adam Mr Innes Smith Mr Iain Logan Mr Matthew Benson (non-executive) Mr Nick Cooper (non-executive) Mr Colin Rae (non-executive)
SECRETARY:	Mr Andrew Todd
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COMPANY REGISTRATION NUMBER:	SC031286 (Scotland)
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STRATEGIC REPORT

The Directors present their strategic report for Springfield Properties plc (the "Company") and its Group of companies ("Springfield", "The Springfield Group" or the "Group") for the year ended 31 May 2025.

The principal activity of the Group and Company is that of residential housebuilding and land development.

FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED 31 MAY 2025

Group Revenue	Group Completions	Group Adjusted PBT*	Private Homes Revenue	Affordable Homes Revenue	Contracting Homes Revenue
2025: £280.6m	**2025: 799 homes**	**2025: £20.1m**	**2025: £155.8m**	**2025: £49.4m**	**2025: £11.0m**
2024: £266.5m	**2024: 878**	**2024: £10.6m**	**2024: £184.7m**	**2024: £47.0m**	**2024: £5.0m**

Group	2024/25 £m	2023/24 £m	Change %
Revenue	280.6	266.5	+5.3%
Gross profit	52.1	43.4	+20.0%
Gross margin	18.6%	16.3%	+230bps
Statutory profit before tax	19.0	9.7	+95.9%
Adjusted profit before tax*	20.1	10.6	+89.6%
Earnings per share	11.86p	6.36p	+86.5%
Net debt**	26.4	45.4	-41.9%

*Adjusted profit before tax excludes exceptional items detailed at Note 10. This is considered an alternative performance measure.

**Net debt is defined as bank borrowings plus long-term obligations under lease liabilities plus short term obligations under lease liabilities less cash and cash equivalents. This is considered an alternative performance measure.

Strategic and Operational Highlights

- Significant reduction in net bank debt to £20.9m from £39.9m
- Profitable land sales secured
- Significant improvement in affordable housing margins
- Total land bank of 7,279 plots (2024: 12,459 plots), 66% (2024: 71%) with planning permission
- Strong submission of c.1,400 acres of land to the Highland Council's call for development sites

STRATEGIC REPORT

EXECUTIVE CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MAY 2025

Delivering Results

This year we adopted and began delivery of an exciting new strategy for Springfield.

An early outcome of this strategy has been profitable land sales across central Scotland to Barratt and I am pleased to report that this has resulted in increased revenue and profit for this financial year. These land sales have also allowed us to make significant progress in reducing our bank debt. This puts us in a position of strength to capitalise on the significant new opportunities in the North of Scotland, our focus for growth moving forward.

The need for housing in the North of Scotland has never been greater, driven by vast renewable infrastructure development to provide UK energy security and the high population increase projected as workers arrive to take up the new jobs created. Having been founded in the area in 1956, we have established a substantial land bank across the North of Scotland. Our expertise in land assembly and familiarity with the land market in the area is unrivalled. Our position as a leading housebuilder in the region also means that we have established strong relationships with the Local Authorities – Moray, Aberdeenshire and the Highland Council – all of which are proactive and keen for economic and housing growth.

Infrastructure providers are currently seeking high-quality accommodation to house their workers in the region over the coming years. This is providing an immediate opportunity for the business. We intend to help meet this housing need by entering fixed-term lease agreements with the providers before releasing the homes for sale at the exit of the lease to meet future demand across tenures.

I am very proud that our reputation for quality stands us in such good stead. We have a trusted reputation for the quality of the homes we deliver, for our high levels of customer service, for our relationships with our supply chain and, crucially as we begin to increase recruitment in the region, in the way we look after our employees.

We are uniquely placed to capitalise on the substantial growth that is to come to generate shareholder value.

Market

The housing market has remained subdued resulting in lower-than-projected private sales during the period, primarily due to the lengthening of the sales cycles. This mirrors what we are seeing across the housebuilding industry, with the number of new-build homes delivered across the UK down around a quarter compared to pre-pandemic levels. House-buying behaviour has been cautious as customers shop around and take more time to finalise their decision. Conveyancing processes have also lengthened the sales cycle. While this has resulted in a lower number of completions, housing need continues to rise and housing demand is being compounded by the shortage.

In Scotland, a housing emergency was declared in May 2024, and a number of actions are being taken by the Scottish Government to help increase housing supply to tackle the emergency. A dedicated Cabinet Secretary for Housing was appointed in June 2025 to put housing higher up the political agenda. In her first Parliamentary statement this month, the Cabinet Secretary has confirmed the Scottish Government's intention to move forward with a legislative exemption for any rent caps introduced in local markets for Build to Rent homes. This is expected to open up investment in the private rented sector ("PRS") at scale in Scotland. With the PRS market currently underserved for good quality, well-managed options, we envisage substantial growth in this tenure and we intend to play a key role in its expansion to accommodate the incoming working population in the North.

The Scottish Government remains committed to its target to deliver 110,000 affordable homes by 2032. The delivery of affordable homes is an important part of our business and one that I am particularly proud of due to the significant impact on people's lives. As well as having a social impact, the contracts we are delivering with partners across Scotland have returned to good margins and the cash flow provided has a positive impact on our business.

STRATEGIC REPORT

EXECUTIVE CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

In December 2024, an affordable housing supply budget of £768m was announced, an increase of 38% on the previous year. In addition, as part of its Action Plan to tackle the Housing Emergency, a new commitment has been made by the Scottish Government to deliver up to £4.9 billion of investment over the next four years. The introduction of multi-year funding for Affordable Housing recognises housing as key infrastructure for Scotland, giving welcomed certainty and confidence to the affordable housing sector to plan and invest in new developments following a drop in construction starts.

Across the country there is a strong correlation between the number of private homes delivered and the number of affordable homes provided. When the private market drops, there is a knock on impact to delivering against the social need. There is, therefore, wider interest in addressing the slowdown of the private housing market. Recognising this, the Cabinet Secretary has announced an all-tenure delivery ambition, to work with the housebuilding sector to increase delivery across all sectors by at least 10 per cent each year over the next three years.

The mortgage market across the UK remains supportive with a high number of new build products widely available. To bolster house buying, particularly amongst first time buyers, a number of consultations have been launched exploring how a relaxation in some lending criteria could help. This includes an increase in income to loan multiples and use of rental track records to demonstrate an ability to sustain monthly household bills. Giving households motivation to move and confidence that now is a good time will help the private market and Springfield is well-positioned to deliver against the demand. We are particularly confident about market dynamic in the North of Scotland. This area is typically a more affordable place to live than the main cities and suburbs of Scotland and elsewhere in the UK. There is therefore significant scope within current house price to income ratios for growth as the market strengthens.

Unprecedented levels of economic growth is expected across the North of Scotland due to the levels of investment being made in renewable infrastructure. This includes the Green Freeport, which is expected to generate £6.5bn of investment, creating 10,000 new jobs. As well as accommodating a transient workforce while development of the infrastructure completes in the short- to medium-term, a huge number of permanent jobs will remain, creating high levels of demand for good quality housing options across all tenures.

People

Our announcement in February on our change in strategy was a significant one for our people. We have grown our presence in Central Scotland since we acquired Redrow's Scottish housebuilding business in 2011. We have teams of hardworking, dedicated members of staff who were saddened to hear about our Central land sales and new focus on the North. I have been incredibly proud of the dedication that each of these teams continues to show as we work to deliver our existing developments across Central Scotland, building fantastic homes for our customers. No immediate redundancies were made, and we have managed a gradual reduction in workforce as our sites work towards completion. It is with pride that we have seen people make their onward journey, using skills developed with Springfield to progress into new roles.

From our Inverness and Elgin offices, as we look to expand our operations, we have been recruiting. The development of our own people has always been core to our approach in the North of Scotland, given the location and the local job markets. We need more skills on site to accommodate the increase in construction, and we have recently recruited 25 new apprentices to support that growth. The expansion in the North is also creating opportunities for our teams in Glasgow and Larbert and, as we work through the transition, we have been able to retain talent with teams working remotely.

Dividend

We are very pleased to be proposing a dividend of 2 pence per share for the year ended 31 May 2025. This is double the amount paid in previous year (2024: 1p per share).

STRATEGIC REPORT

EXECUTIVE CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

Looking to the Future

Our new strategy has put us in a position of strength with significant reduction in our bank debt. We continue to have a quality land bank across the country, and the profitable land sale to Barratt this year underpins the value that can be realised from that. We remain in an enviable position with a large number of sites with planning in place and continue to consider land sales in Central Scotland in support of our new strategy.

At the same time, we are working together with Local Authorities in the North of Scotland to promote more land for housing. Across the North we currently hold 4,030 plots, over 60% of plots already have planning in place. The Highland Council is seeking to double housing output to deliver 24,000 homes over the next ten years and has recently undertaken a call out to industry and landowners for more sites that they could allocate for residential development within their forthcoming Local Plan. We have responded positively to that call, and believe our submission of deliverable sites represents a significant proportion of what has been promoted to the Council. Our strategy to move forward in this market has enabled quality new sites to be secured under option, strengthening our land bank in an area of future growth.

The fundamentals of the housing market in Scotland remain very strong as the undersupply of new homes across all tenures continues to intensify the housing emergency that the country is facing. Housing demand in the North of Scotland will increase further as we see workers migrate to Moray, Aberdeenshire and the Highlands to undertake the jobs being created.

As the main housebuilder in these locations, we are best placed to support through additional housing delivery across tenures. As well as being well-positioned to deliver against the growing market in the North, we are also seeing immediate opportunities that we are uniquely positioned to serve. Infrastructure providers are seeking high-quality accommodation to house the workers they will have based within the region over the coming years. We intend to use a number of our current and future housing developments to help meet this need by entering four-year, fixed-term lease agreements with the providers. We will hold onto ownership of the homes for the duration of the lease before releasing them for sale to house buyers and to alternative housing providers to meet future demand across tenures and maximise value for the business.

These fundamentals, in addition to emerging opportunities, give me confidence in our ability to generate shareholder value in the years to come.

Thanks

Finally, I would just like to show appreciation and give thanks to everyone who continues to play a role in Springfield's journey - our customers, our Board members, our management team, our employees, our subcontractors, our suppliers and our shareholders.

I was awarded an OBE in The King's new year honours list for my contribution to construction. I proudly accepted this honour on behalf of everyone who has worked with me to deliver the quality homes that the people of Scotland deserve. I sincerely share this honour with you all, thank you.

Sandy Adam
Executive Chairman
15 September 2025

STRATEGIC REPORT

CHIEF EXECUTIVE'S STATEMENT
FOR THE YEAR ENDED 31 MAY 2025

I am pleased with what we achieved in the year to 31 May 2025 and how we have positioned ourselves for greater success going forward. We accelerated the reduction of our bank debt and delivered an increase in profit and revenue, despite sales continuing to be impacted by subdued market conditions. We made the decision to refocus our strategy to capitalise on the substantial opportunities in the North of Scotland, which are being driven by incoming energy security infrastructure and renewable development. We have made excellent progress in implementing this new strategy in the North of Scotland and we are very thankful to all of our employees who have enabled a smooth transition.

In summary, total completions for 2025 were 799 homes (2024: 878). We achieved an increase in revenue to £280.6m (2024: £266.5m) and in profit before tax and exceptional items to £20.1m (2024: £10.6m). The growth in revenue was driven primarily by land sales as we continued to realise the value of our large, high-quality land bank. Most notably, this was through an agreement to sell to Barratt Redrow plc ("Barratt") undeveloped land, primarily located across Central Scotland, across six sites. This profitable land sale significantly strengthens our ability to capitalise on the substantial opportunities in the North of Scotland. The increase in profit reflects the higher revenue as well as a significant improvement in gross margin to 18.6% (2024: 16.3%), which is due to the profitable land sales and the achievement of a return to double digits in affordable housing gross margin.

Strategic focus on the North of Scotland

During the year, we made the strategic decision to focus our efforts going forward on the opportunities developing in the North of Scotland. The pace and scale of job creation across the region to deliver renewable energy infrastructure, aimed at reaching net zero and achieving energy security is unprecedented. This infrastructure development will require new housing for thousands of additional workers that are needed to plan, construct and operate the projects as well as the long-term growth in population as a result of the economic stimulus to the region. Research by Highlands & Islands Enterprise highlights the scale of the ambition with potential strategic investment totalling £100bn forecast over the next 25 years. To cater for this unprecedented growth, the Highland Council is targeting the construction of 24,000 homes – effectively doubling output over the next ten years – and is expected to be the first Local Authority to utilise new powers under Masterplan Consent Areas to streamline delivery. The increase in housing demand is also expected to support sustainable house price growth in the region.

We have substantial landholdings across the region and within commuting distance to the new employment locations. We have a significant and established position in the local market, with experience of delivering housing across tenures and with a historic supply chain in place. We also have a successful track record of operating with agility to maximise opportunities. Accordingly, we believe we are exceptionally well-placed to benefit from this regional transformation and associated demand for housing.

We are continuing to build out and sell our existing live private and affordable housing sites in Central Scotland, which is expected to complete in c. 2-3 years, and we will maintain a long-term presence in the region through our Village developments in Dundee and Perth. However, our new projects and land purchasing are now focused on the North of Scotland.

STRATEGIC REPORT

CHIEF EXECUTIVE'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

To that end, and as described further below, we made significant progress during the year in securing options over land in the region, which enabled us to submit c. 1,400 acres of land for consideration in response to the Highland Council's call for new sites to be allocated for housing development in their forthcoming Local Plan. Each of our submissions were for sites that are close to existing infrastructure and deliverable within a timeframe that supports the Council's housing goals. As a result, we expect to achieve a further increase in the number of our sites allocated for residential development within the forthcoming Local Plan, which is expected to be finalised by the end of calendar year 2026.

During the year, we commenced discussions with infrastructure providers, the Scottish Government and the councils in the North of Scotland to explore how to meet the demand for the new housing required. These discussions are now at an advanced stage with certain infrastructure providers. The infrastructure providers are seeking high-quality accommodation that addresses their workers' needs and promotes a healthier lifestyle while the workers are undertaking lengthy contracts. The infrastructure providers are also committed to creating a permanent legacy for the local communities by providing additional housing options for when the infrastructure construction work concludes. We are currently discussing Springfield building homes across a number of sites that would be leased to the infrastructure providers for a fixed multi-year period. This would generate revenue for Springfield over the course of the lease period, which we expect to be approximately four years. At the conclusion of the lease, we would expect to then have multiple attractive options, including private housing sales and sales to affordable housing partners and to private rented sector providers. This arrangement would enable us to build up a stock of homes for future sale to meet growing demand – such as from job creation due to the Inverness & Cromarty Firth Green Freeport – as well as benefit from the forecast increase in house and rental prices. We believe that this arrangement would maximise the value that Springfield can generate from the delivery of housing over the duration of the lease and thereafter, while satisfying the requirements of the infrastructure providers and serving the long-term needs of the local communities by providing additional high-quality housing.

Agreement with Barratt

To strengthen our ability to capitalise on the significant opportunities in the North of Scotland, we entered an agreement to sell to Barratt undeveloped land, primarily located across Central Scotland, equating to 2,480 plots with planning across six sites for a total of £64.2m, with proceeds to be received over four years. The sale of five sites was completed during the year and the sale of the sixth site has been completed post year end. We have also had non-binding discussions regarding the possible sale of additional future land holdings on a number of other sites.

This profitable land sale has enabled a significant reduction in our bank debt and made an important contribution to revenue. It has also already supported our growth plans in the North by underpinning our capacity for land buying.

Land Bank

A key element of our strategy during the year, and continuing from the previous year, was realising the value of our large, high-quality land bank to reduce our bank debt. During the year, we completed profitable sales of £60.5m, which was predominantly land in Central Scotland through our agreement with Barratt.

At the same time, we have strengthened our land bank in the North of Scotland by securing options over land. This enabled our strong submission to the Highland Council's call for sites and builds up a valuable asset for Springfield.

STRATEGIC REPORT

CHIEF EXECUTIVE'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

At 31 May 2025, we had a total of 3,912 owned plots (2024: 5,593), of which 72% had planning permission (2024: 88%), and 3,367 contracted plots (2024: 6,866), of which 58% had planning permission (2024: 57%). These changes reflect our agreement with Barratt and our strategic refocus on the North of Scotland. At 31 May 2025, our land bank in the North of Scotland consisted of 4,030 owned and contracted plots across 50 sites, which we have increased since year end. In addition, we have a significant amount of land under option in the North of Scotland, which enabled our strong submission of 1,400 acres of land to the Highland Council's call for development sites.

The total owned and contracted land bank equated to nine years of activity and had a gross development value at 31 May 2025 of £1.8bn (2024: £3.1bn).

At year end, we were active on 40 developments (2024: 42) and during the year 12 developments were completed and 10 new developments became active.

Private Housing

We were pleased that reservation rates in private housing remained stable during the year, in line with the second half of 2024 and with limited use of incentives. However, there was a lengthening of the sales cycle reflecting more cautious spending, prolonged decision-making by buyers and slower processing by conveyancing lawyers, which impacted completions. As a result, and having started the year with a lower order book than at the same point in the previous year, the number of private home completions was 497 for 2025 compared with 584 in 2024. This also led to increased time and cost to complete sites, which impacted gross margin in private housing.

The average selling price ("ASP") for private housing during the year was £313k (2024: £316k), reflecting selling prices remaining resilient across the Group's brands.

As at 31 May 2025, we were active on 25 private housing developments (2024: 29), with five active developments added during the year and nine developments completed. In total, as at 31 May 2025, the owned private housing land bank consisted of 2,598 plots (2024: 3,837 plots), of which 68% had planning permission (2024: 87%). As described above, this reflects our agreement with Barratt and strategic refocus on the North of Scotland,

Affordable Housing

In affordable housing, we are pleased to have delivered a year-on-year increase in revenue in line with market expectations alongside a significant increase in gross margin, which returned to double digits. The increase in gross margin was primarily due to the completion of low-margin legacy contracts at the end of 2024 and the contracts delivered in 2025 having much stronger commercial terms. As a result, there was an uplift in ASP to £207k (2024: £174k), in line with the increased pricing across the sector with the Scottish Government making higher levels of grant subsidy available to affordable housing providers. This also offset the slightly lower completions during the year of 237 (2024: 270). This reduction primarily reflects the delay to build programmes in Central Scotland as competition to secure grants for sites increased because of the knock-on impact from the reduction in grant available the year prior. This did not occur in the North due to our strong position in the region.

The number of active affordable housing developments was 14 at 31 May 2025 (2024: 10), with five active developments added during the year and one development completed. As at 31 May 2025, the total owned affordable housing land bank consisted of 1,314 plots (2024: 1,756), of which 82% had planning permission (2024: 89%).

STRATEGIC REPORT

CHIEF EXECUTIVE'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

Contract Housing

In contract housing, we provide development services to third party private organisations and receive revenue based on costs incurred plus fixed mark up. To date, this has largely consisted of services provided to Bertha Park. At 31 May 2025, the contract housing land bank with planning consent consisted of 500 plots (2024: 579). The 65 homes completed during the year (2024: 24) comprised 42 private homes and 23 affordable homes at Bertha Park. The increase in completions was due to the release of a new phase of private housing at Bertha Park.

Customer Satisfaction

For the year to 31 May 2025, we are pleased to report a customer satisfaction score of 96% (2024: 96%). Our continued success reflects the strength of our customer offering, which includes a high specification as standard, extensive choice and consistently excellent service throughout the home buying journey.

In addition, we maintained our ISO 9001 Quality Management certification and are pleased to have achieved a perfect score of 100% in three independent on-site audits conducted under the New Homes Quality Code, further reinforcing our dedication to quality and customer experience.

Environment and People – ESG

Our new strategy for housing delivery in the North of Scotland will contribute to the decarbonisation of the nation and ensuring energy security. More new homes are required to accommodate the growing renewables workforce and ensure people can move into the Highlands, Moray and Aberdeenshire to deliver this change. We are proud that our housebuilding activity will have such an important impact.

The homes we build are highly energy efficient and constructed within communities designed for residents to live sustainably. We employ advanced methods of construction to manufacture timber kits for our homes off-site at two strategically located regional facilities. This approach enhances efficiency, consistency and quality across our developments. At Springfield, we continue to lead in sustainable housing solutions, particularly through the integration of air source heat pump technology. Notably, during the year, 50% of the homes we delivered were built without a mains gas connection – demonstrating our commitment to low-carbon living (2024: 45.5%).

We maintained our industry-leading commitment to training and development throughout the year, investing in the next generation of talent across our operations. For every 14 homes built, we trained one apprentice – resulting in apprentices comprising 20% of our site-based workforce. Our dedication to continuous learning also extended to our office teams, with 6% of staff undertaking formal qualifications during the year. Recruitment and skills development are high on our agenda currently, as we prepare for the anticipated growth in the North of Scotland and we have recently recruited 25 new apprentices.

Over the past year, we have advanced a series of strategic initiatives designed to deliver meaningful value for people and the environment. Our progress is detailed in the annual ESG Strategy Update, which has been published on our website alongside this report, reflecting our ongoing commitment to transparency and responsible growth.

STRATEGIC REPORT

CHIEF EXECUTIVE'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

Outlook

Looking ahead, we are very excited about the significant prospects in the North of Scotland. As noted, we are in advanced negotiations with infrastructure providers and expect to enter an agreement in the near term for the build and multi-year lease of housing. This would allow us to receive regular income over the course of the lease, which we expect to be four years, as well as having further options for monetisation at the conclusion of that term. This represents an excellent opportunity for Springfield that will allow us to maximise the value of our land holdings in this area of high demand.

This approach also reflects our ability to navigate the market and our agility to deliver innovative solutions to meet housing demand while generating value from our high-quality land bank.

On an underlying basis, to exclude the exceptional contribution to 2025 revenue from the land sales to Barratt, we expect to deliver revenue growth for 2026. This reflects a year-on-year increase in revenue in both private and affordable housing, in line with our expectations. While the private housing market across the UK continues to be challenging as homebuyers remain cautious, we expect growth to be driven by an increase in ASP and with completions being broadly level. In affordable housing, with over 80% of forecast 2026 revenue already contracted and the remainder under negotiation, we are in a stronger position than we have been in recent years.

Accordingly, we continue to look to the future with great confidence.

Innes Smith
Chief Executive Officer
15 September 2025

STRATEGIC REPORT

CHIEF FINANCIAL OFFICER'S REVIEW
FOR THE YEAR ENDED 31 MAY 2025

For the year ended 31 May 2025, we delivered growth in revenue, a substantial increase in profit and significantly accelerated the reduction of our bank debt.

In summary, revenue increased to £280.6m (2024: £266.5m), adjusted profit before tax and exceptional items was significantly higher at £20.1m (2024: £10.6m) and statutory profit before tax was £19.0m (2024: £9.7m). Net bank debt at 31 May 2025 was substantially reduced to £20.9m compared with £39.9m at 31 May 2024.

The increase in revenue was driven by the significant growth in land sales, including through our agreement with Barratt. We delivered growth in revenue in all of our activities except for private housing. The increase in profit was primarily due to the highly profitable nature of our land sales, but we also achieved a significant improvement in affordable housing gross margin, which returned to double digits.

Revenue	**2025**	**2024**	**Change**
	£'000	**£'000**	
Private housing	155,776	184,734	(15.7)%
Affordable housing	49,380	46,975	5.1%
Contract housing	10,976	4,995	119.7%
Land sales	60,507	28,055	115.7%
Other	3,918	1,768	121.6%
TOTAL	**280,557**	**266,527**	**5.3%**

Private housing remained the largest contributor to Group revenue, accounting for 55.5% (2024: 69.3%). The lower proportion compared with the previous year is due to the reduction in private housing sales, as described in the CEO's Review, combined with the significant increase in land sales, which accounted for 21.6% of total revenue (2024: 10.5%). Affordable housing accounted for 17.6% of total revenue (2024: 17.6%), contract housing accounted for 3.9% (2024: 1.9%) and other revenue for 1.4% (2024: 0.7%).

Gross margin increased to 18.6% (2024: 16.3%) mainly as a result of the land sales and the significant improvement in affordable housing gross margin primarily due to our low-margin legacy contracts being completed at the end of FY 2024 and the contracts delivered in FY 2025 having much stronger commercial terms. This offset a reduction in gross margin in private housing, which was impacted by the lengthening of the sales cycle and time to complete sites. As a result, gross profit for the year increased to £52.1m (2024: £43.4m).

Administrative expenses, excluding exceptional items, were £27.6m and accounting for 9.8% of revenue (2024: £26.5m and 9.9%). This reflects a continued focus on carefully managing costs across the Group.

Exceptional items were £1.0m (2024: £0.9m), which mainly relates to restructuring costs and a provision for legal fees.

Operating profit increased to £24.2m (2024: £17.0m) driven by the highly profitable land sales. Excluding exceptional items, operating profit was £25.2m (2024: £17.9m).

Net finance costs were £5.2m (2024: £7.3m), which represents lower bank interest payments due to the reduction in interest rates and lower average bank debt over the period.

Statutory profit before tax increased to £19.0m (2024: £9.7m) and adjusted profit before tax and exceptional items to £20.1m (2024: £10.6m).

Basic earnings per share (excluding exceptional items) increased to 12.66 pence (2024: 7.05 pence) and statutory basic earnings per share to 11.86 pence (2024: 6.36 pence). Return on capital employed was 12.6% (2024: 8.0%), which primarily reflects the increased profit as well as lower average capital employed.

STRATEGIC REPORT

CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

We continued our focus on reducing our net bank debt, which was reduced substantially to £20.9m as at 31 May 2025 (31 May 2024: £39.9m), which also included the acceleration of the receipt of a payment from Barratt that was originally scheduled for March 2026. With the reduction in debt and the increase in profit, we significantly improved our bank debt to EBITDA ratio to 0.8 (2024: 2.0).

We have put in place new bank facilities – a revolving credit facility for 3 years until August 2028 with a facility limit of £77.5m reducing in 12 months to £47.5m alongside an overdraft facility of £2.5m for 12 months until August 2026. The reducing facility levels align to the strategy of reducing bank debt whilst still providing the Group with headroom to capitalise on opportunities that arise.

Alternative performance measures

The Directors use alternative performance measures (for example adjusted profit before taxation, which takes statutory profit before taxation and adds back exceptional items) as this allows a better assessment of how the Group is performing by excluding costs not associated with trading. Key Performance Indicators are detailed on the financial highlights page and are discussed throughout the annual report.

Iain Logan
Chief Financial Officer
15 September 2025

STRATEGIC REPORT

GROUP OVERVIEW AND RISKS
FOR THE YEAR ENDED 31 MAY 2025

The principal activity of the Group and Company is that of residential housebuilding and land development.

Climate Change Risks

The homes we deliver in key locations across Scotland are designed to be energy efficient. We adopt measures to make them more environmentally sustainable, taking designs beyond the latest environmental standards to reduce the environmental impact of our homes. We develop sites taking account of natural resources, to protect biodiversity in the area for future generations. We have delivered over 60 developments without fossil fuels, using air source technology as a successful alternative. We also have a head start on modern methods of construction with two timber kit factories and all of our homes built off-site from sustainable timber.

Alongside this report, our ESG strategy is published, and, for our third year, we have covered the risks and opportunities we have identified against the four pillars of Governance, Strategy, Risk Management and Metrics and Targets within our Climate Related Financial Disclosures on pages 18 to 35.

Quality Management

As a business, we are accredited in ISO 9001 and 14001. We secured ISO 45001, an occupational and Health and Safety management standard, in November 2024.

Key Risks and Uncertainties

The principal risks and uncertainties identified and mitigated against include:

- market risk;
- credit risk;
- liquidity risk;
- changes in consumer demand;
- future funding risk;
- resources risk;
- legal and regulatory risk;
- health and safety risk;
- land supply risk;
- planning risk;
- funding risk; and
- interest rate risk.

Market, credit and liquidity risks are dealt with in Note 28 of the consolidated financial statements. Further details on how risks are managed are set out in pages 16-17.

Changes in Consumer Demand

The risk of reduced sales rates due to a reduction in demand is mitigated by the following factors:

- regular reviews of market conditions, product range, pricing and geographic spread to make sure the right homes are delivered in the right places at a profitable price;
- customer service, quality of build and customer satisfaction are monitored to maintain reputation;
- monitoring of and representations in relation to changes in government housing policy, including by the CEO as an executive board member of Homes for Scotland, allows forward planning to mitigate risks identified as result of changes in policy; and
- our diversified geographical and product offering across tenures.

STRATEGIC REPORT

GROUP OVERVIEW AND RISKS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

Future Funding Risk

Represents the risk that there is not sufficient funding in place to support the Group's future strategy.

Detailed budgeting and regular review of our forecasts allows efficient management of future cash flows as part of managing any liquidity risk.

The Group has bank facilities, securing funding until August 2028, which include covenants and have sufficient headroom in place. The Group and funders communicate regularly.

Resources Risk

The Scottish labour market is competitive, particularly in the North of Scotland where we compete for labour with the renewables sector. Strategies in place to maintain Springfield's reputation as a good employer and ensure the appropriate supply of skills include:

- annual remuneration and reward review;
- annual training review for every employee;
- a Board led culture of empowerment;
- private health care for all staff; and
- satellite television discount and gym membership.

While inflation on building materials has eased, prices are continually being managed by:

- actively seeking alternative suppliers and materials;
- standardising materials and products across the Group to add to buying power;
- negotiating deals directly with manufacturers; and
- the growth of the Group, and recent acquisition of competitors, has strengthened our purchasing power and access to materials.

Legal and Regulatory Risk

The Group has an in-house legal department consisting of three experienced solicitors which advises and supports the Group with legal compliance to ensure the Group reduces its legal and regulatory risks (e.g. disruption to trade, fines or other penalties) and helps ensure contracts are robust across the business.

Health and Safety Risk

There are health and safety risks inherent to construction. Health and safety is the first agenda item at every Board meeting. The Group has an in-house Safety Health Environment and Quality (SHEQ)Team which ensures overall compliance by:

- monitoring health and safety standards across sites with regular visits;
- taking action where required, including addressing extreme weather events;
- advising on safe practice at the outset of projects;
- initiating training;
- introducing or updating applicable policies or procedures; and
- ensuing health surveillance is carried out across the Group.

STRATEGIC REPORT

GROUP OVERVIEW AND RISKS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

Land Supply Risk

The risk of securing sufficient land is reduced by a large land bank owned or secured by contract in a spread of geographic locations which will appeal to our range of customers. In February 2024 we announced a new strategy which focuses future development in the North of Scotland where we believe the opportunities for growth are greatest. We have pursued profitable land sales in Central Scotland to realise value with new land acquisitions going forward within the Highlands, Moray and Aberdeenshire. We are building on our significant land bank in the North by promoting additional sites for residential development to Highland Council for inclusion in their next Local Plan to support them with their efforts to double housing output to meet growing demand.

Our strong land bank, with planning, ensures that the Group can bring forward developments even if land buying market conditions are unfavourable. Prospective sites are brought forward from the land bank, through the planning system, in tranches considered by the Board to be sufficient to allow the Group to achieve its plans for growth.

Planning Risk

Delays in receiving planning consents could interrupt business. Planning is dealt with internally by expert planners who have good relationships with local authorities and who are supported by a full architectural and design team. The Board reviews the balance of land held at the various stages of planning to ensure an appropriate flow of consented land. Risk is also lower because of the high proportion of land that we have with planning in place. Planning risk is also reduced in the North of Scotland, where Local Authorities are proactive and keen to support housing development to meet demand and maximise economic opportunities in the area.

Financial Risk Management Objectives

Details of the Group's financial risk management objectives are set out in Note 28 to the consolidated financial statements.

Charitable Donations and Community Support

Across the Group we understand the importance of community and seek to support and engage those in the areas where we are building. Aligning with our new strategy, our support this period has focused on initiatives in the North of Scotland where our impact is visible. We specifically look to help young people achieve more and to help those who are disadvantaged and have a sponsorship form available on our Group website where charities, groups and organisations can request funding. Staff visit schools to support a variety of initiatives including careers information, mentoring, and charitable programmes. During the year, the Group made payments of £88,047 (2024: £73,739) to charities.

In addition to local support, we have invested in youth sports teams and individual athletes including amateur golfer Summer Elliott. We continue to support Shinty, a historic sport valued greatly in the North of Scotland, through Tulloch's sponsorship of the annual Camanachd Cup.

Our work with the community also extends to young people as they prepare for the future. We work closely with initiatives like Developing the Young Workforce and Career Ready where young people join us for work placements to give them an insight into the world of work whilst showcasing the various avenues into the many disciplines available within the sector.

STRATEGIC REPORT

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE
FOR THE YEAR ENDED 31 MAY 2025

1. Governance pillar:

a. The Board's oversight of climate-related risks and opportunities

The Board determines the strategy, purpose, governance, and risk management of the company. Environmental Social and Governance (ESG) is a standing item on the agenda for Board meetings, and climate-related risks and opportunities are discussed within ESG Committee meetings. The terms of reference for the Board and Audit Committee also include responsibilities for climate change. Members of the Board and ESG Committee have been trained on climate change by external experts. The governance structure is presented in the table below to show the levels of governance and key roles and responsibilities:

<table>
<tr><th colspan="2">Board of directors</th></tr>
<tr><td colspan="2">Meeting frequency in 2024 / 2025: 7 meetings
Key role: Oversees climate-related risks and opportunities.
The Board includes a non-executive director appointed as ESG lead (since 2021).
Board responsibilities include:
• Review strategic planning to ensure full integration of climate-related risks and opportunities
• Oversee major capital expenditures, acquisitions, divestments with consideration of climate change
• Ensure the interests of all stakeholders are considered in decision making</td></tr>
<tr><td>Informing</td><td>Reporting</td></tr>
<tr><th colspan="2">The Board delegates specific ESG matters to its Committees</th></tr>
<tr><th>ESG Committee: 4 Meetings in 2024 / 2025</th><th>Audit Committee: 4 meetings in 2024 / 2025</th></tr>
<tr><td>The ESG Committee's responsibilities include:
• Oversee implementation of the ESG strategy, including climate-related matters
• Recommend policies and practices to the Board to improve performance
Chaired by the CEO, with:
• Non-exec Director (responsible for ESG)
• Group SHEQ Director
• Group Corporate Communication Director
• Group HR Director
• Group ESG Manager
• Senior Group Counsel (Secretariat of Committee)</td><td>The Audit Committee is chaired by a non-executive director and responsible for:
• Monitoring climate-related risks as part of the review over principal risks
• Receiving and reviewing reports from management and the auditors relating to the annual report
• Overseeing the internal controls system</td></tr>
<tr><td>Informing</td><td>Reporting</td></tr>
<tr><th colspan="2">Executive Leadership Team</th></tr>
<tr><td colspan="2">The CEO is responsible for ESG performance, including climate change and implementing and achieving the ESG strategy, including the management of climate-related risks and opportunities. The Group Operational Directors are process owners against ESG objectives and report to the CEO through Group Director meetings. Examples of ESG responsibilities, assessing the feasibility of renewable energy projects at company premises including solar PV.</td></tr>
<tr><td>Informing</td><td>Reporting</td></tr>
<tr><th colspan="2">Operational management</th></tr>
<tr><td>ESG Team
The Group ESG Manager is responsible for implementing the ESG strategy e.g. collecting carbon emissions data, assessing climate-related risks on the risk register.</td><td>Operational Management
The management team supports the Operational Directors in implementing their ESG and climate change considerations in line with the group strategy. An example action includes supporting energy efficiency improvements in temporary site offices.</td></tr>
</table>

STRATEGIC REPORT

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

b. Management's role in assessing and managing climate-related risks and opportunities:

The members of the Group Operational Board are responsible for setting management's role in assessing and managing climate-related risks and opportunities. The Operational Directors will delegate day to day management of the ESG objectives to their senior leadership teams. The Group Operational Board includes:

- CEO
- COO
- CFO
- General Counsel
- Group SHEQ Director
- Group HR Director
- Group Corporate Communications Director
- Group Commercial Director
- Springfield North Managing Director
- Glassgreen Hire Managing Director
- Tulloch Homes Managing Director
- Springfield Partnerships Managing Director

An example of climate change consideration during the year is the review of the feasibility of adding additional solar PV and battery storage at our company premises. This is being carried out by the Group Commercial Director to help reduce the carbon and resource intensity of production.

2. Risk management pillar:

a. The organisation's processes for identifying and assessing climate-related risks:

Climate change is a principal risk and is assessed and managed in line with the Group's risk management framework, as detailed under recommendation c. of the risk management pillar below.

The process of identifying and assessing climate-related risks followed the below stages:

1. A range of climate-related risks were considered across both transitional and physical risks.
2. The impacts of each climate-related risk were considered as part of a workshop with the executive team and function directors / heads of departments. Each risk's potential impact on the Group's business model and future strategy was discussed using qualitative scenario analysis over the defined short, medium, and long term time horizons.
3. For the material climate-related risks, additional quantitative scenario analysis was performed (see recommendation a. of the strategy pillar for more details).
4. Material climate risks were added to the risk register. Where appropriate, climate-related risks were also included in functional risk registers by business areas e.g. health and safety, construction.
5. The potential impact of each risk was coded as low, medium, or high (see recommendation b. under the risk management pillar for more details).
6. High impact risks identified were added to the principal risk register where the CEO or CFO will be the risk owner.

The climate risk register will be updated at least annually by assessing the relevance of the identified risks.

2. Risk management pillar (continued):

b. Processes for managing climate-related risks:

The climate risk register includes details of the potential impact and risk grading for each risk, these are classified as low, medium, or high for both grade and impact. The grading system is based on the senior management team's professional judgement and a materiality assessment across different business functions:

- Risks categorised as low are not actively managed as the risk is unlikely to affect the organisational strategy.
- Medium risks require management and have a senior manager as the risk owner.
- High impact risks are included on the principal risk register. The risk owners are the CEO, COO and/or CFO of the group. The principal risk register is reviewed by the Audit Committee and the Board as described under governance pillar.

Risk registers are maintained within each department and centralised risk reporting is in place to consolidate group level risks. As the main activity of the majority of subsidiaries are the construction of homes, most risks are consolidated at a group level. The timber kit factories are exposed to a different profile of risks.

Mitigation methods are identified and assessed against the risks outlined on functional risk registers. Risks are assigned with new grading scores after considering mitigation measures. Mitigation for climate-related risks is detailed under recommendation b. of the strategy pillar.

c. How processes for identifying, assessing and managing climate-related risks are integrated into the Group's overall risk management:

Climate-related risks are identified considering a longer time frame than is typically considered in the enterprise risk process. Therefore, it is appropriate to maintain a climate risk register. Climate risks from this register may be included in the functional risk registers, where they are assessed and managed using the same principles of the established risk process in the short term. For example, climate risks within the functional risk register are subject to the same assessments of grade and impact as other risks.

3. Strategy pillar:

a. Climate-related risks and opportunities the organisation has identified in the short, medium, long term:

The time horizon for the risk and opportunities assessment have been defined as follows:

Timeframe	Years	Reason
Short	1 – 3 years 2024 - 2027	Aligns to time horizon considered in the business strategy and reflects changes to legislation including the New Build Heat Standard.
Medium	4 – 9 years 2028 – 2033	Aligns to planning and site development time horizon.
Long	10 – 21 years 2034 - 2045	Aligns with the Group's net zero carbon target to reach net zero emissions by 2045. This target is consistent to Scottish Government's net zero target.

3. Strategy pillar (continued):
Physical risks relate to changing weather patterns. *Transition* risks relate to policy, legal, market and technology changes that will occur as part of the transition to a low carbon technology. Both types of climate risk and transitional opportunities are included in a climate risk register which is updated at least annually, and details the potential impact of the risk, the risk grading, any mitigating actions, and the risk owner.

The risks and opportunities included in this report are deemed to be material as they have the greatest potential impact and greatest likelihood of materialising.

b. The impact of climate-related risks and opportunities on the business, strategy, and financial planning:

The impact of climate risks has been assessed over the short, medium, and long-term time horizons using qualitative and quantitative scenario analysis. The assessment has used data from a range of sources (detailed in Appendix A – on page 35). The medium-term time horizon helps to identify business risks in relation to interim carbon reduction targets. The long-term time horizon helps identify business risks in relation to future climate risks.

There are limited data sets for 2045. Therefore, we have used the year 2050 as a proxy to understand climate-related risks and opportunities over the long-term horizon. Two scenarios have been utilised, in line with TCFD recommendations, which illustrate the contrasting possible future pathways of climate change, we have used a "below 2°C" and "above 4°C" temperature outlook. Two different sources are used for physical and transitional risks for medium- and long-term analysis, and are summarised below:

Temperature rise post 2050	Scenario used	Risks observed	Example type of risks
Below 2°C	Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 2.6	Physical risks	Overheating Homes; Floods; Drought stress; Precipitation; Windstorms in the UK; Heat stress; Wildfire
3 – 4°C	IPCC RCP 6.0	Physical risks	Overheating Homes; Floods; Drought stress; Precipitation; Windstorms in the UK; Heat stress; Wildfire
1.8°C	Shared Socioeconomic Pathways (SSP) 1 - 2.6	Transition risks	Potential carbon prices and future energy mix
Above 4°C	SSP 5 - 6.0	Transition risks	Potential carbon prices and future energy mix

Please note, Shared Socioeconomic Pathways (SSP) scenarios for global carbon price do not reflect the regional context of carbon price in EU and UK. Consideration on actual carbon price in the EU ETS and UK ETS were in place in the impact analysis.

STRATEGIC REPORT

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

3.1. Summary of material physical risks:

The table below details the material physical risks with the potential impact classified as low, medium or high risk. The grading of the risks is subjective, but we are aiming to financially quantify the risk grading in future. The mitigation actions were identified by the Operational Directors' response for the area of the business.

Risk	Term Rating	Impact on Springfield	Mitigation and adaptation
Storms Greater severity of storm-related damage is expected in an above 4 °C scenario. Increased frequency of storms will disrupt construction activities. Storms can also affect the origin of raw materials, with greater uncertainty expected in the supply chain over the longer term.	Short Term - Low Medium Term - Medium Long Term - High	**Impact on construction sites in Scotland** Increase in expected damage from tropical cyclones in the UK compared to 2015 reference year, specifically: • Short term: increase by 6% (both RCP 2.6 and 6.0) • Medium term: increase by 9% (both RCP 2.6 and 6.0) • Long term: increase by 14% / 17% (RCP 2.6 / 6.0) The storms will impact the Group through: • Disruptions to construction activities e.g. strong winds could delays progress on site and delivery of materials • Damage to infrastructure on site and in the local area e.g. damage to power supply or roads **Impact on Supply Chain** Our supply chain is global with most tier 1 suppliers based in the UK importing raw materials into the UK such as timber from North America and Scandinavia. These locations may also experience higher levels of disruption due to increased frequency of storms.	We comply with all current regulation regarding wind design to mitigate risk from damage on construction sites. It is expected that planning requirements will adapt to the future risk profile of storms. The impact of storms on the supply chain is mitigated by using several suppliers through offering alternatives in times of product shortage, delay, or price increase. This includes exploring options for Scottish timber production. The procurement team are in regular contact with suppliers to manage the supply of materials.

STRATEGIC REPORT

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

3.1. Summary of material physical risks (continued):

Risks	Term Rating	Impact on Springfield	Mitigation and adaptation
Extreme weather events Sudden changes in temperature and increased frequency of extreme weather events are expected in the UK. This can include extreme cold and changes in rainfall patterns.	Short Term - Low Medium Term - High Long Term - High	Extreme cold conditions or other extreme weather are expected to increase in frequency and severity under an RCP 6.0 scenario. This may lead to disruptions or emergency stops for construction work. This could affect working conditions on site and progress of projects. Our current sites are all based in Scotland. There are currently no sites exposed to a high risk of drought. However, this could be an emerging risk, and we will continue to monitor drought risk.	We comply with health and safety regulations to ensure the safety of construction workers in extreme weather conditions. It is expected that health and safety regulation will adapt and provide guidance for emerging extreme weather events. In extreme heat events, shift patterns may need to be changed for construction workers to avoid the hottest parts of the day. However, this can only occur if local building regulations allow earlier start times.

STRATEGIC REPORT

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

3.2. Summary of material transition risks:

Risks	Term Rating	Impact on Springfield	Mitigation and adaptation
Carbon Price A higher carbon price may increase material costs but lead to a reduction in embodied carbon in construction materials. Embodied carbon is the carbon dioxide emissions associated with the materials used in construction. There may be an introduction of carbon price across all materials. The risk may be amplified by an increased demand for lower carbon materials, for example, as all house builders move towards modern methods of construction.	Short Term - Low Medium Term - High Long Term - High	Our suppliers of certain construction materials are exposed to carbon prices through policy mechanisms like the UK Emissions Trading Scheme (UK ETS). Materials exposed to carbon price currently include bricks, concrete and other energy intensive materials. Other suppliers may offset emissions voluntarily to sell carbon neutral products. Suppliers may pass these costs on to the Group. Higher carbon prices are expected with scenario SSP 1 – 2.6 (1.8°C) compared to the SSP 5-6.0 (Above 4°C) especially over the medium and long term. Please see Appendix A – page 35. Based on data from the UK ETS and EU ETS, we expect the price of carbon in the medium and long term to increase further than current projections.	Supplier and industry initiatives are reducing the embodied carbon in construction materials. This would reduce the exposure to the cost of carbon through UK ETS. Timber frame construction has a lower embodied carbon than materials used in traditional building methods, such as bricks and concrete. Modern methods of construction mean more timber is used than traditional building materials.
Supply chain Transitional risks in the supply chain relate to the housing sectors objectives to reduce embodied carbon. Modern methods of construction, including the use of timber kits, is expected to increase.	Short Term - Medium Medium Term - High Long Term - Low	The increase in timber used by national house builders could increase demand and costs of materials. This is expected to increase over the short to medium term in line with building regulations and company targets to reduce embodied carbon. In the long term, the demand may remain consistent with the medium term.	The impact of increased demand for timber is mitigated by using several suppliers to provide alternate options in times of shortages or price increases. For example, exploring opportunities for Scottish timber. The procurement team are in regular contact with suppliers to manage the supply of materials.

STRATEGIC REPORT

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

3.2. Summary of material transition risks (continued):

Risks	Term Rating	Impact on Springfield	Mitigation and adaptation
Housing regulations The Scottish Government has increased the stringency of building regulations to improve the energy efficiency of homes and reduce the reliance on fossil fuel heating systems.	Short Term - High Medium Term - Medium Long Term - Low	The New Build Heat Standard (Scotland), and other building regulations, increases the sustainability requirements of homes built. Failure to keep up with the regulation and standards could lead to financial damages. There may be increased costs for research and development, including trialling new technology to meet the building regulations. There may also be increased costs to comply with the regulations as additional or different materials are required to build a home. There may be supply shortages of in demand products, including solar panels and air source heat pumps. The risk is higher in the short term but is expected to become part of business as usual in the medium to long term.	Involvement in industry groups and with regulators can help understand expectations to comply with evolving regulations. Immediate changes in building regulations have been incorporated into home design and through updates to planning permission applications. Springfield has ongoing R&D projects lead by the in-house architectural team that look beyond regulatory requirements when designing and building homes.
New technology New technology is required to decarbonise Springfield's own operations, as well as reducing the energy used in new homes. Failure to adopt new technology may lead to Springfield not meeting carbon reduction targets. The adoption of new technology could lead to higher capital costs.	Short Term – Medium Medium Term – High Long Term – Low	New technology includes alternatives to fossil fuel heating and construction machinery, such as air source heat pumps and solar batteries. A high capital investment is expected with new technologies. This includes trialling new technology to see how they work against more carbon intensive alternatives. The workforce may need to be upskilled to install new technology in homes. Competitors may adopt new technology earlier which would result in a poor sustainability profile compared to competitors. Failure to find and adopt alternatives to diesel generators will mean we do not meet carbon reduction targets.	We have been designing and building homes with low carbon technologies for several years and this work has gained momentum through one of our ESG projects, led by our in-house architectural team. This includes air source heat pumps, and hybrid or solar powered solutions.

STRATEGIC REPORT

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

3.3. Summary of opportunities:

Opportunities	Details	Impact
Green finance	Increased offering of sustainability linked loans and other finance solutions can help provide the capital to accelerate the transition to a low carbon and more energy secure future. This may include reduced interest rates for meeting green lending criteria.	There may be a small reduction in interest payments from sustainability linked loans by meeting ESG targets. In preparation of the increased availability of green finance, we have been involved with a sustainability benchmarking programme for UK housebuilders. There may also be increased access to additional investors by demonstrating strong ESG performance.
Modern methods of construction	The UK housing market is moving towards using modern methods of construction approaches driven by industry initiatives and government regulation.	The Group has two timber kit factories as part of our operations which offers a competitive advantage over other housebuilders. We have already started a review to increase the percentage of the home that is built in the timber factory before reaching site. There is an opportunity to increase the output of the timber kit factories, including selling further timber kits to other house builders who do not have their own infrastructure. There are opportunities for us to conduct pilot projects with locally sourced materials, including timber. This will assess the feasibility and quality of Scottish grown timber. Local supply chains can also reduce logistics costs, cutting both transport related expenses and reducing carbon emissions.
Location of land bank	The location of the Group's current land bank has limited exposure to flood risk, and other physical climate risks.	Scenario analysis on physical risks faced by Scotland has identified some areas (in the West Highlands) that would be prone to flooding under both below 2°C scenario and above 4°C degree scenario. Strategic selection of land at our targeted areas are not significantly affected by climate change. For instance, flood maps produced by Scottish Environmental Protection Agency (SEPA) have been incorporated in the existing land acquisition process. The consideration of physical risks of climate change on land acquisition creates a competitive advantage for the group to secure future value of land.

STRATEGIC REPORT

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

3.3. Summary of opportunities (continued):

Opportunities	Details	Impact
Green homes	Improved energy efficiency in new homes may create a competitive advantage in that it helps to reduce carbon emissions and contribute towards energy security compared to older housing stock. Green mortgage products for customers may be available for those buying energy efficient homes.	The early adoption of low carbon products and low carbon technology can create competitive advantage over other house builders in the market. Examples of consumer demand for low carbon technologies include solar panels and battery storage for solar energy. Our homes are significantly more energy efficient than older housing stock and therefore customers may be able to qualify for green mortgage products. This could increase customer demand for the new homes we build.
New technologies and resource efficiency	Improved technology for onsite machinery can reduce energy usage leading to cost savings. The decarbonisation of the UK energy supply will result in lower operational emissions. Diversifying the energy mix and becoming less reliant on overseas markets will also improve overall energy security.	Diesel machinery is used on site. There will be financial and environmental gains achieved by using more efficient machinery. Alternatives to diesel generators on site can include accessing the grid energy supply at an earlier stage of the development.
Attracting more talent	Employees are increasingly motivated to work with companies with strong ESG credentials.	Increasing the positive brand image for environmentally and socially friendly operations and the delivery of green homes can help attract more talent. Internal training programmes can also be planned to upskill the current workforce to incorporate sustainability in their current roles and responsibilities.

STRATEGIC REPORT

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

c. The resilience of the Group's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario:

We have assessed the resilience of the strategy and business model through scenario analysis and have climate change mitigation strategies in place that increase the resilience to potential risks. For example, climate risks are assessed when performing land valuations.

The main impacts of a below 2°C scenario are:

Carbon price

A carbon price is assumed to be incorporated in high emitting sectors covering construction materials, such as steel, concrete and bricks. Under this scenario, our suppliers could pass on the cost to the Group in the short and medium term. Prices may be consistent in the long term.

The assumptions in a below 2°C model is that regulations become more stringent to transition to a low carbon economy. The carbon price is modelled on several countries and sectors.

In a below 2°C scenario, the SSP 1 - 2.6 model projected a medium-term carbon price of circa £27 per tonne of CO_2e by 2030, while the long-term global carbon price for 2050 is projected to be £82 per tonne of CO_2e.

Based on our previous analysis, approximately 12.21 tonnes of CO_2e are attributed to bricks per average house built and 10.41 tonnes of CO_2e from the concrete used in an average house built. By using the expected carbon costs for bricks and concrete as an example, the overall increase in construction materials would be £0.6m (1%) for 2030 and £1.8m (2%) for 2050 (using a FY2022 baseline level of output). It should be noted that, the average price for carbon in UK Emission Trading Scheme reached £97 per tonne of CO_2e in 2022, which has already exceeded the projected price by SSP 1 - 2.6 model.

Therefore, it is likely that we will be exposed to a higher cost of materials. We are engaging with our value chain to reduce greenhouse gas emissions of materials, including understanding suppliers own carbon reduction plans.

Regulatory requirements

The Housing to 2040 strategy from the Scottish Government includes a target for all residential properties in Scotland to have an Energy Performance Certificate (EPC) with a minimum of a 'C' rating. Most new homes in Scotland which have been consented from 2024 onwards, must have zero direct emissions. It means no gas boilers or other fossil-fuel-based heat or power. Overall, the measures will see the equivalent to a 68% reduction in emissions from heat in buildings by 2030 based on 2020.

Scotland has a net zero target of 2045 and housing is expected to make-up a significant part of the emission reduction efforts. In addition to cost increases, there could be a shortage in supply of technology and expertise, leading to delays in the construction and maintenance of homes that are compliant with the regulations.

STRATEGIC REPORT

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

c. The resilience of the Group's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario (continued):

<u>Impact on current and future sites</u>

We have assessed the Group's land bank locations for future and current sites against several physical climate risks, using the data sources documented under recommendation b. of the strategy pillar and Climate Impact Explorer. The impact of physical climate risks on the land bank has been assessed over the medium and long term.

The results of this are shown in the table below:

	Overheating Homes	**Flood**	**Heat stress**	**Precipitation**	**Wildfires**
Medium term (% of sites exposed to increased risk)	0%	0%	0%	4%	4%
Long term (% of sites exposed to increased risk)	0%	0%	0%	14%	6%

As shown above, expected increased rainfall could increase risk of flooding and require additional flood defences on the site and may delay construction work.

The location of future homes may not be in close proximity to the woodland or forest. Therefore, the analysis only indicates that sites are closely located to woodland or forest areas with an increased wildfire risk so will feed into planning decisions.

The impact from precipitation and wildfires are relatively low risk. The other physical risks are not likely to impact our current sites under the below 2°C scenario. As the analysis is based on the current land bank, the risk profile of future sites is likely to change.

The main impact of above 4°C scenario includes:

<u>Impact on operations</u>

Physical risks under the above 4°C scenario analysis manifest over a longer timeframe. There will likely be an increase of extreme weather in Scotland including flooding, and unusually high or low temperatures. The results of this scenario are shown in the table below:

	Overheating Homes	**Flood**	**Heat stress**	**Precipitation**	**Wildfires**
Medium term (% of sites exposed to increased risk)	0%	0%	0%	4%	4%
Long term (% of sites exposed to increased risk)	21%	0%	0%	94%	6%

The physical risks in the above 4°C scenario may be more extreme but take longer to materialise in Scotland. The analysis is based on the current land bank, which is subject to change over the longer term.

STRATEGIC REPORT

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

c. The resilience of the Group's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario (continued):

Scotland will experience an increase in precipitation in all locations, apart from certain areas of Northern Scotland.

Over the long term, homes in urban areas are more exposed to overheating due to the heat island effect. The overheating of homes has not been identified as material risk as mitigations for heat stress are expected to feature in future building regulations over the longer term.

While we did not identify any sites at risk of flooding, there is a high risk of flooding around some parts of the Highlands and in some parts of Aberdeenshire. The Group does not currently have any land in the areas affected.

The impact from wildfires is consistent with the RCP 2.6 scenario.

Impact on supply chain

The physical risks of climate change will also impact the Group's suppliers differently, depending on their locations. An increased risk of extreme weather events could damage supplier facilities or access, quality, and availability of raw materials.

We use timber as a key material in the kit factories, sourced from Scandinavia and Canada. These locations are exposed to different physical risks. If these risks materialise, it could cause a reduction in the quality of the timber, shortages of supply due to increased demand or damaged stock leading to increased costs of material.

Demand for timber is expected to increase as more UK housebuilders opt for timber as a lower carbon alternative to traditional brick construction. Whilst this presents competition for supplies, it may present an opportunity to work with local Scottish suppliers to source quality Scottish timber.

Overall assessment of resilience

The Group has taken steps to understand the business impact from climate-related risks by analysing risks and opportunities through engaging with external consultants on climate issues.

The highest impact risk expected over the medium term is carbon price costs leading to an increased cost of raw materials under a below 2°C scenario. There are several industry led initiatives to reduce the carbon intensity of construction materials. In addition, we have set a Net Zero target, including Scope 3 emissions, for 2045.

The highest impact risk expected over the long term are physical climate risks. Climate risks are assessed when purchasing land, and when developing the land through planning permission requirements. However, there may be challenges in the future where land in certain locations is in scarce supply or require significant climate mitigation costs. The impact of physical climate risks will be monitored at least annually.

4. Metrics and targets pillar:

a. Detailed below the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process:

We monitor emissions, in accordance with the GHG Protocol Corporate Standard. Other metrics have been identified to show progress towards climate-related risks or opportunities:

Metric	Linked risk or opportunity	Target	Performance in FY25	Performance in FY24
Average Standard Assessment Procedure (SAP) rating on all homes built in the past year.	Future Homes Standard, incl. varying standards across UK, requiring improved energy efficiency and reduced carbon.	86	87	86
Homes completed in the past year with no fossil fuel access (%).	Improved energy efficiency in homes and competitive advantage in offering low carbon homes.	We are assessing feasibility of setting a target.	50%	46%
Ultra Low Emission Vehicles in company fleet (%).	Failure to adopt new technology may lead to Springfield not meeting carbon reduction targets.	We are assessing feasibility of setting a target.	Electric company cars: 100% Electric company vans: 3% Overall company-owned electric vehicles: 56%	Electric company cars: 100% Electric company vans: 3% Overall company-owned electric vehicles: 57%

STRATEGIC REPORT

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

4. Metrics and targets pillar (continued):

b. Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks:

Scope 1 and Scope 2 carbon emissions are disclosed as part of the Streamlined Carbon and Energy Reporting (SECR) in the annual report.

The Scope 3 emissions have been calculated following guidance from the GHG Protocol and includes both upstream and downstream sources. The data and summary approach taken to calculate each emission source is detailed in the table below:

Scope 3 data (GHG Protocol category)	**2025 tonnes CO_2e**	**2024 tonnes CO_2e**	**Commentary and summary of approach taken** (emission factors from Department for Energy Security and Net Zero, and Department for Business, Energy, and Industrial Strategy)
Purchased goods and services (construction and non-construction materials) / capital goods / upstream transportation (category 1, 2 & 4)	51,962	57,123	*Emissions have decreased by 9% which reflects efforts to reduce emissions and is in line with the number of homes built during the year.* We calculated the average materials needed to build a home and mapped this to the emission factors. Therefore, the emissions for an average home are calculated using the tonnes of material multiplied by the total completions for this year. This is the same approach as last year. Non-construction material spend is calculated using the consolidated profit and loss statement to map financial spend relating to other goods and services. Data excludes other scope 3 categories e.g. waste and business travel as these are covered separately.
Fuel and energy-related activities (category 3)	505	554[1]	*Emissions have decreased by 9% as a result of reduced consumption of purchased electricity, gas and gas oil across operational sites and factories.* Using fuel and energy data from SECR workings, emission factors[2] were applied to calculate Well to Tank (WTT) and Transmission and Distribution (T&D) emissions across gas, electricity and transport related fuels.
Waste from operations (category 5)	66	141	*Emissions pertaining to waste have decreased due to the decrease in tonnes of waste generated combined with downward change in the emission factors.* Calculated using volume data of waste produced in operations.

[1] Figure re-calculated due to incorrect conversion factor used in FY2024 report i.e. litres rather than the correct factor for kWh.
[2] FY2024 Scope 1 emission factors for diesel, petrol, and gas oil have been updated to reflect the published values in kg CO_2e per litre. Due to the original activity data and emission factors being provided in litres, the corresponding emissions intensity per kWh was derived by dividing the total kg CO_2e per litre by the fuel's gross calorific value (CV) in kWh per litre.

STRATEGIC REPORT

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

4. Metrics and targets pillar (continued):

b. Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks (continued):

Scope 3 data (GHG Protocol category)	**2025 tonnes CO_2e**	**2024 tonnes CO_2e**	**Commentary and summary of approach taken** (emission factors from Department for Energy Security and Net Zero, and Department for Business, Energy, and Industrial Strategy)
Business travel (category 6)	70	62 from activity data	*Emissions have increased by 11% on a year-on-year basis. This is owing partly to a small increase in air travel but also having better quality and more complete activity data.* We have used actual data for hotels and flights this year and also included activity on trains, taxis, and buses using mileage to improve the calculations. For other categories, including car hire, subsistence and entertainment we have used a spend based approach. Grey fleet business travel is covered by SECR. This is not included within this section.
Employee commuting (category 7)	621	529	*Emissions pertaining to employee commuting have increased by 17% on a year-on-year basis. This is owing to the change in methodology which gives us better quality and more complete activity data i.e. employee commute survey, which has a comparatively greater granularity of detail versus last year.* To improve data quality, we included additional questions in our employee commuting survey, and we also expanded the travel survey to include office-based employees.
Total upstream and own operations	**53,224**	**58,410**	*Reduction in emissions is expected as there are fewer completions in the year*.
Use of sold products (category 11)	20,334	30,508	*Emissions decreased due to fewer homes completed and updated assumptions on energy use and grid decarbonisation. FY24/25 used EPC data for 600+ homes, compared to a sample of 64 homes in the prior year.* We used the Dwelling Emissions Rate from the Energy Performance Certificates of a representative sample of completed homes. We have projected the future emission factors by reviewing the plans for decarbonisation of the electricity grid and assuming a constant gas emission factor. We have used a 60-year lifecycle which is consistent with the industry averages and grossed up the sample to cover the total completions in the year.

4. Metrics and targets pillar (continued):

b. Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks (continued):

Scope 3 data (GHG Protocol category)	**2025 tonnes CO_2e**	**2024 tonnes CO_2e**	**Commentary and summary of approach taken** (emission factors from Department for Energy Security and Net Zero, and Department for Business, Energy, and Industrial Strategy)
End of life treatment of sold products (category 12)	1,368	1,736	*Emissions in this category have decreased by a significant degree owing a decrease in the number of houses built and downward movement in the emission factors versus last year.* The end-of-life emissions are based on demolition / recycling the materials used to build the average home and waste emission factors. The data for one home has been applied to the total completions in FY25.
Total scope 3 under consideration	**74,926**	**90,653**	*Scope 3 emissions are down overall as explained in the sections above with a reduction of around 18% versus last year. As a comparison, number of homes built is only down around 9%.*

c. The targets used by the Group to manage climate-related risks and opportunities and performance against targets:

A net zero target for Scope 1 and Scope 2 is set for 2045. An interim carbon reduction target has been set at 39% by 2030 for location-based scope 1 & 2 emissions and 47% for market-based emissions. The interim target ensures that actions to improve energy efficiency and reduce carbon emissions are prioritised in the short term.

An engagement target is used for Scope 3 emissions to reduce the emissions from our value chain, with a focus on purchased goods and services. Based on guidance from the science-based target initiative (SBTi), within an engagement target, the coverage of suppliers should reach at least 67% of Scope 3 emissions.

The Group has started to monitor additional ESG data, including the metrics included under recommendation b. of the metrics and targets pillar. Performance across the metrics is monitored by the ESG Committee.

Appendix A. Scenario Analysis Sources

The following sources were used to aid our scenario analysis:

Scenario element	Sources	Extra information
Site locations	Locations covered both current sites and future sites across the Group.	No extra information.
Physical risk scenarios	Climate Impact Explorer was used as the basis for 2030 and 2050 scenario analysis, comprising of RCP 2.6 and RCP 6.0 scenarios. The Climate Impact Explorer provides projections for future climate impacts at different warming levels and for several policy-relevant greenhouse gas emission scenarios. The Climate Impact Explorer was developed by Climate Analytics, together with Flavio Gortana, the Potsdam Institute for Climate Impact Research and ETH Zürich. Its development was supported by ClimateWorks Foundation and Bloomberg Philanthropies in the context of a collaboration with the Network for Greening the Financial System, as well as the German Ministry for Education and Research.	The physical risks reviewed include overheating homes, floods, drought stress, precipitation, windstorms in the UK, heat stress and wildfire.
Transition risk scenarios	Data Explorer: IPCC scenarios was used as the source for carbon price scenarios, comprising the Shared Socioeconomic Pathways scenarios. The Shared Socioeconomic Pathways are a set of scenarios which are central to the work of the UN climate reports produced by the Intergovernmental Panel on Climate Change (IPCC). The data presented on Data Explorer: IPCC scenarios was based on the work of Keywan Riahi et a. (2017), which brings together the results of independent researchers that have mapped out a range of socioeconomic scenarios for how the world could change in the coming decades. Reference: Riahi, K., Van Vuuren, D. P., Kriegler, E., Edmonds, J., O'neill, B. C., Fujimori, S., … & Tavoni, M. (2017). The shared socioeconomic pathways and their energy, land use, and greenhouse gas emissions implications: an overview. Global environmental change, 42, 153-168.	The actual carbon price as reflected from UK and EU emission trading schemes can be referenced from the carbon price tracker by Ember. (https://ember-energy.org/data/european-electricity-prices-and-costs/) Under the SSP 1-2.6 – global carbon price is expected to be \$11.72 (£10) per tonne in 2030 and \$99.97 (£82) per tonne in 2050. Under the SSP 5-6.0, the expected carbon price is \$11.72 (£10) per tonne in 2030 and \$26.28 (£22) per tonne in 2050.

Sandy Adam
Executive Chairman
15 September 2025

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Sandy Adam, Executive Chairman
(Sits on Nomination Committee)

Sandy is the grandson of the founder of Springfield and has worked for the Company since the 1980s. Sandy led the Company during its change from a market garden business into a housebuilder in 1988. Sandy has been Chairman of the Company since 2004 and has been the driver behind many key commercial decisions including the focus on affordable housing, the geographic expansion out of Moray in 2010, the acquisition of Redrow's Scottish assets/operations in 2011, the listing of Springfield on AIM in 2017 and the acquisition of Dawn Homes in 2018, Walker Group in 2019, Tulloch Homes in 2021 and Mactaggart & Mickel's Scottish housebuilding business in 2022. Sandy has decades of experience in the Scottish housing and property markets, including his role as Chairman of Homes for Scotland between 2014 and 2015.

Innes Smith, Chief Executive Officer
(Chair of ESG Committee)

After graduating from Heriot Watt University in 1991, Innes qualified as a Chartered Accountant with KPMG before moving into industry as financial controller at SGL Technic, a subsidiary of RK Carbon Fibres (now called SGL Carbon Fibres Limited), a NASDAQ and Deutsche Börse listed Company. Subsequently Innes was promoted to Finance Director at SGL Technic and after five years moved to Gael Force. Innes joined Springfield in 2005 as Finance Director and was appointed Chief Executive Officer at Springfield in October 2012 after seven years with the Company. Innes was appointed to the Board of Homes for Scotland in 2016.

Iain Logan, Chief Financial Officer

Iain has 15 years professional experience working in a Plc environment. Iain qualified as a Chartered Accountant in 2002 with PricewaterhouseCoopers in Edinburgh. He then spent eight years with Murray International Holdings Limited gaining extensive corporate finance experience working on all aspects of acquisitions, disposals and fund raising within its investment company. He also held the Financial Controller role for its residential and property development company.

Iain then spent nine years as Group Financial Controller of Omega Diagnostics Plc where he had full responsibility for all financial reporting and management of finance teams in the UK, Germany and India.

Iain joined Springfield in 2020 as Group Financial Controller and was promoted to Finance Director in 2021 leading all aspects of financial operations and establishing strong relationships with external stakeholders. He played a key role in the acquisitions of Tulloch Homes in 2021 and the Scottish housebuilding division of Mactaggart & Mickel in 2022 and was appointed as CFO in 2023.

Matthew Benson, Non-Executive Director
(Chair of Audit Committee, sits on Remuneration, ESG and Nomination Committees)

Matthew graduated from Oxford University and began his career with Morgan Stanley, working in international finance in London. Matthew then established his own consultancy business focused on the structuring and planning of high quality residential and leisure projects. Matthew joined Rettie & Co as a Director in 2002 with responsibility for land and development, new homes and rural projects. He was appointed to the Springfield Board as a Non-Executive Director in 2011. Matthew has a number of other responsibilities including member of the Advisory Board of Kleinwort Hambros private bank, Trustee of Project Scotland and Director of Edinburgh Arts Festival. Matthew was also the founding Chair of bio-tech businesses EctoPharma Limited and Ryboquin Limited.

Nick Cooper, Non-Executive Director
(Sits on Audit, Remuneration, ESG and Nomination Committees)

Nick is a qualified solicitor with over 20 years board experience with UK-listed and private companies including General Counsel of the Football Association and as a member of the Group Leadership Team at Johnson Matthey Plc, firstly as Group General Counsel and Company Secretary and then as Head of Global Business Services. From 2010 to 2015, he was Corporate Services Director at Cable & Wireless Communications Plc, which he joined from Cable & Wireless Plc, where from 2006 to 2010 he was General Counsel and Company Secretary. His previous in-house legal and corporate experience includes roles at Energis Communications Ltd, JD Wetherspoon Plc, The Sage Group Plc and Asda Group Plc. Nick joined Springfield as a Non-Executive Director in 2018.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS (CONTINUED)

Colin Rae, Non-Executive Director
(Sits on Audit, Remuneration, ESG and Nomination Committees)

Colin is a chartered Quantity Surveyor with significant experience in the construction and housebuilding industries. From 2002 to 2019, he held leadership positions at Places for People, one of the largest development, regeneration, property management and leisure companies in the UK. Most recently he was Group Executive Development Director responsible for a UK-wide mixed tenure development programme of c.£200 million. In addition to his role with Springfield, Colin acts as senior advisor for a number of property businesses active in the residential sector. Previous experience includes project management roles at the EDI group, and Woolwich Homes Ltd, as well as surveyor positions at Millar Brown Associates and Gibson & Simpson. Colin is a former director of Homes for Scotland, he is a member of the Royal Institution of Chartered Surveyors (MRICS) and holds a BSc in quantity surveying from Napier University. Colin was appointed to the Board in 2019 as a non-executive director and, among other positions, sits as a founding member of our Environmental, Social and Governance (ESG) committee.

CORPORATE GOVERNANCE

QCA CODE COMPLIANCE
FOR THE YEAR ENDED 31 MAY 2025

This report provides shareholders with an overview of the Group's corporate governance arrangements and their operation during the year and how we comply with the Quoted Companies Alliance’s 2018 Corporate Governance Code for Small and Mid-Size Quoted Companies (“the QCA Code”).

The QCA Code provides a robust framework for the Group to maintain high standards of corporate governance. It sets out ten principles. Each principle and the Group's actions are set out below. Sandy Adam, as Chairman, is responsible for ensuring the ten principles are followed across the Group.

A copy of this statement will be available on our website through its inclusion in this annual report.

1. Strategy and Business Model

The Group delivers homes across housing tenures in developments of different sizes and locations across Scotland. The Group’s focus is on the delivery of private and affordable homes, and, under contract housing, we provide development services to third party private organisations which has included homes for PRS. We believe this combination is key to sustained long term growth and ability to weather economic uncertainty.

Our markets section within our Chairman’s statement, on page 5, provides an overview of the market in relation to private, affordable and contract housing delivery, and our CEO statement details macro factors and our actions within the year for private (page 10), affordable (page 10) and contract housing (page 11).

2. Statement and Understanding Shareholder Needs and Expectations

Sandy Adam, as Chairman, is responsible for establishing and maintaining appropriate communication channels between Executive Directors and shareholders. Maintaining positive relationships with shareholders is important to the Board.

Shareholders communicate with the Board by email, telephone and in person meetings throughout the year including bi-annual investor presentations organised by our nominated advisor, Cavendish Plc. In addition, we offer a webinar of both our interim and annual results which is open to all and promoted through the RNS. The Board believes the feedback from these presentations provide it with vital information to understand the needs and expectations of Springfield’s shareholders.

We maintain a corporate website (www.thespringfieldgroup.co.uk). It contains a range of information required by AIM Rule 26 including our annual and half year reports, trading statements and all regulatory announcements. We regularly distribute press releases to national and local press with news and updates on the Group’s current projects which can also be found on the corporate website.

We have two expert analysts working with us – Equity Development and Progressive Equity - to help potential investors and existing shareholders understand our business, offer independent views on company performance and provide an outlook including projections looking forward. Analyst notes are published on our corporate website for reference.

Details of this year’s AGM will be available to download from our corporate website. The Board recognises the AGM as an important opportunity for shareholders to vote on resolutions, to meet the Board and to ask questions.

3. Wider Stakeholder and Social Responsibilities

The Group operates across Scotland and recognises that it must maintain strong relationships with all stakeholders. These include employees; customers; suppliers; national & local government; and local communities. Springfield creates a climate where everyone can thrive. The Group had 597 employees as at 31 May 2025, seeks to promote from within, develops staff with training, supports work placements and apprenticeships and has an Equality, Diversity and Inclusion (EDI) policy in place which is regularly reviewed.

CORPORATE GOVERNANCE

QCA CODE COMPLIANCE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

3. Wider Stakeholder and Social Responsibilities (continued)

This year alone we have proudly welcomed 25 apprentices to the team, predominately on sites in the North of Scotland and have celebrated 14 employees marking 20-year milestones with the company and 24 who have progressed into promoted roles.

Engaging with all employees across the Group is an integral part of the ethos within the business. The Chairman and CEO meet employees' departmental groups on a bi-annual basis. The meetings provide an opportunity for employees to hear of future plans, to raise any concerns and to ask questions. Each office also has regular Employee Representative meetings where questions can be raised, and issues discussed with minutes of the meetings published on our intranet for reference. The intranet which, along with useful information for staff from policy information to staff contact details, also shares news and updates from across the business keeping employees engaged on Group activities on a daily basis and we are regularly seeking feedback from staff to ensure the platform remains useful and informative.

Customers: Customer views are sought via In-House Research Limited who contact our customers between four and six weeks after handover of their home and gather feedback. Each Managing Director actions any points required because of this feedback. Of those customers responding, 96% would recommend one of the Group's homes to friends or family. The Group has completed its second full year as registered as a developer under the New Homes Quality Code (NHQC) and has scored 100% on three recent NHQC onsite audits.

National & Local Government: Our CEO is a Director of Homes for Scotland, the voice of the home building industry in Scotland, representing some 200 companies and organisations which together deliver 95% of new homes built for sale each year and a significant proportion of Affordable Housing. Through Homes for Scotland, we engage with the Scottish Government, local government and utility companies. Any direct contact with the Members of Scottish Parliament (MSPs) is governed by the Lobbying (Scotland) Act 2016 and we comply with all requirements of that legislation.

Communities: For individual projects, we work with local communities as part of the planning process. Any new development that has more than 50 homes or covers two hectares requires us to hold two community consultations. These events allow members of the local community to gather information on the proposed development, ask questions and provide their feedback on the proposals. We can then reflect any comments within our applications. To strengthen this engagement, Springfield has committed to also hosting an online session to increase accessibility to interested households unable to attend in person, for example those with caring responsibilities. In addition, building upon our existing engagement with schools, for each major planning application we will offer a local primary school a visit to feed into the curriculum and raise awareness of sponsorship opportunities that may be available.

Environment: Alongside this report, we annually publish an update to our ESG Strategy: Environment and People. A Committee of the Board for ESG meets regularly to monitor progress against the ESG Strategy with the CEO as Chairman.

4. Embedding Risk Management

Springfield operates processes to identify, measure, manage and monitor those risks which impact the Group's business. The focus of our risk management framework is to ensure we are managed in a sustainable and controlled way within our risk tolerance. Material risks and control matters are reported to the Board via regular reports from the Group's senior executive team who in turn meet on a regular basis with risk and control issues being discussed at those meetings. Given the environment in which it operates, the Board has a strong focus and attention on Health and Safety issues. It receives a personal report from the CEO on health and safety matters at each meeting and meets regularly with the Group Safety Health Environment & Quality (SHEQ) Director so matters can be discussed directly. A full review of risk management was also completed during this year resulting in stronger and more efficient risk management processes.

4. Embedding Risk Management (continued)

The Board also maintains a system of internal controls to safeguard shareholders' investment and assets. The Board is responsible for reviewing its effectiveness on an ongoing basis. Annual budgets are prepared, and detailed management reports are presented to the Board and used to monitor financial performance and compliance with the Group's policies and procedures. All controls are covered including financial and operational controls to manage risk. Board meetings are also used to consider the Group's major risks. All potential areas of financial risk are regularly monitored and reviewed by Directors and management and preventative or corrective measures are taken as necessary.

As outlined in our Company Overview and Risk section on page 15, we are accredited in ISO 9001 and 14001 and secured ISO 45001 within the 2024/25 financial year to support our continued work towards an accredited Integrated Management System (IMS).

5. Maintaining a Well-Functioning Board

The skills and experience of the Board are set out in their biographical details on pages 36-37. All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The Board meets at least bi-monthly with seven meetings during the year with 100% attendance other than Matthew Benson who missed one meeting. The Non-Executive Directors time commitment is approximately 20 days a year to attend to Board matters. The Board consider Colin Rae and Nick Cooper to be independent Directors for the purpose of the QCA Code. From 1 September 2025, Matthew Benson will have completed 14 years' service as a Director. Having considered Matthew's independence in the context of the QCA Code, the Board is satisfied that Mr Matthew Benson will remain independent notwithstanding his length of service.

Andrew Todd, as Company Secretary, attends all Board meetings. Andrew is a solicitor qualified in Scotland and ensures Board and committee meetings are conducted in accordance with all relevant legal and regulatory requirements. Andrew also attends all audit and nomination committee meetings. Senior Group Counsel, Erin Grant, a solicitor qualified in Scotland, attends all ESG and remuneration committee meetings.

One third of the Directors retire annually in rotation in accordance with Springfield's articles of association. This enables the shareholders to decide on the election of the Board.

6. Director Skills and Capabilities

As mentioned under principle 5, all Directors and their professional experience, are set out on pages 36-37. The skills, experience and knowledge of each Director gives them the ability to constructively challenge strategy and decision making and scrutinise performance. All Directors are offered appropriate coaching and training to develop their knowledge and ensure they remain up to date in relevant matters for which they have responsibility as a member of the Board. During this year, the Directors received training on the Economic Crime and Corporate Transparency Act.

All members of the Board bring relevant sector experience through their extensive and varied careers throughout the housing, financial, consulting, and legal sectors. The Board believes that its members possess the required qualities and skills necessary to effectively oversee and execute the Group's strategy.

7. Evaluation of Board Performance

The Board understand the importance of Board performance evaluation. The formal review process that was due to be undertaken in the financial year 2023/24 was delayed given the challenging market conditions experienced across the industry in the last 12 months. With recent focus on the adoption of a new strategy for the business, the formal review process has remained on hold and will now be scheduled to be undertaken in 2026/27.

QCA CODE COMPLIANCE (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

8. Corporate Culture

The Board believes that everyone has the right to a decent home. There is a pressing need for good quality housing in Scotland which is evidenced by the Housing Emergency declared by the Scottish Government in the period. Where this need is not met, Springfield aims to provide high quality homes for people who need them across all tenures: homes for private sale, affordable homes for councils or housing associations and homes for the PRS.

Dedication to customers is at the heart of the Springfield culture. Customer satisfaction statistics are an integral part of how we manage our business and incentivise our key people and the satisfaction statistics for each brand are shared at every Board meeting.

9. Maintaining Good Governance

The Board recognises the importance of applying sound governance principles in the successful running of the Group. The Chairman and the Board takes responsibility for ensuring the Group maintains appropriate corporate governance practices. In addition, the Chairman and CEO take responsibility for obtaining feedback from key stakeholders. Due to the Group's size, it does not believe separate shareholder approval is required for the Group's remuneration report or for all Director's to be re-appointed annually. The Board will keep the QCA's recommendation under review and will monitor market practice and will continue to seek feedback from its advisors.

Springfield operates processes to identify, measure, manage and monitor risks which impact the Group's business within acceptable limits identified by the Board. Further details on our approach to risk are set out in response to principle 4 above.

The Board is supported by the Audit, Remuneration, Nomination and ESG committees.

The Audit Committee is responsible for determining and reviewing matters relating to the financial affairs of the Group. The Audit Committee examines reports received from management and the Group's auditor in relation to the financial statements, as well as the internal control systems utilised throughout the Group.

The Remuneration Committee reviews and sets the terms and conditions of the Directors' appointment, along with their remuneration and benefits package and makes recommendations to the Board in relation to the allocation of share options to employees under our Share Plans. The Remuneration Committee meets at least three times a year.

The Nomination Committee's role is to consider the selection and re-appointment of Directors, and make recommendations for the nominations of candidates to fill vacancies on the Board. The Nomination Committee also regularly reviews the structure, size and composition of the Board, providing recommendations for change where appropriate.

The Environmental, Social and Governance (ESG) Committee oversees the implementation of the Group's overall ESG strategy. The Committee also monitors current and emerging issues which may impact the business, performance or image of the Company. Additionally, the Committee studies investor feedback and oversees the Company's reporting and disclosure with regard to ESG matters. The Committee makes recommendations to the Board concerning any policies, practices or disclosures which need adjusted in order to improve the performance with regard to ESG matters and adapt to an ever-evolving market.

Further information on the Audit and Remuneration Committees can be found in the Audit and Remuneration Committees' reports on pages 45-54.

10. Communicating Governance and Performance

The Group recognises the importance of maintaining a good relationship with shareholders and stakeholders, communicating to them through the Annual and Half-Year Reports, the Annual General Meeting (AGM), biannual presentations and other trading updates. These updates, along with wider business news, are shared on the Springfield Group website.

Results from the AGM are announced to the market and displayed on the Group's website after the meeting.

Andrew Todd
Company Secretary
15 September 2025

CORPORATE GOVERNANCE

SECTION 172 STATEMENT
FOR THE YEAR ENDED 31 MAY 2025

The Companies (Miscellaneous Reporting) Regulations 2018 (2018 MRR) require Directors to explain how they considered key stakeholders' interests, and the broader matters set out in Section 172(1) (a) to (f) of the Companies Act 2006 (S172) when performing their duty. In particular, the Directors consider stakeholders' interests which may affect the long-term success of the company.

This S172 statement explains how the Directors:

- engaged with employees, suppliers, customers and others; and
- considered how principal decisions were taken during the financial year to reflect employee interests; the need to foster business relationships with suppliers; and the effect on customers and others.

The S172 statement focuses on matters of strategic importance to the Group, and the level of information disclosed is consistent with the size and the complexity of the Group's businesses. Further information about the Directors' engagement with key stakeholders is set out on pages 38 to 39.

S172 Statement by the Springfield's Directors

After due and careful consideration of the requirements set out in S172, and having regard to long-term consequences and the interests of stakeholders in relation to Board decision-making, the Directors, during the financial year ended 31 May 2025, have acted in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

General confirmation of Directors' duties

Springfield's Board of Directors has a clear framework for determining the matters within its remit and has approved reference terms for matters delegated to its committees. Certain financial and strategic thresholds have been set, to identify matters requiring Board consideration and approval. The reference terms, thresholds and decision-making processes are reviewed and approved annually by the main Board. The current terms were reviewed in December 2024.

All Directors upon joining Springfield are provided with guidance covering regulatory requirements of their role, including, but not limited to, S172. Further training is undertaken annually. The Directors received training in April 2025 on the Economic Crime and Corporate Transparency Act 2023 and on the board and the company's duty to prevent fraud.

Board decision-making is predicated on the appropriateness of information provided to Directors, which is subject to review as part of the wider Board evaluation process. In particular, the Company Secretary ensures that Board materials are assessed as to their suitability in relation to assisting and facilitating Directors' decision-making in accordance with S172. In addition, the Company Secretary prepares an annual reference bible for all board and committee reference terms, financial decision-making processes, risk management and decision-making processes. This is reviewed and debated by the Board to ensure all decision-making authority is correctly allocated, checked and managed. The reference bible was approved in December 2024.

When making decisions, each Director ensures that he acts in the way he considers, in good faith, would most likely promote the Group's success for the benefit of its members, and in doing so has regard (among other matters) to the issues set out below.

S172(1) (a) "The likely consequences of any decision in the long term"

The Directors understand the business and both the evolving and challenging environment in which it operates. This year, the Directors' focus was on a debt reduction strategy through reducing overheads and raising cash through the profitable sale of assets from the Group's landbank, including the sales of central assets to Barratt Developments plc. In taking this decision, the Directors considered the impact of this decision on the Group's short-term operations and the Group's long-term aspirations. The Directors considered the impact of its decision on investors and agreed that such a strategy would have long term benefits as the assets chosen for sale did not affect immediate operational sites and forecasts.

CORPORATE GOVERNANCE

SECTION 172 STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

S172(1) (b) “The interests of the Company’s employees”

The Directors recognise that the Group’s employees are fundamental and core to the Group’s business model and the safe delivery of its strategic ambitions. The success of our business depends on attracting, retaining, developing and motivating talented employees. The Directors consider and assess the implications of relevant decisions on employees and the wider workforce. The Directors seek to ensure that all Group companies remain a responsible employer, including with respect to pay and benefits, fairness including gender pay gap reporting, diversity, health and safety issues, and the workplace environment. The Directors regularly engage with employees and the wider workforce (a summary of engagements is provided on pages 38-39). This year Springfield’s Chairman and the Chief Executive met with central employees from all sites, offices and departments to explain the Group’s strategic growth focus on opportunities in the North of Scotland.

S172(1) (c) “The need to foster the Company’s business relationships with suppliers, customers and others”

Delivering the Group’s strategy requires strong mutually beneficial relationships with customers, contractors, suppliers, the Scottish Government, local authorities, and other partners for social housing. The CEO provides a comprehensive update to the Board on material business and external developments at each board meeting. These include: i) a report on safety performance; ii) significant operational updates; and iii) political or regulatory developments. The Board also receives bi-monthly operational reports from each of the Group Directors, including reports on health & Safety, environment, commercial purchasing, HR, corporate communications, architectural, engineering and legal. Springfield’s Chief Executive is a Director of Homes for Scotland, which represents over 200 housebuilders and organisations involved in the housebuilding industry in Scotland. This appointment provides invaluable to understand shared experiences withing the housing market and the challenge to build more homes in Scotland.

S172(1) (d) “The impact of the Company’s operations on the community and the environment”

The CEO provides a comprehensive update to the Board on the Group’s engagement with community and other groups at each Board meeting. Further information on engagement with stakeholders can be found on pages 38 to 39. This year, the Board, as part of its debt reduction strategy, agreed the significant sale of several central land sites to Barratt Developments Plc. This sale represented an opportunity to deliver on the Group’s commitment to reduce debt and to focus on opportunities in the North of Scotland.

S172(1) (e) “The desirability of the Company maintaining a reputation for high standards of business conduct”

The Board follows the QCA code of conduct and periodically reviews and approves clear frameworks, such as its Modern Slavery Statement and Tax Statement, to ensure that high standards are maintained. The board has also undertaken training on the Economic Crime and Corporate Transparency Act 2023 and tasked the CEO, CFO and Company Secretary to update policies and procedures to ensure compliance across the group. All updates were completed by 1 September 2025 with monitoring and systems in place to endure ongoing compliance.

S172(1) (f) “The need to act fairly as between members of the Company”

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy in the long-term interests of the Company, taking into consideration the effect on stakeholders. In doing so, the Directors act fairly as between the Company’s members.

Andrew Todd
Company Secretary
15 September 2025

AUDIT COMMITTEE REPORT
FOR THE YEAR ENDED 31 MAY 2025

Statement from the Chairman of the Audit Committee

On behalf of the Board, I am pleased to present the Audit Committee Report for the year to 31 May 2025. This report provides shareholders with an overview of the activities carried out by the Committee during the year. The Committee ensures the financial performance of the Group is properly measured and reported.

Committee Members

The Committee is comprised solely of independent Non-Executive Directors, being myself as Chairman and the other Non-Executive Directors: Nick Cooper and Colin Rae. The Board is satisfied that I have worked within the financial industry and have significant and relevant experience to chair the Committee.

Responsibilities

The responsibilities and activities of the Committee include determining and examining matters relating to the financial affairs of the Group including the terms of engagement of the Group's auditor and, in consultation with the auditor, the scope of the annual audit. It receives and reviews reports from management and the Group's auditor relating to the half yearly and annual financial statements and the accounting and internal control and risk management systems in use throughout the Group, reviewing the Group's overall risk appetite and strategy and monitors, on behalf of the Board, current risk exposures. The Committee monitors the integrity of the financial statements produced by the Group and makes recommendations to the Board on accounting policies and their application. The Committee receives reports from compliance functions within the Group and is responsible for reviewing and approving how the Group seeks to comply with its regulatory obligations. The Committee also ensures that the arrangements for employees and contractors to raise concerns confidentially about possible wrongdoing in financial reporting (or other matters) are proportionate and allow for independent investigation. The duties of the Committee are set out in its terms of reference. These are regularly reviewed to ensure they remain applicable and up-to-date with legislation, regulation and best practice.

Meetings

In the year to 31 May 2025, the Committee met four times with 100% attendance. The meetings cover the planning of the statutory audit and review of the Group's full year results prior to Board approval and to consider the external auditor's detailed reports. In the year to 31 May 2025 the Chief Financial Officer attended all Committee meetings.

Internal Audit

The Group does not currently have an internal audit function. In 2022 – 2023, as a result of appointing a new Chief Financial Officer, the Group paused the recruitment of a senior manager to lead this function until a full review of the finance team could be carried out. This review was completed in the prior year with a number of senior appointments made to the team to support the business. Following these changes, we have not recommenced the process. The Committee continues to keep this under review.

Risk Management and internal controls

The Group has a range of internal controls, policies and procedures in place. There is a framework of risk management within the Group for risk management. The Committee works alongside the Board to review, and where necessary suggest changes to, the current systems in place.

The Committee is comfortable that the systems and personnel in place are sufficient and provide a strong level of control given the current revenue and size of the business.

Anti-bribery

The Group has a zero tolerance anti-bribery and corruption policy in place. The policy is contained within employee handbooks and provides guidance on what constitutes bribery and corruption. Line managers are responsible for ensuring employees comply with this policy and maintain the Group's image and reputation.

The Board is ultimately responsible for ensuring this policy complies with the Group's legal and ethical obligations.

External Audit

The Committee monitors the relationship with the external auditor to ensure independence and objectivity at all times. The Committee also reports to the Board on the independence, objectivity and effectiveness of the external auditor.

During the year the external audit service was subject to a mini-tender exercise based on an update of the full tender carried on in 2023-2024, following which Johnston Carmichael LLP (JC) were appointed to conduct the audit of the Company's financial statements. A proposal to re-appoint them as audit of the Company will be subject to the approval of the shareholders at the next Annual General Meeting. Stephen McIlwaine is the signing partner for JC.

JC has not carried out any non-audit work during the year. The Group policy is that, where possible, advisors should be appointed other than the external auditor to perform non-audit work.

External Audit process

JC prepares an audit plan. This plan sets out the scope and timetable of the audit as well as the areas to be specifically targeted. The plan is provided to the Committee for approval in advance of the audit. On completion of the audit, the findings are presented to the Committee by the auditor for discussion. The matters discussed in relation to this year's audit are summarised below.

The Chief Financial Officer has regular contact and communication with the auditor during the year. This allows for any areas of concern or of significance to be raised with the auditor throughout the year.

The table below highlights the issues discussed at the audit close meeting.

AUDIT COMMITTEE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

Issue	How it was addressed by the Committee
Revenue recognition - Private Revenue from private housebuilding is recognised when the house is handed over although the timing may require management judgement in determining when ownership has transferred.	As in previous years with a large number of homes handed over in the final month of the financial year, the Committee reviewed the revenue recognised throughout the year and around the year end. The Committee satisfied itself that there is no issue with revenue recognition.
Revenue recognition - Affordable Revenue from affordable housebuilding is recognised over time depending on the stage of completion with cashflows received in excess of revenue recognised included as payments on account.	The Group policy is based on stage of completion being determined by the development cost incurred as a proportion of the total expected development cost as this is considered to be in line with the satisfaction of the underlying performance conditions. The committee has kept a close watch through monthly management accounts and updates from the relevant Managing Director.
Land sales The Group has generated significant revenues and profits from land sales in the year. Costs associated with land sales can be a judgemental area.	The Committee is satisfied that the land sales were contracted in the financial year and with the calculations of the costs associated with the land sales and resulting profit.
Profit recognition The Group enters into construction contracts the performance under which takes place over a period of time. There is a significant element of judgement involved in estimations of these construction contracts surrounding costs to complete and the overall expected profit margin.	The Committee monitors the cost value report process and the effectiveness of the internal controls exercised over these processes.
Valuation of inventories and work in progress The largest asset on the Group balance sheet is inventory which includes land and work in progress. The Group values inventory at the lower of cost and net realisable value which is dependent on judgement and estimates of total build and land costs and future selling prices. The allocation of inventory to cost of sales also involves estimates which impact on the timing and amount of profit margin recognised.	The Committee reviews the work in progress balances through monthly finance reports and the cost value report process and is satisfied that the carrying value of inventories and work in progress remains appropriate.
Going concern It is the Directors' responsibility to make an assessment of the Group's ability to continue as a going concern to support the basis of preparation for the financial statements.	The Committee is satisfied, based on reviewing the going concern paper written and financial modelling undertaken, alongside the extended bank facilities that the Group has adequate resources to continue in operation for the foreseeable future and will be able to operate within the bank facility limits which are in place.

Matthew Benson
Chairman of the Audit Committee
15 September 2025

CORPORATE GOVERNANCE

REMUNERATION COMMITTEE REPORT

Introduction

This report outlines the Group's remuneration policy for its Directors and shows how that policy was applied during the financial year ended on 31 May 2025.

Springfield is not required to comply with Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and is under no obligation to prepare, or seek shareholder approval of, a directors' remuneration report. This section of the annual report has, therefore, been prepared on a voluntary basis and in order to fulfil the relevant requirements of Rule 19 of the AIM Rules for companies.

Committee Members and Meetings

In the period of twelve months to 31 May 2025, the Committee comprised:

- Nick Cooper (Chair);
- Matthew Benson; and
- Colin Rae.

The individuals who served on the Committee, each of whom is an independent Non-Executive Director, had no personal financial interest (other than as a shareholder) in the matters decided.

Under its terms of reference (which are summarised on the Group's website at (www.thespringfieldgroup.co.uk)), the Remuneration Committee met three times during the year with 100% attendance.

Committee Responsibilities

The main responsibilities of the Committee are:

- to set the overall remuneration policy for the Group's Executive Directors (and certain other senior employees); and
- within the terms of that policy, to determine the terms and conditions of employment of those individuals and the level of their remuneration (including short-term and long-term incentives).

The remuneration of the Non-Executive Directors is determined by the Board as a whole within limits set out in Springfield's articles of association. The Non-Executive Directors do not participate in performance related bonus or share based incentive arrangements.

Remuneration Policy for Executive Directors

The overarching aim of the Group's remuneration policy is to attract and retain the highest calibre individuals as Executive Directors and ensure they are appropriately and fairly rewarded for performance in a manner that is both as straightforward as possible and appropriate for Springfield's size and stage of development. During the financial year to 31 May 2025, the overall remuneration package for Executive Directors consisted of the following elements:

- Basic Salary;
- Annual Bonus;
- Pension Contributions;
- Long Term Incentive Plan;
- Participation in an "all employee" SAYE share option scheme; and
- Other standard benefits.

Further disclosures in relation to each of the above elements are provided below.

Basic Salaries

Each Executive Director receives a base salary, the level of which reflects the particular individual's experience and performance, the nature and complexity of their work and the market in which the Group operates.

The Committee undertakes a standard review of the Executive Directors' salaries on an annual basis, with the Committee's current policy being that any increases awarded to Executive Directors as part of this process should normally reflect those applied to the wider workforce. Any such increases typically take effect on 1 June each year.

With effect from 1 June 2024, the annual rates of base salaries for the Executive Directors were set at:

- Sandy Adam - £146,027;
- Innes Smith - £292,054; and
- Iain Logan - £210,000.

For both Sandy Adam and Innes Smith, the above increases represented an uplift of 3% from the annual rates of salaries that were paid to them at the end of the financial year to 31 May 2024. This matched the average annual increase that was awarded to the broader workforce at that time.

In the case of Iain Logan, a larger percentage increase was applied to his annual salary as at 31 May 2024 (being £171,000). This reflected the Committee's view of his development and performance in the CFO role following his relatively recent appointment to the position in July 2023 (at which time his annual salary had been set at a material discount to the level paid to his predecessor).

Annual Bonus
Under the Group's annual bonus scheme for Executive Directors (other than Sandy Adam who does not participate in this arrangement), individuals have the opportunity to receive a cash award that is linked to the achievement of specified targets that are aligned to the Group's corporate plan for the period in question. For each year of the scheme's operation, the Committee specifies a maximum opportunity (as a percentage of salary) for each participant.

For the financial year to 31 May 2025, the maximum bonus opportunities for the CEO and CFO were set at 125% of salary and 100% of salary respectively, representing a return to "normal" levels following the operation of a revised structure in the previous year (details of which were set out in the Committee's report for the year ended 31 May 2024).

The following table identifies the measures used in this year's scheme, their respective weightings and the bonus derived from the level of achievement that has been delivered:

Measure	**Weighting (as a % of maximum opportunity)**		**Bonus earned as a result of performance against specific measure in the relevant year[1] (as a % of maximum opportunity)**	
	Innes Smith	*Iain Logan*	*Innes Smith*	*Iain Logan*
Group Profitability	45%	50%	45%	50%
Debt Reduction	45%	50%	45%	50%
Customer Satisfaction	10%	N/A	10%	N/A
	Total bonus (% of maximum opportunity) = (a)		100%	100%
	Maximum opportunity (% of salary) = (b)		125%	100%
	Total bonus earned (% of salary) = (a) x (b)		125%	100%

Notes:
[1] For each measure, the Committee specified a sliding scale of achievement (between threshold and maximum) which was used to determine the level of award actually paid in respect of that element. For each of the financial measures, the threshold level required the Company to at least achieve the relevant budget figure set by the Board for the year. In the case of "customer satisfaction", the Company adopted its own long standing measurement processes.

Pensions

During the year, the Group made contributions to pension plans for the Executive Directors. These contributions were at a rate of 5% of basic salary in respect of Sandy Adam, and at the rate of 10% of basic salary in respect of both Innes Smith and Iain Logan, who were both members of the Group's defined contribution scheme. (For the avoidance of doubt, the rate of pension contribution payable to Innes Smith and Iain Logan is equal to the amount paid to the wider senior employee population.)

Long Term Incentive Plans

Introduction
As part of the process surrounding the Group's admission to AIM in October 2017, the following plans were adopted in order to allow share-based incentives to be provided to the Executive Directors and other senior managers:

- The Springfield Properties PLC Company Share Option Plan (the "CSOP"); and
- The Springfield Properties PLC Employee Share Option Plan (the "ESOP").

The CSOP and the ESOP are relatively straightforward arrangements under which options over the Company's shares can be granted to selected employees of the Group (including Executive Directors). These options normally vest after three years and, on exercise, require participants to pay a price equal to the market value of a share on the date they were originally granted. Following the introduction of the new performance share plan in 2020 (see below) no further options have been granted to Executive Directors under the CSOP or ESOP and there is no current intention to grant awards under either of those arrangements to Executive Directors in the future.

As explained in previous reports, the Springfield Properties PLC Performance Share Plan (the "PSP") was adopted by the Board on 9 January 2020 in order to replace the CSOP and ESOP. It allows for the grant of conditional rights to acquire shares (in the form of "nominal value" options) that will ordinarily vest on the third anniversary of grant, subject to continued employment (although "good leaver" provisions can apply) and only to the extent that specified performance measures are satisfied. Once vested, a PSP award will usually remain capable of being exercised until the 10th anniversary of grant. Standard "malus" and "clawback" provisions also apply.

Given the size of his existing shareholding in the Group, Sandy Adam does not currently participate in any of the above long-term incentive plans.

Vesting of awards held by Executive Directors during the year to 31 May 2025
On 31 May 2024, the three-year performance period applicable to the PSP award granted to Innes Smith on 22 December 2021 came to end. As soon as reasonably practicable thereafter, the Committee carried out its formal assessment of the extent to which the relevant conditions (which related to the Company's adjusted basic earnings per share ("EPS") and its net debt / total assets gearing) had been met.

The following table contains further information relating to the relevant performance conditions and sets out details of the outturn from the Committee's above noted assessment:

Measure [1]	**Weighting (as a % of total shares under award)**	**Vesting achieved as a result of performance against specific measures over the performance period (as a % of total shares under award)**
	Innes Smith	*Innes Smith*
EPS [2]	75%	0%
Net Debt / Total Assets [3]	25%	21.32%
	Aggregate vesting percentage = (a)	21.32%
	Total number of shares under award = (b)	401,408
	No. of shares over which award vested = (a) x (b)	85,585

Notes:
[1] For both the EPS and net debt / total assets gearing measures, the Committee specified, for the final financial year in the three-year performance period, a sliding scale of achievement (between threshold and maximum) which was used to determine the extent to which the relevant part of the award vested.

[2] In terms of the EPS measure, the threshold level of performance for the year to 31 May 2024 (24.2p) was not met. As a result, no shares under award vested in respect of the EPS element.

[3] In terms of the net debt / total assets gearing measure, performance for the year to 31 May 2024 was between threshold level (17.7%) and maximum (14.2%). This resulted in the vesting of 21.32% of the total number of shares over which the award was granted.

The 22 December 2021 award held by Innes Smith subsequently vested and became exercisable in respect of the above number of shares on 22 December 2024, being the third anniversary of its date of grant. For the avoidance of doubt, the part of his award that did not vest on this date immediately lapsed.

Exercises by Executive Directors during the year to 31 May 2025
On 5 June 2024, Innes Smith exercised the vested part of his October 2020 PSP option over 65,178 shares. The exercise price payable under this option was 0.125p per share and the market value on the date of exercise (being an amount equal to the sale price achieved by Innes at that time) was 96.25p per share.

In addition, on 17 February 2025, Innes Smith exercised the vested part of his December 2021 PSP option over 85,585 shares. The exercise price payable under this option was 0.125p per share and the market value on the date of exercise (being an amount equal to the sale price achieved by Innes at that time) was 106.82p per share.

Both the above awards were granted with the benefit of “dividend equivalent” rights (being an entitlement to receive additional sums on its exercise equal to the amount of dividends declared on the acquired shares during the period commencing on the date of grant and ending on the vesting date). This resulted in Innes Smith being paid further cash payments of £9,093 in respect of his October 2020 PSP option and £5,306 in respect of his December 2021 award. Details of these amounts are included in the remuneration table on page 52.

Grants made to Executive Directors during the year to 31 May 2025
In accordance with the Committee’s current policy of making annual PSP grants to the Company’s senior management team, including the Executive Directors, awards were made to Innes Smith and Iain Logan on 28 October 2024 (details of which are included in the table set out on page 53).

The performance conditions applicable to these awards will be assessed following the expiry of the financial year to 31 May 2027 and will require the achievement of stretching targets relating to earnings per share (75% weighting) and the Company’s net debt / total assets gearing (25% weighting). The precise terms of these targets are commercially sensitive but full details will be disclosed following their final assessment by the Committee at the expiry of the applicable performance period.

Save As You Earn (“SAYE”)

At the same time as establishing the CSOP and ESOP, the Group also adopted the Springfield Properties PLC SAYE Option Scheme (the “SAYE Scheme”). Under this tax advantaged arrangement, all employees (including Executive Directors) can be invited to apply for the grant of options over the Company’s shares that are linked to a three-year savings contract. The price per share payable on the exercise of these options is set by the Board at the date invitations are issued, but cannot be less than 80% of the market value of a share on that date.

During the year to 31 May 2025, the Committee decided to launch a third invitation process under the SAYE Scheme (with the previous tranche having expired earlier in the period). Following the issue of the relevant invitations, options were granted to all participating employees on 28 October 2024; details of the individual awards granted on that date to Innes Smith and Iain Logan are set out on page 53. For the same reason stated above in relation to the Long Term Incentive Plans, Sandy Adam does not currently participate in the SAYE Scheme.

CORPORATE GOVERNANCE

REMUNERATION COMMITTEE REPORT (CONTINUED)

Remuneration in the Year

During the year to 31 May 2025, the Directors received the following remuneration:

	Basic salary/fees[1]	Annual Bonus[2]	Taxable benefits[3]	Pension contributions	Option gains[4]	Other payments[5]	2025 Total	2024 Total
	£000	£000	£000	£000	£000	£000	£000	£000
Executive Directors								
Sandy Adam	147	-	9	7	-	-	163	163
Innes Smith	292	365	3	29	154	14	857	393
Iain Logan	210	210	2	21	-	-	443	223
Non-Executive Directors								
Matthew Benson	42	-	-	-	-	-	42	42
Nick Cooper	42	-	-	-	-	-	42	42
Colin Rae	42	-	-	-	-	-	42	42
	775	575	14	57	154	14	1,589	905

Notes:

[1]Additional information relating to the salaries paid to the Executive Directors during the financial year to 31 May 2025 is set out on page 49.

[2] Further details of the Company's annual bonus scheme for the financial year to 31 May 2025 are set out on page 49.

[3] The taxable benefits figure in the above table for each of the Executive Directors in the financial year to 31 May 2025 relates to a range of benefits provided by the Group including a company car / allowance and health assurance and (for those individuals who elected to receive it) a gym allowance.

[4] For Innes Smith, the gains made on the exercise of options have been calculated by deducting the applicable exercise price payable by the individual from the market value of a share on the date of exercise and then multiplying that amount by the number of shares acquired. Further information in relation to the exercises that occurred during the financial year to 31 May 2025 are set out on page 51.

[5] The other payments made to Innes Smith during the financial year to 31 May 2025 relate to the "dividend equivalent" amounts he received in connection with the exercises of his PSP awards on 5 June 2024 and 17 February 2025. Further details in relation to these payments are set out on page 51.

Further details relating to the share options held by the Directors during the financial year to 31 May 2025 are set out below.

Share Options and PSP awards

Details of options over the Company's shares that have been granted to current Executive Directors under the CSOP, ESOP, SAYE Scheme and PSP and which were outstanding during the year to 31 May 2025 are as follows:

Director	Scheme[1]	No. of shares under option at 1 June 2024	Exercised[3]	Granted[2]	Lapsed[4]	No. of shares under option at 31 May 2025	Exercise price	Date of Grant	Date from which normally exercisable	Expiry date
Innes Smith	CSOP	28,301	-	-	-	28,301	106p	16/10/2017	16/10/2020	16/10/2027
	ESOP	208,019	-	-	-	208,019	106p	16/10/2017	16/10/2020	16/10/2027
	ESOP	257,142	-	-	-	257,142	122.5p	01/10/2018	01/10/2021	01/10/2028
	PSP	65,178	(65,178)	-	-	-	0.125p	30/10/2020	30/10/2023	N/A
	PSP	401,408	(85,585)	-	(315,823)	-	0.125p	22/12/2021	22/12/2024	N/A
	PSP	427,995	-	-	-	427,995	0.125p	30/10/2023	30/10/2026	30/10/2033
	SAYE	-	-	19,084	-	19,084	97.2p	28/10/2024	01/12/2027	31/05/2028
	PSP	-	-	239,633	-	239,633	0.125p	28/10/2024	28/10/2027	28/10/2034
		1,388,043	(150,763)	258,717	(315,823)	1,180,174				
Iain Logan	PSP	225,849	-	-	-	225,849	0.125p	30/10/2023	30/10/2026	30/10/2033
	SAYE	-	-	19,084	-	19,084	97.2p	28/10/2024	01/12/2027	31/05/2028
	PSP	-	-	150,769	-	150,769	0.125p	28/10/2024	28/10/2027	28/10/2034
		225,849	-	169,853	-	395,702				

CORPORATE GOVERNANCE

REMUNERATION COMMITTEE REPORT (CONTINUED)

Notes:

[1] Details of the performance conditions that were assessed by the Remuneration Committee in connection with the vesting of the options granted under the PSP on 22 December 2021 are provided on page 50. For other PSP options outstanding during the year, high level details of the applicable performance conditions are set out in the Remuneration Committee's report for the year in which such awards were granted. Options granted under the CSOP, ESOP and SAYE Scheme are not subject to performance conditions.

[2] Awards granted under the PSP carry "dividend equivalent" rights that entitle the holder to receive the benefit of any dividends declared on vested shares during the period from the date of grant to the date of vesting.

[3] Further information in relation to the exercise of PSP options by Innes Smith during the financial year to 31 May 2025 are set out on page 51 above.

[4] Further information in relation to the lapse of PSP options that occurred during the financial year to 31 May 2025 are set out on page 51 above.

Directors' Interests in the Company's Shares
Directors' interests in the Company's shares are disclosed in the Directors' Report (page 51).

Nick Cooper
Chairman of the Remuneration Committee
15 September 2025

CORPORATE GOVERNANCE

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2025

The Directors present their annual report and the audited financial statements of the Group for the year ended 31 May 2025.

Principal Activity and Business Review

This information is included within the Strategic Report above, under the Amendment to the Companies Act 2006 of s.414C(2a).

Directors

The Board comprised the following Directors who served throughout the year and up to the date of this report:

Name	Position
Sandy Adam	Executive Chairman
Innes Smith	Chief Executive Officer
Iain Logan	Chief Financial Officer
Matthew Benson	Non-Executive Director
Nick Cooper	Non-Executive Director
Colin Rae	Non-Executive Director

Results and Dividends

The results for the year are set out on page 70.

No interim dividend was declared during the year. The Board is proposing a final dividend of 2 pence per ordinary share (2024: 1p).

Engagement with stakeholders

The Group recognises the importance of the need to build relationships with suppliers, customers and others. See Section 172 statement on pages 43 to 44

Employee Consultation

The Group's policy is to consult and discuss with employees' representatives matters likely to affect their interests. See Section 172 statement, S172 (1) (b) on page 44.

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on various factors affecting the performance of the Group.

Equality, Diversity and Inclusion

The Group is committed to valuing and promoting diversity in all areas of recruitment, employment, training, and promotion. We recognise our legal obligations under the Equality Act 2010 and work towards an environment where all employees can develop their potential, regardless of: Age, Race, Disability, Religion, Gender reassignment, Sex, Marriage and civil partnership, Sexual orientation, Pregnancy and maternity. Nobody should receive less favourable treatment or be disadvantaged on any of the above grounds. We first produced an Equality, Diversity and Inclusion (EDI) policy in 2022 and have committed to reviewing it formally every three years.

CORPORATE GOVERNANCE

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025**

Going Concern

In determining the appropriate basis of preparation of the Financial Statements, the Directors are required to consider whether the Group can continue to meet its liabilities and other obligations for the foreseeable future.

The Group's business activities, together with factors that the Directors consider are likely to affect its development, financial performance and financial position, are set out in the Strategic Report on pages 4 to 35.

The material financial and operational risks and uncertainties that may affect the Group's performance and their mitigation are outlined on pages 15 to 17, and financial risks including liquidity, market, interest and capital risks are outlined in Note 28 to the Financial Statements.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and are satisfied that the Group will generate sufficient cash to meet its liabilities as and when they fall due for a period of at least 12 months from signing these financial statements. The Directors therefore consider it appropriate to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 2.4 of the consolidated financial statements.

Disclosure of Information to the Auditor

In the case of each of the persons who are Directors of the Company at the date when this report is approved:

- so far as each Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- each of the Directors has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Board of Directors

The Group supports the concept of an effective Board of Directors leading and controlling the Group. The Board of Directors is responsible for approving Group policy and strategy. It meets regularly and has a schedule of matters specifically reserved to it for decision. All Directors have access to advice from independent professionals at the Group's expense. Training is available for all Directors as necessary. Biographical details are set out on pages 36 to 37.

Internal Control

The Directors acknowledge that they are responsible for the Group's system of internal control and for reviewing the effectiveness of these systems. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of the Group failing to achieve its strategic objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss. The Group has well established procedures which are considered adequate given the size of the business.

The Group maintains directors' and officers' liability insurance cover for its directors and officers. The Group has made available qualifying third party indemnity provisions (as defined in the Companies Act 2006) for the benefit of its directors during the year.

CORPORATE GOVERNANCE

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

Auditor

The Board as a whole considers the appointment of the external auditor and their independence, specifically including the nature and scope of non-audit services provided.

Remuneration

The remuneration of the Executive Directors has been fixed by the Remuneration Committee as a whole. The Board seeks to provide appropriate reward for the skill and time commitment required so as to retain the right calibre of Director at a cost to the Group which reflects current market rates.

Details of Directors' fees and of payments made for professional services rendered are set out in the Remuneration Report on page 48.

Directors' Interests in Shares

Name of Director	Number of ordinary shares	% of ordinary share capital and voting rights
Sandy Adam		
- Direct	12,440,884	10.5%
- Indirect	15,267,135	12.8%
Innes Smith		
- Direct	845,345	0.7%
- Indirect	151,299	0.1%
Nick Cooper		
- Indirect	14,895	0.0%
Matthew Benson	40,802	0.0%
Iain Logan	30,000	0.0%
Colin Rae	20,000	0.0%
	28,810,360	**24.1%**

Financial Risk Management Objectives and Policies

Details of the Group's financial risk management objectives and policies are set out in Note 28 to these consolidated financial statements.

Strategic Report

The Group has chosen in accordance with the Companies Act 2006, s.414C(11) to set out in the Group's Strategic Report information required by Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. This includes information on future developments of the Group.

CORPORATE GOVERNANCE

STREAMLINED ENERGY AND CARBON REPORTING
FOR THE YEAR ENDED 31 MAY 2025

As of 31 May 2025, the Group's energy usage and associated greenhouse gas emissions for the financial year 1 June 2024 to 31 May 2025, as compared to the previous financial year, were as follows:

Scope	Activity type	2025 energy use kWh	2025 tCO_2e	2024 energy use kWh	2024 tCO_2e
Scope 1	Stationary combustion	479,791	87.75	703,036	128.61
	Mobile combustion	6,913,508	1,731.32	7,315,673	1,840.96
Total Scope 1		**7,393,300**	**1,819.07**	**8,018,708**	**1,969.57**
Scope 2	Purchased electricity – location based	1,663,004	344.37	2,033,347	421.05
Total Scope 1 and 2		**9,056,303**	**2,163.44**	**10,052,055**	**2,390.62**
Scope 3	Business travel (grey fleet)	634,280	153.66	984,250	240.64
Total for SECR		**9,690,583**	**2,317.10**	**11,036,305**	**2,631.26**
Number of completions			799		871
Intensity ratio (GHG emissions per homes sold)			2.90		3.02

Energy use and greenhouse gas emissions

Overall, energy use and carbon emissions have decreased by around 13% which is greater than the reduction in homes built versus last year (around 9%). This has been achieved through a reduction in overheads including the merging of two office premises in Glasgow. The number of homes completed also decreased across the same period from 878 to 799. The intensity ratio (GHG emissions per home sold) is consistent with previous years with a further slight decrease from 3.02 to 2.90, which is in line with our expectations as we see the transition to a lower carbon economy. The basis of carbon intensity ratios is disclosed below, with comparisons to previous financial year.

Homes sold	Total	Private	Affordable	Contracting
FY 2025	799	497	237	65
FY 2024	878	584	270	24

CORPORATE GOVERNANCE

STREAMLINED ENERGY AND CARBON REPORTING (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

Energy efficiency

This year we have consolidated our energy use into one supplier which has given us more control and overview of our consumption. We also conducted a feasibility study into installing solar PV panels at our factory near Elgin and we see this as an important next step in our pathway towards net zero.

Methodology

Our SECR energy use and greenhouse gas emissions data for FY2025 has been produced internally with information provided by the Group and reviewed by an external expert consultancy. Some Scope 3 data provided for TCFD disclosure was produced externally by the same consultancy using data provided by the Group.

Data was collated from across the Group and from our suppliers using the most robust and accurate data source available for energy use and carbon emission calculations. Assumptions and estimations were only used when strictly necessary by means of the most robust data and assumptions available. For example, where actual energy consumption data was unavailable, average energy consumption was used as a proxy for estimation. We do not consider refrigerant losses on our air conditioning units to be material and as such these are not reported in our emissions data.

For vehicle emissions, the Group analysed fuel card usage, mileage information, expense claims and fuel invoices and applied the relevant conversion factors published by the UK Government for 2024 (covering most of our financial year).

For emissions from fuel used on sites, the quantity of diesel based on litres delivered to site within the financial period was used as the activity level data.

Greenhouse gas (GHG) emissions were calculated in line with GHG Reporting Protocol – Corporate standard and reported in line with the UK Government's Guidance on Streamlined Energy and Carbon Reporting and mandatory GHG reporting guidance. Emission factors from Department for Energy Security and Net Zero, and Department for Business, Energy, and Industrial Strategy (2024). Conversion factors were taken from the UK Government's conversion factors.

The boundary has been set based upon operational control approach on our business activities and property portfolio. There is 100% alignment with our financial reporting. 100% of our energy consumption and carbon emissions are UK based.

CORPORATE GOVERNANCE

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MAY 2025

Directors' Responsibilities

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 are required to prepare the Group and company financial statements in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and them apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards 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 Group and the Company will continue in business.

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

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Sandy Adam
Executive Chairman
15 September 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPRINGFIELD PROPERTIES PLC FOR THE YEAR ENDED 31 MAY 2025

Opinion

We have audited the financial statements of Springfield Properties plc ('the parent company') and its subsidiaries ('the group') for the year ended 31 May 2025, which comprise the consolidated profit and loss account, consolidated and company balance sheets, consolidated and company statement of changes in equity, consolidated and company statements of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2025 and of the group's profit for the year then ended;
- Have been properly prepared in accordance with UK-adopted international accounting standards; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applied to listed entities, 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.

Our approach to the audit

We planned our audit by first obtaining an understanding of the group and its environment, including the group's systems of internal control, and assessing the risks of material misstatement in the group financial statements.

We tailored the scope of our audit to reflect our risk assessment, taking into account such factors as the business model and activities, the group structure and components, the group's accounting processes and controls, including controls over the consolidation process, and the industry and geography in which the group operates.

We evaluated the significance of the group's components and determined our planned audit responses based on a measure of materiality. We performed a detailed scoping exercise to assess in which components the group risks of material misstatement arise and determined the extent of further audit procedures required for each component. Five components were identified based on risk where full scope audits using component materiality were undertaken. These were: Springfield Properties plc, the Tulloch Homes business segment, the Dawn Homes business segment, the Walker Group business segment and Springfield M&M Homes Limited. For two components, being Glassgreen Hire Limited and Springfield Timber Kit Systems Limited, we performed audit procedures in respect of specific account balances and transactions. All audit procedures were carried out by the group audit team, who also performed analytical review procedures in respect of the other components.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPRINGFIELD PROPERTIES PLC (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025**

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We summarise below the key audit matters in arriving at our audit opinion above, together with how our audit addressed these matters and the results of our audit work in relation to these matters.

Key audit matter	How our audit addressed the key audit matter and our conclusions
Revenue recognition – construction contracts (affordable housing developments - relevant for the group and parent company) *As described in* • *Accounting policy 2.5 (page 77) of the consolidated financial statements* • *Note 4 (page 83) of the consolidated financial statements* Group revenue from construction contracts in relation to affordable housing developments was £49,380,000 in the year ended 31 May 2025 (2024: £46,975,000) and is recognised based on stage of completion measured in reference to the costs incurred as a proportion of total expected costs ('input method'). Standalone sites recognised revenue based on the input method and affordable contracts, which form part of a wider private residential site, recognise revenue in line with year-end valuation.	We obtained an understanding of the recognition methodology applied depending on the nature of the affordable contract. We obtained the latest Cost Valuation Reconciliations ('CVRs') and undertook testing of the accuracy of data collection included alongside evaluating the oversight and controls around their preparation and monitoring. For standalone sites, testing was undertaken to ensure the completeness and accuracy of costs incurred to date, recalculating the revenue recognised using the input method and assessing the accuracy of the margin applied based on management's estimate of the final expected costs to completion. Where an affordable contract is part of a wider residential site, we obtained the latest available valuation pre year end to assess whether revenue has been recognised in the correct period and that this appears supported by the % completion and the expected outcome of the site.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPRINGFIELD PROPERTIES PLC (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

Key audit matter	How our audit addressed the key audit matter and our conclusions
Revenue recognition – construction contracts (affordable housing developments - relevant for the group and parent company - continued) Measured stage of completion is based on actual costs incurred to date on each project and requires management to forecast the estimated total costs required to complete the development. The estimation process is inherently complex and significant management judgement is required. There is also a direct relationship between contract length and estimation risk where longer contracts will inherently have a higher level of estimation uncertainty. There is a potential risk of fraud as revenue could be manipulated through management bias in estimating cost to complete, through incorrect allocation of costs to each development to skew the margins on individual developments and through the posting of manual journals. Revenue recognition on construction contracts (affordable housing) is therefore an area of focus for our audit in considering possible areas of management bias and fraud and we determined this to be a key audit matter, being one of the most significant risks of misstatement due to fraud.	We obtained details of prior year forecast margins and compared these with outcomes in the current year to determine if these supported the accuracy of prior year management estimations. Where any significant changes in estimated margin were identified we discussed the rationale for these, corroborated to market data where possible and evaluated whether this was indicative of previous estimation errors. *Based on the procedures performed we consider that the judgements made in estimating the construction stage of completion were balanced and we did not identify any material misstatement of affordable housing contract revenues.*
Valuation of inventories (inclusive of land bank), including appropriate profit recognition and ensuring inventories are carried at the lower of cost or net realisable value (relevant for the group and parent company) *As described in:* • *Accounting policy 2.13 (page 79) of the consolidated financial statements* • *Note 16 (page 92) of the consolidated financial statements* • *Note 6 (page 85) of the company financial statements*	We obtained an understanding of management's rationale behind the basis of profit recognition and the methodology applied in determining the application of shared costs and estimated costs to completion. We obtained the latest Cost Valuation Reconciliations ('CVRs') for sites and undertook testing of the accuracy of data collection included alongside evaluating the oversight and controls around their preparation and monitoring. We selected a sample of sites to assess whether attributable profit margin recognised is in line with that recorded on the CVR and that this is supported by the percentage completion and the expected outcome of the site. We evaluated management's assessments of the recoverability of work-in-progress based on the year-end CVRs and post year end forecasts and checked that there were no significant movements from previous assessments. Where post year end CVRs were not available we held discussions with quantity surveyors and members of operational management to challenge whether any material cost fluctuations had occurred since year end.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPRINGFIELD PROPERTIES PLC (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

Key audit matters	How our audit addressed the key audit matter and our conclusions
Valuation of inventories (inclusive of land bank), including appropriate profit recognition and ensuring inventories are carried at the lower of cost or net realisable value (relevant for the group and parent company - continued) The value of work in progress is quantitatively the most significant asset on the balance sheet - £224,224,000 at 31 May 2025 (2024: £244,297,000) Inventory and work in progress comprises land and work in progress in relation to private housing. The relevant proportion of land and work in progress is recognised in cost of sales upon sale of a unit. Inventory is measured at the lower of cost and net realisable value. There is inherent complexity and significant judgement in the valuation of work in progress as the correct valuation of each development project is dependent on accurate cost allocation, projected profitability of the overall development, including forecast revenue and costs to complete, and where the work in progress is for undeveloped land, an assessment of whether planning permission will be achieved. Each of these factors affects the valuation of work in progress and whether there are any indicators of impairment. The valuation of work in progress, the risk of impairment and the costs recognised within cost of sales are therefore areas of audit focus and were determined to be a key audit matter, being one of the most significant risks of misstatement due to fraud or error.	We obtained details of prior year forecast margins and compared these with outcomes in the current year to determine if these supported the accuracy of prior year management estimations. Where any significant changes in estimated margin were identified we discussed the rationale for these, corroborated to market data where possible corroborated the appropriateness of the treatment and evaluated whether this was not indicative of previous estimation errors. We considered the treatment of costs assigned to work-in-progress and the appropriateness of this allocation. We undertook testing of the completeness of the job costing ledger, in addition to undertaking testing to agree material and labour costs to source documentation, based on an appropriate sample. *Based on the procedures performed we did not identify any material misstatements in the valuation of inventories (inclusive of land bank).*

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature and extent of our work and in evaluating the results of that work.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPRINGFIELD PROPERTIES PLC (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

Our application of materiality (continued)

Materiality measure	Group	Parent company
Materiality for the financial statements as a whole We have set materiality as 5% of profit before tax as we believe that profit before tax is the primary performance measure used by investors and is the key driver of shareholder value. We determined the measurement percentage to be commensurate with the risk and complexity of the audit and the group's listed status.	£1.0m	£474k
Performance materiality Performance materiality represents amounts set by the auditor at less than materiality for the financial statements as a whole, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In setting this, we consider the group's overall control environment and where relevant, past experience of the audit. As this our first year as auditor we have assessed moderate risk of material misstatements. Based on our judgement of these factors, we have set performance materiality at 55% of our overall financial statement materiality.	£550k	£261k
Component performance materiality For the purposes of our group audit opinion, we set performance materiality for the relevant components of the group, based on a percentage of between 12% and 95% of group performance materiality dependent on the size and our assessment of the risk of material misstatement of that component. Parent company materiality is set out above. Component performance materiality ranged from £66,000 to £523,000.		
Specific materiality While we recognise that there are potentially transactions and balances of a lesser amount which could influence the understanding of users of the financial statements and we may calculate a lower level of materiality for testing such areas, for the purposes of this audit we have identified related party transactions which required this.		
Audit Committee reporting threshold We agreed with the Audit Committee that we would report to them all differences in excess of 5% of overall materiality in addition to other identified misstatements that warranted reporting on qualitative grounds, in our view. For example, an immaterial misstatement as a result of fraud.	£50k	£24k

During the course of the audit, we reassessed initial materiality and found no reason to alter the basis of calculation used at year end.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPRINGFIELD PROPERTIES PLC (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating management's method of assessing going concern, including consideration of market conditions and macro-economic uncertainties (such as interest rates / inflation rates / cost of living);
- Assessing and challenging the forecast cashflows and associated sensitivity modelling/reverse stress testing scenarios used by management in support of their going concern assessment by reference to supporting documentation, Board approved budgets, our own understanding of the group and the economic environment in which it operates, and the results of other audit work;
- Assessing the plausibility of mitigating actions identified by management as available to them to continue as a going concern if downside uncertainties were to crystallise;
- Assessing the accuracy of management's forecasting by comparing the reliability of past forecasts to actual results;
- Performing arithmetical and consistency checks on management's base forecast;
- Considering the financing available to the group and conducting a robust review of the group and parent company's liquidity position, including considering the maturity profile of existing debt, its utilisation and existing headroom (detailed within note 21);
- Reviewing the adherence to covenants in place based on the forecasts and considered the likelihood of these being breached in the future via the sensitivity analyses performed; and
- Assessing the adequacy of the company's going concern disclosures included in the Annual Report and Financial Statements.

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 or 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 and Financial Statements other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the 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.

Opinions on other matters prescribed by 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPRINGFIELD PROPERTIES PLC (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 60, 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 Financial Reporting Council's website at: http://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 assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPRINGFIELD PROPERTIES PLC (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the parent company and the sector in which they operate, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- Companies Act 2006;
- UK tax legislation;
- The AIM Rules for Companies; and
- UK adopted international accounting standards.

We gained an understanding of how the group and the parent company are complying with these laws and regulations by making enquiries of management, the Audit Committee and those charged with governance including management and those charged with governance of component entities where necessary. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies, board and committee meeting minutes.

We assessed the susceptibility of the group's and parent company's financial statements to material misstatement, including how fraud might occur, by meeting with management, the Audit Committee and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk. We identified a heightened fraud risk in relation to:

- Revenue recognition on construction contracts
- Valuation of inventories
- Management override of controls
- Revenue recognition on private residentials and land sales
- Deferred and contingent consideration

Audit procedures performed in response to the risks relating to revenue recognition in respect of construction contracts and to the valuation of inventories are set out in the section on key audit matters above, and audit procedures performed in response to other risks of improper revenue recognition, the risk of management override of controls and deferred and contingent consideration are included below.

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the group's procurement of legal and professional services;
- Addressing the risk of fraud through management override of controls by performing audit procedures including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- In addressing the other risks of fraud with respect to improper revenue recognition on private residentials and land sales, performing audit procedures including: for a sample of private residential house and land sales, agreeing point of sale recognition in the sales ledger to the sale agreement, ensuring these are consistent; undertaking cut-off testing at year end across these revenue streams;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPRINGFIELD PROPERTIES PLC (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2025

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

- In addressing the risks of fraud with respect to deferred and contingent consideration liabilities from previous acquisitions, performing audit procedures including: considering payment terms and valuation of deferred and contingent consideration, with reference to any payments included and how likely future payments are to be made, plus considering the appropriateness of the discounting applied to the year-end value;
- Completion of appropriate checklists and use of our experience to assess the company's compliance with the Companies Act 2006 and the AIM Listing Rules; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

Stephen McIlwaine (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP
Statutory Auditor
Aberdeen, United Kingdom
15 September 2025

Company Registration No. SC031286 (Scotland)

FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2025

	Note	2025 £000	2024 £000
Revenue	4	280,557	266,527
Cost of sales		(228,435)	(223,155)
Gross profit	5	**52,122**	**43,372**
Administrative expenses before exceptional items		(27,609)	(26,485)
Exceptional items	10	(1,032)	(898)
Total administrative expenses		(28,641)	(27,383)
Other operating income		711	1,021
Operating profit	6	**24,192**	**17,010**
Finance income	5	361	159
Finance costs	8	(5,534)	(7,501)
Profit before taxation		**19,019**	**9,668**
Taxation	9	(4,923)	(2,120)
Profit for the year and total comprehensive income		**14,096**	**7,548**
Profit for the year and total comprehensive income is attributable to:			
Owners of the parent company		14,096	7,548
		14,096	**7,548**
Earnings per share			
Basic	12	11.86p	6.36p
Diluted	12	11.28p	6.12p

The Group has no items of other comprehensive income.

The accompanying notes on pages 74 to 107 form an integral part of these financial statements.

FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 MAY 2025

	Note	2025 £000	2024 £000
Non-current assets			
Property, plant and equipment	**13**	6,783	7,184
Intangible assets	**14**	5,435	5,698
Deferred taxation	**22**	1,852	1,787
Trade and other receivables	**17**	11,191	5,000
		25,261	**19,669**
Current assets			
Inventories	**16**	223,892	244,297
Trade and other receivables	**17**	41,096	26,352
Cash and cash equivalents	**26**	9,388	14,935
		274,376	**285,584**
Total assets		**299,637**	**305,253**
Current liabilities			
Trade and other payables	**18**	55,735	49,632
Short-term bank borrowings	**20**	30,282	54,839
Deferred consideration	**23**	7,469	7,339
Short-term obligations under lease liabilities	**21**	1,351	1,567
Provisions	**24**	1,871	2,018
Corporation tax		2,752	1,342
		99,460	**116,737**
Non-current liabilities			
Trade and other payables	**18**	1,550	-
Long-term obligations under lease liabilities	**21**	4,160	3,971
Deferred taxation	**22**	2,866	2,958
Deferred consideration	**23**	14,491	17,123
Contingent consideration	**24**	2,000	2,000
Provisions	**24**	3,855	4,257
		28,922	**30,309**
Total liabilities		**128,382**	**147,046**
Net assets		**171,255**	**158,207**
Equity			
Share capital	**25**	149	148
Share premium	**25**	78,744	78,744
Retained earnings		92,362	79,315
Equity attributable to owners of the parent company		**171,255**	**158,207**

These financial statements were approved and authorised for issue by the Board of Directors on 15 September 2025 signed on behalf of the Board by:

Company number: SC031286

Sandy Adam - Executive Chairman

The accompanying notes on pages 74 to 107 form an integral part of these financial statements.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2025

	Note	Share capital £000	Share premium £000	Retained earnings £000	Total £000
1 June 2023		148	78,744	71,741	150,633
Total comprehensive income for the year		-	-	7,548	7,548
Share-based payments	**25**	-	-	26	26
31 May 2024		**148**	**78,744**	**79,315**	**158,207**
Issue of shares	**25**	1	-	-	1
Total comprehensive income for the year		-	-	14,096	14,096
Share-based payments	**25**	-	-	139	139
Dividend	**11**	-	-	(1,188)	(1,188)
31 May 2025		**149**	**78,744**	**92,362**	**171,255**

The share capital account records the nominal value of shares issued.

The share premium account records the amount above the nominal value received for shares issued, less share issue costs.

Retained earnings represents accumulated profits less losses, and distributions. Retained earnings also includes share based payments.

The accompanying notes on pages 74 to 107 form an integral part of these financial statements.

FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR TO 31 MAY 2025

Cash flows generated from operations	**Note**	**2025 £000**	**2024 £000**
Profit for the year – Adjusted for:		14,096	7,548
Exceptional items	**10**	1,032	898
Taxation charged	**9**	4,923	2,120
Finance costs	**8**	5,534	7,501
Finance income	**5**	(361)	(159)
Adjusted operating profit before working capital movement		**25,224**	**17,908**
Exceptional items	**10**	(1,032)	(898)
Gain on disposal of tangible fixed assets	**6**	(140)	(215)
Share based payments	**25**	139	26
Non-cash movement - discounting		899	-
Amortisation of intangible fixed assets	**14**	263	259
Depreciation and impairment of tangible fixed assets		2,135	2,332
Operating cash flows before movements in working capital		**27,488**	**19,412**
Decrease in inventories		19,511	32,086
Increase in trade and other receivables		(20,348)	(2,497)
Increase/(decrease) in trade and other payables		7,089	(4,496)
Net cash from operations		**33,740**	**44,505**
Taxation paid		(3,675)	(1,818)
Net cash inflow from operating activities		**30,065**	**42,687**
Investing activities			
Purchase of property, plant and equipment		(156)	(177)
Proceeds on disposal of property, plant and equipment		244	270
Interest received		140	155
Purchase of intangible assets		-	(4)
Net cash generated from investing activities		**228**	**244**
Financing activities			
Deferred consideration paid on acquisition of subsidiary	**31**	(2,857)	(12,141)
Repayment of bank loans	**31**	(24,908)	(15,834)
Payment of lease liabilities	**31**	(2,142)	(2,234)
Dividends paid	**11**	(1,188)	-
Interest paid		(5,096)	(6,696)
Net cash outflow from financing activities		**(36,191)**	**(36,905)**
Net (decrease)/increase in cash and cash equivalents		**(5,898)**	**6,026**
Cash and cash equivalents at beginning of year		14,935	8,909
Cash and cash equivalents at end of year	**26**	**9,037**	**14,935**

The accompanying notes on pages 74 to 107 form an integral part of these financial statements.

FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR TO 31 MAY 2025

1. Organisation and trading activities

Springfield Properties Plc is incorporated and domiciled in Scotland as a public company limited by shares and operates from its registered office in Alexander Fleming House, 8 Southfield Drive, Elgin, Morayshire, IV30 6GR. See company Note 5 for details of the subsidiary companies.

The principal activities are construction and sale of residential properties for private individuals, affordable homes in partnership with third party councils and housing associations and contracting for private rented sector alongside land development and promotion.

2. Summary of significant accounting policies

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

2.1 Basis of accounting

The financial statements of Springfield Properties Plc have been prepared in accordance with UK adopted international accounting standards. The Group has adopted all the standards and amendments to existing standards that are mandatory for accounting periods beginning on 1 June 2024. The financial statements have been prepared under the historical cost convention except for contingent consideration.

The following standards have been issued but have not been applied by the Group in these financial statements. These amendments to standards and interpretations had no significant impact on the financial statements:

- Amendments to IAS 1 ‘Classification of liabilities as current or non-current’
- Amendments to IAS 1 ‘Classification of liabilities as current or non-current- Deferral of Effective Date’
- Amendments to IAS 1 ‘Non-current Liabilities with Covenants’
- Amendments to IFRS 16 ‘Lease liability in a sale and leaseback’
- Amendments to IAS 7 and IFRA 7 ‘Supplier Finance Arrangements’

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 June 2024 and have not been early adopted:

- Amendments to IAS 21 ‘Lack of Exchangeability’
- Amendments to IFRS 7 and IFRS 9 ‘Classification and Measurement of Financial Instruments’
- IFRS 18 ‘Presentation and Disclosure in Financial Statements’
- IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’

The new standards and amendments to the standards noted above are expected to have no significant impact on the financial statements.

Prior period reclassification
As part of the purchase of Tulloch Homes Holdings Limited in December 2021 there was deferred consideration payable. The final payment of £6.5m was made in the financial year ended May 2024. The deferred consideration has been treated as a loan from the seller which meets the definition of IAS 7 para 17(d). This supports the classification of the payment as a financing activity within the consolidated statement of cashflows. The company statement of cashflows, however, incorrectly classified this payment as an investing activity. The May 2024 company statement of cashflows has been restated to reclassify the £6.5m payment from investing activities to financing activities. There was no impact on net cash flows for the period.

The above change was prompted by an enquiry from the Corporate Reporting Review team of the Financial Reporting Council (FRC) as part of its regular review and assessment of the quality of corporate reporting in the UK. The Group agreed to make the change above within the 2025 financial statements. The FRC's review was limited to the May 2024 annual report and accounts and the FRC does not benefit from a detailed knowledge or understanding of the underlying transactions of the Group and it provides no assurance that the annual report and accounts are correct in all material aspects.

2. Summary of significant accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate those of Springfield Properties Plc and its subsidiaries. Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. Contingent consideration is measured at its fair value at the date of acquisition. If the contingent consideration meets the definition of equity, it is not remeasured, and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date with subsequent changes in the fair value of the contingent consideration recognised in the consolidated profit and loss account.

All financial statements are made up to 31 May 2025. All intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

2.3. Functional and presentation currencies

The financial statements are presented in Pound Sterling (£), rounded to the nearest £000, which is also the currency of the primary economic environment in which the Group operates (its functional currency).

2.4. Going concern

In determining the appropriate basis of preparation of the Financial Statements, the Directors are required to consider whether the Group and Company can continue to meet their liabilities and other obligations for the foreseeable future.

The Group and Company's business activities, together with factors that the Directors consider are likely to affect its development, financial performance and financial position, are set out in the Strategic Report on pages 4 to 35.

The material financial and operational risks and uncertainties that may affect the Group and Company's performance and their mitigation are outlined on pages 15 to 17, and financial risks including market, interest, liquidity and credit risks are outlined in Note 28 to the Financial Statements.

Net bank debt at 31 May 2025 was significantly reduced to £20.9m (2024: £39.9m), reflecting the Group and Company's sustained focus on reducing the debt position and was ahead of the target of £38m set at this time last year.

The revolving credit facility of £87.5m that was due to expire in January 2026 and overdraft of £2.5m in place until September 2025 have been replaced by a new revolving credit facility of £77.5m with an expiry date of August 2028 and an overdraft facility of £2.5m in place until August 2026 to provide working capital facilities. The revolving credit facility level of £77.5m will reduce to £47.5m in August 2026 in line with the Group strategy of reducing debt.

In order to support the going concern period to 30 September 2026, the Board-approved budget to May 2026, with a further year added to May 2027, forms the basis of the detail and assessment to confirm the appropriateness of the going concern basis being adopted for the preparation of the 31 May 2025 statutory accounts.

In addition to the Board budget two sensitivity scenarios have been prepared reducing private home sales by c.5% and c.10% in the year to May 2026 from the original Board-approved budget. Under the 10% reduction scenario, the peak borrowing utilises c.85% of the banking facilities. Under this scenario there are a number of mitigating actions that are within the control of the Group and could be pursued if required.

2. Summary of significant accounting policies (continued)

2.4. Going concern (continued)

Under all three scenarios the Group and Company are able to operate within its bank facilities and covenants and at May 2026, the bank facility utilisation based on the Board-approved budget is forecast to be around 10%.

The Group continues to retain the discipline around controlling build spend on sites and continues to adopt a cautious approach to new site openings. The profitable land sales in the year again demonstrate the ability to generate cash quickly – there remains strong interest in the Group's land bank should the Group wish to make further sales.

Accordingly, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The Directors are confident that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and are satisfied that the Group and Company will generate sufficient cash to meet their liabilities as and when they fall due for a period of 12 months from the signing of the annual report and financial statements for the year ended 31 May 2025.

2.5. Revenue and profit recognition

Sale of private housing

Revenue on private home sales is recognised at a point in time and the performance obligation is the transfer of the completed property to the customer on legal completion and receipt of cash. Revenue is measured at the fair value of the consideration received net of VAT and trade discounts.

The Group's site valuation process determines the forecast profit margin for each site. The valuation process acts as a method of allocating land costs and construction costs of a development to each individual plot based on the overall development margin and drives the recognition of costs in the profit and loss account as each plot is sold. Any changes in the forecast profit margin of a site from changes in sales prices or costs to complete is recognised across all homes sold in both the current period and future periods.

Revenue on contracts recognised over time – affordable housing

Revenue from affordable housing contracts is recognised over time as development progresses as the construction activity enhances an asset controlled by the customer.

Where the outcome of a contract can be estimated reliably, the amount of revenue recognised depends on the stage of completion. This is based on the development costs incurred as a proportion of the total expected development costs (the input method).

Contractual cashflows are determined by independent surveys of work performed to date. These do not always align with the revenue recognised on the underlying performance obligation and any cashflows received that are in excess of the revenue recognised are included as contract liabilities. Where the cashflows received are less than revenue recognised the difference is included within contract assets.

Revenues derived from variations on contracts are recognised only when they can be reliably measured. Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. When it is probable that total contract costs will exceed contract turnover, the expected loss is recognised as an expense immediately.

Contract housing revenue

Revenue from contract housing is recognised monthly based on an agreed mark up of cost incurred.

Costs are measured and valued monthly by quantity surveyors before invoices are issued to the customer.

2 Summary of significant accounting policies (continued)

2.5. Revenue and profit recognition (continued)

Land sales

Revenue from land sales is recognised on legal completion based on fair value at transfer. Where revenue receipts are deferred into a future period, a discounting adjustment is made to the revenue recognised, with the discount unwinding over the deferred payment period.

Plant hire revenue

Plant hire revenue represents amounts receivable for the short-term hire of plant and equipment. Revenue is recognised when the hire period commences and the customer benefits from the use of the plant and equipment and is recognised evenly throughout the hire period.

2.6. Net finance costs

Finance costs comprise interest payable on bank loans and the unwinding of the discount from nominal to present day value of provisions, discounted deferred consideration on acquisitions and lease liabilities. Finance costs are capitalised when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Finance income comprises the unwinding of the discount from nominal to present day value of shared equity loan receivables and deferred land sales income. Interest income and interest payable is recognised in the profit and loss account on an accruals basis.

2.7. Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax assets and liabilities are recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The following temporary differences are not provided for: goodwill, the initial recognition of assets and liabilities that affects neither the tax profit nor the accounting profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

A deferred tax asset is recognised for unused tax losses and unused tax credits only if it is probable that future taxable amounts will arise against which those temporary differences and losses may be utilised.

2.8. Exceptional items

Exceptional items are those material items which, by virtue of their size or incidence, are presented separately in the profit and loss account to enable a full understanding of the Group's financial performance. Transactions that may give rise to exceptional items include transactions relating to acquisitions and costs relating to changes in share capital structure as well as redundancy and restructuring costs.

2 Summary of significant accounting policies (continued)

2.9. Property, plant and equipment

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Buildings	- 2% and 5% straight line
Plant and machinery	- 2-10 years straight line
Fixtures, fittings & equipment	- 2-5 years straight line
Motor vehicles	- 4-5 years straight line
Right-of-use leased assets	- over the lease term, straight line with no residual value
Land is not depreciated	

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to the profit and loss account.

2.10. Intangible fixed assets

Intangible assets comprise market-related assets (e.g. trademarks, website developments and brands) and goodwill on acquisition.

Market related assets

Trademark assets in relation to Springfield Properties Plc are expected to have an indefinite useful life; however, impairment reviews are performed annually. Any impairment losses or reversals of impairment losses are recognised immediately in the profit and loss account.

The brand asset in relation to Tulloch Homes has a 15 year useful life and amortisation is charged on a straight line basis.

Goodwill on acquisition

Goodwill on acquisitions of subsidiaries or businesses represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Impairment reviews are performed annually with any impairment losses being recognised immediately in the profit and loss account.

2.11. Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses are recognised immediately in the profit and loss account. Costs associated with the acquisition of subsidiaries are recognised in the profit and loss account as an exceptional item.

2.12. Impairment of fixed assets

At each reporting end date, the Group reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. Any impairment loss and reversal of losses are recognised in the profit and loss account.

2 Summary of significant accounting policies (continued)

2.13. Inventories and work in progress

Property, including land held under development, acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as stock and is measured at the lower of cost and net realisable value.

Cost comprises the invoiced value of the goods purchased and includes attributable direct costs, labour and overheads and where possible and directly attributable to site, finance costs will be included.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs of completion and the estimated costs necessary to make the sale. Any excess of the carrying amount of stocks over its net realisable value is recognised as an impairment loss in the profit and loss account.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account.

Where sites are ‘secured’ via option agreements, these sites are only included as stock when the agreement becomes unconditional.

Options included as part of stock are stated at the lower of cost and net realisable value.

2.14. Financial instruments

Financial instruments are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets at amortised cost

Financial assets (see Note 19) are recognised initially at cost. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses.

Loans outside the Group are valued at the recoverable amount and a market rate of interest is charged.

Impairment of financial assets

The Group recognises an allowance for expected credit losses for all debt instruments not held at fair value through the profit and loss account. Expected credit losses are based on the difference between the contracted cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and, in the Parent Company, intercompany receivables, the Group applies a simplified approach in calculating expected credit losses. The Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date.

2 Summary of significant accounting policies (continued)

2.14. Financial instruments (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

All of the Group's financial liabilities (see Note 19) are measured at fair value through profit or loss or amortised cost.

Other financial liabilities

Other non-derivative financial liabilities are initially measured at fair value. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of other financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

2.15. Deferred and contingent consideration

Deferred consideration payments are initially recognised at fair value at the date of acquisition which is based on the timing of the cash outflows and an appropriate discount rate. It is subsequently measured at fair value through profit or loss.

Contingent consideration is based on an assessment of the likelihood of the payment becoming due. It is initially recognised at fair value at the date of acquisition and subsequently measured at fair value through profit or loss.

2.16. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.17. Dividends

Dividends are recognised as liabilities in the period in which the dividends are approved and once they are no longer at the discretion of the Company.

FINANCIAL STATEMENTS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR TO 31 MAY 2025**

2. Summary of significant accounting policies (continued)

2.18. Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low value assets (less than £5,000) and leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the Group's incremental borrowing rate at commencement of the lease.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received. Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease. Right-of-use assets comprise the Group's existing premises in Elgin, Larbert, Inverness and Glasgow along with certain items of office equipment and motor vehicles.

2.19. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received net of share issue costs. Share capital represents the amount subscribed for shares at nominal value.

The share premium account represents premiums received on the initial issuing of the share capital. Any share issue costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits. Any bonus issues are also deducted from share premium.

Retained earnings include all current and prior period results as disclosed in the profit and loss account.

2.20. Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant and recognised as an expense over the vesting period. The amount recognised as an expense is adjusted for leavers to the scheme. Fair value is measured by use of a relevant pricing model.

2.21. Provisions

Provisions include dilapidations to cover the Group's leased properties with an upfront liability recognised. Maintenance provisions relate to the costs to come on developments where the final homes have been handed over.

3 Critical accounting estimates and judgements in applying accounting policies

In the application of the Group's accounting policies the Directors are required to make judgements, estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are:

3 Critical accounting estimates and judgements in applying accounting policies (continued)

3.1. Carrying value of inventories

Inventories are stated at the lower of cost and net realisable value. At the year-end inventories totalled £224,224k (2024: 244,297k). The assessment of net realisable value is performed on a site by site basis taking into account estimated costs to complete and remaining revenue.

These assessments are carried out on a regular basis throughout the year to ensure an effective review of inventory carrying values and the costs to complete developments – this includes forecast selling prices and forecast costs to come based on general market conditions and anticipated completion date.

There is an element of uncertainty when estimating the profitability of a site and the Group ensures there is a strong level of control around the reporting of these assessments to ensure an accurate assessment is made of inventory carrying values.

3.2. Contract revenue

Contract revenue relates to where the Group is providing construction services to third parties, resulting in a completed developed property, on land that is not controlled by the Group during the development phase. Revenue is recognised over time, with reference to the stage of completion of the contract. The stage of completion is determined using an input method that reflects the development cost incurred as a proportion of the total expected development cost, as it is considered proportionate to the satisfaction of the underlying performance obligation. These contracts are typically for a fixed cash consideration received on a monthly cycle over the course of the construction services contract.

There is an element of uncertainty when estimating the final cost of a site and the Group ensures there is a strong level of internal control around the reporting of these assessments to ensure an accurate assessment is made. This ensures revenue is accurately calculated on a stage of completion basis (input method).

	Note	2025 £000	2024 £000
Contract revenue in the year – affordable housing	**4**	49,380	46,975
Year-end contract asset	**17**	5,937	8,136
Year-end contract liability	**18**	(1,194)	-

3.3. Cost allocation

In order to allocate the costs that the Group recognises on its developments in a specific period, the Group has to allocate site-wide development costs between homes built in the current year. It also has to estimate costs to complete on such developments. In making these assessments there is a degree of inherent uncertainty. The Group has developed controls to assess and review carrying values and the appropriateness of estimates made.

The Group's cost value report process determines the forecast profit margin for each site. This process allocates land and house build construction costs for each development and drives the recognition of costs in the Profit and Loss Account as plots are sold. Any changes in sales prices or costs to complete which impact the profit margin of a site are recognised across all homes sold in both the current period and future periods. This ensures that the site margin achieved on each plot sale is equal for all current year completions and future plots across the development.

Management have completed sensitivity analysis to measure a change in future costs or selling prices for five large sites that had revenues in the year. A 2% decrease in forecast sales revenues would increase site cost of sales in May 2025 by £1.0m, resulting in a gross margin reduction of 36 bps. A 2% increase in future costs would increase site cost of sales in May 2025 by £1.0m, resulting in a gross margin reduction of 35 bps.

FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR TO 31 MAY 2025

3 Critical accounting estimates and judgements in applying accounting policies (continued)

3.4. Climate change

In preparing the financial statements, the Directors have also considered the impact of climate change in the context of the risks and opportunities identified in the Climate Related Financial Disclosures on pages 18 to 35. There has been no material impact identified on the financial reporting and estimates. The Directors specifically considered the impact of climate change in the following areas:

- Going concern and the Group's ability to meet its liabilities over the next two years;
- Cash flow forecasts used in the impairment review of intangible assets;
- Carrying value and useful economic lives of property, plant and equipment; and
- Recoverability of deferred tax assets.

While there is no short-term impact expected from climate change, the Directors are aware of the risks and regularly assess these risks against judgements and estimates made in preparation of the Group's financial statements.

4. Revenue

Analysis of the Group's revenue is as follows:

Revenue	2025 £000	2024 £000
Private housing	155,776	184,734
Affordable housing	49,380	46,975
Contracting housing	10,976	4,995
Land sales	60,507	28,055
Other revenue	3,918	1,768
Revenue from the sale of goods and services as reported in the profit and loss account	**280,557**	**266,527**

Contract assets and liabilities

Contract assets relate to amounts due from customers primarily for construction work completed but not invoiced at the balance sheet date in relation to contracts where revenue is recognised over time. These amounts are included in trade and other receivables (Note 17).

Contract liabilities relate to payments received from customers on the contracts and /or amounts invoiced to the customer in advance of the Group performing its obligations on contracts where revenue is recognised either over time or at a point in time. These amounts are included within trade and other payables (Note 18).

Revenue is recognised as the performance obligation is satisfied in accordance with the accounting policy in Note 2.5.

When performance obligations are satisfied, the Group becomes entitled to revenue and an appropriate sales invoice is raised. Payment of invoices are typically due from invoicing, based on the specific credit terms raised with each customer.

FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR TO 31 MAY 2025

4. Revenue (continued)

Contract assets and liabilities reconciliation:

At 1 June:	**£000**	**£000**
Amounts include within trade and other receivables	8,136	5,006
Amounts included within trade and other payables	-	(2,860)
	8,136	**2,146**
Movement in the year:		
Performance obligations satisfied in the year	21,297	23,669
Amounts invoices in the year	(24,778)	(17,412)
Movement in retentions	88	(267)
At 31 May	**4,743**	**8,136**
Analysed as:		
Amounts include within trade and other receivables	5,937	8,136
Amounts included within trade and other payables	(1,194)	-
	4,743	**8,136**

Revenue of £28.4m, (2024: £51.7m) is expected to be recognised in future years in respect of contracts on which revenue is recognised over time, of which 96.5% (2024: 59.6%) is expected to be recognised within 12 months of the balance sheet date.

5. Segmental reporting

The Group has only one reportable operating segment, being housebuilding within the UK, under the control of the Board. The Board has been identified as the Chief Operating Decision Maker as defined under IFRS 8 Operating Segments.

The Board regularly reviews the Group's profit and loss account and balance sheet position at both a divisional and consolidated level. Each of these divisions is an operating segment as defined by IFRS 8 in that the Directors assess performance and allocate resources at this level. The divisions have been aggregated into one reporting segment on the basis that they share similar economic characteristics. In addition, each division builds and delivers residential homes, uses consistent methods of construction, sells homes to both private customers and housing associations, have a comparable sales process and operations, and are all subject to the same macroeconomic factors including mortgage availability and Government policy.

During the year, the Group sold undeveloped land across 5 sites to Barratt Redrow plc for £60.3m, this represents 21.5% of total revenue.

As the Group operates solely in the United Kingdom segment reporting by geographical region is not required.

5. Segmental reporting (continued)

Revenue	2025 £000	2024 £000
Private housing	155,776	184,734
Affordable housing	49,380	46,975
Contract housing	10,976	4,995
Land sales	60,507	28,055
Other	3,918	1,768
Total revenue	**280,557**	**266,527**

Gross profit	**52,122**	**43,372**
Administrative expenses	(27,609)	(26,485)
Exceptional items	(1,032)	(898)
Other operating income	711	1,021
Finance income	361	159
Finance expenses	(5,534)	(7,501)
Profit before tax	**19,019**	**9,668**
Taxation	(4,923)	(2,120)
Profit for the period	**14,096**	**7,548**

6. Operating profit

Operating profit is stated after charging / (crediting):

	Note	2025 £000	2024 £000
Depreciation of tangible fixed assets	**13**	485	619
Depreciation of right-of-use assets	**13**	1,650	1,713
Amortisation of intangible assets	**14**	263	259
Gain on disposal of tangible fixed assets		(140)	(215)
Cost of inventories recognised as an expense		228,435	223,155
Exceptional items	**10**	1,032	898
Expenses relating to short term and low value leases		35	9

Auditor's remuneration

	2025 £000	2024 £000
Fees payable to the Group's auditor for the audit of the Group and Company annual financial statements	75	67
Fees payable to the Group's auditor for the audit of the Company's subsidiaries	125	128
Fees payable to the Group's auditor and their associates for other services to the Group and Company – other non-audit services	-	3
	200	**198**

7. Staff costs

The average monthly number of employees (including Executive Directors) for the continuing operations was:

	2025	2024
Building staff	400	444
Administrative staff	222	254
	622	**698**

	2025 £000	2024 £000
Wages and salaries	31,330	32,358
Share based payments	139	26
Social security costs	3,281	3,341
Pension costs	1,305	1,416
	36,055	**37,141**

Full details of the Directors' remuneration is provided in the Remuneration Committee Report on page 52. The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The charge to the profit and loss account in respect of defined contribution schemes was £1,305k (2024: £1,416k). Contributions totalling £208k (2024: £205k) were payable to the fund at the year-end and are included in creditors.

8. Finance costs

	2025 £000	2024 £000
Interest on bank overdrafts and loans	5,096	7,165
Interest on lease liabilities	428	298
Other interest	10	38
	5,534	**7,501**

9. Taxation

	2025 £000	2024 £000
Current tax		
UK corporation tax on profits for the current period	4,952	2,824
Adjustments in respect of prior periods	127	(43)
	5,079	**2,781**
Deferred tax		
Origination and reversal of timing differences	(77)	(660)
Adjustments in respect of prior periods	(79)	(1)
	(156)	**(661)**
	4,923	**2,120**

9. Taxation (continued)

The charge for the year can be reconciled to the standard rate of tax as follows:

	2025 £000	2024 £000
Profit before tax	19,019	9,668
Tax at the UK corporation tax rate of 25% (2024: 25%)	4,755	2,417
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	383	55
Adjustments in respect of prior years	127	(43)
Depreciation on assets not qualifying for tax allowances	16	(42)
Deferred tax adjustments in respect of prior years	(79)	(1)
Temporary difference not recognised	(226)	34
Other timing differences	(89)	(27)
Adjust deferred tax to closing average rate	(1)	(273)
Residential property tax	37	-
Tax charge for period	**4,923**	**2,120**

10. Exceptional items

	2025 £000	2024 £000
Legal fees	500	-
Redundancy costs	532	898
	1,032	**898**

11. Dividends

For the year to 31 May 2025, a final dividend of 2 pence per share is proposed to be paid. No interim dividend was paid during the year.

In respect of the prior year, a final dividend of 1p per share was paid which amounted to £1,188,304.

12. Earnings per share

The basic earnings per share is based on the profit for the year divided by the weighted average number of shares in issue during the year. The weighted average number of ordinary shares for the year ended 31 May 2025 assumes that all shares have been included in the computation based on the weighted average number of days since issue.

In respect of diluted earnings per share the weighted average is calculated by adjusting for all outstanding share options that are potentially dilutive (i.e. where the exercise price is less than the average market price of the shares during the year).

12. Earnings per share (continued)

	2025 £000	2024 £000
Profit for the year attributable to owners of the Company	14,096	7,548
Adjusted for the impact of tax adjusted exceptional costs in the year	945	811
Adjusted earnings	15,041	8,359
Weighted average number of ordinary shares for the purpose of basic earnings per share	118,839,353	118,572,439
Effect of dilutive potential shares: share options	6,082,522	4,830,426
Weighted average number of ordinary shares for the purpose of diluted earnings per share	124,921,875	123,402,865
Earnings per ordinary share		
Basic earnings on profit for the year	11.86p	6.36p
Diluted earnings on profit for the year	11.28p	6.12p
Adjusted earnings per ordinary share (1)		
Basic earnings on profit for the year	12.66p	7.05p
Diluted earnings on profit for the year	12.04p	6.77p

(1) Adjusted earnings is presented as an additional performance measure and is stated before exceptional items and is used in adjusted EPS calculation.

13. Property, plant and equipment

	2025 £000	2024 £000
Property, plant and equipment	1,670	2,119
Right-of-use assets	5,113	5,065
Property, plant and equipment	**6,783**	**7,184**

13. Property, plant and equipment (continued)

	Land & buildings £000	Plant & machinery £000	Fixtures, fittings & equipment £000	Motor vehicles £000	Total £000
Cost					
At 1 June 2023	844	7,235	1,958	169	10,206
Additions	-	181	22	29	232
Disposals	-	(594)	(7)	(93)	(694)
At 31 May 2024	844	6,822	1,973	105	9,744
Additions	-	107	48	-	155
Disposals	-	(422)	(214)	(12)	(648)
At 31 May 2025	844	6,507	1,807	93	9,251
Accumulated depreciation					
At 1 June 2023	146	5,913	1,464	106	7,629
Depreciation charge	21	378	189	31	619
Disposals	-	(536)	(3)	(84)	(623)
At 31 May 2024	167	5,755	1,650	53	7,625
Depreciation charge	21	292	147	25	485
Disposals	-	(401)	(120)	(8)	(529)
At 31 May 2025	188	5,646	1,677	70	7,581
Net book value					
At 31 May 2025	**656**	**861**	**130**	**23**	**1,670**
At 31 May 2024	**677**	**1,067**	**323**	**52**	**2,119**
At 31 May 2023	**698**	**1,322**	**494**	**63**	**2,577**

14. Property, plant and equipment (continued)

Right-of-use assets	**Land & buildings £000**	**Fixtures, fittings & equipment £000**	**Motor vehicles £000**	**Total £000**
Cost				
At 1 June 2023	4,093	68	3,618	7,779
Additions	923	-	649	1,572
Disposals	-	(15)	(110)	(125)
At 31 May 2024	5,016	53	4,157	9,226
Additions	487	44	1,174	1,705
Disposals	(276)	(34)	(1,308)	(1,618)
At 31 May 2025	5,227	63	4,023	9,313
Accumulated depreciation				
At 1 June 2023	1,428	40	1,072	2,540
Depreciation charge	546	14	1,153	1,713
Disposals	-	(15)	(77)	(92)
At 31 May 2024	1,974	39	2,148	4,161
Depreciation charge	493	18	1,139	1,650
Disposals	(276)	(27)	(1,308)	(1,611)
At 31 May 2025	2,191	30	1,979	4,200
Net book value				
At 31 May 2025	**3,036**	**33**	**2,044**	**5,113**
At 31 May 2024	**3,042**	**14**	**2,009**	**5,065**
At 31 May 2023	**2,665**	**28**	**2,546**	**5,239**

Fixed assets with the carrying value of £5,113k (2024: £5,065k) are pledged as security.

15. Intangible fixed assets

	Goodwill	Website	Marketing-related assets	Total
	£000	£000	£000	£000
Cost				
At 1 June 2023	2,051	49	4,300	6,400
Additions	4	-	-	4
At 31 May 2024 and 31 May 2025	2,055	49	4,300	6,404
Impairment & Amortisation				
At 1 June 2023	69	8	370	447
Charge in year	-	12	247	259
At 31 May 2024	69	20	617	706
Charge in year	4	12	247	263
At 31 May 2025	73	32	864	969
Net book value				
At 31 May 2025	**1,982**	**17**	**3,436**	**5,435**
At 31 May 2024	**1,986**	**29**	**3,683**	**5,698**
At 31 May 2023	**1,982**	**41**	**3,930**	**5,953**

Goodwill relates to the prior acquisition of Walker Holdings (Scotland) Limited £1,049k (2024: £1,049k), Tulloch Homes Holdings Limited £513k (2024: £513k), the housebuilding business of Mactaggart & Mickel Group Limited (Springfield M&M Homes Limited) £420k (2024: £420k) and factoring services £nil (2024: £4k) and is subject to annual impairment reviews. The recoverable amount of Walker Holdings (Scotland) Limited goodwill has been determined based on a value in use calculation using cash flow projections based on the actual results for Walker Holdings (Scotland) Limited for the year ended 31 May 2025 and the Board-approved budget to May 2026 with two further years added to May 2028 and a final year based on a nil growth rate per annum. The recoverable amount of the Tulloch Homes Holdings Limited goodwill has been determined based on a value in use calculation using cash flow projections based on the actual results for the Tulloch Group for the year ended 31 May 2025 and the Board-approved budget to May 2026 with two further years added to May 2028 and a final year based on a growth rate of 5% per annum. The recoverable amount of the Springfield M&M Homes goodwill has been determined based on a value in use calculation using cash flow projections based on the actual results for the Springfield M&M Homes for the year ended 31 May 2025 and the Board-approved budget to May 2026 with two further years added to May 2028.

Marketing-related assets of £3,436k (2024: £3,683k) comprise of Springfield Properties Plc trademark asset £600k (2024: £600k) which has been measured at cost and the Tulloch Homes brand £2,836k (2024: £3,083k). The trademark asset is expected to have an indefinite useful life. The brand intangible £2,836k (2024: £3,083k) relates to the brand name of Tulloch Homes Holdings Limited and is being amortised over its economic useful life (15 years). The recoverable amount of the Springfield trademark intangible has been determined based on a value in use calculation using cash flow projections based on the actual results for Springfield Properties Plc company only for the year ended 31 May 2025 and the Board-approved budget to May 2026 with two further years added to May 2028 and a final year based on a growth rate of 5% per annum. The Tulloch brand intangible recoverable amount is based on the same detailed as noted above for goodwill.

14. Intangible fixed assets (continued)

Website costs are stated at cost less amortised cost. The economic useful life of website costs is 3 years. The discount rate applied to cash flows is 12% based on an estimated market rate of interest applied. As a result of the impairment review, there has been no impairment to the carrying value of the intangible assets. The Directors believe that any reasonably possible further change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount.

15. Acquisition of subsidiary company

During the prior year, the Group purchased 100% of the share capital of SP SUB 2024 Limited. This company has yet to trade.

16. Inventories

	2025 £000	2024 £000
Work in progress	223,892	244,297
	223,892	**244,297**

Total land bank of 7,279 plots (2024: 12,459 plots), 66% (2024: 71%) with planning permission.

17. Trade and other receivables

Amounts falling due within one year

	2025 £000	2024 £000
Trade receivables	24,115	9,907
Other receivables	7,896	7,696
Contract assets	5,937	8,136
Prepayments and accrued income	3,148	613
	41,096	**26,352**

Included within trade and other receivables is £9,440k (2024: £6,065k) relating to work certified and invoiced but not yet paid on Housing Association contracts (amounts recoverable on contracts).

When performance obligations are satisfied, the Group becomes entitled to revenue and an appropriate sales invoice is raised. Payment of invoices are typically due from invoicing, based on the specific credit terms raised with each customer.

The Directors consider the carrying amount of the receivables approximates to their fair value.

17. Trade and other receivables (continued)

The Group's exposure to credit risk is limited by the fact that the Group generally receives cash at the point of legal completion of its sales. There are certain categories of revenue where this is not the case; for instance, affordable housing revenues, contracting housing revenues or land sales where management considers that the ratings of these various debtors are good and therefore credit risk is low (see Note 28.4). Loans to related parties (included within other receivables great than one year) have also been assessed as low credit risk based on the expected profitability of their future contracts. The Group has credit risk exposure, due to the majority of the contracts being pre-funded and payment terms agreed when contract is signed. The maximum exposure to credit risk at 31 May 2025 is represented by the carrying amount of each financial asset.

The Directors have accessed expected credit losses on both the current and prior year as not being material.

Amounts falling due after one year

	2025 £000	2024 £000
Trade receivables	3,821	-
Other receivables	5,000	5,000
Prepayments and accrued income	2,370	-
	11,191	**5,000**

Shared equity receivables

	2025 £000	2024 £000
At 1 June 2024	156	329
Repaid during the year	-	(176)
Finance income	-	3
At 31 May 2025	**156**	**156**
Less: amounts receivable within one year	(156)	(156)
Amounts receivable after one year	**-**	**-**

Shared equity loan receivables comprise loans which were granted as part of sales transactions. They are secured by way of a second ranking legal charge over the related property. The assets are recorded at fair value, being the estimated future amount receivable by the Group, discounted to present day values.

The Directors review the future anticipated receipts from the assets at the end of each financial year. Credit risk, which the Directors currently consider to be mitigated through holding a second legal charge over the assets, is accounted for in determining fair values and appropriate discount factors are applied. The Directors review the financial assets for impairment at each balance sheet date. The Directors expect an average maturity profile of between 2 and 5 years from the balance sheet date.

18. Trade and other payables

Amounts falling due within one year

	2025 £000	2024 £000
Trade creditors	23,588	23,787
Other taxation and social security	1,312	2,475
Other creditors	236	488
Contract liabilities	1,194	-
Accruals and deferred income	29,405	22,882
	55,735	**49,632**

Included within trade and other payables is £1,806k (2024: £2,427k) relating to customer deposits on private homes, deferred land sales and certain amounts payable on contracts. Revenue recognised in the year ended 31 May 2025 included £nil (2024: £7,206k) that was included in the contract liability balance at 31 May 2024.

The Directors consider the carrying amount of the accounts payable approximates to their fair value.

Amounts falling due after one year

	2025 £000	2024 £000
Accruals and deferred income	1,550	-
	1,550	**-**

19. Financial assets and liabilities

Assets	2025 £000	2024 £000
Financial assets at amortised cost	53,662	42,668
Total	**53,662**	**42,668**

Liabilities	2025 £000	2025 £000
Measured at amortised cost	82,690	99,080
Measure at fair value through profit or loss	27,471	30,000
Total	**110,161**	**129,080**

Included within financial assets at amortised cost are trade receivables, retentions and cash and cash equivalents.

Included within financial liabilities at amortised cost are short-term bank borrowings, long-term bank borrowings, trade creditors, and accruals.

Included within financial liabilities at fair value through profit or loss are short term obligations under lease liabilities, long term obligations under lease liabilities and deferred consideration.

20. Bank borrowings

	2025	2024
Secured borrowings:	**£000**	**£000**
Bank loans	29,931	54,839
Bank overdrafts	351	-
	30,282	54,839
Less: payable within one year	(30,282)	(54,839)
Payable after one year	-	-

The bank loan comprises of a revolving credit facility of £87.5m that was due to expire in January 2026. Subsequent to the year end, this has been replaced by a new three-year revolving credit facility of £77.5m. The revolving credit facility level of £77.5m will reduce to £47.5m in August 2026 until August 2028, in line with the Group strategy of reducing debt. The facility attracts an interest rate of 2.1% per annum above Bank of England SONIA (Sterling overnight index average response rate) and is secured over certain of the Group's properties, with a 31 May 2025 work in progress value of £83.8m.

At 31 May 2025, the Group had available £57.5m (2024: £32.5m) of undrawn committed borrowing facilities.

At 31 May 2025, the Group had an overdraft facility of £2.5m (2024: £12.5m). In August 2025, the overdraft facility was renewed at a level of £2.5m.

The Group's lender has a floating charge over the assets of the Company and of its subsidiaries.

21. Obligations under leases

Lease payments represent rentals payable by the Group for certain items of land & buildings, fixtures, fittings & equipment and motor vehicles are secured by the assets under lease in question. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Leases are stated at the present value of the contractual payments due to the lessor over the lease term.

	2025	2024
Future minimum payments due:	**£000**	**£000**
Not later than one year	1,690	1,904
After one year but not more than five years	3,335	3,426
After five years	1,685	1,513
	6,710	6,843
Less finance charges allocated to future periods	(1,199)	(1,305)
	5,511	**5,538**
Present value of minimum lease payments:		
Not later than one year	1,351	1,567
After one year but not more than five years	2,657	2,663
After five years	1,503	1,308
	5,511	**5,538**

22. Deferred taxation

	2025	2024
	£000	£000
The movement in the deferred taxation provision during the year was:		
Provision brought forward	1,170	1,832
Prior year adjustment	(79)	-
Charge in the year	(77)	(661)
Provision carried forward	**1,014**	**1,171**

	2025	2024
	£000	£000
Deferred tax liability	2,866	2,958
Deferred tax assets	(1,852)	(1,787)
	1,014	**1,171**

	2025	2024
	£000	£000
The elements of deferred taxation are as follows:		
Fixed asset timing differences	86	98
Available losses	(555)	(555)
Other timing differences	1,483	1,628
	1,014	**1,171**

23. Deferred consideration

As part of acquiring the housebuilding business of Mactaggart & Mickel Group Limited, there was a further £30,781,108 of deferred consideration payable. This is payable quarterly in arrears as homes are sold starting from August 2023. There is a minimum annual payment of £7,695,277, subject to a one-off 12-month payment holiday, which has been taken for year ending 31 May 2025. The outstanding discounted amount payable at the period end was £21,960,440 (2024: £24,462,203).

	2025	2024
	£000	£000
Acquisition of the housebuilding business of Mactaggart & Mickel Group Limited	21,960	24,462
	21,960	**24,462**

	2025	2024
	£000	£000
Deferred consideration < 1 year	7,469	7,339
Deferred consideration > 1 year	14,491	17,123
	21,960	**24,462**

24. (a) Contingent consideration

As part of the purchase agreement of Dawn Homes Holdings Limited there was a further £2,500,000 payable for an area of land if (i) the Group make a planning application when it reasonably believes the council will recommend approval; or (ii) it is zoned by the council. The Directors have assessed the likelihood of the land being zoned and have included a liability of £2,000,000 based on 80% probability. The outstanding amount payable at the period end included within liabilities is £2,000,000 (2024: £2,000,000). The remaining £500,000 (20% on the £2,500,000 still to be paid) has been treated as a contingent liability due to the uncertainty over the future payment.

	2025	2024
	£000	£000
Acquisition of Dawn Homes Holdings Limited	2,000	2,000
	2,000	**2,000**

24. (b) Provisions

Dilapidation provisions are included for all rented buildings within the Group. Maintenance provisions relate to costs to come on developments where the final homes have been handed over.

	2025	2024
	£000	£000
Dilapidation provision	113	113
Maintenance provision	5,613	6,162
	5,726	**6,275**

The movement in the provision accounts are as follows:

	Dilapidation	Maintenance	Total
	£000	£000	£000
Balance as at 1 June 2024	113	6,162	6,275
Additional provision	-	3,421	3,421
Amount utilised	-	(3,482)	(3,482)
Amount released	-	(488)	(488)
Balance as at 31 May 2025	**113**	**5,613**	**5,726**

	2025	2024
	£000	£000
Provisions < 1 year	1,871	2,018
Provisions > 1 year	3,855	4,257
	5,726	**6,275**

24. Share capital

The Company has one class of ordinary share which carry full voting rights but no right to fixed income or repayment of capital. The share capital account records the nominal value of shares issued. The share premium account records the amount above the nominal value received for shares sold, less share issue costs.

Ordinary shares of 0.125p – authorised, allotted, called up and fully paid	Number of shares	Share capital £000	Share premium £000
At 1 June 2024	**118,669,124**	**148**	**78,744**
Share issue	373,281	1	-
At 31 May 2025	**119,042,405**	**149**	**78,744**

During the year, 373,281 shares (2024: 173,123) were issued in satisfaction of share options exercised for a consideration of £467 (2024: £26).

Share based payments

During the year the Group operated four share-based schemes.

Share related share options scheme

The Group operates a Savings related Share Option Scheme which is open to all employees. Grant options were made in October 2024 and become exercisable after 3 years, subject to employees remaining in continuous employment. Employees enter into a savings contract with the Equiniti Limited who administers the scheme. The options are granted at a 10% discount of the share price at the date of grant and lapse if not exercised within six months of maturity. Special provisions apply to employees who leave their employment for ill health, redundancy or retirement.

Long-Term Incentive Plan (LTIP)

The Company operates a LTIP for senior management to retain and align their interests with shareholders. The LTIP is split into a CSOP, ESOP and Performance Share Plan ("PSP") scheme. The PSP was introduced during the prior year and under which key executives could be granted conditional "whole share" awards (i.e. rights to acquire shares where the individual is required to pay a zero or negligible exercise price) the vesting of which is normally conditional on both continued employment and the satisfaction of specified performance measures.

Fair value of share options

Options are valued using the Black-Scholes option-pricing model. No performance conditions are included in the fair value calculation.

CSOP

	2025		2024	
	Number of shares	Weighted average exercise price (pence)	Number of shares	Weighted average exercise price (pence)
Options at the beginning of the year	583,638	114.64	606,413	115.28
Lapsed during the year	(34,339)	108.90	(22,775)	131.72
Options at the year end	549,299	115.00	583,638	114.64

25. Share capital (continued)

Share based payments (continued)

Share option	Grant Price (p)	Number of shares at year end	Exercise price (p)	Vesting period (years)
CSOP – 16th October 2017	106.00	279,520	106.00	3
CSOP – 8th December 2017	111.00	27,027	111.00	3
CSOP – 3rd May 2018	134.00	22,388	134.00	3
CSOP – 16th May 2018	134.00	91,746	134.00	3
CSOP – 1st October 2018	122.50	92,127	122.50	3
CSOP – 4th June 2019	108.50	36,491	108.50	3

	2025		2024	
ESOP	Number of shares	Weighted average exercise price (pence)	Number of shares	Weighted average exercise price (pence)
Options at the start of the year	1,683,481	118.71	1,727,589	118.80
Lapsed during the year	(94,537)	117.56	(44,108)	122.14
Options at the year end	1,588,944	118.78	1,683,481	118.71

Share option	Grant Price (p)	Number of shares at year end	Exercise price (p)	Vesting period (years)
ESOP – 16th October 2017	106.00	417,130	106.00	3
ESOP – 3rd May 2018	134.00	72,761	134.00	3
ESOP – 16th May 2018	134.00	11,157	134.00	3
ESOP – 1st October 2018	122.50	1,087,896	122.50	3

	2025		2024	
SAYE	Number of shares	Weighted average exercise price (pence)	Number of shares	Weighted average exercise price (pence)
Options at the start of the year	424,785	130.50	1,084,972	130.50
Granted during the year	1,489,050	97.00	-	-
Lapsed during the year	(633,742)	119.45	(660,187)	130.50
Options at the year end	1,280,093	97.00	424,785	130.50

25. Share capital (continued)

Share based payments (continued)

Share option	Grant Price (p)	Number of shares at year end	Exercise price (p)	Vesting period (years)
SAYE – 1st November 2024	108.00	1,280,093	97.00	3

	2025		2024	
PSP	**Number of shares**	**Weighted average exercise price (pence)**	**Number of shares**	**Weighted average exercise price (pence)**
Options at start of the year	4,385,999	0.13	2,853,274	0.13
Granted during the year	1,330,430	0.13	2,161,933	0.13
Lapsed during the year	(1,204,747)	0.13	(456,085)	0.13
Exercised during the year	(373,281)	0.13	(173,123)	0.13
Options at the year end	4,138,401	0.13	4,385,999	0.13

Share option	Grant Price (p)	Number of shares at year end	Exercise price (p)	Vesting Period (years)
PSP – 9th January 2020	0.13	7,337	0.13	3
PSP – 30th October 2020	0.13	15,195	0.13	3
PSP – 21st December 2021	0.13	23,861	0.13	3
PSP – 28th March 2023	0.13	743,325	0.13	3
PSP – 30th October 2023	0.13	2,090,047	0.13	3
PSP – 28th October 2024	0.13	1,258,636	0.13	3

Inputs used to determine fair value of options

	CSOP	ESOP	SAYE	PSP
Expected volatility	29.00%	29.00%	29.00%	17.83%
Risk free interest rate	0.49%	0.49%	0.49%	-1.91%
Expected dividends	-	-	-	2.5%
Fair value of options	34.00p	39.00p	37.00p	49.04p
Charge per option	32.00p	37.00p	35.00p	49.04p

Expected volatility was calculated using historical share price information of the house-building sector for the CSOP and ESOP and the 12-month average Springfield share price prior to the grant of the PSP options.

CSOP – nil (2024: nil) of options were exercised during the year and 549,299 (2024: 547,147) shares were exercisable.

ESOP – nil (2024: nil) of options were exercised during the year and 1,588,944 (2024: 1,683,481) shares were exercisable.

SAYE – nil (2024: nil) of options were exercised during the year and nil (2024: 424,785) shares were exercisable.

PSP – 373,281 (2024: 173,123) of options were exercised during the year and 46,393 (2024: 183,810) shares were exercisable.

Charge for share based incentive schemes

The total charge for the year relating to employee share-based plans were £139k (2024: £26k), all of which related to equity-settled share-based payment transactions.

26. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at 31 May:

	2025 £000	2024 £000
Cash at bank and in hand	9,388	14,935
Bank overdraft	(351)	-
	9,037	**14,935**

At 31 May 2025, the Group had an available overdraft facility of £2.5m (2024: £12.5m). In August 2025, the overdraft facility was renewed at a level of £2.5m.

27. Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of equity attributable to equity holders of the parent Company and its subsidiary, comprising issued capital, reserves and retained earnings, all as disclosed in the balance sheet. The Group is not subject to externally imposed capital requirements other than those included, from time to time, in the financial covenants associated with bank borrowing.

28. Financial risk management

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management is coordinated by the Board of Directors, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

28.1. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

There are regular reviews of market conditions, product range, pricing an geography to make sure the right hommes are delivered in the right place at a profitable price. Other mitigation is noted on page 15 under 'changes in consumer demand'

28.2. Interest risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the interest rate risk relates primarily to its floating rate borrowings.

The responsibility for setting the level of fixed rate debt lies with the Board and is continually reviewed in the light of economic data provided by a variety of sources.

	2025 £000	2024 £000
Financial liabilities at fixed rate	27,471	30,000
Financial liabilities at floating rate	30,282	54,839
Non-interest-bearing financial liabilities	52,408	24,241
	110,161	**129,080**

28. Financial risk management (continued)

28.2. Interest risk (continued)

Interest rate sensitivity analysis

The table below details the Group's sensitivity to increase or decrease of floating interest rates by 0.5%, which the Directors consider to be a reasonably possible change. The analysis was applied to loans and borrowings (financial liabilities) based on the assumption that the amount of liability outstanding as at the balance sheet date was outstanding for the whole year.

	Bank of England SONIA rate 31 May 2025		Bank of England SONIA rate 31 May 2024	
	Interest rate +0.5% £000	Interest rate –0.5% £000	Interest rate +0.5% £000	Interest rate –0.5% £000
(Loss) / profit	(151)	151	(274)	274

Limitations of sensitivity analysis

The above tables demonstrate the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results. The sensitivity analysis does not take into consideration that the Group's assets and liabilities are actively managed. Additionally, the financial position of the Group may vary at the time that any actual market movement occurs.

Other limitations in the above sensitivity analysis include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted and the assumption that all interest rates move in an identical fashion.

This analysis is for illustrative purposes only, as in practice market rates rarely change in isolation of other factors that also affect Group's financial position and results.

Management believe that fair value of the loans, borrowings and finance lease obligations approximates their carrying amounts as the majority of obligations bear interest rates approximating market rates at 31 May 2025.

28.3. Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its liabilities as they fall due. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, medium to long term borrowings and leases. The Directors continually assess the balance of capital and debt of the Group.

They consider the security of capital funding against the potentially higher rates of return offered by debt financing in order to set an efficient but stable balance appropriate to the size of the Group.

The Board reviews projects against build programmes and contractual agreements to avoid any risk of incurring contractual penalties or damaging the Group's reputations, which would in turn reduce the Group's ability to borrow at optimal rates. Covenant tests are continually reviewed to ensure covenant criteria are met in the event of deterioration in market conditions.

28. Financial risk management (continued)

28.3. Liquidity risk (continued)

The maturity profile of the Group and parent Company's financial liabilities based on contractual undiscounted payments (including interest payments) is as follows:

31 May 2025	Carrying amount £000	Total minimum future payment £000	Within 1 year £000	Within 1-2 years £000	Within 2-5 years £000	Greater than 5 years £000
Accounts payable	52,408	52,408	50,858	1,550	-	-
Bank borrowings	30,282	30,282	30,282	-	-	-
Deferred consideration	21,960	22,282	7,695	14,401	186	-
Leases	5,511	6,710	1,690	1,286	2,701	1,033
	110,161	**111,682**	**90,525**	**17,237**	**2,887**	**1,033**

31 May 2024	Carrying amount £000	Total minimum future payment £000	Within 1 year £000	Within 1-2 years £000	Within 2-5 years £000	Greater than 5 years £000
Accounts payable	44,241	44,241	44,241	-	-	-
Bank borrowings	54,839	55,000	55,000	-	-	-
Deferred consideration	24,462	25,140	7,695	7,695	9,750	-
Leases	5,538	6,842	1,904	488	2,938	1,512
	129,080	**131,223**	**108,840**	**8,183**	**12,688**	**1,512**

28.4. Credit risk

The nature of Scotland's housing industry and the legal framework surrounding it results in the Group having a low exposure to credit risk.

Credit risk is the risk that a customer may default or not meet its obligations to the Group on a timely basis, leading to financial losses to the Group.

The Group's maximum exposure to credit risk in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet. At the balance sheet date, although there was a significant receivables balance, the perceived credit risk to the Group remains low.

The Group manages credit risk actively monitoring its level of trade receivables and following up when they are overdue more than three months. The ageing profile of trade receivables was:

	31 May 2025		31 May 2024	
	Total book value £000	Allowance for impairment £000	Total book value £000	Allowance for impairment £000
Current	23,074	-	8,959	-
Overdue 90 days	4,975	113	948	112
	28,049	**113**	**9,907**	**112**

During the year, the Group had no charge for impairment for trade receivables.

28.4. Credit risk (continued)

The ageing profile of other receivables was:

	31 May 2025		31 May 2024	
	Total book value £000	Allowance for impairment £000	Total book value £000	Allowance for impairment £000
Current	7,896	-	7,696	-
Non-current	5,000	-	5,000	-
	12,896	**-**	**12,696**	**-**

During the year, the Group had no charge for impairment for other receivables.

29. Transactions with related parties

Other related parties include transactions with retirement schemes in which Directors and close family members of key management personnel are beneficiaries. During the year, dividends totalling £286k (2024: £nil) were paid to key management personnel (Board of Directors and the members of the Operational Board). Dividends were paid to Board of Directors as follows:

Name of Director	2025 £000	2024 £000
Mr Sandy Adam	276	-
Mr Innes Smith	10	-
	286	**-**

The remuneration of the key management personnel (Plc Directors and Group Directors) of Springfield Properties Plc is set out below in aggregate for each of the categories specified in IAS 24 – Related Party Disclosures:

	2025 £000	2024 £000
Short-term employee benefits	4,874	2,542
Post employment benefits	281	248
Share-based payments	110	9
	5,265	**2,799**

During the year the Group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2025 £000	2024 £000	2025 £000	2024 £000
Bertha Park Limited (1)	11,258	4,906	-	319
Other entities that key management personnel have control, significant influence or hold a material interest in	64	41	16	20
Key management personnel	13	46	-	-
Other related parties	13	156	2,518	2,016
	11,348	**5,149**	**2,534**	**2,355**

Sales to related parties represent those undertaken in the ordinary course of business.

29. Transactions with related parties (continued)

	Rent paid	
	2025	**2024**
	£000	**£000**
Entities that key management personnel have control, significant influence or hold a material interest in	187	80
Other related parties	103	64
	290	**144**

	2025	**2024**
	£000	**£000**
Interest received:		
Entities that key management personnel have control, significant influence or hold a material interest in (short-term)	125	125
	125	**125**

The following amounts were outstanding at the reporting end date:

	2025	**2024**
	£000	**£000**
Amounts receivable:		
Bertha Park Limited (1)	9,394	7,259
Other entities that key management personnel have control, significant influence or hold a material interest in (short-term)	2	-
Key management personnel	4	1
Other related parties	2	36
	9,402	**7,296**

	2025	**2024**
	£000	**£000**
Accounts payable:		
Other related parties	2,928	2,343
	2,928	**2,343**

Amounts owed to/from related parties are included within creditors and debtors respectively at the year-end. No security has been provided on any balances.

Transactions between Group companies have been eliminated on consolidation and are not disclosed in this note.

(1) Bertha Park Limited is a Company in which Sandy Adam and Innes Smith are Directors. During the year the Group made sales to Bertha Park Limited of £11,348k (2024: £4,906k) in relation to a build contract. At the year-end £4,394k (2024: £2,259k) is included in trade debtors and included within other debtors is a loan of £5,000k (2024: £5,000k). During the year the Group had purchases from Bertha Park Limited of £nil (2024: £319k) in relation to a build contract.

30. Commitments and guarantees

In the ordinary course of the Group's business the Group is required to enter into performance bond arrangements. At 31 May 2025, the Group had bonds of £48,084k (2024: £41,986k) provided by financial institutions.

Capital commitments

	2025	2024
	£000	**£000**
Call and put options for the purchase of plots for development	**-**	**24,078**

31. Analysis of net debt

The Analysis of net debt is as follows:

	2025	2024
	£000	**£000**
Cash in hand and bank	9,388	14,935
Bank borrowings – loan	(29,931)	(54,839)
Bank borrowings - overdraft	(351)	-
	(20,894)	(39,904)
Lease liability	(5,511)	(5,538)
Net debt	**(26,405)**	**(45,442)**
Deferred consideration	(21,960)	(24,462)
	(48,365)	**(69,904)**

Reconciliation of net cashflow to movement in net debt is as follows:

	At 1 June 2024	New leases	Cashflow	Fair value	At 31 May 2025
	£000	**£000**	**£000**	**£000**	**£000**
Cash and cash equivalents	14,935	-	(5,547)	-	9,388
Bank borrowings - loan	(54,839)	-	24,908	-	(29,931)
Bank borrowings - overdraft	-	-	(351)		(351)
Leases	(5,538)	(1,705)	2,142	(410)	(5,511)
Net debt	**(45,442)**	**(1,705)**	**21,152**	**(410)**	**(26,405)**
Deferred consideration	(24,462)	-	2,857	(355)	(21,960)
	(69,904)	**(1,705)**	**24,009**	**(765)**	**(48,365)**

31. Analysis of net debt (continued)

	At 1 June 2023	New leases	Cashflow	Fair value	At 31 May 2024
	£000	**£000**	**£000**	**£000**	**£000**
Cash and cash equivalents	8,909	-	6,026	-	14,935
Bank borrowings	(70,673)	-	15,834	-	(54,839)
Leases	(5,900)	(1,593)	2,234	(279)	(5,538)
Net debt	**(67,664)**	**(1,593)**	**24,094**	**(279)**	**(45,442)**
Deferred consideration	(36,117)	-	12,141	(486)	(24,462)
	(103,781)	**(1,593)**	**36,235**	**(765)**	**(69,904)**

FINANCIAL STATEMENTS
COMPANY BALANCE SHEET
AS AT 31 MAY 2025

	Note	2025 £000	2024 £000
Non-current assets			
Property, plant and equipment	**3**	1,895	2,177
Intangible assets	**4**	616	629
Investments	**5**	132,697	132,697
Deferred taxation	**12**	89	104
Trade and other receivables	**7**	10,764	5,000
		146,061	**140,607**
Current assets			
Inventories	**6**	97,411	105,076
Trade and other receivables	**7**	47,031	31,299
Cash and cash equivalents	**15**	-	3,086
		144,442	**139,461**
Total assets		**290,503**	**280,068**
Current liabilities			
Trade and other payables	**8**	150,400	124,000
Short-term obligations under lease liabilities	**11**	180	168
Short-term bank borrowings	**10**	30,282	54,839
Provisions	**13**	730	1,096
Corporation tax		2,738	880
		184,330	**180,983**
Non-current liabilities			
Trade and other payables	**8**	1,550	-
Long-term obligations under lease liabilities	**11**	1,688	1,837
Contingent consideration	**13**	2,000	2,000
Provisions	**13**	1,520	2,252
		6,758	**6,089**
Total liabilities		**191,088**	**187,072**
Net assets		**99,415**	**92,996**
Equity			
Share capital	**14**	149	148
Share premium	**14**	78,744	78,744
Retained earnings		20,522	14,104
Total equity		**99,415**	**92,996**

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £7,466,882 (2024: loss of £1,992,624).

These financial statements were approved by the Board of Directors on 15 September 2025.
Signed on behalf of the Board by:

Sandy Adam
Executive Chairman

Company number: SC031286

Company accounting policies are in line with Group – See notes to the consolidated financial statements – Note 2 Summary of significant accounting policies. The accompanying notes on pages 111 to 129 form an integral part of these financial statements.

FINANCIAL STATEMENTS

COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MAY 2025

	Note	Share capital £000	Share premium £000	Retained earnings £000	Total £000
1 June 2023		**148**	**78,744**	**16,071**	**94,963**
Total comprehensive expenditure for the year		-	-	(1,993)	(1,993)
Share-based payments		-	-	26	26
31 May 2024		**148**	**78,744**	**14,104**	**92,996**
Issue of shares	**14**	1	-	-	1
Total comprehensive income for the year		-	-	7,467	7,467
Share-based payments	**14**	-	-	139	139
Dividends	**2**	-	-	(1,188)	(1,188)
31 May 2025		**149**	**78,744**	**20,522**	**99,415**

The share capital account records the nominal value of shares issued.

The share premium account records the amount above the nominal value received for shares issued, less share issue costs.

Retained earnings represents accumulated profits less losses and distributions. Retained earnings also includes share based payments.

Company accounting policies are in line with Group – See notes to the consolidated financial statements – Note 2 Summary of significant accounting policies.

The accompanying notes on pages 111 to 129 form an integral part of these financial statements.

FINANCIAL STATEMENTS

COMPANY STATEMENT OF CASH FLOWS
YEAR TO 31 MAY 2025

	Note	2025 £000	2024 £000 As restated (Note 2.1)
Cash flows generated from operations			
Profit/(loss) for the year		7,467	(1,993)
Adjusted for:			
Exceptional items		881	111
Taxation credit		1,317	(5)
Finance costs		5,219	7,179
Finance income		(354)	(125)
Adjusted operating profit before working capital movement		**14,530**	**5,167**
Gain on disposal of tangible fixed assets		(65)	(65)
Exceptional items		(881)	(111)
Depreciation and impairment of tangible fixed assets	**3**	334	384
Amortisation and impairment of intangible fixed assets	**4**	13	12
Non-cash movements - discounting		899	-
Share based payments	**14**	139	26
Operating cash flows before movements in working capital		**14,969**	**5,413**
Decrease in inventory		6,415	8,207
(Increase)/decrease in trade and other receivables		(16,726)	3,468
Increase in trade and other payables		26,837	13,524
Net cash generated from operations		**31,495**	**30,612**
Taxation paid		(3,675)	(550)
Net cash inflow from operating activities		**27,820**	**30,062**
Investing activities			
Purchase of property, plant and equipment	**3**	(16)	(21)
Proceeds on disposal of property, plant and equipment		100	106
Interest received		133	125
Net cash generated in investing activities		**217**	**210**
Financing activities			
Repayment from bank loans	**19**	(24,908)	(15,834)
Payment of lease liabilities	**19**	(297)	(180)
Subsidiary acquisition deferred payments		-	(6,500)
Dividends paid	**2**	(1,188)	-
Interest paid		(5,081)	(7,142)
Net cash outflow from financing activities		**(31,474)**	**(29,656)**
Net increase in cash and cash equivalents		**(3,437)**	**616**
Cash and cash equivalents at beginning of year		3,086	2,470
Cash and cash equivalents at end of year	**15**	**(351)**	**3,086**

Company accounting policies are in line with Group – See notes to the consolidated financial statements – Note 2 Summary of significant accounting policies.

The accompanying notes on pages 111 to 129 form an integral part of these financial statements.

FINANCIAL STATEMENTS
NOTES TO THE COMPANY FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2025

1. Staff costs

The average monthly number of employees (including Executive Directors) for the continuing operations was:

	2025	2024
Building staff	210	221
Administrative staff	145	169
	355	**390**

	2025	2024
	£000	£000
Wages and salaries	18,659	17,646
Share based payments	139	26
Social security costs	1,962	1,950
Pension costs	741	800
	21,501	**20,422**

The charge to the profit and loss account in respect of defined contribution schemes was £741k (2024: £800k). Contributions totalling £131k (2024: £134k) were payable to the fund at the year-end and are included in creditors.

2. Dividends

For the year to 31 May 2025, a final dividend of 2 pence per share is proposed to be paid. No interim dividend was paid during the year.

In respect of the prior year, a final dividend of 1p per share was paid which amounted to £1,188,304.

3. Property, plant and equipment

	2025	2024
	£000	£000
Property, plant and equipment	262	378
Right-of-use assets	1,633	1,799
Total property, plant and equipment	**1,895**	**2,177**

FINANCIAL STATEMENTS

NOTES TO THE COMPANY FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2025

3. Property, plant and equipment (continued)

	Land and buildings £000	Plant and machinery £000	Fixtures, fittings & equipment £000	Total £000
Cost				
At 1 June 2023	844	2,259	1,688	4,791
Additions	-	5	16	21
Disposals	(585)	(103)	(7)	(695)
At 31 May 2024	**259**	**2,161**	**1,697**	**4,117**
Additions	-	-	16	16
At 31 May 2025	**259**	**2,161**	**1,713**	**4,133**
Accumulated depreciation				
At 1 June 2023	147	2,224	1,379	3,750
Depreciation charge	11	9	131	151
Disposals	(58)	(102)	(2)	(162)
At 31 May 2024	**100**	**2,131**	**1,508**	**3,739**
Depreciation charge	11	10	111	132
At 31 May 2025	**111**	**2,141**	**1,619**	**3,871**
Net book value				
At 31 May 2025	**148**	**20**	**94**	**262**
At 31 May 2024	**159**	**30**	**189**	**378**
At 31 May 2023	**697**	**35**	**309**	**1,041**

FINANCIAL STATEMENTS

NOTES TO THE COMPANY FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2025

3. Property, plant and equipment (continued)

Right-of-use assets

	Land and buildings £000	Fixtures, fittings & equipment £000	Total £000
Cost			
At 1 June 2023	2,048	48	2,096
Additions	911	-	911
Disposals	-	(15)	(15)
At 31 May 2024	**2,959**	**33**	**2,992**
Additions	-	44	44
Disposals	(172)	(34)	(206)
At 31 May 2025	**2,787**	**43**	**2,830**
Accumulated depreciation			
At 1 June 2023	942	33	975
Depreciation charge	226	7	233
Disposals	-	(15)	(15)
At 31 May 2024	**1,168**	**25**	**1,193**
Depreciation charge	191	11	202
Disposals	(172)	(26)	(198)
At 31 May 2025	**1,187**	**10**	**1,197**
Net book value			
At 31 May 2025	**1,600**	**33**	**1,633**
At 31 May 2024	**1,791**	**8**	**1,799**
At 31 May 2023	**1,106**	**15**	**1,121**

4. Intangible fixed assets

	Marketing-related assets £000
Cost	
1 June 2023 and 31 May 2024	649
Additions	-
At 31 May 2025	649
Amortisation	
At 1 June 2023	8
Amortisation	12
At 31 May 2024	20
Amortisation	13
At 31 May 2025	33
Net book value	
At 31 May 2025	**616**
At 31 May 2024	**629**
At 31 May 2023	**641**

4. Intangible fixed assets (continued)

Marketing-related assets comprises of the Springfield trademark asset which has been measured at cost. Market-related assets are expected to have an indefinite useful life. The recoverable amount of the marketing intangible has been determined based on a value in use calculation using cash flow projections based on the actual results for Springfield company only for the year ended 31 May 2025 and the board approved budget to May 2026 with two further years added to May 2028 and a final year based on a growth rate of 5% per annum.

The discount rate applied to cash flows is 12% based on an estimated market rate of interest applied. As a result of the impairment review, there has been no impairment to the carrying value of the intangible assets. The Directors believe that any reasonably possible further change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount.

5. Fixed asset investments

	2025 £000	2024 £000
Cost		
Investment in subsidiaries	169,697	169,697
Provision for impairment		
Impairment	(37,000)	(37,000)
Net book value	**132,697**	**132,697**

Movement in fixed asset investments

	Share in Group undertakings £000	Total £000
Cost		
At 1 June 2023	169,697	169,697
Additions	-	-
At 31 May 2024 and 31 May 2025	169,697	169,697
Provisions for impairment		
At 1 June 2023	(37,000)	(37,000)
Impairment	-	-
At 31 May 2024 and 31 May 2025	(37,000)	(37,000)
Net book value		
At 31 May 2025	**132,697**	**132,697**
At 31 May 2024	**132,697**	**132,697**
At 31 May 2023	**132,697**	**132,697**

Impairment is as a result of a £37,000k dividend from Walker Holdings (Scotland) Limited in the month after acquisition in January 2019.

5. Fixed asset investments (continued)

Details of the Company's subsidiaries and jointly owned entities at 31 May 2025 are as follows:

Name of undertaking	Nature of business	Class of shares held	% Held
Glassgreen Hire Limited	Hire of plant and machinery	Ordinary	100%
Dawn Homes Holdings Limited	Holding Company	Ordinary	100%
Dawn Homes Limited *	Housebuilder/Construction	Ordinary	100%
Dawn Homes (Residential) Limited *	Buying and selling of own real estate	Ordinary	100%
Dawn Homes (Cambuslang) Limited *	Housebuilder/Construction	Ordinary	100%
Walker Group Springfield (Holdings) Limited	Housebuilders/ property development/ management services	Ordinary	100%
Walker Group (Scotland) Limited) *	Housebuilders/Construction	Ordinary	100%
Walker Group Developments Limited *	Dormant	Ordinary	100%
Tulloch Homes Holdings Limited	Holding Company	Ordinary	100%
Tulloch Homes Group Limited *	Housebuilder/Construction	Ordinary	100%
Tulloch Homes Express Limited *	Housebuilder/Construction	Ordinary	100%
Tulloch Homes Limited *	Housebuilder/Construction	Ordinary	100%
Tulloch Limited *	Housebuilder/Construction	Ordinary	100%
Argyll Developments (Scotland) Limited*	Housebuilder/Construction	Ordinary	100%
Tulloch Homes (Drumossie) Limited*	Housebuilder/Construction	Ordinary	100%
Argyll Homes (Hamilton) Limited *	Housebuilder/Construction	Ordinary	100%
Springfield Timber Kit Systems Limited	Timber Kit Manufacturing	Ordinary	100%
Springfield M&M Homes Limited	Housebuilder/Construction	Ordinary	100%
SP SUB 2024 Limited	Dormant	Ordinary	100%

All of the above have a registered office address of:
Alexander Fleming House 8 Southfield Drive Elgin, Morayshire IV30 6GR
*Indirectly held subsidiary

Walker Group Developments Limited is exempt from audit under section 479A of the Companies Act 2006.

6. Inventories

	2025 £000	2024 £000
Work in progress	97,411	105,076
	97,411	**105,076**

7. Trade and other receivables

Amounts falling due within one year

	2025 £000	2024 £000
Trade receivables	17,680	5,640
Other receivables	4,693	5,142
Contract assets	4,853	6,708
Amounts due from Group undertakings	16,836	13,385
Prepayments and accrued income	2,969	424
	47,031	**31,299**

Included within trade and other receivables is £6,696k (2024: £4,664k) relating to work certified and invoiced but not yet paid on Housing Association contracts (amounts recoverable on contracts).

Revenue recognised in the year ended 31 May 2025 included £18,225k (2024: £10,742k) from projects that were included in the contract assets balance at 31 May 2024. There have been no significant changes in contract assets other than normal business trading.

When performance obligations are satisfied, the Company becomes entitled to revenue and an appropriate sales invoice is raised. Payment of invoices are typically due from invoicing, based on the specific credit terms raised with each customer.

The Directors consider the carrying amount of the receivables approximates to their fair value.

The Company's exposure to credit risk is limited by the fact that the Company generally receives cash at the point of legal completion of its sales. There are certain categories of revenue where this is not the case; for instance, housing association revenues or land sales where management considers that the credit ratings of these various debtors are strong and therefore credit risk is low (see Note 17.4). Loans to related parties have also been assessed as low credit risk based on the expected profitability of their future contracts. The Company has low credit risk exposure due to the majority of contracts being pre-funded and payment terms agreed when contract was signed. The maximum exposure to credit risk at 31 May 2025 is represented by the carrying amount of each financial asset.

The directors have accessed expected credit losses on both the current and prior year as not being material.

Amounts falling due after one year

	2025 £000	2024 £000
Trade receivables	3,394	-
Other receivables	5,000	5,000
Prepayments and accrued income	2,370	-
	10,764	**5,000**

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8. Trade and other payables

Amounts falling due after one year

	2025 £000	2024 £000
Trade creditors	12,451	12,175
Other taxation and social security	704	2,039
Other creditors	147	160
Amounts due to Group undertakings	118,991	98,325
Contract liabilities	972	-
Accruals and deferred income	17,135	11,301
	150,400	**124,000**

Included within trade and other payables is £1,307k (2024: £2,317k) relating to customer deposits on private homes, deferred land sales and certain amounts payable on contracts. Revenue recognised in the year ended 31 May 2025 included £nil (2024: £7,206k) that was included in the contract liability balance at 31 May 2024.

The Directors consider the carrying amount of the accounts payable approximates to their fair value. There have been no significant changes in contract liabilities other than normal business trading.

Amounts falling due after one year

	2025 £000	2024 £000
Accruals and deferred income	1,550	-
	1,550	**-**

9. Financial assets and liabilities

Assets	2025 £000	2024 £000
Financial assets at amortised cost	50,862	36,920
Total	**50,862**	**36,920**

Liabilities	2025 £000	2024 £000
Measured at amortised cost	180,073	174,321
Measured at fair value through profit or loss	1,868	2,005
Total	**181,941**	**176,326**

Included within financial assets at amortised cost are trade receivables, retentions and cash and cash equivalents.

Included within financial liabilities at amortised cost are short- term bank borrowings, long-term bank borrowings, trade creditors, and accruals.

Included within financial liabilities at fair value through profit or loss are short term obligations under lease liabilities, long term obligations under lease liabilities and deferred consideration.

10. Bank borrowings

	2025 £000	2024 £000
Secured borrowings:		
Bank loans	29,931	54,839
Bank overdraft	351	-
Payable within one year	**30,282**	**54,839**

The bank loan comprises of a revolving credit facility of £87.5m that was due to expire in January 2026. Subsequent to the year end, this has been replaced by a new three-year revolving credit facility of £77.5m. The revolving credit facility level of £77.5m will reduce to £47.5m in August 2026 until August 2028, in line with the Group strategy of reducing debt. The facility attracts an interest rate of 2.1% per annum above Bank of England SONIA (Sterling overnight index average response rate) and is secured over certain of the Company's properties, with a 31 May 2025 work in progress value of £41.8m.

At 31 May 2025, the Group had available £57.5m (2024: £32.5m) of undrawn committed borrowing facilities.

At 31 May 2025, the Group had an overdraft facility of £2.5m (2024: £12.5m). In August 2025, the overdraft facility was renewed at a level of £2.5m.

11. Obligations under leases

Lease payments represent rentals payable by the Company for certain items of plant and machinery and buildings and are secured by the assets under lease in question. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Leases are stated at the present value of the contractual payments due to the lessor over the lease term.

	2025 £000	2024 £000
Future minimum payments due:		
Not later than one year	292	288
After one year but not more than five years	1,159	1,131
After five years	984	1,268
	2,435	2,687
Less finance charges allocated to future periods	(567)	(682)
	1,868	**2,005**
Present value of minimum lease payments is:		
Not later than one year	180	168
After one year but not more than five years	825	755
After five years	863	1,082
	1,868	**2,005**

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
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12. Deferred taxation

	2023	Profit & loss account	2024	Profit & loss account	2025
	£000	£000	£000	£000	£000
Fixed assets – temporary differences	(81)	(6)	(87)	14	(73)
Other – temporary differences	(18)	1	(17)	1	(16)
	(99)	**(5)**	**(104)**	**15**	**(89)**

	2025	2024
	£000	£000
Deferred tax assets	89	104
	89	**104**

13. (a) Contingent consideration

As part of the purchase agreement of Dawn Homes Holdings Limited there was a further £2,500,000 payable for an area of land if (i) the Company makes a planning application when it reasonably believes the council will recommend approval; or (ii) it is zoned by the council. The Directors have assessed the likelihood of the land being zoned and have included a liability of £2,000,000 based on 80% probability.

The outstanding amount payable at the period end included within liabilities is £2,000,000 (2024: £2,000,000). The remaining £500,000 (20% on the £2,500,000 still to be paid) has been treated as a contingent liability due to the uncertainty over the future payment.

	2025	2024
	£000	£000
Acquisition of Dawn Homes Holdings Limited	2,000	2,000
	2,000	**2,000**

13. (b) Provisions

Dilapidation provisions are included for all rented buildings. Maintenance provisions relate to costs to come on developments where the final homes have been handed over.

	2025	2024
	£000	£000
Dilapidation provision	60	60
Maintenance provision	2,190	3,288
	2,250	**3,348**

The movement in the provision accounts are as follows:

	Dilapidation	Maintenance	Total
	£000	£000	£000
Balance as at 1 June 2024	60	3,288	3,348
Additional provision	-	1,258	1,258
Amount utilised	-	(2,299)	(2,299)
Amount released	-	(57)	(57)
Balance as at 31 May 2025	60	2,190	2,250

13. (b) Provisions (continued)

	2025 £000	2024 £000
Provisions < 1 year	730	1,096
Provisions > 1 year	1,520	2,252
	2,250	**3,348**

14. Share capital

The Company has one class of ordinary share which carry full voting rights but no right to fixed income or repayment of capital. The share capital account records the nominal value of shares issued.

The share premium account records the amount above the nominal value received for shares sold, less share issue costs.

Ordinary shares of 0.125p – authorised, allotted, called up and fully paid	Number of shares	Share capital £000	Share premium £000
At 1 June 2024	118,669,124	148	78,744
Share issue	373,281	1	-
At 31 May 2025	**119,042,405**	**149**	**78,744**

During the year, 373,281 shares (2024: 173,123) were issued in satisfaction of share options exercised for a consideration of £467 (2024: £26).

Share based payments

During the year the Company operated four share based schemes.

Share related share options scheme

The Company operates a Savings related Share Option Scheme which is open to all employees. Grant options were made in October 2024 and become exercisable after 3 years, subject to employees remaining in continuous employment. Employees enter into a savings contract with the Equiniti Limited who administers the scheme. The options are granted at a 10% discount of the share price at the date of grant and lapse if not exercised within six months of maturity. Special provisions apply to employees who leave their employment for ill health, redundancy or retirement.

Long-Term Incentive Plan (LTIP)

The Company operates a LTIP for senior management to retain and align their interests with shareholders. The LTIP is split into a CSOP, ESOP and Performance Share Plan (“PSP”) scheme. The PSP was introduced during the prior year and under it, key executives could be granted conditional “whole share” awards (i.e. rights to acquire shares where the individual is required to pay a zero or negligible exercise price) the vesting of which is normally conditional on both continued employment and the satisfaction of specified performance measures.

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14. Share capital (continued)

Share based payments (continued)

Fair value of share options

Options are valued using the Black-Scholes option-pricing model. No performance conditions are included in the fair value calculation of the CSOP and ESOP.

CSOP

	2025		2024	
	Number of shares	Weighted average exercise price (pence)	Number of shares	Weighted average exercise price (pence)
Options at the beginning of the year	583,638	114.64	606,413	115.28
Lapsed during the year	(34,339)	108.90	(22,775)	131.72
Options at the year end	549,299	115.00	583,638	114.64

Share option	Grant Price (p)	Number of shares at year end	Exercise price (p)	Vesting period (years)
CSOP – 16th October 2017	106.00	279,520	106.00	3
CSOP – 8th December 2017	111.00	27,027	111.00	3
CSOP – 3rd May 2018	134.00	22,388	134.00	3
CSOP – 16th May 2018	134.00	91,746	134.00	3
CSOP – 1st October 2018	122.50	92,127	122.50	3
CSOP – 4th June 2019	108.50	36,491	108.50	3

ESOP

	2025		2024	
	Number of shares	Weighted average exercise price (pence)	Number of shares	Weighted average exercise price (pence)
Options at the beginning of the year	1,683,481	118.71	1,727,589	118.84
Lapsed during the year	(94,537)	117.56	(44,108)	122.14
Options at the year end	1,588,944	118.78	1,683,481	118.71

Share option	Grant Price (p)	Number of shares at year end	Exercise price (p)	Vesting period (years)
ESOP – 16th October 2017	106.00	417,130	106.00	5
ESOP – 3rd May 2018	134.00	72,761	134.00	5
ESOP – 16th May 2018	134.00	11,157	134.00	5
ESOP – 1st October 2018	122.50	1,087,896	122.50	5

14. Share capital (continued)

Share based payments (continued)

SAYE

	2025		2024	
	Number of shares	**Weighted average exercise price (pence)**	**Number of shares**	**Weighted average exercise price (pence)**
Options at the beginning of the year	424,785	130.50	1,084,972	130.50
Granted during the year	1,489,050	97.00	-	-
Lapsed during the year	(633,742)	119.45	(660,187)	130.50
Options at the year end	1,280,093	97.00	424,785	130.50

Share option	**Grant Price (p)**	**Number of shares at year end**	**Exercise price (p)**	**Vesting period (years)**
SAYE – 1st November 2024	108.00	1,280,093	97.00	3

PSP

	2025		2024	
	Number of shares	**Weighted average exercise price (pence)**	**Number of shares**	**Weighted average exercise price (pence)**
Options at the beginning of the year	4,385,999	0.13	2,853,274	0.13
Granted during the year	1,330,430	0.13	2,161,933	0.13
Lapsed during the year	(1,204,747)	0.13	(456,085)	0.13
Exercised during the year	(373,281)	0.13	(173,123)	0.13
Options at the year end	4,138,401	0.13	4,385,999	0.13

Share option	**Grant Price (p)**	**Number of shares at year end**	**Exercise price (p)**	**Vesting Period (years)**
PSP – 9th January 2020	0.13	7,337	0.13	3
PSP – 30th October 2020	0.13	15,195	0.13	3
PSP – 21st December 2021	0.13	23,861	0.13	3
PSP – 28th March 2023	0.13	743,325	0.13	3
PSP – 30th October 2024	0.13	2,090,047	0.13	3
PSP- 28th October 2024	0.13	1,258,636	0.13	3

14. Share capital (continued)

Share based payments (continued)

Inputs used to determine fair value of options

	CSOP	ESOP	SAYE	PSP
Expected volatility	29.00%	29.00%	29.00%	17.83%
Risk free interest rate	0.49%	0.49%	0.49%	-1.91%
Expected dividends	-	-	-	2.5%
Fair value of options	34.00p	39.00p	37.00p	49.04p
Charge per option	32.00p	37.00p	35.00p	49.04p

Expected volatility was calculated using historical share price information of the house-building sector for the CSOP, ESOP and SAYE and the 12 month average Springfield share price prior to the grant of the PSP options.

CSOP – nil (2024 – nil) of options were exercised during the year and 549,299 (2024: 547,147) shares were exercisable.

ESOP – nil (2024 – nil) of options were exercised during the year and 1,588,944 (2024: 1,683,481) shares were exercisable.

SAYE – nil (2024 – nil) of options were exercised during the year and nil (2024: 424,785) shares were exercisable.

PSP – 373,281 (2024 – 173,123) of options were exercised during the year and 46,393 (2024: 183,810) shares were exercisable.

Charge for share based incentive schemes

The total charge for the year relating to employee share-based plans were £139k (2024: £26k), all of which related to equity-settled share-based payment transactions.

15. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at 31 May:

	2025 £000	2024 £000
Cash at bank and in hand	-	3,086
Bank overdraft	(351)	-
	(351)	**3,086**

At 31 May 2025, the Company had an available overdraft facility of £2.5m (2024: £12.5m). In August 2025, the overdraft facility was renewed at a level of £2.5m.

16. Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of issued capital, reserves and retained earnings, all as disclosed in the balance sheet. The Company is not subject to externally imposed capital requirements other than those included, from time to time, in the financial covenants associated with bank borrowing.

17. Financial risk management

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated by the Board of Directors, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

17.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

There are regular reviews of market conditions, product range, pricing and geography to make sure the right hommes are delivered in the right place at a profitable price. Other mitigation is noted on page 15 under 'changes in consumer demand'

17.2. Interest risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the interest rate risk relates primarily to its floating rate borrowings.

The responsibility for setting the level of fixed rate debt lies with the Board and is continually reviewed in the light of economic data provided by a variety of sources.

	2025 £000	2024 £000
Financial liabilities at fixed rate	1,868	2,005
Financial liabilities at floating rate	30,282	54,839
Non-interest-bearing financial liabilities	149,791	119,482
	181,941	**176,326**

Interest rate sensitivity analysis

The table below details the Company's sensitivity to increase or decrease of floating interest rates by 0.5%, which the Directors consider to be a reasonably possible change. The analysis was applied to loans and borrowings (financial liabilities) based on the assumption that the amount of liability outstanding as at the balance sheet date was outstanding for the whole year.

	Bank of England SONIA rate 31 May 2025		Bank of England SONIA rate 31 May 2024	
	Interest rate +0.5% £000	Interest rate –0.5% £000	Interest rate +0.5% £000	Interest rate –0.5% £000
(Loss) / profit	(151)	151	(274)	274

17. Financial risk management (continued)

17.2. Interest risk (continued)

Limitations of sensitivity analysis

The above tables demonstrate the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results. The sensitivity analysis does not take into consideration that the Group's assets and liabilities are actively managed. Additionally, the financial position of the Group may vary at the time that any actual market movement occurs.

Other limitations in the above sensitivity analysis include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted and the assumption that all interest rates move in an identical fashion.

This analysis is for illustrative purposes only, as in practice market rates rarely change in isolation of other factors that also affect Group's financial position and results.

Management believe that fair value of the loans, borrowings and finance lease obligations approximates their carrying amounts as the majority of obligations bear interest rates approximating market rates at 31 May 2025.

17.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its liabilities as they fall due. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, medium to long term borrowings and hire purchase contracts. The Directors continually assess the balance of capital and debt of the Company. They consider the security of capital funding against the potentially higher rates of return offered by debt financing in order to set an efficient but stable balance appropriate to the size of the Company.

The Board reviews projects against build programmes and contractual agreements to avoid any risk of incurring contractual penalties or damaging the Company's reputation, which would in turn reduce the Company's ability to borrow at optimal rates. Covenant tests are continually reviewed to ensure covenant criteria are met in the event of deterioration in market conditions.

The maturity profile of the Company's financial liabilities based on contractual undiscounted payments (including interest payments) is as follows:

31 May 2025	Carrying amount £000	Total minimum future payment £000	Within 1 year £000	Within 1-2 years £000	Within 2-5 years £000	Greater than 5 years £000
Accounts payable	149,791	149,791	148,241	1,550	-	-
Bank borrowings	30,282	30,282	30,282	-	-	-
Leases	1,868	2,435	292	292	867	984
	181,941	**182,508**	**178,815**	**1,842**	**867**	**984**

17. Financial risk management (continued)

17.3 Liquidity risk (continued)

31 May 2024	Carrying amount £000	Total minimum future payment £000	Within 1 year £000	Within 1-2 years £000	Within 2-5 years £000	Greater than 5 years £000
Accounts payable	119,482	119,482	119,482	-	-	-
Bank borrowings	54,839	55,000	55,000	-	-	-
Leases	2,005	2,687	288	286	845	1,268
	176,326	**177,169**	**174,770**	**286**	**845**	**1,268**

17.4 Credit risk

Credit risk is the risk that a customer may default or not meet its obligations to the Company on a timely basis, leading to financial losses to the Company.

The Company's maximum exposure to credit risk in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet. At the balance sheet date, although there was a significant receivables balance, the perceived credit risk to the Company remains low.

The Company manages credit risk by actively monitoring the level of trade receivables and following up when they are overdue more than three months.

The ageing profile of trade receivables was:

	31 May 2025		31 May 2024	
	Total book value £000	Allowance for impairment £000	Total book value £000	Allowance for impairment £000
Current	19,966	-	4,833	-
Overdue 90 days	1,221	113	807	112
	21,187	**113**	**5,640**	**112**

During the year, the Company had no allowance for impairment for trade receivables.

The ageing profile of other receivables was:

	31 May 2025		31 May 2024	
	Total book value £000	Allowance for impairment £000	Total book value £000	Allowance for impairment £000
Current	4,693	-	5,142	-
Non-current	5,000	-	5,000	-
	9,693	**-**	**10,142**	**-**

During the year the Company had no allowance for impairment for other receivables.

18. Transactions with related parties

Other related parties include transactions with retirement schemes in which Directors and close family members of key management personnel are beneficiaries. During the year, dividends totalling £286k (2024: £nil) were paid to key management personnel (Board of Directors and the members of the Operational Board). Dividends were paid to Board of Directors as follows:

Name of Director	2025 £000	2024 £000
Mr Sandy Adam	276	-
Mr Innes Smith	10	-
	286	**-**

The remuneration of the key management personnel (Plc Directors and Group Directors) of Springfield Properties Plc is set out below in aggregate for each of the categories specified in IAS 24 – Related Party Disclosures:

	2025 £000	2024 £000
Short-term employee benefits	3,965	2,240
Post-employment benefits	241	204
Share-based payments	97	8
	4,303	**2,452**

During the year the Company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2025 £000	2024 £000	2025 £000	2024 £000
Bertha Park Limited (1)	10,976	4,737	-	319
Other entities that key management personnel have control, significant influence or hold a material interest in	12	39	15	19
Key management personnel	8	34	-	-
Other related parties	8	44	2,506	2,014
	11,004	**4,854**	**2,521**	**2,352**

Sales to related parties represent those undertaken in the ordinary course of business.

	Rent paid	
	2025 £000	2024 £000
Entities that key management personnel have control, significant influence or hold a material interest in	187	80
Other related parties	102	64
	289	**144**

18. Transactions with related parties (continued)

	2025 £000	2024 £000
Interest received:		
Entities that key management personnel have control, significant influence or hold a material interest in (short-term)	125	125
	125	**125**

The following amounts were outstanding at the reporting end date:

	2025 £000	2024 £000
Amounts receivable:		
Amounts due from Group undertakings	16,705	13,385
Bertha Park Limited (1)	9,349	7,195
Key management personnel	2	-
Other related parties	2	1
	26,058	**20,581**

	2025 £000	2024 £000
Amounts payable:		
Amounts due from Group undertakings	121,255	98,325
Other related parties	2,928	2,343
	124,183	**100,668**

Amounts owed to/from related parties are included within creditors and debtors respectively at the year-end. No security has been provided on any balances.

1) Bertha Park Limited is a Company in which Sandy Adam and Innes Smith are Directors. During the year the Group made sales to Bertha Park Limited of £10,976k (2024: £4,737k) in relation to a build contract. At the year-end £11,705k (2024: £8,385k) is included in trade debtors and included within other debtors is a loan of £5,000k (2024: £5,000k). During the year the Group had purchases from Bertha Park Limited of £nil (2024: £319k) in relation to a build contract.

Other related party transactions

During the year there were transactions between the Company and its subsidiaries as follows:

	2025 £000	2024 £000
Balance at 1 June 2024	(84,940)	(66,177)
Charges from subsidiary companies	(1,725)	(2,997)
Transfers of cash from subsidiary companies	(15,490)	(15,766)
Balance at 31 May 2025	**(102,155)**	**(84,940)**

During the period the company made purchases from related parties of £8,254k (2024: £9,544k) and sales to related parties of £2,835k (2024: £2,485k). Management charges of £3,694k (2024: £4,062k) were charged to subsidiary companies during the year.

FINANCIAL STATEMENTS

NOTES TO THE COMPANY FINANCIAL STATEMENTS
YEAR TO 31 MAY 2025

19. Analysis of net debt

The analysis of net debt is as follows:

	2025 £000	2024 £000
Cash in hand and bank	(351)	3,086
Bank borrowings - loan	(29,931)	(54,839)
Bank borrowings - overdraft	(351)	-
	(30,633)	(51,753)
Lease liability	(1,868)	(2,005)
Net debt	**(32,501)**	**(53,758)**

Reconciliation of net cashflow to movement in net debt is as follows:

	At 1 June 2024	New Leases	Cashflow	Fair Value	At 31 May 2025
	£000	£000	£000	£000	£000
Cash and cash equivalents	3,086	-	(3,437)	-	(351)
Bank borrowings – loan	(54,839)	-	24,908	-	(29,931)
Bank borrowings - overdraft	-	-	(351)	-	(351)
Lease	(2,005)	(43)	297	(117)	(1,868)
Net debt	**(53,758)**	**(43)**	**21,417**	**(117)**	**(32,501)**

	At 1 June 2023	New Leases	Cashflow	Fair Value	At 31 May 2024
	£000	£000	£000	£000	£000
Cash and cash equivalents	2,470	-	616	-	3,086
Bank borrowings	(70,673)	-	15,834	-	(54,839)
Lease	(1,270)	(911)	180	(4)	(2,005)
Net debt	**(69,473)**	**(911)**	**16,630**	**(4)**	**(53,758)**
Deferred consideration	(6,494)	-	6,500	(6)	-
	(75,967)	**(911)**	**23,130**	**(10)**	**(53,758)**