ANNUAL REPORT AND ACCOUNTS
FOXTONS GROUP PLC

2024

GET IT DONE WITH LONDON'S NUMBER 1

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REVENUE

+11%

£163.9 MILLION

2023: £147.1 million

ADJUSTED OPERATING PROFIT[1]

+38%

£21.6 MILLION

2023: £15.7 million

NET FREE CASH FLOW[2]

£9.8 MILLION

2023: (£0.1) million

PROFIT BEFORE TAX[3]

121%

£17.5 MILLION

2023: £7.9 million

BASIC ADJUSTED EARNINGS PER SHARE[4]

+47%

5.0 PENCE

2023: 3.4 pence

TOTAL DIVIDEND PER SHARE

+30%

1.17 PENCE

2023: 0.9 pence

OTHER HIGHLIGHTS

LETTINGS MARKET SHARE[5]

6.2%

2023: 6.0%

SALES MARKET SHARE[5]

4.9%

2023: 4.1%

CUSTOMER SATISFACTION

(Google rating as of 1/1/2025)

4.5 OUT OF 5

2023: 4.6 out of 5

1 Adjusted Operating Profit is an alternative performance measure. Adjusted operating profit represents the profit before tax before amortisation of acquired intangibles, finance income, finance cost, other gains/(losses) and adjusted items. This definition has been revised for the 2024 financial results and now excludes the amortisation of acquired intangibles. Comparatives have been restated to the new definition to ensure a fair comparison across financial years. Refer to Note 2 of the financial statements for a reconciliation to statutory measures and purpose.

2 Net free cash flow is an alternative performance measure. Net free cash flow is net cash from operating activities less repayment of IFRS 16 lease liabilities and net cash generated/used in investing activities, excluding the acquisition of subsidiaries (net of any cash acquired) and purchase of investments as reconciled in Note 28 of the financial statements.

3 Profit before tax includes £0.3 million of adjusted item credits (2023: £4.5 million of adjusted item charges) and £2.1 million of amortisation of acquired intangibles (2023: £1.4 million). On an adjusted basis, adjusted profit before tax is up 40% to £19.2 million (2023: £13.8 million) as reconciled in Note 28 of the financial statements.

4 Adjusted earnings per share is an alternative performance measure. This definition has been revised for the 2024 financial results and now excludes the amortisation of acquired intangibles. Comparatives have been restated to the new definition to ensure a fair comparison across financial years. Refer to Note 9 of the financial statements for a reconciliation of adjusted earnings per share to statutory earnings per share. On a statutory basis, earnings per share is 4.6p (2023: 1.8p).

5 Lettings market share measured as share of lettings instruction volumes in Foxtons' core addressable markets. Sales market share measured as share of sales exchange volumes in Foxtons' core addressable markets. Source: TwentyCi.

FOXTONS – WE GET IT DONE

Founded in 1981, Foxtons started as a two-person estate agency in Notting Hill and established itself as an iconic estate agency brand. Today the Group operates from a network of interconnected branches providing a range of residential property services through our Lettings, Sales and Financial Services businesses. Lettings, which contributes around 65% of total revenue, is the largest part of the Group, delivering non-cyclical and recurring revenues from a portfolio of over 31,000 tenancies.

OUR PURPOSE

TO GET THE RIGHT DEAL DONE FOR LONDON'S PROPERTY OWNERS

Read more about our purpose on → PAGE 66

OUR MISSION

TO BE LONDON'S GO-TO ESTATE AGENT

* Source: TwentyCI data, 2024 v 2023 market share and market growth of new instructions at brand level.

OUR 4 STRATEGIC PRIORITIES

LETTINGS ORGANIC GROWTH	**SALES** MARKET SHARE GROWTH
LETTINGS ACQUISITIVE GROWTH	**FINANCIAL SERVICES** REVENUE GROWTH

Read more about our strategic priorities on → PAGES 16 AND 17

OUR VALUES

INNOVATIVE PROFESSIONAL AMBITIOUS RELENTLESS AUTHORITATIVE

Read more about our values on → PAGE 58

FOXTONS IS FIRMLY ON THE FRONT FOOT

CHAIRMAN'S STATEMENT

2024 has been a year of continued progress for Foxtons, with our efforts focused on delivering improved financial performance and making progress against our strategic priorities following the steps taken in 2023 to strengthen the foundations of the business. Over the last two years we have made substantial strides in enhancing our technology, data capabilities, culture and brand positioning, all of which have contributed to strong revenue and earnings growth.

The business continues to benefit from a resilient revenue base, with approximately two thirds of the Group's revenues coming from recurring and non-cyclical sources, primarily from Lettings. This shift has been supported by a series of lettings focused acquisitions which have been a key driver of earnings growth, created a more stable earnings profile and significantly reduced our exposure to the volatility of the sales market.

At the same time, we have remained focused on rebuilding market share in Sales, with operating losses reducing significantly in 2024. Continued progress towards sustained profitability in Sales remains a priority as we move into 2025, with market share growth remaining the key area of focus.

In October 2024 we completed two acquisitions in the commuter towns of Reading and Watford, reinforcing our growth trajectory and demonstrating that Foxtons is firmly on the front foot. In February 2025, we acquired a second Watford lettings business, Marshall Vizard, which will be earnings accretive in 2025 and builds upon our market leading position in Watford.

> "We have made substantial strides in enhancing our technology, data capabilities, culture and brand positioning, all of which have contributed to strong revenue and earnings growth."
>
> **Nigel Rich CBE** Chairman

MARKET AND FINANCIALS

The lettings market remained resilient in 2024, with supply and demand dynamics stabilising after a period of imbalance in prior years. Volumes in the sales market also saw signs of improvement, as lower interest rates underpinned improving buyer demand in our core markets. This supported improved London exchange volumes in 2024 versus 2023, albeit below the 10-year historical average.

Revenue increased 11% to £163.9 million, reflecting growth across all areas of the business. Adjusted operating profit, excluding amortisation of acquired intangibles, increased 38% to £21.6 million, with profit growth outpacing revenue, demonstrating the operating leverage within the Foxtons model.

The Group returned to cash generation in 2024, with £9.8 million of net free cash flow (2023: (£0.1 million)) reflecting underlying cash generation and normalised working capital movements. After £12.7 million of acquisition spend and £2.8 million of dividends, net debt at 31 December 2024 stood at £12.7 million (2023: £6.8 million net debt).

To support the Group's continued organic and acquisitive growth strategies, the Board increased and extended the revolving credit facility in May 2024. The facility was expanded from £20 million to £30 million and extended by one year to June 2027, with an option for a further one-year extension. The facility also includes a £10 million accordion option, which can be drawn upon with bank approval.

The revolving credit facility supported the acquisitions of Haslams and Imagine in 2024 and with an increased facility and a return to cash generation, we are in a strong position to continue to progress our acquisition strategy, as demonstrated last week through the acquisition of Marshall Vizard.

COST BASE

Like many people-based businesses, the Government's planned April 2025 increase in employer's national insurance contributions will increase our cost base. The impact is estimated at £2 million per annum, which we expect to mitigate with the incremental profit that will be generated by the two October 2024 acquisitions, by continuing to improve fee earner productivity and by proactively managing costs.

We continue to engage with the landlord of our Chiswick Park headquarters to explore options to surrender a portion of our office space with a view to generating meaningful cost savings ahead of the September 2027 lease end date. This ability to downsize our headquarters is now possible through better utilising our branch network and building out a lower-cost property management hub outside of London.

CULTURE

As a sales-focused business, we are firmly focused on building a high-performance culture which inspires all of our people to deliver the very best results for our customers and each other. The Board is acutely focused on building this culture within an environment which is inclusive, professional and respectful.

The Board takes this very seriously and monitors culture through a variety of mechanisms, including reviewing employee engagement surveys, visiting branches, non-executive directors attending each Employee Engagement Committee meeting, and monitoring a range of culture performance indicators.

Guy has been instrumental in bringing cultural change to Foxtons, and with a clear tone from the top, he has made changes to create a more respectful and inclusive environment which attracts, retains and motivates the Foxtons team. 2024 saw a number of culture enhancing initiatives rolled out, including mandatory annual respect and inclusion training, enhancing the Group's speak up processes and relaunching the Group's employee value proposition. Although significant steps have been taken to enhance our culture, we are determined to continue improving, build on the work to date, and this will remain a key area of focus throughout 2025.

RENTAL MARKET REFORM

The proposed Renters' Rights Bill, set to take effect in 2025, is progressing through Parliament. While we support many initiatives, we have raised concerns about recent changes, specifically the ban on upfront rental payments which could harm lower-income tenants, the international student market, and drive talent away from London and the UK. We will continue to engage with the Government and provide a constructive point of view. We believe Foxtons is well-positioned to seize opportunities as landlords seek professional lettings agents to navigate the changing regulations.

DIVIDENDS

With a strong earnings profile and clear growth ambitions, the Board is maintaining its progressive dividend policy, balancing capital returns to investors with reinvestment in the business.

For 2025, the Board is proposing a final dividend of 0.95p per share, bringing total dividends declared for 2024 to 1.17p, representing a 30% increase on the prior year.

OUTLOOK

Sales market conditions are continuing to improve, particularly in the volume segment where Foxtons holds a leading share, creating a supportive backdrop for the next phase of growth. The Group remains on track to deliver against the medium-term target of £28 million to £33 million adjusted operating profit, despite £2 million of additional national insurance costs per annum, reflecting the strength of our core operations and diversified revenue streams. Recent acquisitions in key commuter towns have further expanded our footprint, enhancing our growth potential. We remain confident in our ability to deliver long-term value for shareholders, employees, and customers alike.

Nigel Rich CBE
Chairman
4 March 2025

GUY GITTINS ON GETTING IT DONE

CHIEF EXECUTIVE'S REVIEW

2024 has been a year of significant progress for Foxtons, reinforcing our position as London's leading estate agency and the UK's largest lettings brand. Despite an evolving macroeconomic environment, we delivered strong financial and operational results, with revenue growth of 11% and adjusted operating profit growth of 38%. This performance reflects the execution of our transformation strategy and the resilience of our business model.

We've continued to invest in the capabilities of our industry-leading Foxtons Operating Platform, driving improvements in efficiency, customer service, and employee productivity. Investments in key areas such as culture, technology, data and brand have enhanced our ability to serve customers while increasing market share across our business segments.

We have made further strategic progress in 2024, particularly in Lettings, where we have delivered organic portfolio growth and delivered strong returns through our acquisition strategy which provide a platform for future organic growth and synergistic value creation. In Sales, enhancements to lead generation, customer service, and staff productivity drove double-digit market share growth and we entered 2025 with an under-offer pipeline at its highest level since 2016.

Additionally, in 2024 we completed two acquisitions, expanding our reach into the high-growth markets of Watford and Reading. These acquisitions align with our strategic objective of adding high-quality, earnings-accretive lettings businesses to our portfolio while unlocking new growth opportunities. Last week, we acquired Marshall Vizard, a lettings business in Watford, which will be integrated into the newly created, Foxtons branded hub as we extend our market leading position.

At the start of 2023, I outlined a vision to re-establish Foxtons as London's go-to agent and, to ensure we held ourselves fully accountable to this vision, I also set a number of medium-term growth targets. Over the past two years, we have successfully rebuilt the Group's competitive advantages, and in 2024, we saw real momentum in each of our businesses. With a strong operational foundation in place, we are well positioned to capitalise on further opportunities in 2025 enabling us to deliver on our growth targets.

2024 MARKET CONDITIONS

The London lettings market remained resilient in 2024, supported by sustained tenant demand and an increase in available rental stock. As a result, the supply and demand imbalance that had driven sharp rental price increases in prior years reduced towards historical norms. Rental prices in the market were broadly flat over the year, while higher stock levels enabled Foxtons to deliver organic portfolio growth, which will drive future revenue expansion. Looking ahead, we expect this more stable market environment to persist into 2025, with rental price growth likely to track inflation over the medium term.

> "2024 has been a year of significant progress for Foxtons, reinforcing our position as London's leading estate agency and the UK's largest lettings brand."
>
> **Guy Gittins** Chief Executive Officer

The sales market experienced some recovery from the depressed levels of 2023, as improved macroeconomic stability and declining interest rates supported growth in buyer demand over the year. Annual transaction volumes in London increased by 9%, reflecting this increased demand, with a notable divergence between the first and second halves of the year. In H1, sales volumes were broadly in line with 2023, while H2 saw a 16% increase in transaction activity, with the volume market (up to £1 million price range), which is where Foxtons primarily operates, being the most active and resilient part of the market. Given the typical three-to-four-month timescale for property transactions to complete, some of this increased demand will flow into early 2025, and is reflected in our under-offer pipeline entering the year, which was at its highest level since the Brexit vote in 2016.

Despite the change in government in 2024, market conditions remained stable over the year. Unlike previous election years, the General Election in June had minimal impact on the sales market, and the Chancellor's Autumn Budget introduced no material policy changes affecting the property market, although the Government did confirm the first-time buyer stamp duty relief will end at the end of March 2025.

On the regulatory front, the Government is advancing the Renters' Rights Bill, largely continuing the legislative framework proposed by the prior administration. While we support several elements of the Bill, we recognise that ongoing regulatory changes may introduce short-term uncertainty for landlords. Our focus remains on ensuring our customers—both landlords and tenants—are well-informed and positioned to navigate any potential market impacts. As the industry becomes increasingly complex, landlords are likely to place greater reliance on large, professional lettings agents, reinforcing Foxtons' competitive advantage.

FINANCIAL RESULTS

Foxtons delivered strong financial performance in 2024 driven by continued operational improvements and growth in each business. Revenue for the year was up 11% to £163.9 million, adjusted operating profit up 38% to £21.6 million and profit before tax up 121% to £17.5 million.

Lettings

Lettings revenue increased by 5% or £4.8 million to £106.0 million, with acquisitions contributing £4.3 million of incremental revenue alongside £1.0 million of additional interest on client monies. Organic revenue was broadly flat as strong new business growth and increased property management revenues, were offset by an expected temporary reduction in the volume of existing tenancies re-transacting following longer tenancy terms signed in 2022 and 2023. Lettings adjusted operating profit margin remained strong at 26% (2023: 27%).

Operational improvements, including improved brand visibility, enhanced data capabilities, and proactive customer acquisition strategies, supported strong landlord retention and incremental growth in revenue per landlord. We recognise customer service is key to delivering long term growth, to this end we embedded a real-time customer satisfaction feedback system, enabling us to gather valuable and actionable insights across various customer segments and refine our processes to better align with customer expectations.

Sales

Sales revenue increased by 31% to £48.6 million, supported by a 20% increase in market share and a modest 10% recovery in transaction volumes.

Significant operational upgrades, including enhancements to instruction generation, fee earner productivity, and cross-selling of ancillary services, underpinned our market outperformance. The adjusted operating loss in Sales reduced by 58% to £4.1 million. This improvement reflects the growing productivity of the fee earner investments made in 2023, delivering tangible results throughout the year. With the right number of fee earners now in the business and significantly better fee earner retention rates, supported by improving market conditions, the Sales business now has a clear path to profitability.

Financial Services

Financial Services revenue grew by 6% to £9.3 million, benefiting from both operational improvements supporting market share growth and improved mortgage market conditions. Adjusted operating profit increased 74% to £1.1 million.

Under a new Managing Director, who joined in January 2024, a full operational review of the business has been completed. Key initiatives included process upgrades, enhanced cross-selling from the estate agency business, and the implementation of a new data suite to support a KPI-driven performance culture. These efforts drove an 11% increase in revenue per adviser and an 8% rise in deals per adviser.

CHIEF EXECUTIVE'S REVIEW CONTINUED

OPERATIONAL PROGRESS

In 2024, we continued to make substantial strides in enhancing our performance, with a focus on lead generation, customer service, culture and team productivity. The continued evolution of the Foxtons Operating Platform continues to be key to our success and provides competitive advantage.

Culture and people

Estate agency is a people-first business, and maintaining an engaging, respectful and inclusive culture is of great importance. Creating an environment which attracts, motivates and retains outstanding talent and delivers excellent customer outcomes is critical to our success. Although significant progress has been made over the last two years, including delivering mandatory annual respect and inclusion training, improving ED&I policies, enhancing whistleblowing and speak up processes, there is always more we can and should do. Whilst significant progress has been made, we remain steadfast in our commitment to fostering an inclusive, professional and respectful working environment and we will continue to further improve and progress our culture.

A key milestone for us this year was the launch of our new employee value proposition, 'Make it with us'. This initiative reflects two years of work to build a culture which fully aligns to our strategic priorities. The proposition includes an overhaul of our training programmes, a more robust recruitment process, the introduction of clear career development pathways, and a refreshed approach to rewards and recognition. Whist significant progress has been made, we remain steadfast in our commitment to fostering an inclusive, professional, respectful and high-performance culture where hard work and dedication are recognised and rewarded.

Technology and data

Our bespoke real-time productivity reporting system has been instrumental in driving greater transparency, highlighting best practices, and aligning individual performance with broader business goals. In 2024 we achieved an 8% increase in revenue per fee earner, a direct result of both our people strategy and improved technology and data systems.

Technological advancements were another key driver of our operational success in 2024. We introduced an AI-driven lead-scoring platform across our branch network, complementing the system we launched in our customer prospecting centre in 2023. This has significantly boosted our lead generation efforts and driven higher instruction levels. We also enhanced our marketing capabilities with a new data and reporting suite that provides in-depth insights into campaign performance, improving customer targeting and maximising returns on marketing spend.

Brand

Foxtons continues to be one of the most recognised brands in London, and 2024 saw the revitalisation of our customer-facing marketing strategy. We launched a series of thematic campaigns, such as 'Ready, Set, Foxtons', designed to boost engagement and reinforce our unique market position. These campaigns drive organic growth and enhanced customer brand perception levels.

Acquisitions

Finally, we expanded our footprint into the commuter towns of Reading and Watford, through the acquisition of two high-quality, lettings focused businesses in October 2024. Both businesses are the leading independent agent in their markets and will act as hubs to deliver long term growth through organic growth and further synergistic bolt-on acquisitions.

We have already started to increase our Watford presence through the February 2025 acquisition of Marshall Vizard making Foxtons the clear market leader. With demand for lettings on the rise in both Reading and Watford, this expansion aligns with our goal of increasing our portfolio of recurring lettings revenues and further decoupling Group earnings from sales market volatility.

CONTINUED DELIVERY AGAINST OUR STRATEGIC PRIORITIES AND TARGETS

In March 2023, I presented four strategic priorities which underpin the delivery of our medium-term adjusted operating profit target. Over the last two years we set out to rebuild the Foxtons Operating Platform to drive change across a range of areas including culture, training, technology, data and brand.

From 2024 onwards, in order to align with market practice, our adjusted operating profit target has been redefined to exclude the non-cash amortisation of acquired intangibles, resulting in the target range being restated by £3 million: £28 million to £33 million. Our 2024 adjusted operating profit of £21.6 million (2023: £15.7 million) reflects a materially improved contribution from Sales compared to 2023 and strong profit accretion from Lettings acquisitions.

Over the course of 2024, we have made good progress against the four strategic priorities, as set out below:

1. Lettings organic growth: 3.3% organic revenue CAGR since 2022 reflecting good growth across 2023 and broadly flat revenues in 2024 as growth in new business volumes and higher margin property management revenues offset an expected temporary reduction in the volume of existing tenancies re-transacting in 2024, following longer tenancy terms signed across 2022 and 2023.

Medium-term target set in March 2023: 3% – 5% revenue CAGR.

2. Lettings acquisitions: Prior year bolt-on acquisitions continue to perform well, delivering over 26% average annual returns since acquisition. In 2024, the Group entered new commuter belt markets through the acquisition of two businesses which will act as strategic hubs in Reading and Watford. These hubs create new organic and non-organic growth opportunities, with the latter through subsequent bolt-on acquisitions. A return on capital higher than the Group's weighted average cost of capital is targeted for the initial strategic hub investment, and a higher return on capital is targeted for subsequent bolt-on acquisitions that integrate into a strategic hub.

Medium-term target set in March 2023: 20%+ return on capital for bolt-on acquisitions.

3. Sales market share growth: Exceeded the target of 4.5%, growing sales exchange market share by 20% to 4.9% (2023: 4.1%). Continuing to build on this share level, combined with market volumes recovering to more normalised levels, will support the Sales business' return to profitability.

Medium-term target set in March 2023: 4.5%+ exchange market share.

4. Financial Services revenue growth: 6% revenue growth in 2024 as operational upgrades drove revenue growth through adviser productivity gains. The business' foundations have been rebuilt and it is now well positioned to deliver further growth.

Medium-term target set in March 2023: 7% – 10% revenue CAGR.

2025 TRADING AND OUTLOOK

Lettings is expected to remain resilient with the business continuing to display strong non-cyclical and recurring characteristics. Tenant demand remains high, underpinning rental prices, while stock levels have steadily improved over the past 18 months. Through our leading market position, and by leveraging the Foxtons Operating Platform, we are well positioned to continue capitalising on the increased supply of rental properties, providing the opportunity to continue to grow market share organically. The Renters' Rights Bill may cause some market turbulence as landlords and tenants adapt to any changes in legislation, but over the medium term, the Bill is expected to increase the importance of selecting high-quality, professional agents, creating growth opportunities for Foxtons.

In Sales, we entered 2025 with a notably stronger under-offer pipeline compared to the previous year, our best start since 2016, underpinning a good level of year-on-year revenue growth in Q1. The increase in the pipeline towards the end of 2024 was supported by first-time buyer activity ahead of increased stamp duty rates from April, which is driving higher exchange volumes in Q1, particularly in the lower value property segment.

Early 2025 has shown continued strength in buyer demand, boosted by the recent interest rate reduction. New offers have outpaced last year's levels and the under-offer pipeline at the end of February stood 21% higher than the prior year. This signals more potential growth, provided macroeconomic conditions and consumer confidence hold steady.

We are on track to deliver against the medium-term target of £28 million to £33 million adjusted operating profit set in March 2023. With the full potential of the Foxtons Operating Platform at our disposal, we are in growth mode, and I look forward to setting out details of the next stage of our growth plan to investors at a capital markets event in Q2 2025.

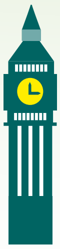
Guy Gittins
Chief Executive Officer
4 March 2025

THE LONDON PROPERTY MARKET

London is a uniquely valuable residential property market with a track record of long-term growth. The lettings market is the largest in the UK, and stable and recurring in nature. The sales market is highly valuable, but more cyclical in nature. By operating across both markets, but with a greater weighting towards non-cyclical lettings revenues, the Group is well positioned for growth.

13%

OF THE UK'S TOTAL POPULATION LIVES IN LONDON[1]



24%

OF THE UK'S TOTAL RESIDENTIAL MARKET VALUE IS IN LONDON[2]

40%

OF THE UK'S TOTAL RESIDENTIAL LETTINGS MARKET VALUE IS IN LONDON[3]

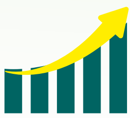
MARKET UNDERPINNED BY LONG-TERM SUPPLY AND DEMAND IMBALANCE

LONDON ALREADY FACES A SHORTAGE OF HOUSING STOCK

having seen population growth of 1.9 million since 2001 whilst adding 0.7 million new homes in the same period[4].

LONDON'S POPULATION IS EXPECTED TO GROW BY AT LEAST 60,000 PEOPLE ANNUALLY OVER THE NEXT FIVE YEARS[5]

so we expect demand within sales and lettings to remain strong and for house prices and rents to remain resilient.



HIGHLY FRAGMENTED INDUSTRY WITH CONSOLIDATION OPPORTUNITY

3,600+

ESTATE AGENTS IN LONDON PROVIDING SIGNIFICANT OPPORTUNITY FOR SECTOR CONSOLIDATION

CUMULATIVE SHARE OF LONDON LETTINGS AGENTS BY AGENCY RANK[6]

1 Source: ONS, Northern Ireland Statistics and Research Agency.

2 Source: Department for Levelling Up, Housing and Communities, Scottish Government, Welsh Government, Northern Ireland census, Land Registry, Ulster University Private Rental Report, Track Capital, Foxtons.

3 Source: Department for Levelling Up, Housing and Communities, Scottish Government, Welsh Government, Northern Ireland census, Land Registry, Ulster University Private Rental Report, Track Capital, Foxtons.

4 Source: ONS, Mayor of London, Department for Levelling Up, Housing and Communities.

5 Source: Trust for London.

6 Source: TwentyCi.

LETTINGS MARKET

Key drivers of the lettings market, which is non-cyclical and recurring in nature, include tenant demand, rental property supply, macroeconomic conditions and government legislation.

London attracts people from all over the world to stay, work and study, driving structural demand for quality lets. Population growth, lower levels of house purchase affordability, and the flexibility provided by renting, drives growing levels of tenant demand, which is unmatched by the volume of new private landlords entering the market.

These dynamics have created a uniquely valuable market with strong long-term growth characteristics; since 2000 the lettings market has delivered, on average, 8% growth in value per annum.

SALES MARKET

Key drivers of the sales market, which is more cyclical in nature, include property prices, mortgage rates and availability, affordability levels and consumer confidence.

2024 London sales market transaction volumes rebounded 9% from the subdued levels seen in 2023, as pent up demand was released, driven by improving mortgage rates and affordability levels. With lower interest rates and affordability levels, sales market transaction volumes are expected to continue to improve over the course of 2025.

FINANCIAL SERVICES MARKET

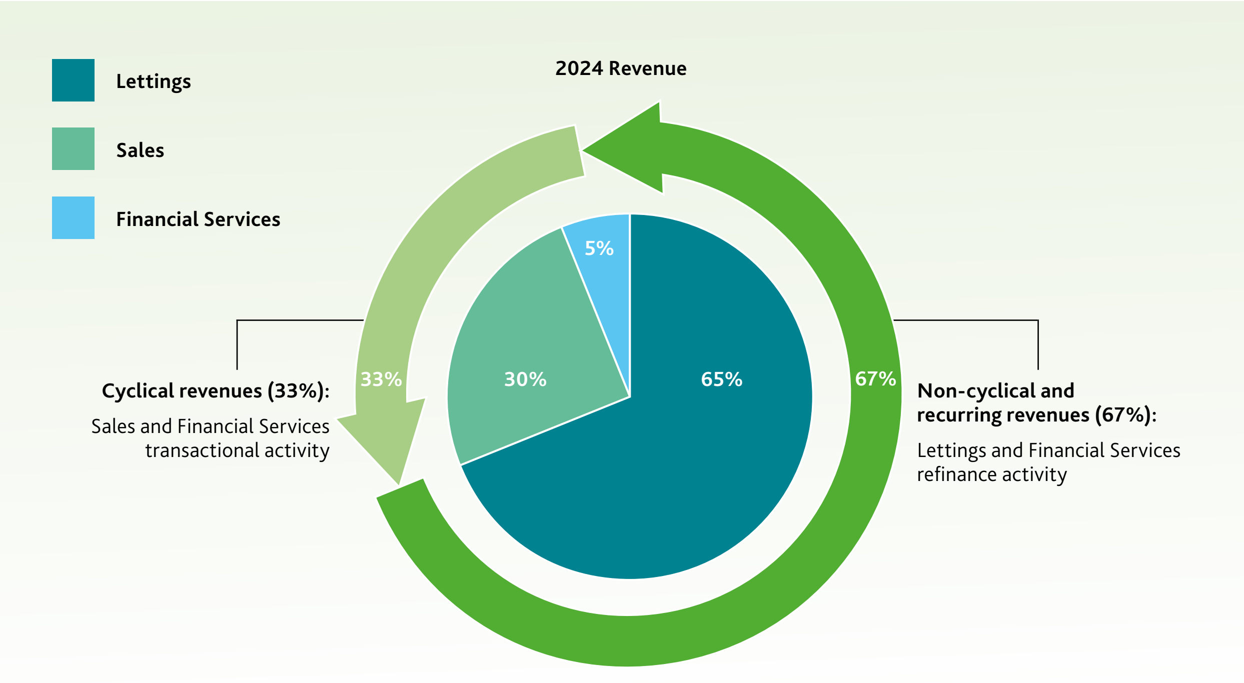
The mortgage broking market is primarily driven by the availability of mortgage products, interest rates offered and the level of demand for refinance mortgages and new mortgages for property purchases.

Whilst the provision of new mortgages is closely linked to volumes in the residential sales market, the refinance business is more recurring and non-cyclical in nature and not dependent on sales market transaction volumes.

RESILIENT BUSINESS MODEL

Our business model is underpinned by non-cyclical recurring revenue streams, generated by Lettings and refinance activity within Financial Services. In 2024, 67% of total revenue was generated from non-cyclical and recurring revenue streams.

OUR REVENUE STREAMS



LETTINGS

London's largest lettings agent brand operating across the private rental sector

We are the largest lettings estate agency brand in London and the UK, with a portfolio of over 31,000 tenancies. We provide tenant find, rent collection, tenancy renewal and property management services to landlords to ensure the best returns from their investment. We are also a market leading agent in the growing Build to Rent sector, supporting developers and operators to let large-scale developments at speed.

Lettings delivers non-cyclical and recurring revenue and earnings

SALES

London's number 1 sales agent with the highest brand prominence

We provide residential property sales agency for private sellers and new homes developers. We support sellers through the entire transaction process. This includes valuing properties by leveraging our data insights and market expertise, marketing them to potential buyers, to negotiating deals and overseeing the conveyancing process. Our success-based pricing model means we are focused on getting the best result for sellers.

Sales is highly correlated to residential sales property market cycles and offers significant medium-term upside potential

FINANCIAL SERVICES

Award winning independent mortgage broker and financial products provider

Under our Alexander Hall brand we provide independent mortgage broking and ancillary financial services products. We provide high quality advice and support to customers to help them navigate the complex mortgage market. We operate on a no deal-no fee basis and generate fees from clients for arranging mortgages, and earn commissions from lenders when successfully completing a mortgage.

Financial Services delivers non-cyclical and recurring revenue through its refinance business

POWERED BY THE FOXTONS OPERATING PLATFORM

THE FOXTONS OPERATING PLATFORM CONSISTS OF 5 ELEMENTS

- TECH PLATFORM
- DATA PLATFORM
- BRAND
- HUB AND SPOKE
- PEOPLE, CULTURE AND TRAINING

Read more about the power of the Foxtons Operating Platform on → PAGE 14.

VALUE FOR STAKEHOLDERS

OUR SHAREHOLDERS

Delivering total shareholder returns

53%

total shareholder return (TSR) in 2024, including share price growth and dividends

OUR CUSTOMERS AND SUPPLIERS

Providing exceptional service and results for landlords, sellers, tenants and buyers, supported by our trusted supplier base

4.5 OUT OF 5

Google rating

OUR PEOPLE

Company confidence

88%

of our employees believe that the Company is in a position to really succeed over the next three years[1]

OUR COMMUNITIES

Engaging with and contributing to communities through our charity partner, the Single Homeless Project

£72,181

of donations raised

1 Result from the 2024 employee engagement survey independently administered by CultureAmp. 77% of the workforce responded to the 2024 survey.

FOXTONS OPERATING PLATFORM

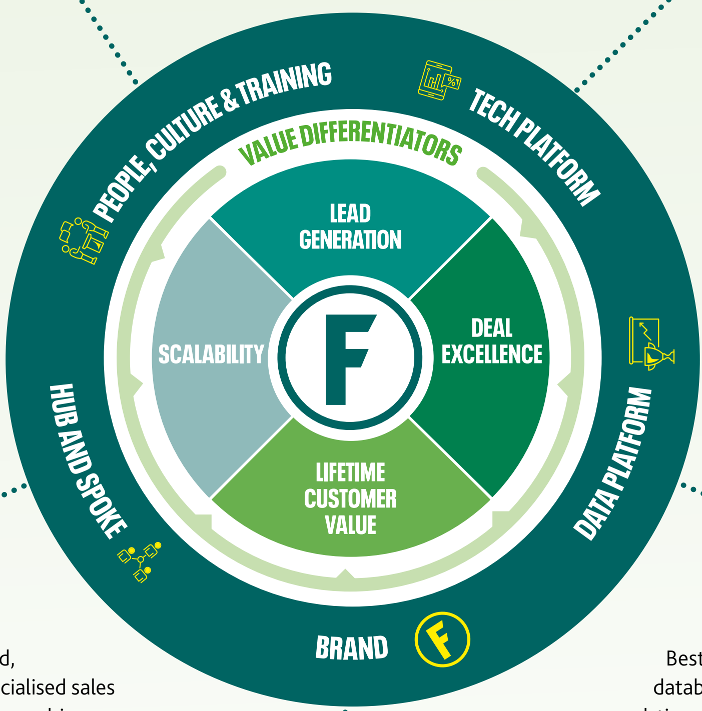
The Foxtons Operating Platform is the most comprehensive and advanced platform in UK estate agency. The Platform underpins our long-term growth ambitions and supports the delivery of our strategic priorities.

PEOPLE, CULTURE & TRAINING

Unique high-performance culture which promotes delivering customer results with the highest levels of service.

TECH PLATFORM

End-to-end, fully integrated and internally-developed system powering all aspects of the business. Most advanced platform in UK estate agency.



HUB AND SPOKE

Network of inter-connected, single-brand branches. Specialised sales and operational support teams drive productivity, service and scalability.

DATA PLATFORM

Best in class infrastructure, rich databases built up over 20 years, real-time market data, and advanced data science, analytics and insights.

BRAND

Iconic brand, with highest levels of brand awareness, most visited website and premium fee position.

HOW THE FOXTONS OPERATING PLATFORM CREATES VALUE	HOW OUR VALUE DIFFERENTIATORS DRIVE GROWTH
LEAD GENERATION Property instructions are the lifeblood of estate agency. By combining the largest customer database in London estate agency, data science-driven customer identification and targeting, dedicated stock acquisition teams and high levels of brand awareness amongst customers, the Foxtons Operating Platform drives industry-leading lead generation in our markets.	> Largest lettings listing agent in London in 2024[1]. > Largest sales listing agent in London in 2024[1].
DEAL EXCELLENCE The platform matches high levels of buyers and renters with properties to deliver the best results for our customers. This is achieved through an integrated branch network creating high levels of renter and buyer mobility, high levels of staff productivity underpinned by a bespoke workflow system and a culture of delivering results for customers.	> Number 1 for lets agreed in London in 2024[1]. > Number 1 for sales agreed in London in 2024[1]. > Premium fee position vs. industry average for both Lettings (+57%) and Sales (+90%)[2].
LIFETIME CUSTOMER VALUE The Foxtons Operating Platform underpins delivery of best-in-class customer results with the highest levels of service to drive repeat business and cross-sell rates across the Group.	> 80% of tenancies were agreed for repeat landlords in 2024. > 33% of sellers were repeat customers in 2024. > 35% of buyers with Foxtons were advised on their mortgage by our Financial Services business in 2024.
SCALABILITY The Foxtons Operating Platform is highly scalable, supporting significant levels of growth with limited investment required, and today is capable a powering a much larger estate agency footprint. The platform further supports the rapid integration and delivery of synergies within acquired lettings portfolios to deliver high levels of return on investment.	> Increased tenancy portfolio size by 48% through acquisitions since 2020. > 26% average return on investment on acquired portfolios.

1 Source: TwentyCi.
2 Source: Which?, Foxtons research.

DELIVERING AGAINST OUR STRATEGY

Our strategy is to deliver long-term growth by decoupling earnings from sales market cycles, with a focus on non-cyclical and recurring revenues in order to create significant shareholder value.

STRATEGIC PRIORITIES	TARGETS[1]	PROGRESS AGAINST TARGETS
LETTINGS ORGANIC GROWTH Lettings organic growth enables us to grow non-cyclical and recurring revenue streams, which enhances the resilience of our earnings.	**3%-5%** CAGR[2]	**3.3% CAGR since 2022. In 2024, growth has been specifically supported by double-digit year-on-year growth in new business volumes and Build to Rent volumes.**
LETTINGS ACQUISITIVE GROWTH The highly scaleable Foxtons Operating Platform enables us to be an effective consolidator in the fragmented lettings market. Acquired portfolios can be rapidly integrated unlocking revenue and cost synergies.	**20%** Return[3]	**Average post-synergy return of 26% delivered through bolt-on acquisition strategy.**
SALES MARKET SHARE GROWTH Sales provides high levels of profitability in more buoyant markets and, through cross-sell, complements our Lettings and Financial Services businesses. By delivering market share growth we aim to return Sales to profitability across market cycles, with further upside potential in higher volume markets.	**4.5%+** Market share[4]	**Target exceeded with 2024 sales volume market share growth of 20% to 4.9% (2023: 4.1%).**
FINANCIAL SERVICES REVENUE GROWTH The business presents a compelling proposition: high levels of recurring revenues from refinance activity and new purchase transactional revenues from Sales cross-sell.	**7%-10%** CAGR[5]	**Progressing towards target, with 6% year-on-year revenue growth achieved in 2024.**

MEDIUM-TERM ADJUSTED OPERATING PROFIT TARGET OF £28 MILLION TO £33 MILLION SET IN MARCH 2023[6]

1 Targets as presented in the 7 March 2023 investor presentation (full year results 2022).

2 Organic revenue CAGR against the 2022 baseline, with 2022 being last year before the introduction of the operational turnaround plan. Organic revenue is defined as revenue excluding interest earned on client monies and the revenue contribution from lettings acquisitions completed since 1 January 2022.

3 Defined as return on invested capital of bolt-on acquisitions. In 2024, the Group entered new commuter belt markets through the acquisition of two strategic hubs in Reading and Watford. These hubs create new organic and non-organic growth opportunities, with the latter through subsequent bolt-on acquisitions. A return on capital higher than the Group's weighted average cost of capital is targeted for the initial strategic hub investment, and a higher return on capital is targeted for subsequent bolt-on acquisitions that integrate into a strategic hub.

4 Defined as share of sales exchange volumes in Foxtons' core addressable markets. Source: TwentyCi.

5 Revenue CAGR against the 2022 baseline, with 2022 being the last year before the Group's operational turnaround plan was initiated.

6 The Group's adjusted operating profit target has been redefined to exclude the amortisation of acquired intangibles, resulting in the target range being restated by £3 million: £28 million to £33 million (previously stated as £25 million to £30 million, including the amortisation of acquired intangibles).

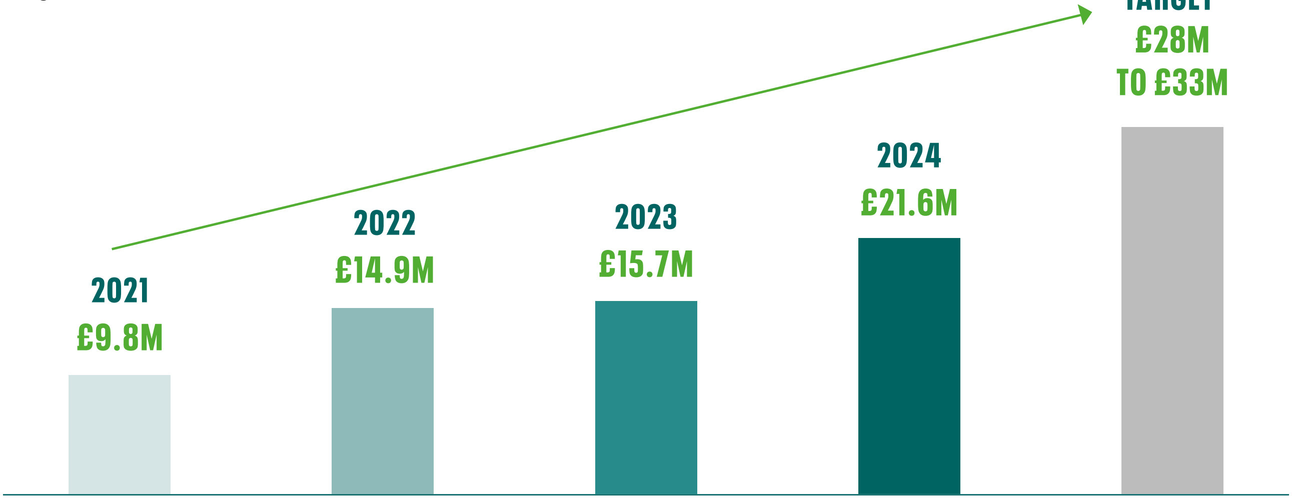
DELIVERING ON OUR ADJUSTED OPERATING PROFIT TARGET

Following the appointment of Guy Gittins as CEO in September 2022, the Group has undergone a significant operational turnaround with new strategic priorities and medium-term targets announced in March 2023. Since 2022, key aspects of the Group's operations have been overhauled and foundations rebuilt in order to drive value growth within the business. In 2024, the Group delivered its highest levels of profitability in ten years, whilst sales market volumes remain at levels below their ten-year average.

The Group's strategic priorities aim to drive earnings growth by increasing revenues from non-cyclical and recurring activities, particularly from Lettings, and returning Sales to profitability across the market cycle by increasing market share.

Looking forward, despite the headwind of £2 million additional national insurance costs per annum following the Government's Autumn 2024 budget, the Group is on track to deliver against the medium-term adjusted operating profit target[1] of £28 million to £33 million set in March 2023.

ADJUSTED OPERATING PROFIT PROGRESSION



2016-2021
UNDER PERFORMANCE

Limited investment and strategic drift resulted in an underperforming business with weakened foundations tied to the cyclical sales market.

2022
CHANGE BEGINS

New CEO, Guy Gittins, appointed in September 2022. Turnaround initiated and medium-term performance and profitability targets set in March 2023.

2023
INVESTING FOR THE FUTURE

Restoring competitive advantages by investing in core capabilities to rebuild the industry-leading Foxtons Operating Platform.

2024
DELIVERING RETURNS

The reinvigorated Foxtons Operating Platform unlocked market share growth and returns from acquisitions to drive profit growth.

2025+
THE FUTURE IS BRIGHT

Foxtons is on track to deliver increased profitability and continue to make progress towards the adjusted operating profit target[1] of £28 million to £33 million.

[1] The Group's adjusted operating profit target has been redefined to exclude the amortisation of acquired intangibles, resulting in the target range being restated by £3 million: £28 million to £33 million (previously stated as £25 million to £30 million, including the amortisation of acquired intangibles). Consistent with this, and as explained in Note 28 of the financial statements, the Group's adjusted operating profit alternative performance measure now also excludes the amortisation of acquired intangibles. All prior year comparatives in the chart above have been restated under the revised definition of adjusted operating profit.

STAKEHOLDER ENGAGEMENT

Engaging with stakeholders is critical to our long-term success and in turn supports our purpose, our business model and the delivery of our strategic priorities.

HOW WE PROMOTE THE SUCCESS OF FOXTONS FOR THE BENEFIT OF ALL

The Board recognises the importance of effective stakeholder engagement and that stakeholders' views should be considered in its decision making. Read more about the Board's approach to stakeholder engagement in the context of the 2018 UK Corporate Governance Code on → PAGE 71.

In line with Section 172(1) of the Companies Act 2006, the Directors believe that, individually and together as a Board, they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, having regard to the stakeholders and matters set out below in the decisions taken during the year ended 31 December 2024.

Section 172 factor	Report section	Page reference
The likely consequences of any decision in the long-term	Resilient business model	→ PAGES 12 AND 13
	Foxtons Operating Platform	→ PAGES 14 AND 15
	Delivering against our strategy	→ PAGES 16 AND 17
	Stakeholder engagement	→ PAGES 18 TO 21
	Financial review	→ PAGES 24 TO 31
	Risk management, principal risks and uncertainties	→ PAGES 32 TO 37
	Prospects and viability	→ PAGES 38 AND 39
	Board leadership and purpose	→ PAGES 72 AND 73
	Board activity in 2024	→ PAGE 77
	Directors' Remuneration Report	→ PAGES 95 TO 123
The interests of the Group's employees	Delivering against our strategy	→ PAGES 16 AND 17
	Stakeholder engagement	→ PAGES 18 TO 21
	Responsible business – People, culture and training	→ PAGES 52 TO 60
	Board leadership and purpose	→ PAGES 72 AND 73
	Board activity in 2024	→ PAGE 77
	Directors' Remuneration Report	→ PAGES 95 TO 123
The need to foster the Group's business relationships with suppliers, customers and others	Stakeholder engagement	→ PAGES 18 TO 21
	Key performance indicators	→ PAGES 22 AND 23
	Responsible business – Other responsibilities	→ PAGES 63 AND 64
	Board activity in 2024	→ PAGE 77
The impact of the Group's operations on the community and the environment	Risk management, principal risks and uncertainties	→ PAGES 32 TO 37
	Responsible business – Environment	→ PAGES 40 TO 51
	Responsible business – Community	→ PAGES 61 AND 62
	Board activity in 2024	→ PAGE 77
	ESG Committee Report	→ PAGES 86 TO 88
The desirability of the Group maintaining a reputation for high standards of business conduct	Delivering against our strategy	→ PAGES 16 AND 17
	Risk management, principal risks and uncertainties	→ PAGES 32 TO 37
	Responsible business – People, culture and training	→ PAGES 52 TO 60
	Responsible business – Community	→ PAGES 61 AND 62
	Responsible business – Other responsibilities	→ PAGES 63 AND 64
	Board leadership and purpose	→ PAGES 72 AND 73
The need to act fairly between stakeholders of the Group	Stakeholder engagement	→ PAGES 18 TO 21
	Board leadership and purpose	→ PAGES 72 AND 73
	Board activity in 2024	→ PAGE 77

OUR STAKEHOLDERS

Effective engagement with our four stakeholder groups plays an important role throughout our business and helps us to gain a better understanding of the impact of our decisions on stakeholder interests. Further details are set out on → PAGES 67 AND 73.

OUR SHAREHOLDERS

Setting strategic priorities that will drive profitable growth and create substantial shareholder value is the key focus. Specifically, accelerating growth in Lettings will make the Group more resilient to fluctuations in the sales market and protect future profitability.

OUR CUSTOMERS AND SUPPLIERS

Our purpose, **to get the right deal done for London's property owners**, reflects our commitment to deliver outstanding results for customers, supported by our trusted suppliers.

OUR PEOPLE

Investing in our people through industry leading training designed to drive a respectful high-performance culture. This is essential in the delivery of our strategic priorities, and will ensure Foxtons is a rewarding workplace for employees to develop and grow.

OUR COMMUNITIES

Making a positive contribution to the communities we work in continues to be an important part of our culture.

Refer to → PAGES 20 AND 21 for further details of other stakeholder engagement in the year.

CASE STUDY: CONTINUED PROGRESS AGAINST OUR ACQUISITION STRATEGY

The Group continues to make progress against its Lettings acquisition strategy, bolstering the Group's recurring and non-cyclical Lettings revenues and generating attractive returns on investment. In 2024, the Group acquired two strategic hubs in the commuter towns of Reading (Haslams) and Watford (Imagine) which create new organic and non-organic growth opportunities, with the latter through subsequent bolt-on acquisitions.

When making the 2024 acquisition decisions the Board considered a range of stakeholder needs and expectations, including:

- Feedback from **our shareholders** around the acquisition strategy, including the expected return on invested capital from the acquisition strategy versus other capital allocation options.
- The key interests of **our customers and suppliers**, and specifically the pricing and service levels available to acquired customers following the integration of the acquired businesses into the Foxtons Operating Platform.
- The impact on **our people** and specifically the growth opportunities the acquisitions present to both current employees, by providing access to a larger property pool, and acquired employees with new career progression opportunities.

STAKEHOLDER ENGAGEMENT CONTINUED

OUR SHAREHOLDERS

Why we engage

Shareholders provide funds that support investment in the business and generate long-term and sustainable returns. Engagement enables the Board to make well informed decisions that take into account shareholder views.

How we engage

The Board regularly interacts with shareholders to facilitate effective dialogue, both through recurring scheduled events, such as investor roadshows and trading updates, and through one-to-one shareholder meetings led by the Chairman or CEO. Shareholder communications are also supported by regular coverage from external analysts who cover the financial performance of the Group.

Key interests

- Financial performance and position
- Strategic direction and execution
- Capital allocation
- Executive remuneration
- Board composition
- ESG

Key matters and outcomes

The Board has engaged with a broad base of shareholders covering a range of matters, specifically those areas set out below:

Progress against strategic priorities: With 2024 being the second year of the Group's turnaround programme, shareholder engagement focused on the progress made to date, and the risks and opportunities against delivery of the turnaround plan. Shareholders were supportive of the turnaround strategy and provided the Board with an external perspective relevant to the execution of the strategy.

Capital allocation: There was regular engagement over the use of capital, including dividend policy, share buyback approach and lettings acquisitions. The interim 2024 dividend was the first dividend declared under the Group's revised dividend policy which aims to deliver a progressive dividend to shareholders whilst providing flexibility to progress strategic growth priorities.

OUR CUSTOMERS AND SUPPLIERS

Why we engage

Engaging with customers helps us to satisfy changing needs, innovate and deliver better results, and ensure our clients remain compliant in a changing regulatory landscape. Our suppliers support us in maintaining the highest levels of customer service and business conduct.

How we engage

We engage with our customers throughout a property transaction, as well as through other channels such as customer surveys, consumer review platforms, social media and our marketing channels. Service levels are reviewed regularly, as well as monitoring the integrity of the way we do business. We engage with our supplier partners through regular service reviews and supplier payment practices are reviewed on a regular basis by the Audit Committee.

Key interests

- Quality of customer service and results
- Effectiveness of our technology
- Navigating legislation and compliance changes
- Supplier engagement and payment practices

Key matters and outcomes

Customer service excellence: 2024 saw further investment in customer service, and specifically engaging with customers to obtain feedback on service levels. This feedback was obtained through customer questionnaires, service rating metrics and ongoing customer dialogue. The Group responded to feedback in a positive manner by delivering targeted training to employees, making technology changes and by evolving processes.

Supplier interactions: Nurturing supplier relationships within our Property Management function continues to be a key area of focus. During the year we engaged regularly with suppliers, completed regular service quality assessments and proactively responded to customer feedback.

We also continue to focus on our suppliers' approach to environment, social and governance matters. Refer to → PAGE 64 for details of our supplier relationships and responsibilities.

OUR PEOPLE

Why we engage

Our people are key to our future success. The Board engages with our people to better understand their views, enable them to influence matters that affect them and encourage workforce participation in shaping strategic initiatives.

How we engage

We engage with our people through a number of mechanisms, including the Employee Engagement Committee (EEC), branch visits, staff meetings, diversity networks, exit interviews and the annual employee engagement survey.

Key interests

- Business performance and operating procedures
- Financial and economic factors affecting the Company's performance
- Employee communication, working practices and health and safety
- Equity, diversity and inclusion
- Remuneration
- Career development and progression

Key matters and outcomes

Training and technology: Delivering high quality employee training continues to be critical to our success with employee feedback helping shape the strategy. Additionally, several technology updates were released in 2024 responding directly to employee feedback. Refer to → PAGE 59 for further details of our training programmes.

Responsible business practices: Employee feedback informed our EDI and community engagement programmes. Refer to → PAGES 40 TO 64 for details of our responsible business practices.

Career progression: Employee feedback from the annual engagement survey enabled management to make positive changes to career path mapping, including creating guidelines for career progression conversations and implementing streamlined criteria for promotions.

Employee value proposition: In 2024, a new employee value proposition was launched. The new proposition was developed taking into account employee and recruitment candidate feedback. Refer to → PAGE 53 for details of our new employee value proposition.

OUR COMMUNITIES

Why we engage

Foxtons is very visible in our communities and our people want to play an active, local role. A current key focus is advancing social mobility and helping create stronger communities.

How we engage

We engage with our communities primarily through our social mobility partnership and through wider community initiatives. Engagement includes hosting community events and workshops and allowing our employees to take paid time off to support a charity or cause of their choice. The Board's ESG Committee receives updates from management on the Group's contributions to our community partnerships.

Key interests

- Informing ongoing community engagement programmes and areas of focus
- Maximising value from support offered

Key matters and outcomes

2024 was our first year of partnering with the Single Homeless Project. The Board and employees spent time gaining a more in depth understanding of the charity's work and the challenges it faces. Using this understanding, accompanied with regular dialogue, we strengthened our partnership with a view to maximising the value the Group can deliver to the charity in future years.

Refer to → PAGES 61 AND 62 for more details of our work with the Single Homeless Project.

KEY PERFORMANCE INDICATORS

The Group uses key performance indicators to measure its performance and to assess progress against its strategic priorities and monitor the impact of principal risks.

Refer to → PAGES 16 AND 17 for details of the Group's strategic priorities.

FINANCIAL KEY PERFORMANCE MEASURES

REVENUE AND PERCENTAGE OF REVENUE BY SEGMENT

Revenue generated in line with the Group's accounting policies and percentage of revenue contributed by each operating segment.

£ million / % of revenue	Revenue		% of Group revenue	
	2024	2023	**2024**	2023
Lettings	**106.0**	101.2	**65%**	69%
Sales	**48.6**	37.2	**30%**	25%
Financial Services	**9.3**	8.8	**5%**	6%
Group	**163.9**	147.1	**100%**	100%

2024 performance

Revenue increased by 11% to £163.9 million, with Lettings revenue up 5%, Sales revenue up 31%, and Financial Services revenue up 6%, compared to 2023. Lettings continues to contribute the largest proportion of revenue in the Group, representing 65% of total Group revenue (2023: 69%).

NON-CYCLICAL AND RECURRING REVENUE %

Non-cyclical and recurring revenue consists of Lettings revenue and Financial Services refinance revenue, both of which are non-cyclical and recurring in nature. Transactional revenue consists of Sales revenue and Financial Services new purchase revenue.

	2024	2023
Non-cyclical and recurring revenues	**67%**	72%
Transactional revenues	**33%**	28%

2024 performance

In line with our Lettings growth strategy, which includes acquiring high quality lettings portfolios, the proportion of non-cyclical and recurring revenue continues to represent the largest proportion of Group revenue. Non-cyclical and recurring revenue brings resilience to our business model and protects profitability in lower volume sales markets. In 2024 the proportion of revenue derived from non-cyclical and recurring activities reduced as a result of a significant improvement in Sales transactional revenues.

VOLUMES BY SEGMENT

Total number of Lettings transactions (including renewals) completed, Sales transactions exchanged and Financial Services products arranged.

Volumes	**2024**	2023
Lettings	**19,384**	19,334
Sales	**3,725**	2,871
Financial Services	**5,115**	5,033

2024 performance

Lettings volumes were broadly flat compared to 2023 as a result of lower renewal volumes reflective of longer tenancy terms signed across 2022 and 2023. Sales and Financial Services volumes increased by 30% and 2% respectively, with the significant increase in Sales volumes reflective of 20% market share growth and improving market transaction volumes.

ADJUSTED OPERATING PROFIT AND MARGIN

Adjusted operating profit represents the profit before tax for the period before amortisation of acquired intangibles, finance income, finance cost, other gains/losses and adjusted items. This definition has been revised for the 2024 financial results and now excludes the amortisation of acquired intangibles in line with generally accepted market practice. Comparatives have been restated under the new definition to ensure a fair comparison across financial years. Refer to Note 28 of the financial statements for a reconciliation to statutory measures and purpose.

£ million / %	Adjusted operating profit		Adjusted operating profit margin	
	2024	2023	**2024**	2023
Lettings	**27.2**	27.2	**25.6%**	26.8%
Sales	**(4.1)**	(9.9)	**(8.4%)**	(26.6%)
Financial Services	**1.1**	0.7	**12.2%**	7.4%
Corporate costs	**(2.6)**	(2.3)	**n/a**	n/a
Group	**21.6**	15.7	**13.2%**	10.6%

2024 performance

Group adjusted operating profit was £21.6 million (2023: £15.7 million) and adjusted operating profit margin was 13.2% (2023: 10.6%). Sales adjusted operating losses reduced significantly as performance strengthened resulting in a materially improved contribution to Group profitability compared to 2023. Corporate costs have increased by £0.3 million primarily as a result of increases in professional fees.

NET FREE CASH FLOW

Net free cash flow is net cash from operating activities less repayment of IFRS 16 lease liabilities and net cash generated/used in investing activities, excluding the acquisition of subsidiaries (net of any cash acquired) and purchase of investments.

£ million	2024	2023
Net free cash flow	9.8	(0.1)

2024 performance

Net free cash flow improved by £9.9 million to a £9.8 million inflow (2023: £0.1 million outflow), primarily driven by a £9.1 million improvement in net cash from operating activities. The improvement reflects improved profitability after tax payments and more normalised working capital movements, with 2023 operating cash flow impacted by the introduction of shorter landlord billing periods in Lettings.

OTHER KEY PERFORMANCE MEASURES

MARKET SHARE GROWTH

Year-on-year percentage change in market share measured over a 12-month period. Lettings market share is calculated as Foxtons Lettings instruction volumes divided by the number of instructions in Foxtons' core addressable markets. Sales market share is calculated as Foxtons Sales exchange volumes divided by the number of exchanges in Foxtons' core addressable markets. Measures are calculated using third party data provided by TwentyCi.

	2024
Lettings market share growth (year-on-year)	+3%
Sales market share growth (year-on-year)	+20%

2024 performance

Market share growth has been delivered in both Lettings and Sales, with Foxtons holding 6.2% lettings market share (2023: 6.0%) and 4.9% sales market share (2023: 4.1%).

PRODUCTIVITY

Average revenue per branch is Group revenue divided by the average number of branches. Average revenue per fee earner is Group revenue divided by the average number of fee earning employees.

£'000	2024	2023
Average revenue per branch	2,739	2,418
Average revenue per fee earner	191	177

2024 performance

Average revenue per branch increased by 13%, which is reflective of Group revenue growth utilising the existing branch network. Average revenue per fee earner increased by 8%, which reflects productivity gains from headcount investments made in the prior year.

EMPLOYEE ENGAGEMENT

Employee engagement score from the Group's annual employee engagement survey independently administered by a third party, CultureAmp. The engagement score is determined with reference to specific survey questions, designed by CultureAmp, which measure employee engagement. 77% (2023: 68%) of the workforce responded to the 2024 survey.

	2024	2023
Employee engagement score	69%	65%

2024 performance

The employee engagement score has improved in the year reflecting positive employee sentiment towards motivation to succeed at work, recommending the Group as an employer to others, and improved positivity about employees' future careers.

CUSTOMER SATISFACTION

Customer satisfaction is measured with reference to Google ratings which are compiled across the Group's branches using Google's review platform which enables our customers to review and rate the quality of our service.

	2024	2023
Google rating (out of 5)	4.5	4.6

2024 performance

We continue to maintain a strong Google rating which is reflective of our continued investment in customer service, employee training and technology.

FINANCIAL REVIEW

> Strengthened operational capabilities, combined with strong returns from Lettings acquisitions, have underpinned 47% earnings growth."
>
> **Chris Hough** Chief Financial Officer

REVENUE **+11%** **£163.9 MILLION** 2023: £147.1 million	**ADJUSTED OPERATING PROFIT[1,2]** **+38%** **£21.6 MILLION** 2023: £15.7 million	**PROFIT BEFORE TAX** **+121%** **£17.5 MILLION** 2023: £7.9 million
NET FREE CASH FLOW[1] **£9.8 MILLION** 2023: (£0.1) million	**BASIC ADJUSTED EARNINGS PER SHARE[1]** **+47%** **5.0 PENCE** 2023: 3.4 pence	**TOTAL DIVIDEND PER SHARE** **+30%** **1.17 PENCE** 2023: 0.9 pence

1 Measures are alternative performance measures (APMs). APMs are defined, purpose explained and reconciled to statutory measures within Notes 2 and 28 of the financial statements.

2 Adjusted operating profit definition has been revised for the 2024 financial results and now excludes the amortisation of acquired intangibles. Comparatives have been restated to the new definition to ensure a fair comparison across financial years.

Note: Throughout the financial review, values in tables/narrative may have been rounded and totals may therefore not be the sum of presented values in all instances.

FINANCIAL OVERVIEW

	2024 £m	2023 £m	Change
Revenue and profit measures			
Revenue	**163.9**	147.1	+11%
Contribution[1]	**104.9**	93.2	+12%
Contribution margin[1]	***64.0%***	*63.4%*	*+60bps*
Adjusted EBITDA[1]	**23.8**	17.5	+36%
Adjusted EBITDA margin[1]	***14.5%***	*11.9%*	*+260bps*
Adjusted operating profit[1,2]	**21.6**	15.7	+38%
Adjusted operating profit margin[1,2]	***13.2%***	*10.6%*	*+260bps*
Profit before tax	**17.5**	7.9	+121%
Profit after tax	**14.0**	5.5	+155%
Earnings per share			
Adjusted earnings per share (basic)	**5.0p**	3.4p	+47%
Earnings per share (basic)	**4.6p**	1.8p	+156%
Net free cash flow and net (debt)/cash			
Net free cash inflow/(outflow)[1,2]	**9.8**	(0.1)	n/a
Net debt[1]	**(12.7)**	(6.8)	+87%
Dividends			
Interim dividend per share	**0.22p**	0.20p	+10%
Final dividend per share	**0.95p**	0.70p	+36%

1 APMs are defined, purpose explained and reconciled to statutory measures within Notes 2 and 28 of the financial statements.

2 Adjusted operating profit and adjusted operating profit margin definitions have been revised for the 2024 financial results and now exclude the amortisation of acquired intangibles. Comparatives have been restated to the new definition to ensure a fair comparison across financial years.

Note: Throughout the financial review, values in tables/narrative may have been rounded and totals may therefore not be the sum of presented values in all instances.

FINANCIAL OVERVIEW

As presented in the table above, key financial performance measures include:

- Revenue increased by 11% to £163.9 million (2023: £147.1 million), with Lettings revenue up 5%, Sales revenue up 31% and Financial Services revenue up 6%.
- Adjusted EBITDA increased by 36% to £23.8 million (2023: £17.5 million) and adjusted operating profit increased by 38% to £21.6 million (2023: £15.7 million).
- Profit before tax increased to £17.5 million (2023: £7.9 million) and profit after tax increased to £14.0 million (2023: £5.5 million).
- Basic adjusted earnings per share was 5.0p (2023: 3.4p) and basic earnings per share was 4.6p (2023: 1.8p).
- Net free cash flow was £9.8 million (2023: £0.1 million outflow) and net debt at 31 December 2024 was £12.7 million (2023: £6.8 million net debt) reflecting the uses of cash explained on → PAGE 29.
- An interim dividend of 0.22p per share was paid in September 2024. The Board has proposed a final dividend of 0.95p per share, resulting in a total dividend for the year of 1.17p per share (2023: 0.90p per share).

In May 2024, the Board increased and extended the Group's revolving credit facility (RCF). The size of the committed facility increased from £20 million to £30 million and the facility was extended by a year to June 2027, with an option to extend for a further year. The facility also includes a £10 million accordion option which can be requested at any time subject to bank approval. The RCF supports the Group's inorganic and organic growth strategy.

REVENUE

	Revenue			Volumes[1]			Revenue per transaction[1]		
	2024 £m	2023 £m	Change	**2024 £m**	2023 £m	Change	**2024 £m**	2023 £m	Change
Lettings	**106.0**	101.2	+5%	**19,384**	19,334	–	**5,470**	5,234	+5%
Sales	**48.6**	37.2	+31%	**3,725**	2,871	+30%	**13,038**	12,942	+1%
Financial Services	**9.3**	8.8	+6%	**5,115**	5,033	+2%	**1,824**	1,745	+5%
Total	**163.9**	147.1	+11%						

1 'Volumes' and 'Revenue per transaction' are defined in Note 28 of the financial statements.

FINANCIAL REVIEW CONTINUED

The Group consists of three operating segments: Lettings, Sales and Financial Services. Lettings represents 65% (2023: 69%), Sales 30% (2023: 25%) and Financial Services 5% (2023: 6%) of total revenue. Non-cyclical and recurring revenue streams, generated by Lettings and refinance activity within Financial Services, represents 67% (2023: 72%) of Group revenue.

Lettings revenue

Lettings revenue increased by 5% to £106.0 million (2023: £101.2 million), including £4.3 million of incremental acquisition revenues (two additional months of trading from Atkinson McLeod, acquired 3 March 2023; ten additional months of trading from Ludlow Thompson, acquired 6 November 2023; and 2 additional months of trading from Haslams and Imagine, both acquired 28 October 2024). Transaction volumes were flat and average revenue per transaction increased by 5%, reflecting improved property management cross-sell and a change in mix towards higher fee new business volumes.

Double-digit growth in new business volumes offset an expected temporary reduction in the volume of existing tenancies renewing/re-letting in 2024, following longer tenancy terms signed across 2022 and 2023. Average tenancy lengths have increased by c.15% since 2022 as part of the Group's strategy to improve client retention and grow its portfolio of recurring revenues.

As expected, rental prices for new deals completed in the year were flat as year-on-year rental growth moderated as supply and demand dynamics continue to normalise, but with rental prices remaining at elevated levels.

Lettings revenue includes £6.6 million (2023: £5.6 million) of interest earned on client monies which supports the operating costs of managing client money, such as staff costs, bank and card fees, and compliance costs.

Sales revenue

Sales revenue increased by 31% to £48.6 million (2023: £37.2 million), with the increase driven by an 30% increase in Sales exchange volumes compared to 2023. Foxtons' Sales volumes outperformed the market which saw a 9% increase in volumes (source: TwentyCi) with Foxtons' market share of exchanges increasing by 20% to 4.9% (2023: 4.1%).

Average revenue per transaction was 1% higher than 2023 reflecting a 1% increase in the average price of properties sold (2024: £592,000; 2023: £586,000), whilst commission rates remained flat at 2.25% (2023: 2.25%). The 1% increase in the average price of properties sold compared to 1% reduction in London property values (source: Land Registry).

Financial Services revenue

Financial Services revenue increased by 6% to £9.3 million (2023: £8.8 million), reflecting a 2% increase in volumes and a 5% increase in average revenue per transaction. Higher average revenue per transaction was driven by growth in new purchase activity, which commands a higher average fee than product transfers within the refinance business. In 2024, £3.7 million (40% of revenue) was generated from non-cyclical refinance activity and £5.6 million (60% of revenue) from purchase activity which is more cyclical in nature.

CONTRIBUTION AND CONTRIBUTION MARGIN

	2024		2023	
	£m	**margin**	£m	margin
Lettings	**78.1**	**73.7%**	75.4	74.5%
Sales	**22.7**	**46.8%**	14.5	38.9%
Financial Services	**4.0**	**43.0%**	3.4	38.8%
Total	**104.9**	**64.0%**	93.2	63.4%

Contribution, defined as revenue less direct salary costs of front office staff and bad debt charges, increased to £104.9 million (2023: £93.2 million). Contribution margin for the year was 64.0% (2023: 63.4%) reflecting the following segmental margin changes:

- Lettings contribution margin fell slightly to 73.7% (2023: 74.5%) reflecting a temporary reduction in higher margin re-transaction volumes.
- Sales contribution margin increased to 46.8% (2023: 38.9%) due to growth in transaction volumes and the inherent operating leverage in the business. The margin improvement is reflective of increased productivity of Sales fee earners, with average revenue per fee earner increasing by 23% year-on-year.
- Financial Services margin increased to 43.0% (2023: 38.8%) due to a higher margin revenue mix.

Total average fee earner headcount across Lettings, Sales and Financial Services is up 4% to 859 (2023: 829), reflecting selective headcount investment and acquired headcount from acquisitions. Fee earner retention continues to be important in driving average fee earner productivity, with Lettings and Sales fee earner retention rates improving by 13% since 2022 (period prior to the Group's operational turnaround).

ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

	2024		2023	
	£m	**margin**	£m	margin
Lettings	**27.2**	**25.6%**	27.2	26.8%
Sales	**(4.1)**	**(8.4%)**	(9.9)	(26.6%)
Financial Services	**1.1**	**12.2%**	0.7	7.4%
Corporate costs	**(2.6)**	**n/a**	(2.3)	n/a
Total	**21.6**	**13.2%**	15.7	10.6%

Adjusted operating profit for the year was £21.6 million (2023: £15.7 million) and adjusted operating margin was 13.2% (2023: 10.6%). Refer to Note 2 of the financial statements for a reconciliation of adjusted operating profit to the closest equivalent IFRS measure and Note 28 for a reconciliation of the revised definition of the adjusted operating profit metrics to the previous definition.

Consistent with prior periods, for the purposes of segmental reporting, shared costs relating to the estate agency businesses are allocated between Lettings and Sales with reference to relevant cost drivers, such as front office headcount in the respective businesses. Corporate costs are not allocated to the operating segments and are presented separately.

Lettings adjusted operating profit remained flat at £27.2 million. Sales adjusted operating loss decreased materially by £5.8 million to £4.1 million, and Financial Services operating profit increased by £0.5 million to £1.1 million.

Within adjusted operating profit the following depreciation, amortisation and share-based payment IFRS 2 charges were incurred:

	2024 £m	2023 £m
Depreciation – property, plant and equipment	**2.5**	2.4
Amortisation – non-acquired intangibles	**0.2**	0.4
Share-based payments	**1.5**	1.0
Total	**4.2**	3.8

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

	2024		2023	
	£m	**margin**	£m	margin
Adjusted EBITDA	**23.8**	**14.5%**	17.5	11.9%

Adjusted EBITDA increased by 36% to £23.8 million (2023: £17.5 million) and Adjusted EBITDA margin increased to 14.5% (2023: 11.9%). Adjusted EBITDA, which excludes non-cash depreciation, amortisation and share-based payment charges, is defined on a basis consistent with that of the Group's revolving credit facility covenants. Since the metric includes IFRS 16 lease depreciation and IFRS 16 lease finance cost the measure fully reflects the Group's lease cost base. Refer to Note 28 of the financial statements for a reconciliation of adjusted EBITDA to the closest equivalent IFRS measure.

ADJUSTED ITEMS

A net adjusted items credit of £0.3 million (2023: £4.5 million net charge) was incurred in the year. Adjusted items, due to their size and incidence require separate disclosure in the financial statements to reflect management's view of the underlying performance of the Group and allow comparability of performance from one period to another. The table below provides detail of the adjusted items in the year, refer to Note 4 of the financial statements for further details.

	2024 £m	2023 £m
Branch asset impairment charge	**–**	3.4
Net property related (reversal)/charge	**(0.6)**	0.7
Transaction related costs	**0.3**	0.4
Total net adjusted items (credit)/charge	**(0.3)**	4.5

Net cash outflow from adjusted items during the year totalled £1.2 million (2023: £0.6 million).

FINANCIAL REVIEW CONTINUED

PROFIT BEFORE TAX AND ADJUSTED PROFIT BEFORE TAX

	2024 £m	2023 £m
Adjusted operating profit	**21.6**	15.7
Add/(deduct): adjusted items	**0.3**	(4.5)
Less: amortisation of acquired intangibles	**(2.1)**	(1.4)
Operating profit	**19.8**	9.8
Less: net finance costs and other losses/gains	**(2.3)**	(1.9)
Profit before tax	**17.5**	7.9
(Deduct)/add: adjusted items	**(0.3)**	4.5
Add: amortisation of acquired intangibles	**2.1**	1.4
Adjusted profit before tax	**19.2**	13.8

Profit before tax increased by 121% to £17.5 million (2023: £7.9 million) due to increased underlying profitability and adjusted items being favourable by £4.8 million compared to the prior year as previously noted. Net finance costs and other losses/gains of £2.3 million (2023: £1.9 million), of which £2.1 million relates to IFRS 16 lease finance costs (2023: £2.0 million), were incurred in the year. Adjusted profit before tax, which excludes adjusted items, is £19.2 million (2023: £13.8 million).

PROFIT AFTER TAX

	2024 £m	2023 £m
Profit before tax	**17.5**	7.9
Less: current tax charge	**(3.5)**	(2.8)
Add: deferred tax credit	**–**	0.4
Profit after tax	**14.0**	5.5

The Group has a low-risk approach to its tax affairs and all business activities are within the UK and are UK tax registered and fully tax compliant. The Group does not have any complex tax structures in place and does not engage in any aggressive tax planning or tax avoidance schemes. The Group is transparent, open and honest in its dealings with tax authorities.

Profit after tax of £14.0 million (2023: £5.5 million) is after charging current tax of £3.5 million (2023: £2.8 million). No deferred tax credits have been recognised in the period (2023: £0.4 million).

The effective tax rate for the year was 19.9% (2023: 30.5%), which compares to the statutory corporation tax rate of 25.0% (2023: 23.5%). The 2024 effective tax rate is lower than the statutory corporation tax rate primarily due to an adjustment in respect of previous periods.

Net deferred tax liabilities totalled £26.8 million (2023: £26.2 million), which comprise £29.5 million (2023: £28.2 million) of deferred tax liabilities relating to the Group's intangible assets, offset by deferred tax assets of £2.7 million (2023: £2.0 million). The deferred tax assets relate to fixed asset timing differences, share based payments and tax losses brought forward which are expected to be recovered through future taxable profits.

The Group received £nil in tax refunds during the year (2023: £0.3 million).

ADJUSTED OPERATING COST BASE

The Group defines its adjusted operating cost base as the difference between revenue and adjusted operating profit, excluding depreciation of property, plant and equipment and amortisation of intangible assets. The reconciliation of the adjusted operating cost base measure is presented below:

	2024 £m	2023 £m
Revenue	**163.9**	147.1
Less: Adjusted operating profit	**(21.6)**	(15.7)
Difference between revenue and adjusted operating profit	**142.3**	131.4
Less: Property, plant and equipment depreciation	**(2.5)**	(2.4)
Less: Amortisation – non-acquired intangibles	**(0.2)**	(0.4)
Adjusted operating cost base	**139.6**	128.6

The table below analyses the adjusted operating cost base into five categories. The adjusted operating cost base increased by £11.0 million to £139.6 million (2023: £128.6 million), with £4.5 million attributable to incremental acquisition related operating costs.

	2024 £m	2023 £m
Direct costs[1]	**59.1**	53.9
Branch operating costs[2]	**33.0**	32.5
Centralised revenue generating operating costs[3]	**16.9**	14.9
Revenue generating operating costs	**108.9**	101.4
Central overheads[4]	**28.1**	25.1
Corporate costs[5]	**2.6**	2.3
Adjusted operating cost base	**139.6**	128.7

1 Direct salary costs of branch fee earners and bad debt charges.
2 Branch related operating costs shared between Lettings and Sales.
3 Centralised fee earners, lead generation staff and Lettings property management staff.
4 Central overhead costs supporting branch operations.
5 Corporate costs not attributed directly to the operating activities of the operating segments.

Key movements in the adjusted operating cost base in 2024 versus 2023 are as follows:

- Direct costs increased by £5.2 million primarily due to an increase in variable commissions paid to fee earners reflecting year-on-year revenue growth and a 4% increase in fee earner headcount, following selective headcount investment and acquired headcount from acquisitions.
- Centralised revenue generating operating costs increased by £2.0 million primarily due to acquired headcount relating to Lettings acquisitions and investment in centralised fee earner and lead generation teams.
- Central overhead costs increased by £3.0 million reflecting specific investments in centralised teams responsible for the delivery of revenue generating projects, acquisition related overheads that will be subject to further rationalisation, general inflationary pressures and £0.5 million of incremental share-based payment charges.

EARNINGS PER SHARE

	2024 £m	2023 £m
Profit after tax	**14.0**	5.5
(Deduct)/Add: adjusted items (net of tax)	**(0.3)**	3.6
Add: amortisation of acquired intangibles (net of tax)	**1.6**	1.0
Adjusted earnings for the purposes of adjusted earnings per share	**15.3**	10.1
Earnings per share (basic)	**4.6p**	1.8p
Earnings per share (diluted)	**4.5p**	1.7p
Adjusted earnings per share (basic)	**5.0p**	3.4p
Adjusted earnings per share (diluted)	**4.9p**	3.2p

CASH FLOW FROM OPERATING ACTIVITIES AND NET FREE CASH FLOW

From continuing operations	**2024 £m**	2023 £m
Operating cash flow before movements in working capital	**35.3**	28.7
Working capital outflow	**(4.9)**	(10.8)
Income taxes paid	**(5.6)**	(2.2)
Net cash from operating activities	**24.7**	15.7
Repayment of IFRS 16 lease liabilities	**(13.2)**	(12.5)
Net cash used in investing activities[1]	**(1.8)**	(3.2)
Net free cash flow	**9.8**	(0.1)

1 Excludes £12.7 million (2023: £13.9 million) of cash outflows relating to the acquisition of subsidiaries (net of any cash acquired), and £0.1 million (2023: £nil) proceeds related to the sale of shares.

Operating cash flow before movements in working capital increased by £6.6 million to £35.3 million (2023: £28.7 million). Net cash from operating activities increased by £9.1 million to £24.7 million (2023: £15.7 million) due to increased operating cash flows, more normalised working capital movements as the impact of shorter landlord billing terms eases (as highlighted in the prior year), offset by a £3.4 million increase in income taxes paid. Net free cash flow was a £9.8 million inflow (2023: £0.1 million outflow).

NET DEBT

Net debt at 31 December 2024 was £12.7 million (2023: £6.8 million). Net debt reflects operating cash inflows of £24.7 million, £12.7 million of acquisition related spend, £4.9 million of working capital outflows, £2.7 million of capital expenditure, and £2.8 million of dividends paid.

REVOLVING CREDIT FACILITY

In May 2024, the Board increased and extended the Group's RCF. The size of the RCF was increased from £20 million to £30 million and the facility was extended by a year to June 2027, with an option to extend for a further year. The facility also includes a £10 million accordion option which can be requested at any time subject to bank approval. The RCF supports the Group's Lettings portfolio acquisition strategy and working capital management. Drawdowns on the facility accrue interest at SONIA +1.65%.

The RCF is subject to a leverage covenant (net debt to adjusted EBITDA not to exceed 1.75x) and an interest cover covenant (adjusted EBITDA to interest not to be less than 4x) as defined in the facility agreement. Both covenants are calculated using pre-IFRS 16 accounting principles. At 31 December 2024 the leverage ratio was 0.5x and the interest cover ratio was 29x.

Under an IAS 1 amendment, effective 1 January 2024, which clarified the requirements relating to the classification of liabilities subject to covenants, the RCF balance is presented as non-current and the prior year comparative has been restated on the same basis.

FINANCIAL REVIEW CONTINUED

ACQUISITIONS

Haslams

On 28 October 2024, the Group acquired the entire issued capital of Haslams Estate Agents (Thames Valley) Limited. Gross purchase consideration was £9.7 million, with £7.4 million paid up to 31 December 2024 and £2.2 million deferred for a period of 12 months post completion. Acquired net assets were fair valued and include £2.8 million of customer contracts and relationships and £7.0 million of acquired goodwill. The acquisition contributed £1.1 million of revenue and £0.3 million of adjusted operating profit in 2024, with cost synergies to be delivered in 2025.

Imagine

On 28 October 2024, the Group acquired the entire issued capital of Imagine Group Property Limited. Gross purchase consideration was £6.3 million, with £5.1 million paid up to 31 December 2024 and £1.1 million deferred for a period of 12 months post completion. Acquired net assets were fair valued and include £1.1 million of customer contracts and relationships and £5.2 million of acquired goodwill. The acquisition contributed £0.6 million of revenue and £0.1 million of adjusted operating profit in 2024, with cost synergies to be delivered in 2025.

Refer to Note 13 of the financial statements for further details of the 2024 acquisitions.

OTHER BALANCE SHEET POSITIONS

Significant balance sheet movements in the period:

- Goodwill of £52.3 million (2023: £40.7 million) and other intangible assets of £118.0 million (2023: £114.9 million), with the increase in goodwill and other intangible assets driven by the acquisitions in the year which contributed £12.1 million of goodwill and £3.9 million of customer contracts and relationships.
- Other intangible assets of £118.0 million (2023: £114.9 million) include £2.8 million (2023: £1.5 million) of assets under construction which primarily relates to the development of the Group's customer website due to launch in Q1 2025.
- Total contract assets of £24.2 million (2023: £19.0 million) and total contract liabilities of £10.5 million (2023: £12.2 million), with the increase in contract assets including acquired contract assets of £1.2 million.
- Lease liabilities of £42.8 million (2023: £47.6 million) and right-of-use assets of £38.6 million (2023: £42.5 million) with movements in the balances explained in Note 12 of the financial statements.
- Borrowings of £18.0 million (2023: £11.8 million) to finance the Group's acquisition strategy.

DIVIDEND POLICY AND CAPITAL ALLOCATION

The Group's capital allocation framework has been refined in the year to fully reflect the Group's ongoing strategic priorities and capital structure. The framework, which aims to support long-term growth and deliver sustainable shareholder returns, prioritises:

- Organic growth, by investing in strategically important areas such as people, technology, data and brand.
- Accretive acquisition opportunities, by acquiring high-quality lettings portfolios which contribute non-cyclical and recurring revenue and deliver strong returns on investment and synergy potential.
- A progressive dividend, which provides a reliable and growing income stream to investors, whilst maintaining strong dividend cover.

We also continuously assess other shareholder return opportunities, such as share buybacks, considering factors such as earnings per share accretion, borrowing capacity and leverage.

The Group seeks to utilise its balance sheet and revolving credit facility to best effect, and to maintain a leverage ratio (net debt to adjusted EBITDA) of less than 1.25x.

An interim dividend of 0.22p per share was paid in September 2024. The Board has proposed a final dividend of 0.95p per share, resulting in a total dividend for the year of 1.17p per share (2023: 0.90p per share). The proposed dividend will be paid on 16 May 2025 to shareholders on the register at 11 April 2025, subject to shareholder approval at the AGM due to be held on 7 May 2025. The shares will be quoted ex-dividend on 10 April 2025.

SHARE BUY BACK

No shares were bought back in the year (2023: £1.1 million). The Board will continue to keep share buybacks under review in the context of other potential uses of capital.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in Note 25 of the financial statements.

TREASURY MANAGEMENT

The Group seeks to ensure it has sufficient funds for day-to-day operations and to enable strategic priorities to be pursued. Financial risk is managed by ensuring the Group has access to sufficient borrowing facilities to support working capital demands and growth strategies, with cash balances held with major UK based banks. The Group has no foreign currency risk and consequently has not entered into any financial instruments to protect against currency risk.

PENSIONS

The Group does not have any defined benefit schemes in place but is subject to the provisions of auto-enrolment which require the Group to make certain defined contribution payments for our employees.

POST BALANCE SHEET EVENTS

On 28 February 2025, the Group acquired the entire issued share capital of Marshall Vizard LLP (and its holding companies), a Watford lettings agent, for a consideration of £2.3 million on a debt free and cash free basis. The consideration was fully satisfied in cash, with £0.5 million deferred for 12 months subject to performance conditions. Unaudited revenue and operating profit for the 12 months ended 31 March 2024 was £0.9 million and £0.5 million respectively. The synergistic acquisition adds a further c.600 tenancies and demonstrates further progress against the Group's acquisition strategy.

RISK MANAGEMENT

The Group has identified its principal risks and uncertainties and they are regularly reviewed by the Board and Senior Management. Refer to → **PAGES 32 TO 37** for details of the Group's risk management framework and principal risks and uncertainties.

GOING CONCERN, PROSPECTS AND VIABILITY

The financial statements of the Group have been prepared on a going concern basis as the Directors have satisfied themselves that, at the time of approving the financial statements, the Group has adequate resources to continue in operation for a period of at least 12 months from the date of approval of the financial statements. Furthermore, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over a five-year viability period.

Refer to Note 1 of the financial statements for details of the Group's going concern assessment and the going concern statement. The prospects and viability statement is set out on → **PAGES 38 AND 39**.

Chris Hough
Chief Financial Officer
4 March 2025

RISK MANAGEMENT

The Board is responsible for establishing and maintaining the Group's system of risk management and internal control, with the aim of protecting its employees and customers and safeguarding the interests of the Group and its shareholders in the constantly changing environment in which it operates.

RISK MANAGEMENT

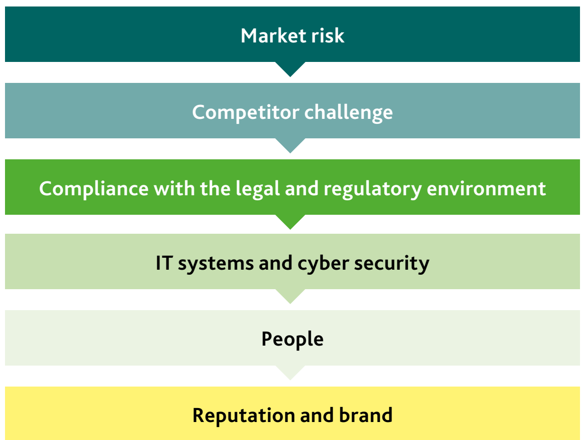
The Board regularly reviews the principal risks facing the Group, together with the relevant mitigating controls, and undertakes a robust risk assessment. In reviewing the principal risks, the Board considers emerging risks, including climate-related risks, and changes to existing risks. In addition, the Board has set guidelines for risk appetite as part of the risk management process against which risks are monitored.

The identification of risks is undertaken by specific executive risk committees that analyse the risk universe by risk type across four key risk types: strategic risks, financial risks, operational risks and compliance risks. A common risk register is used across the Group to monitor gross and residual risk, with the results assessed by the Audit Committee and Board. The Audit Committee monitors the effectiveness of the risk management system through management updates, output from various executive risk committees and reports from internal audit.

OUR PRINCIPAL RISKS

Principal risks are those risks within the Group's risk register that we consider could have a potentially material impact on our operations and/or achievement of our strategic priorities.

Our principal risks

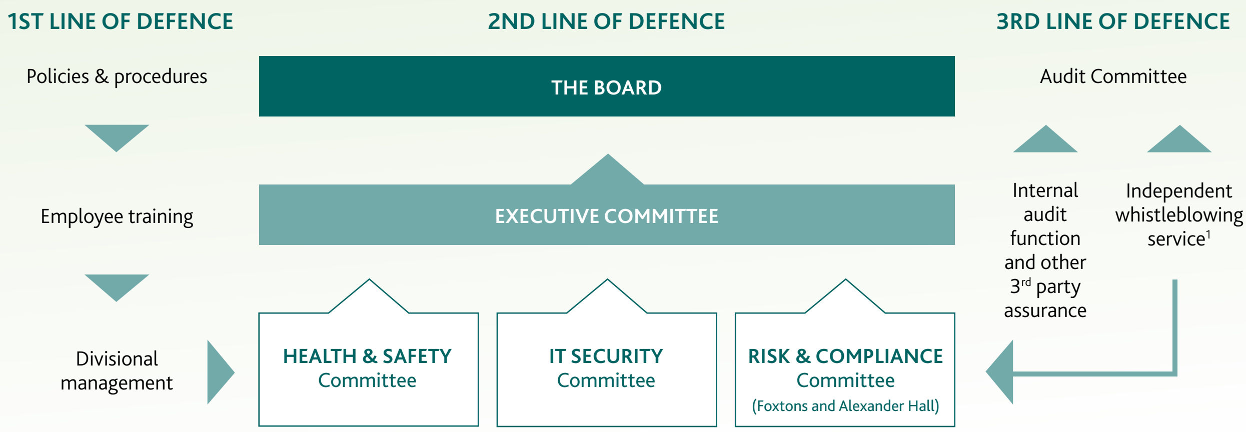


Details of each principal risk is provided on → PAGES 35 TO 37, including an overall risk rating and whether the risk has changed over the course of the year. The principal risks do not comprise all of the risks that the Group faces and are not listed in any order of priority. Additional risks and uncertainties not presently known to management, or deemed to be less material at the date of this report, may also have an adverse effect on the Group.

Further information on the Group's risk management procedures can be found in the Audit Committee Report on → PAGE 89.

RISK FRAMEWORK OVERVIEW

The broad structure of our risk management framework, which comprises three lines of defence, is presented in the chart below.



1 Should whistleblowing matters relating to Senior Management be raised, these matters are reported directly to the Audit Committee Chair.

RISK APPETITE

The risk appetite statement details the Group's approach to risk, by risk type, and includes a series of risk assertions which are aligned to our strategy, together with the risk parameters within which we expect our people to work. Compliance with the risk appetite statement is monitored through the Group's standard monitoring and reporting mechanisms. The Board reviews the risk appetite statement annually.

RISK APPETITE STATEMENT

The Group operates in markets with high growth potential which are subject to volatility, particularly in the residential sales market. We continue to pursue ambitious growth targets and are willing to accept certain levels of risk to increase the likelihood of achieving or exceeding our strategic objectives, subject to the relevant risk parameters.

RISK APPETITE VARIES DEPENDING ON THE RISK TYPE

The Board's appetite for risk varies depending on the risk type as set out in the table below. The Group measures risk by estimating the potential for loss of profit, customer service issues, staff turnover and brand or reputational damage. The Board has a low tolerance for compliance-related risk. Conversely, it has a higher tolerance for strategic risk. The Board will adjust the short-term appetite for risk to reflect prevailing conditions as necessary.

Risk type	Risk assertion	Risk parameter	Risk appetite
Strategic	We will not pursue growth at all costs and expect high margins and strong returns on capital.	We will pursue growth strategies to deliver against our strategic priorities. We aim for industry leading operating margins and returns on capital while protecting the long-term viability of the Group.	**High**
Financial	We will manage/avoid situations or actions that might adversely impact the integrity of financial reporting.	Delivering the highest standards of financial reporting integrity through financial reporting processes and controls is critical to the Group.	**Low**
Operational	We will manage/avoid situations or actions that could adversely impact the Group's ability to provide a premium service level to our customers and to protect the assets of the Group.	The costs of control systems must be commensurate with the benefits achieved.	**Moderate**
Compliance	We will ensure we comply with all legal requirements and manage/avoid situations or actions that could have a negative impact on our reputation or brand.	Breaches of: • Legislative/statutory requirements • Delegated authority levels • Group and divisional policies • Health and safety regulations	**Low**

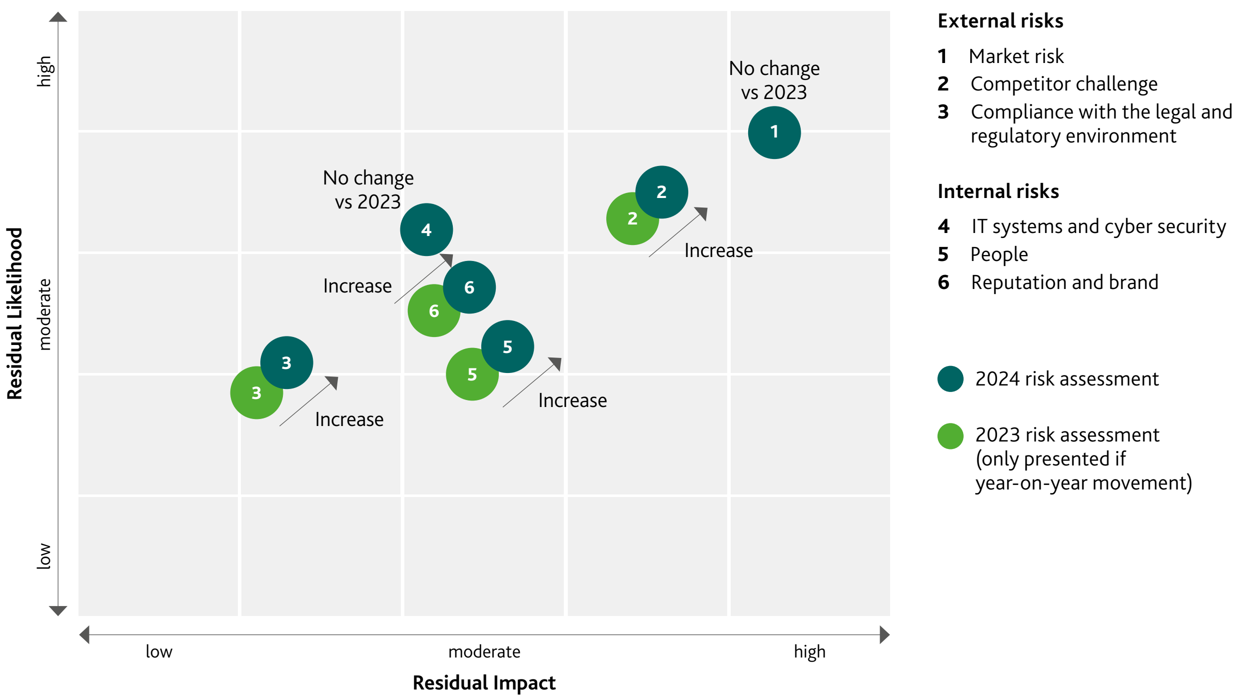
ASSESSMENT OF RISK VERSUS BOARD'S APPETITE FOR RISK

The Board has assessed the risks of the Group and considers all risks to be within the Board's appetite for risk. The Board recognises the Group's Sales business operates in a market which is cyclical and subject to volatility, and as such, the Board's risk appetite for market risk is high. Although there continues to be heightened market risk due to the external macro environment, the Board considers appropriate actions have been taken to mitigate the impact on the Group, in particular prioritising organic growth in Lettings and investing in high quality lettings portfolios to further increase our resilience to sales market volatility.

PRINCIPAL RISKS AND UNCERTAINTIES

PRINCIPAL RISKS HEAT MAP

The heat map presented below provides a visual representation of the principal risks facing the Group and movement of risks in the year. Risks shown in the bottom left-hand corner of the chart have a lower risk rating as they have a low residual likelihood of occurring and a low residual potential impact on the Group. Conversely, risks shown in the top right-hand corner of the chart have a higher risk rating as they have a high residual likelihood of occurring and a high residual potential impact on the Group.



Note: The heat map risk positioning of certain 2023 risks have been rebased to better reflect the underlying risk assessments.

There have been the following movements in residual likelihood or residual impact of the principal risks:

	2024 movements in residual likelihood/residual impact
Risk 2: Competitor challenge	Increase in the residual likelihood and residual impact of competitor challenge risk. The estate agent sector remains highly competitive with the better capitalised high street competitors investing in organic and acquisitive growth strategies. Despite the competitive landscape, the Group is well placed to continue to grow market share and fully leverage the significant operational progress made in recent years.
Risk 3: Compliance with the legal and regulatory environment	Increase in the residual likelihood and residual impact of compliance with the legal and regulatory environment risk. Regulation and compliance requirements in the sector continue to increase with improving levels of enforcement by local authorities. The Group's scale, systems and processes means it is well placed to respond to the ongoing changes in the sector.
Risk 5: People	Increase in the residual likelihood and residual impact of people risk. Attracting, retaining and developing high quality staff continues to be critical to the Group delivering its strategic goals. Competition for high quality staff has increased year-on-year as other estate agents seek to grow market share by hiring experienced staff. The Group's people strategy continues to respond to this risk and succession plans are reviewed on a regular basis.
Risk 6: Reputation and brand	Increase in the residual likelihood and residual impact of reputation and brand risk. There is increasing levels of complexity in relation to the employee legislative environment leading to greater emphasis on employee related processes, policies and culture.

The assessment of residual likelihood, residual impact and overall residual risk is based on the following definitions:

Residual likelihood	Residual impact	Overall residual risk rating
Low potential of the risk crystallising	Very limited or isolated impact to the Group and/or its broader customer base	Low
Moderate potential of the risk crystallising	Moderate impact to the Group and/or our broader customer base	Moderate
High potential of the risk crystallising	Potentially significant impact to the Group and/or our broader customer base	High

OUR STRATEGIC PRIORITIES

1. **Lettings:** Organic growth
2. **Lettings:** Acquisitive growth
3. **Sales:** Market share growth
4. **Financial Services:** Revenue growth

Refer → PAGES 16 AND 17 for details of our strategic priorities.

PRINCIPAL RISKS

Impact	Mitigation of risk	Assessment of change in risk year-on-year
1. Market risk		**Risk Type: Strategic**
The key factors driving market risk are: • Affordability, including ongoing cost of living increases, which in turn may reduce transaction levels; • The market being reliant on the availability of affordable mortgage finance, a deterioration in availability or an increase in borrowing rates may adversely impact the performance of the Sales business. Over the course of 2024, there has been improved stability and reductions in borrowing rates. Future reductions in borrowing rates may support additional market activity; • The market being impacted by changes in government policy such as the Renters' Rights Bill which is being progressed through Parliament or changes in stamp duty legislation; • A reduction in London's standing as a major financial city caused by the macro-economic and political environment; and • Heightened geopolitical risk which may increase market uncertainty and customer confidence.	The Group targets an appropriate balance between the Sales and Lettings businesses through residential property market cycles, with the Lettings business providing valuable protection against the cyclical sales market. The Group's strategic priorities include Lettings organic growth and investing in high quality lettings portfolios, both of which mitigate the sales market risk. In a significant downturn of the residential sales market, the Board will make appropriate cost decisions bearing in mind the long-term prospects of the Sales business.	No change in overall residual risk rating Residual likelihood Residual impact Overall residual risk rating **Linked strategic priorities** 1. **Lettings:** Organic growth 2. **Lettings:** Acquisitive growth 3. **Sales:** Market share growth 4. **Financial Services:** Revenue growth
2. Competitor challenge		**Risk Type: Strategic**
The Group operates in a highly competitive marketplace and there is a risk the Group could lose market share. Market share loss could be the result of competitors scaling up (organically or through acquisition), developing new customer service propositions, changing pricing structures or launching alternative business models to drive competitive advantage.	We continually assess competitor activity and utilise our centralised infrastructure to review competitor intelligence, monitor market share and respond accordingly. Targeted marketing and operational responses enable the Group to respond to competitor challenge and tailor our offering for certain segments of the market. Furthermore, the Board regularly reviews the Group's business model and strategic investments are made to protect and develop our competitive advantages.	Increase in residual likelihood and impact of risk, but no change in overall residual risk rating Residual likelihood Residual impact Overall residual risk rating **Linked strategic priorities** 1. **Lettings:** Organic growth 2. **Lettings:** Acquisitive growth 3. **Sales:** Market share growth 4. **Financial Services:** Revenue growth

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Impact	Mitigation of risk	Assessment of change in risk year-on-year
3. Compliance with the legal and regulatory environment		**Risk Type: Compliance**
Breaches of laws or regulations could lead to financial penalties and reputational damage. Our estate agency business operates under a range of legal and regulatory requirements, such as complying with certain money laundering regulations and protecting client money in line with the relevant regulations. Our Financial Services business is authorised and regulated by the Financial Conduct Authority (FCA) and could be subject to sanctions for non-compliance. During periods of interest rate volatility there is an increased risk of compliance issues arising which require specific management.	The Group's centralised systems and Legal and Compliance team enable management to monitor ongoing compliance with the legal and regulatory environment. The Financial Services business utilises third party assurance providers to monitor compliance with FCA regulations. Additionally, the Alexander Hall Risk and Compliance Committee provides regular oversight to compliance related matters. The Group's Legal and Compliance team regularly monitors and interprets regulatory reform proposals and participates in industry forums to enable the Group to respond to regulatory change in an efficient and coherent manner.	Increase in residual likelihood and impact of risk, but no change in overall residual risk rating ! Residual likelihood ! Residual impact ! Overall residual risk rating **Linked strategic priorities** **1. Lettings:** Organic growth **3. Sales:** Market share growth **4. Financial Services:** Revenue growth
4. IT systems and cyber security		**Risk Type: Strategic, Operational**
Our business operations are dependent on sophisticated and bespoke IT systems which could fail or be deliberately targeted by cyber attacks leading to interruption of service, corruption of data or theft of personal data. Such a failure or loss could also result in reputational damage, fines or other adverse consequences.	The Group's IT investment, maintenance and monitoring programmes ensure the Group's IT systems operate reliably and with high levels of system uptime. Our cyber security function, supported by external specialists, ensure that we have a full suite of preventative and detective systems, processes, and controls in place to identify and mitigate risks: • Disaster recovery, business continuity and incident response plans; • Continued investment in the latest security solutions across the entire estate; • Comprehensive monitoring and reporting from an independent 24/7 security operations centre; • Independent security testing from CREST certified penetration testers; • Active data loss prevention on common data exfiltration channels; • Cyber security training for all staff; and • Investigation and response capabilities to detect, respond and contain any threats.	No change in overall residual risk rating ! Residual likelihood ! Residual impact ! Overall residual risk rating **Linked strategic priorities** **1. Lettings:** Organic growth **3. Sales:** Market share growth **4. Financial Services:** Revenue growth
5. People		**Risk Type: Strategic, Operational**
There is a risk the Group may not be able to recruit or retain quality staff to achieve its operational objectives or mitigate succession risk. As experienced in the current labour market, increased competition for talent leads to a reduction in the available talent pool and an increased cost of labour. Additional risk could arise in the event there are changes or downturns in our industry or markets which reduce the earnings potential of employees and result in less attractive career opportunities.	The Group has an internal recruitment function, supplemented by external specialists, to recruit sufficient number of high quality staff. Over the last two years, the Group has increased its focus on training and development, as well as succession planning, to improve staff retention and to enable future leaders to be identified and nurtured. Additionally, the Group's employee value proposition has been redesigned in order to improve employee attraction and retention. Employee turnover rates are reviewed by management on a regular basis and action taken to understand and address higher than expected leaver rates.	Increase in residual likelihood and impact of risk, but no change in overall residual risk rating ! Residual likelihood ! Residual impact ! Overall residual risk rating **Linked strategic priorities** **1. Lettings:** Organic growth **2. Sales:** Market share growth **3. Financial Services:** Revenue growth

Impact	Mitigation of risk	Assessment of change in risk year-on-year
6. Reputation and brand		**Risk Type: Strategic, Operational**
Foxtons is an iconic estate agency brand with high levels of brand recognition. Maintaining a positive reputation and the prominence of the brand is critical to protecting the future prospects of the business. There is a risk our reputation and brand could be damaged through negative press coverage and/or negative social media coverage due to a range of matters such as customer service issues, employee relations matters and cultural concerns. We recognise the need to maintain our reputation and protect our brand by delivering consistently high levels of service and maintaining a culture which encourages our employees to act with the highest ethical standards and maintain a respectful and inclusive environment.	A brand management programme is in place to ensure Foxtons' brand positioning and identity is clear, appropriately protected and reflects the way we do business. Our social media presence and press engagement is managed centrally within an established framework to ensure press statements reflect the Group's purpose, values and strategy. Maintaining a respectful and inclusive culture, underpinned by the right values, is key to protecting our reputation and brand. The Board monitors culture on an ongoing basis in a number of ways by: Reviewing employee surveys; Attending Employee Engagement Committee meetings; Reviewing the Group's people dashboards; and through the work of the ESG Committee. Refer to → **PAGE 73** for full details of how the Board monitors culture. The ESG Committee supports the Board by providing oversight of the Group's ESG framework and reviewing key areas such as the Group's EDI policies and culture initiatives (refer to → **PAGES 86 TO 88** for further details). The ESG Committee, in conjunction with the employee networks, review on an ongoing basis key people processes, policies and systems. A number of enhancements have been made in these areas during 2024. Mandatory respect and inclusion workforce training, combined with whistleblowing and speak up policies (refer to → **PAGE 64** for further details), are designed to create a culture where employees feel able to speak up about any concerns. Customer service is monitored through a range of mechanisms including customer questionnaires, service rating metrics and ongoing customer dialogue. We continue to invest in our customer proposition in order to strengthen our service offering and reputation for delivering results.	Increase in residual likelihood and impact of risk, but no change in overall residual risk rating ! Residual likelihood ! Residual impact ! Overall residual risk rating **Linked strategic priorities** **1. Lettings:** Organic growth **3. Sales:** Market share growth **4. Financial Services:** Revenue growth

EMERGING RISKS

The Board considers emerging risks on a regular basis and manages them accordingly, taking into account the expected timing of the risk. The Group has procedures in place to identify emerging risks, including horizon scanning, and to monitor market and consumer trends. Two emerging risks and the associated risk management approach are set out below.

Emerging risk description	Risk management
1) Future significant changes in government housing policies Future significant changes in government housing policies, under the current government or linked to a change in government, may lead to structural changes in the markets the Group operates in. Although future government policy cannot be reliably predicted, potential risks could include general market disruption, the introduction of pricing control mechanisms, private landlords exiting the private rental sector due to punitive legislation or tax changes that adversely affect the residential property markets.	The Board monitors government housing policy on an ongoing basis and incorporates possible changes into its strategic and risk management decisions. Furthermore, the Board engages with key industry bodies to debate and assess the impact of potential changes.
2) Climate-related risk Climate change is an emerging risk that may have medium to long-term implications for the Group. Further details of the potential climate-related risks, as well as potential climate-related opportunities, are set out on → **PAGE 46** in the Group's TCFD statement.	The Group utilises the TCFD framework to identify, assess and manage emerging climate-related risks. The ESG Committee has responsibility for reviewing and providing oversight of the implementation of the Group's ESG strategy. The ESG Committee provides recommendations to the Audit Committee on climate-related risks as applicable, following which the Audit Committee considers such risks as part of its wider risk management responsibilities. Refer to → **PAGES 86 TO 88** for the ESG Committee's report. The Executive Committee monitors the delivery of the Group's environmental programmes and also monitors and manages climate-related risk as part of the Group's overall risk management framework.

PROSPECTS AND VIABILITY

Foxtons has a resilient business model underpinned by non-cyclical recurring revenues from Lettings and Financial Services. Long-term prospects and viability is a key consideration when determining and assessing the Group's business model and strategic priorities, and also a key area of focus when managing principal risks.

LONG-TERM PROSPECTS

Market risk continues to present the highest risk to the Group. The Group's resilience to market risk continues to improve as non-cyclical and recurring Lettings and Financial Services revenues grow, which when combined now represent over two thirds of Group revenues.

Within Sales, the Group is exposed to the London residential sales market which is more cyclical in nature. Growing market share within Sales is a strategic priority which will help mitigate any reductions in sales market volumes due to the macro environment. This, along with the continued focus to grow Lettings organically and by acquisition, helps reduce volatility in the Group's results and protects earnings and net free cash flow.

With a growing Lettings business, and strong growth in Sales market share throughout 2024, the Group is well positioned to withstand a variety of market conditions.

VIABILITY APPROACH

The Group's viability is assessed through the strategic planning process which includes financial projections for the next five years and takes into account the Group's principal risks. Key assumptions within the strategic plan include market volumes, market pricing, market share and cost base assumptions, including inflationary pressures, required investment, cost savings and introduction of relevant legislation including the proposed Renters Rights' Bill.

Other factors taken into consideration when assessing viability include use of cash resources and liquidity. At 31 December 2024, the Group was in a net debt position of £12.7 million (2023: £6.8 million), including £18.0 million drawdown (2023: £11.7 million) on the Group's £30.0 million revolving credit facility ('RCF').

> "Under the severe but plausible scenario, the Group would be able to withstand the adverse conditions and would have sufficient cash resources throughout the period."

ASSESSMENT OF VIABILITY

In accordance with the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Group over a longer period than the 12 months required by the going concern provision. The Directors have determined that five years is the most appropriate timeframe over which the Board should assess long-term viability, with this being the longest period over which the Board considered an appropriate assessment of the principal risks could be made. This is consistent with the period over which the Group's strategic review is assessed by the Board and the minimum vesting and holding period for Executive Director share schemes.

This viability assessment has considered the potential impact of the principal risks on the business model, future performance and liquidity of the Group. In making this statement, the Directors have considered the resilience of the Group under varying market conditions together with the timing and effectiveness of any mitigating cost actions.

SEVERE BUT PLAUSIBLE SCENARIO

For the purpose of testing viability, a severe but plausible scenario has been determined under which the Group is significantly impacted by market risk, which has been assessed to have the highest residual likelihood and impact on the performance of the Group from a range of scenarios considered (refer to the principal risks heat map on → PAGE 34 for further details).

The severe but plausible scenario assumes a sustained downturn in the sales and mortgage markets with an adverse impact on transaction volumes and pricing while lettings market rental prices reduce and supply is restricted. The scenario captures the risk of ongoing adverse macroeconomic and political events.

As well as capturing market risk, the scenario incorporates the associated reduction in costs due to reduced revenue and the availability and effectiveness of controllable mitigating actions, including reducing capital expenditure and costs, with the latter achieved primarily by aligning headcount to market conditions. Each of these actions would be available to limit the impact of the identified risks.

The key assumptions assumed in the severe but plausible downside scenario are summarised below:

Lettings volumes and pricing	2025 lettings revenue reduces by 10% against the base plan, reflecting lower units and a decline in average rental prices to 2022 levels, which then gradually recovers over the remaining forecast period. This rental price assumption means the rental increases seen across 2022/23 fully reverse in 2025, and track general inflation thereafter.
Sales volumes and pricing	2025 market sales volumes reduce to 2009 levels (i.e. market volumes following the global financial crash) before recovering to 2024 levels by the end of 2029. House prices decline by 5% in 2025 before recovering 1% year-on-year to 2029.
Financial Services volumes	New purchase mortgage transactions reduce in line with the sales volume reduction noted above. Refinance business is unaffected due to the resilient nature of the revenue stream.
Direct operating costs and mitigating actions	Mitigating actions to reduce discretionary expenditure and headcount reduced to align to market conditions.
Revolving credit facility (RCF)	The £30 million RCF facility which expires in June 2027, which has an option to extend for a further year to June 2028, is assumed to be available throughout the viability period.
Future Lettings acquisitions	No future lettings acquisitions are planned for under the viability scenario to protect cash resources.

Under the severe but plausible scenario, the Group would be able to withstand the adverse conditions and would have sufficient cash resources throughout the period. Based upon the results of this analysis, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year viability period.

RESPONSIBLE BUSINESS

Our commitment to being a responsible business focuses on the areas that are most important to our stakeholders and to our long-term success.

OVERVIEW

Our purpose is to get the right deal done for London's property owners. In doing this we aim to deliver value for our customers, provide opportunities and progression for our staff and ensure we contribute to the communities in which we operate. We actively encourage employees to get involved in ESG activities since we believe every single employee can have a positive impact on their colleagues, the environment and our communities.

ESG COMMITTEE

The Board's ESG Committee plays an important role in providing oversight of the Group's ESG strategy and associated governance and responsibilities. The Committee has reviewed a number of areas including the execution of the Group's people strategy and related key performance indicators, the Group's culture, the Group's employee value proposition which was launched in 2024, employee engagement survey results, workforce health and safety metrics, our community programmes, and environmental commitments and related disclosures.

Refer to → **PAGES 86 TO 88** for the ESG Committee's report.

FTSE4GOOD

The Group has been independently assessed according to the FTSE4Good criteria and satisfies the requirements to be a constituent of the FTSE4Good Index Series, which measures the performance of companies demonstrating specific ESG practices.

OUR ENVIRONMENTAL AND SOCIAL COMMITMENTS

We have established environmental and social commitments that provide ambitious, but achievable, goals on which we can focus our sustainability efforts. These commitments are set out below and progress is reported on within the relevant section of the 2024 responsible business report.

OUR ENVIRONMENTAL COMMITMENTS:

- Electrifying our entire vehicle fleet by 2030 in line with our EV100 commitment.
- 30% reduction in Scope 1 and Scope 2 emissions by 2030 against the 2021 baseline. This target will act as a milestone to our longer-term target of reaching net zero across Scope 1, Scope 2 and Scope 3 emissions by 2050.
- Reaching net zero across Scope 1, Scope 2 and Scope 3 emissions by 2050.

OUR SOCIAL COMMITMENTS:

- Continuing to drive diversity initiatives to make a meaningful contribution to social mobility and diversity in the markets we operate in.
- Through our charity partnership with the Single Homeless Project, help Londoners who find themselves in crisis to find improved stability in their lives and a place to call home.

In 2024 the Group made continued progress with its environmental and social commitments. In particular, employees have engaged positively with our new charity partnership, Single Homeless Project.

Our responsible business report is split into four sections which reflects those areas that are most important to our stakeholders and to our long-term success:

1. ENVIRONMENT

We aim to use natural resources as efficiently as possible and minimise the impact our business has on the environment.

Refer to → PAGES 42 TO 51 for more details.

2. PEOPLE, CULTURE AND TRAINING

As a people based business, the culture that we develop within our workforce is key to our success and supports the delivery of stakeholder value. We are proud to have a diverse and inclusive workforce that has developed organically through our focus on hiring, training, developing and retaining high-performing talent.

Refer to → PAGES 52 TO 60 for more details.

3. COMMUNITY

As a responsible business, we contribute to the wellbeing and development of the communities in which we operate.

Refer to → PAGES 61 AND 62 for more details.

4. OTHER RESPONSIBILITIES

We recognise the importance of maintaining the highest standards of business ethics, protecting human rights and maintaining health and safety standards.

Refer to → PAGES 63 AND 64 for more details.

RESPONSIBLE BUSINESS CONTINUED

1. ENVIRONMENT

We are committed to reducing our environmental impact and carbon footprint.

OUR APPROACH – ENVIRONMENT

Although Foxtons has a relatively simple infrastructure and supply chain, with a smaller impact on the environment than some other listed businesses, we are committed to reducing our environmental impact and continue to take steps to support the UK's long-term environmental pledges, as well as our own long-term ESG commitments.

We use the TCFD framework (refer to → PAGES 46 TO 51) to identify and assess emerging climate-related risks, use natural resources as efficiently as possible and take steps to change our business practices and operations where relevant to ensure that we minimise our impact on the environment.

The Board has ultimate oversight of our approach to climate change, with the ESG Committee monitoring progress against ESG commitments and the Audit Committee monitoring climate-related risks as part of its risk management responsibilities. The Executive Leadership Team, which is responsible for day-to-day management of the business and ensuring that the ESG commitments are delivered upon, provides regular updates to the ESG Committee on a regular basis (refer to → PAGE 86 for the ESG Committee's key activities during the year).

THE FOXTONS MINI – ELECTRIFICATION

Since its launch in 2001, the Foxtons Mini has been a key part of Foxtons' identity, with the designs over the years catching the spirit of Foxtons and London's residential property market. 2022 was a milestone year for the Foxtons Mini, with the first fully electric version being launched. The Foxtons Electric Mini, which emits zero emissions, is a perfect car for the city and reflects progress against our commitment to fully electrify our fleet by 2030.

2024 HIGHLIGHTS

ELECTRIC/HYBRID VEHICLE ROLLOUT

38%

of the vehicle fleet was either fully electric or hybrid by the year end (31 December 2023: 31%)

GHG EMISSIONS INTENSITY RATIO

14%

reduction in tonnes of CO_2e per full-time employee (location based measurement method)

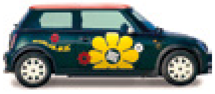
THE FOXTONS MINI OVER THE YEARS

2001 Italian Job Mini

2002 Hot Rod Mini

2003 Urban Graffiti Mini

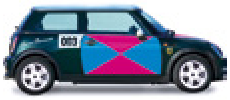
2004 Flower Power Mini



2005 Camo Mini

2006 Punk Mini

2007 Property Chase Mini



2008 Space Mini

2010 X-ray Mini

2014 Anniversary Edition Mini

2022
Introduction of the Foxtons Electric Mini

2024 Cityscape Mini

KEY INITIATIVES AND PROGRESS MADE IN 2024

VEHICLE FLEET ELECTRIFICATION

Our vehicle fleet is used in the day-to-day operations of our business, including transporting customers to property viewings and carrying out property inspections. Through the electrification of our fleet we aim to reduce our emissions and cut pollution in the communities in which we operate. As a member of EV100, the global climate initiative from The Climate Group, we have set a target to switch all of our vehicles to electric by 2030.

In 2024, we continued our progress against this target by replacing petrol vehicles with fully electric or hybrid vehicles. At 31 December 2024, 38% of the vehicle fleet was either fully electric or hybrid (31 December 2023: 31%).

ZERO EMISSION BIKE SHARING

Lime

Over the summer of 2024 we partnered with Lime, London's leading shared electric bike company, to evaluate E-Bikes as an alternative mode of transport in central London. The trial showed that shared E-Bikes can have a role to play in branches with smaller geographical patches, help lower the Group's carbon footprint and can be more time efficient in geographies with high levels of vehicle congestion. Further work will be undertaken in this area as we shape the Group's future transport strategy.

ENERGY SOURCING AND REDUCTION INITIATIVES

Renewable energy sources

We continue to reduce the environmental footprint of our leased head office and branch network, working closely with our energy supplier to monitor our usage and use a REGO backed electricity product (REGO – Renewable Energy Guarantees of Origin) across our branches. Through REGO, our branch electricity is backed by renewable sources, which helps reduce our carbon footprint and is another step towards carbon neutrality and becoming net zero across Scope 1, Scope 2 and Scope 3 emissions by 2050.

Head office and branch efficiency

In 2024 we continued with our energy efficiency initiatives which included fitting the latest low energy technology during branch refurbishment projects. This builds on the work completed in 2022 and 2023 to lower power consumption across the branch network and head office through initiatives such as installing LED lighting and timers for lighting, air conditioning and fresh air systems.

Energy efficient data centres and technology

The Group has two modern eco efficient data centres, with one designed to BREEAM excellent standard. Both data centres use highly efficient cooling technologies to reduce energy consumption and reuse waste heat in communal areas. Over the last two years we have completed infrastructure refresh programmes to enhance our technology capabilities and improve our energy efficiency.

RESPONSIBLE BUSINESS CONTINUED

EMISSIONS

We have a long-term target to reduce our total value chain to net zero across Scope 1, Scope 2 and Scope 3 by 2050. Additionally, we have an interim target to reduce our combined Scope 1 and Scope 2 emissions by 30% by 2030 against the 2021 baseline. We will primarily achieve this through electrification of the vehicle fleet, as well as identifying ways to reduce the size of our fleet and further efficiency measures across our property estate.

Scope 1 and Scope 2 reporting

Our Streamlined Energy and Carbon Reporting (SECR) reports emissions from fuel consumption and the operation of our facilities (Scope 1) and from purchased electricity (Scope 2), both of which are mandatory. Our Scope 1 and Scope 2 footprint, measured in line with mandatory reporting requirements on a location basis, is 1,907 tonnes CO_2e in 2024 (2023: 2,115 tonnes CO_2e). All emissions and energy usage are incurred within the UK.

GHG emissions		2024	2023 (restated)[1]	2021
Scope 1 emissions				
Combustion of fuel (tonnes CO_2e)		**1,108**	1,294	1,224
Other – gas, diesel and LPG (tonnes CO_2e)		**55**	45	114
Scope 2 emissions				
Purchased electricity (tonnes CO_2e)	Location based	**744**	777	910
Purchased electricity (tonnes CO_2e)[2]	Market based	**68**	281	–
Total: Scope 1 & Scope 2 emissions				
Total: Scope 1 & 2 emissions (tonnes CO_2e)	Location based	**1,907**	2,115	2,248
Total: Scope 1 & 2 emissions (tonnes CO_2e)[2]	Market based	**1,231**	1,620	1,338
Intensity ratio				
Tonnes of CO_2e per full-time employee	Location based	**1.34**	1.56	1.94
Tonnes of CO_2e per full-time employee[2]	Market based	**0.87**	1.20	1.15
Energy consumption				
Aggregate energy consumption (kWh)		**8,626,317**	9,529,031	9,186,775
Total CO_2e by emission type				
Electricity: lighting, heating and cooling		**744**	777	910
Combustion of fuel		**1,108**	1,294	1,224
Other: gas, diesel and LPG		**55**	45	114

Methodology
Base line: 2021
Emission factor data source: UK Government GHG Conversion Factors for Company Reporting
Assessment methodology: The Greenhouse Gas Protocol
Intensity ratio: Emissions per full-time employee

1 2023 disclosures have been restated to fully capture Scope 2 emissions to be consistent with 2024. This has resulted in gross emissions increasing from 1,907 tonnes CO_2e (as reported last year) to 2,115 tonnes CO_2e.

2 Market based measurement of Scope 2 purchased electricity reflects procured renewable energy (REGO certified) reducing scope 2 emissions by 676 tonnes CO_2e (2023: 496 tonnes CO_2e).

Scope 1 and Scope 2 reporting

Scope 1 emissions have decreased year-on-year as a result of increased vehicle mileage driven, offset by the continued electrification of the vehicle fleet, with total Scope 1 emissions down 13% to 1,163 tonnes CO_2e (2023: 1,339 tonnes CO_2e). Scope 2 emissions (location based methodology) have decreased by 4% to 744 tonnes CO_2e (2023: 777 tonnes CO_2e) reflecting ongoing energy saving initiatives within the branch portfolio and at head office.

Scope 3 reporting

Like other companies, we are adopting a staged approach of assessing our Scope 3 emissions. Through a desktop exercise, the Scope 3 categories have been considered for relevance, and where relevant, an initial quantification exercise completed to assess whether the associated emissions are material to the Group (refer to → PAGE 46 for materiality considerations).

The Scope 3 categories with the highest associated emissions are purchased goods and services and the element of employee commuting not already captured in Scope 1. The desktop exercise has concluded Scope 3 emissions are not material, however, a more detailed assessment will be undertaken in the medium term to validate this assertion in due course, with further disclosure as necessary.

RECYCLING AND WATER

Recycling

We have a recycling policy and our offices are equipped with designated bins for the recycling of widely used materials in order to reduce our consumptive waste. We actively encourage a paperless environment and try to limit any written correspondence to email. The use of the 'My Foxtons' customer portal continues to increase meaning customers can transact without paper and use digital signing technology. Additionally, within our branches, we use recyclable glass bottles for customer drinking water, rather than plastic bottles.

Water consumption

Our water consumption relates to water consumed in our offices, primarily for drinking and staff facilities, and water consumed to clean our vehicle fleet. Although our water consumption is not considered to be significant, we regularly review our operations with a view to reducing water usage noting it is a resource that is under increasing pressure.

RESPONSIBLE BUSINESS CONTINUED

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Group has applied the TCFD framework to support our understanding and management of climate-related risks and opportunities.

ASSESSING MATERIALITY OF CLIMATE-RELATED RISKS

The Board has assessed the materiality of climate-related matters taking into consideration the extent to which climate change poses a material risk to the business and after considering the following points:

Materiality consideration points	Assessment outcome
Size of environmental footprint.	Foxtons is a service based business with relatively low levels of Scope 1, 2 and 3 emissions.
Whether there are any business segments, elements of the business model or locations that could be more significantly impacted by climate risks.	No particular business segment or element of the business model has a heightened exposure to climate change risk. Since Foxtons operates in Greater London no special location considerations are required.
The complexity of the Group's supply chain and exposure to climate-related factors.	Foxtons operates in a service industry with a relatively asset light business with a non-complex supply chain.
The possible impact of climate risks.	Within the scenario analysis presented on → PAGES 48 AND 49 the climate risk impacts have been assessed as being low to medium.
Whether the likelihood of risks and the associated financial impacts could significantly evolve over time.	The assessment has considered risks over the short, medium and long term. Management will continue to evaluate the long-term impact and evolve the risk assessment accordingly.

OVERALL MATERIALITY CONCLUSION

Following the assessment, the Board has concluded that climate-related risks are not material to the Group and has taken this into account when applying the TCFD framework to ensure the level of disclosure is commensurate to the level of risk.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

The TCFD divides climate-related risks into two major categories: (1) Risks related to the transition to a lower carbon economy ("Transition risks"); and (2) Risks related to the physical impacts of climate change ("Physical risks"). The risks are presented below, having considered the TCFD all sector guidance points, alongside climate-related opportunities.

Transition risks

Short term (to 2030)	Medium term (2030 to 2040)	Long term (beyond 2040)
Market risk: Climate-related regulation could reduce the supply of housing stock for sale/to let and impact growth plans. For example, property energy performance regulation may increase landlord operating costs, discouraging landlords from operating in the private rental sector.	**Operational risk:** There will be additional costs of becoming net zero across Scope 1, Scope 2 and Scope 3 emissions due to the cost of renewable energy, electric vehicles, environmental levies and carbon offsets. The cost of investment is likely to be partially offset by lower energy costs. **Market risk:** Changes in customer behaviour could result in changes in supply and demand for residential property and cause volatility in property and rental prices. **Market risk:** Vulnerable social groups and lower income households may be disproportionately affected by climate change which may impact local property markets and the balance of business between lettings/sales. **Reputational risk:** If we do not transition our business model quickly enough there may be increased reputational risk.	

Physical risks

Short term (to 2030)	Medium term (2030 to 2040)	Long term (beyond 2040)
Business disruption as a result of extreme weather events.	As temperature rises and extreme weather events become more regular, climate change predictions suggest that by the 2050s London could be some 2 degrees hotter with wetter winters and drier summers, leading to changes in customer behaviour and wider social impacts. There may also be business disruption as a result of extreme weather events.	It is likely that a significant proportion of London's critical infrastructure will be at increased risk from flooding and there are likely to be more people living on a floodplain which may impact customer behaviour and potentially reduce available housing stock.

Climate-related opportunities

Short term (to 2030)	Medium term (2030 to 2040)	Long term (beyond 2040)
In September 2024, the government announced that landlords must ensure their rental properties achieve an Energy Performance Certificate (EPC) rating of at least 'C' by 2030. A proportion of landlords will need to invest in energy-efficient upgrades to meet this standard. The Group has the opportunity to manage property upgrades on behalf of landlords which will in turn generate additional property management revenues for the Group.	Over the medium to long term there will need to be significant investment by property owners to ensure existing homes are low carbon and resilient to the changing climate. This is a major UK infrastructure priority and is expected to be supported by the Treasury. There could be an opportunity for the Group to further increase its property management revenues by supporting property owners make the required changes.	

The Board will continue to assess climate-related risks under review as an emerging risk as noted within the risk management disclosures on → PAGES 47 TO 49.

RESPONSIBLE BUSINESS CONTINUED

CLIMATE SCENARIO ANALYSIS

To evaluate the resilience of the Group's approach to climate-related risks and opportunities, analysis under two possible climate scenarios has been completed:

Scenario 1: The rise in global temperature is limited to less than 2°C.

Scenario 2: The global temperature rises by more than 2°C.

The risks and opportunities under each scenario are presented against short, medium, and long-term time horizons. Further analysis will be undertaken to define the resilience of the business model in the longer term as market practice and market intelligence develops.

Scenario 1: The rise in global temperature is limited to less than 2°C.

Under the less than 2°C scenario, transition risks, as a result of transitioning to a low-carbon economy pose a greater risk to our business model, whilst physical risks, pose a lower risk. Overall, we expect the Group's business model to be resilient under this scenario as summarised in the table below.

	Short term (to 2030)	Medium term (2030 to 2040)	Long term (beyond 2040)
Risks:	**Higher transition risks associated with moving to a low carbon economy** • Climate-related regulation could reduce the supply of housing stock for sale/to let and impact revenue growth plans. • Transition costs to meet emission targets and/or imposed climate levies. • Reputation risk due to a slow transition to a low carbon economy.	**Continued transition risks** • Transition costs to meet emission targets and/or imposed climate levies. • Potential market volatility impacting local markets and business performance in local markets. • Reputation risk due to a slow transition to a low carbon economy.	**Less significant increase in physical risks** • Isolated extreme weather events expected causing manageable business disruption to operations.
	Impact assessment:	**Impact assessment:**	**Impact assessment:**
Opportunities:	• There is an opportunity for the Group to benefit from increased demand for property management services as landlords seek to make properties more energy efficient which is likely to be enforced through government legislation. • There is an opportunity to reduce running costs by adopting lower energy technologies and electric vehicles. **Impact assessment:**		

Key: Low impact Medium impact High impact

Scenario 2: The global temperature rises by more than 2°C.

The Paris Agreement aims to keep global warming well below 2°C. Under the greater than 2°C scenario, global climate policy is less effective at tackling climate change. Under this scenario, physical risks pose a greater risk as a result of more extreme weather events, whilst transitional risks pose a lower risk. Overall, we expect the Group's business model to be resilient under this scenario as summarised in the table below.

<table>
<tr><th></th><th>Short term (to 2030)</th><th>Medium term (2030 to 2040)</th><th>Long term (beyond 2040)</th></tr>
<tr><td>Risks:</td><td>Slight increase in transition and physical risks
More regular extreme weather events expected to cause manageable business disruption to operations.
Insurance cost rises due to an increase in the likelihood of physical damage to properties and vehicles from weather related events.
Impact assessment: /</td><td colspan="2">Increasing physical risks due to a failure to adequately transition to a low-carbon economy
More regular extreme weather events expected causing more significant business disruption to operations.
Market volatility due to the risk of a reduction in available properties or lower demand for properties in areas more prone to weather related disruption which may impact business performance in local markets.
Reputation risk due to a slow transition to a low-carbon economy.
Increase in energy costs as energy sources become constrained or compromised.
Impact assessment: /</td></tr>
<tr><td>Opportunities:</td><td colspan="3">There is an opportunity for the Group to benefit from increased demand for property management services as landlords seek to make properties more energy efficient or make a greater use of our property management services to manage climate-related issues.
Property prices may increase in certain geographies should other geographies become more prone to weather related disruption providing an opportunity to generate additional revenues in areas with higher demand.
Opportunity to reduce running costs by adopting lower energy technologies and electric vehicles.
Impact assessment:</td></tr>
</table>

RESPONSIBLE BUSINESS CONTINUED

ALIGNMENT WITH THE RECOMMENDATIONS OF THE TCFD

Our TCFD compliance statement is set out below. In line with the requirements of LR 6.6.6(8)R, we are reporting on a 'comply or explain' basis against the eleven recommended TCFD disclosures. The table below sets out our compliance status in relation to each of the recommendations and, where relevant, the actions we are taking to achieve compliance.

For 2024, our disclosures were deemed to be compliant with all of the TCFD recommendations. We will continue to develop our disclosure in future years as market practice develops or in the event our materiality assessment evolves.

Key: ● Compliant ● Partially compliant

TCFD recommended disclosure and compliance	Activities to date and actions to achieve compliance
● (Compliant) **Governance** (a) Describe the Board's oversight of climate-related risks and opportunities	The Board has overall accountability for ESG and is responsible for maintaining the Group's system of risk management and internal control, including climate-related risks. This is informed by the work of the ESG Committee and the Audit Committee. The ESG Committee regularly reviews environmental and social related risks to the Group and makes recommendations to the Audit Committee regarding inclusion in the Group's risk management practices. Climate-related opportunities will also be reported directly to the Board by the ESG Committee. Where relevant and material, the Board will consider climate-related matters when making strategic decisions, such as deciding the rate at which the vehicle fleet is electrified. **Planned actions** – The Board will continue to receive updates from the ESG Committee and Audit Committee to inform strategic decisions.
● (Compliant) **Governance** (b) Describe management's role in assessing and managing climate related risks and opportunities	The Executive Leadership Team is responsible for day-to-day management of the business and ensuring that the ESG strategy is actioned appropriately within the business. The Executive Leadership Team monitors the delivery of the Group's environmental programmes and also monitors climate-related risk as part of the Group's overall risk management framework. The Executive Leadership Team receives progress reports on environmental and social initiatives from relevant departmental heads. The ESG Committee, which meets three times a year and otherwise as required, receives reports from the Executive Leadership Team or relevant department heads. The ESG Committee Chair reports key matters to the Board following each Committee meeting. **Planned actions** – As our environmental programmes progress, we will assign specific responsibilities to Senior Managers to ensure that climate-related risks and opportunities are assessed and managed effectively throughout the business.
● (Compliant) **Strategy** (a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	On → **PAGES 47 TO 49** we describe the possible climate-related risks and opportunities that may impact our business over the short, medium and long term. **Planned actions** – The Board will continue to monitor risks on a short, medium and long-term basis and monitor the emerging climate-related risk.
● (Compliant) **Strategy** (b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	The Board has not identified any material climate-related risks that impact the Group's business model, strategy, financial planning or viability of the Group. This conclusion is supported by the risk assessment set out on → **PAGES 47 TO 49**. No material cost investment is required to meet our medium-term environmental commitments, with the relevant costs incorporated into financial projections for the next five years. **Planned actions** – The Board will continue to monitor risks on a short, medium and long-term basis and monitor the emerging climate-related risk.
● (Compliant) **Strategy** (c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	On → **PAGES 48 AND 49** the impact on the Group's strategy under two climate-related scenarios has been assessed: Scenario 1: a 2°C or lower scenario; and Scenario 2: a more than more than 2°C scenario. **Planned actions** – The Board will continue to monitor the resilience of the Group's strategy, and in particular the longer-term impacts which are inherently more difficult to assess.

TCFD recommended disclosure and compliance	Activities to date and actions to achieve compliance
Risk Management (a) Describe the processes for identifying and assessing climate-related risks	Climate-related risks are identified through the Group's risk management processes. The Group utilises the TCFD framework to identify climate risks and horizon scans for changes in the risk environment. **Planned actions** – We will continue to review our risk register to ensure effective identification of our climate-related risks. **Further information** – Refer to → **PAGE 32** for details of the Group's risk identification process.
Risk Management (b) Describe the processes for managing climate-related risks	Climate-related risks are managed through the Group's risk management processes overseen by the Audit Committee. **Planned actions** – The Board and Audit Committee will continue to regularly review the Group's principal and emerging risks. **Further information** – Refer to → **PAGE 32** for details of the Group's risk management process.
Risk Management (c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management	The Group's risk management framework includes the key process for identifying, assessing and managing climate-related risks alongside non-climate-related risks. **Planned actions** – The Board and Audit Committee will continue to regularly review the Group's principal and emerging risks. **Further information** – Refer to → **PAGE 32** for details of the Group's risk management process.
Metrics and Targets (a) Describe the metrics used to assess climate-related risks and opportunities in line with the strategy and risk management process	The metrics used by the Group to assess the climate-related risks and opportunities include: • GHG emissions (Scope 1 and Scope 2) • Intensity ratio • Energy consumption **Planned actions** –Continue to monitor our total GHG emissions, intensity ratio and energy consumption. We will also keep these metrics under review and consider whether to add further metrics in the future. **Further information** – Refer to → **PAGES 44 AND 45** for more detail on our environmental impacts and climate-related targets.
Metrics and Targets (b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and related risks	GHG Scope 1 and 2 emissions reported in line with the Streamlined Energy and Carbon Reporting (SECR) regulations. Scope 3 GHG emissions are not considered to be material for the Group and are therefore not currently disclosed. **Planned actions** • We will continue to report on GHG Scope 1 and 2 emissions. • A desktop exercise has concluded Scope 3 emissions are not material, however, a more detailed assessment will be undertaken to validate this assertion in the medium term, with further disclosure as necessary. **Further information** – Refer to → **PAGE 126** for the Group's Streamlined Energy and Carbon Reporting and → **PAGE 43** for details of the Group's Scope 3 emission assessment.
Metrics and Targets (c) Describe the targets used to manage climate-related risks and opportunities and performance against targets	The Group has a number of targets to manage climate-related risks as set out on → **PAGES 46 AND 47**. In summary these are: • Electrifying our entire vehicle fleet by 2030 in line with our EV100 commitment. • 30% reduction in Scope 1 and Scope 2 emissions by 2030 against the 2021 baseline. • Reaching net zero across Scope 1, Scope 2 and Scope 3 emissions by 2050. **Planned actions** – To keep our targets under review and continue to monitor progress against them.

RESPONSIBLE BUSINESS CONTINUED

2. PEOPLE, CULTURE AND TRAINING

People, culture and training are key elements of the Foxtons Operating Platform and combined are critical to our success over the medium-term.

As a sales-focused business, building a high-performance culture which inspires our people to deliver the very best results for customers is key to our success and provides us with a competitive advantage. The Board is acutely aware of the need to build this high-performance culture within an environment which is inclusive, professional and respectful.

2024 saw a number of culture enhancing initiatives rolled out, including mandatory annual respect and inclusion workplace training, enhancing the Group's speak up processes and relaunching the Group's employee value proposition. Although significant steps have already been taken to enhance our culture, the Board fully recognise this work never finishes and it will continue to be an area of focus throughout 2025 and beyond.

2024 HIGHLIGHTS

DIVERSE AND INCLUSIVE WORKPLACE

87%

of employees believe that the company values diversity and builds teams that are diverse[1]

(2023: 81%)

CULTURE

79%

of employees believe our company values match our culture[1]

(2023: 76%)

TRAINING AND DEVELOPMENT

80%

of our employees say they have access to the learning and development they need to do their job well[1]

(2023: 85%)

COMPANY CONFIDENCE

88%

of employees believe that the company is in a position to really succeed over the next three years[1]

(2023: 85%)

LETTINGS AND SALES FEE EARNER RETENTION RATES HAVE IMPROVED BY

13%

versus pre-turnaround 2022 comparator

TRAINING AND DEVELOPMENT

MORE THAN 2,100 HOURS

of face-to-face classroom-based training delivered in 2024

[1] Results from the 2024 employee engagement survey, independently administered by CultureAmp. 77% of the workforce responded to the 2024 survey (2023: 68%).

FOXTONS' EMPLOYEE VALUE PROPOSITION: 'MAKE IT WITH US'

During 2024 we launched Foxtons' new employee value proposition, '*Make it with us*', which encapsulates what a career at Foxtons offers, including the high-performance culture, training, employee reward, as well as the mindset that is required to be a top performer.

The employee value proposition is the culmination of the strategic steps taken over the last two years to re-energise Foxtons' culture, re-build training programmes, overhaul recruitment, introduce new career development programmes and upgrade employee reward structures.

The employee value proposition recognises that people are core to Foxtons' success and central to the Group's strategy. The proposition supports the Group in attracting, recruiting and retaining employees who are the best fit for Foxtons, aligning the external recruitment and retention strategy with internal culture and brand.

Core principles of the new employee value proposition include:

- Best-in-class training for new employees focused on rapidly building skills and knowledge, supported by industry leading technology, enabling each individual to become experts in their field and local markets.
- Comprehensive career development programmes that support ongoing career progression. With a track record of promoting from within, progression is in the hands of each employee, as reflected by our Senior Leadership Team, the majority of whom started their career at Foxtons.
- A unique high-performance culture, where outstanding performance is recognised, celebrated and rewarded through industry leading remuneration structures and unique employee reward programmes.
- A culture of meritocracy, where to be truly successful, employees must have a hunger to fulfil their potential, a strong work ethic, and a mindset focused on delivering excellent results for clients whilst upholding the highest levels of professional standards.

People, culture and training is a key part of the Foxtons Operating Platform, refer to → **PAGES 14 AND 15****, which has been rebuilt as part of the Group's turnaround.**

PEOPLE

We are committed to recruiting and retaining a highly motivated, skilled and experienced workforce that mirrors the diversity of London, the city we predominantly serve. This approach enables us to access a diverse mix of people and skills, with different ideas and creates a culture where each employee can bring their authentic self to the business and feel motivated to work and perform at their best.

Refer to → PAGES 52 TO 56 for details of our initiatives and progress made in 2024.

CULTURE

We are committed to investing in and maintaining a respectful and high-performance culture that attracts and retains a diverse community of talented people who deliver outstanding results for our customers. This culture allows us to keep our competitive edge and enables us to deliver our strategic priorities and ultimately enhance the success of the Group.

Refer to → PAGES 57 AND 58 for details of our initiatives and progress made in 2024.

TRAINING

We are committed to ensuring our people receive the best training and career development opportunities with a view to building a long-term career. Our industry leading training consists of formal and informal training, mentoring, coaching and networking events, giving our people the support and the resources they need to enhance their development.

Refer to → PAGES 59 AND 60 for details of our initiatives and progress made in 2024.

RESPONSIBLE BUSINESS CONTINUED

PEOPLE

Our people strategy aims to embed the right skills and values in our workforce to deliver the very best results for our customers. Our approach to recruitment, staff retention and our diversity networks play an important role in maintaining an engaged, productive and diverse workforce.

RECRUITMENT AND RETENTION

As a business that has people at the heart of its operations, how we attract, recruit and retain high quality talent into Foxtons remains one of our key priorities. Our comprehensive recruitment process sets the tone for all our employees to understand how important employee and customer experience is to our overall success.

2024 has been a year of continuous improvement for our recruitment and retention practices, a number of enhancements have been made during the year including:

- Enhancing our interview and assessment methods to ensure we are selecting talent to support our future;
- Increasing the use of data to strengthen our understanding of available talent pools;
- Enhancing our interview and assessment methods to improve candidate experience and hire success rates;
- Evolving our experienced hire processes, with a particular focus on building relationships and recruiting from our alumni network;
- Refocusing our graduate recruitment programme through a number of outreach programmes, including working closely with targeted universities to benefit from their talent pools;
- Launching our new employee value proposition, further details of which are set out on → PAGE 53, which supports candidate attraction and retention;
- Analysing employee feedback through the employee lifecycle to better understand and respond to employees' points of view;
- Additional training to support progression and development, refer to → PAGE 59 for further details; and
- Relaunching the Foxtons careers website: careers.foxtons.co.uk.

2024 HIGHLIGHTS

EMPLOYEE RETENTION RATE

13%

improvement in Lettings and Sales fee earner retention versus pre-turnaround 2022 comparator

EMPLOYEE TENURE

12%

improvement in Lettings and Sales fee earner average tenure versus pre-turnaround 2022 comparator

EQUITY, DIVERSITY AND INCLUSION (EDI) AT FOXTONS

2024 saw the creation of an EDI committee composed of employees and chaired by a member of senior management, highlighting Foxtons commitment to fostering a diverse and respectful workplace. We believe in the value of difference, and we know that cultivating an inclusive culture helps us to benefit from those differences. Attracting, retaining, developing and engaging a diverse workforce is central to our meritocratic approach. We want the best people who have shared values with Foxtons.

While we champion all forms of diversity, our official networks, **Women@Foxtons**, **AfroFoxtons** and **LGBTQ+**, play a crucial role in ensuring our employees feel included, represented, and empowered to be their authentic selves at Foxtons. In 2024, we conducted various surveys to gauge interest in expanding our networks and celebrating cultural events.

Building on the success of our inaugural 2023 Iftar, the fast-breaking evening meal of Muslims in Ramadan, we aimed to make the 2024 event more impactful and inclusive. As pictured above, we collaborated with the award-winning charity, Ramadan Tent Project, to celebrate the spirit of Ramadan and foster connections within our diverse communities. We united over 100 colleagues from various faiths and backgrounds to support the Muslim community, not only by sharing a meal at Iftar but also by participating in the day's fast. There was enthusiastic participation from members across various departments within the Foxtons community.

Looking ahead to 2025, we aim to expand our EDI communications, calendar and offerings whilst supporting the business to build diversified bench strength and continuously improve gender balance in senior positions.

OUR DIVERSITY NETWORKS

The **Women@Foxtons** programme continues to commit to creating a supportive network for all women in our business. In 2024, we hosted several inspiring events, including sports events and creative sessions, all of which brought the community closer together.

WOMEN AT Foxtons

The **AfroFoxtons** network provided members with numerous opportunities to showcase their exceptional creativity and leadership skills. Activities included social events, and seminars and hosting a charity art auction, with each piece of original art painted by employees, in order to raise money for the Group's charity partner.

AFRO Foxtons

The **LGBTQ+** network focused on delivering content and events that were relevant to our members and the wider business. Through these empowering initiatives, members of the network have been able bring their true self to the business. The network has been able to recognise our allies and the importance of their support in increasing visibility and awareness of its members.

Foxtons LGBTQ+ network

RESPONSIBLE BUSINESS CONTINUED

DIVERSITY REPORTING: GENDER AND ETHNICITY

The table below presents gender and ethnicity diversity ratios across the Group as at 31 December 2024. Gender splits reflect employer information we hold on employees' legal sex, and ethnicity splits reflect diversity information anonymously collated as part of our annual employee survey or specific returns made by the Board and Senior Management. We use our annual disclosure as a benchmark to monitor our progress as we further enhance our gender and ethnic diversity at all levels of the Group.

	Gender		Ethnicity		
	Male	**Female**	**White ethnic background**	**Non-white or ethnic minority background**	**Prefer not to say**
Board	71%	29%	100%	–	–
Executive Leadership Team[1]	75%	25%	88%	12%	–
Senior Management[2]	80%	20%	77%	23%	–
All other employees	52%	48%	53%	31%	16%

1 The Executive Leadership Team includes two Executive Directors, refer to → PAGE 68 for Executive Leadership Team membership.

2 Senior Management includes the Executive Leadership Team and their direct reports, excluding Executive Assistants.

Below the Senior Management level the gender balance was 52% male and 48% female and of those employees who responded to the annual employee survey, 31% identified as non-white or from an ethnic minority background. At more senior levels of the business we recognise there is more work to do to improve both gender and ethnic diversity of Senior Management, the Executive Leadership Team and the Board. Our employee development programmes continue to be a key area of focus to improve diversity across the Group.

CULTURE

The Board is committed to investing in and maintaining a respectful and high- performance culture that attracts and retains talented people who deliver outstanding results for our customers. Fostering this high- performance culture is critical to delivering on our strategic priorities and ultimately enhances the success of the Group.

MONITORING AND ASSESSING CULTURE

As set out on → **PAGE 73,** the Board monitors culture in a number of ways including:

- Engaging with the Employee Engagement Committee (EEC);
- Reviewing the results of the annual employee engagement survey;
- Engaging with Senior Management to review the internal tools used to monitor culture;
- Reviewing workforce equality, diversity and inclusion initiatives;
- Reviewing the Group's people dashboards; and
- Visiting branches.

The ESG Committee supports the Board in monitoring and enhancing culture, and over the course of 2024 has taken various steps to improve culture (refer to → **PAGE 86** for details).

Employee Engagement Committee

The EEC is designed to give employees the opportunity to directly raise matters with Non-Executive Directors and provides an opportunity for Non-Executive Directors to experience the Company's culture first-hand. Each EEC meeting is attended by a Non-Executive Director on a rotational basis, who reports back to the Board to ensure the full Board is fully informed of employee views when making decisions.

In 2024, the EEC covered a range of areas including:

- Discussing the employee engagement survey results and ongoing employee listening strategy.
- Discussing Executive Directors' pay structures and employee benefits.
- Discussing employee survey results.
- Discussing vehicle safety and related training.

Key outcomes from the EEC meetings included:

- Employees understanding the key themes and future areas of focus identified from the employee engagement survey.
- Employees having a better understanding of the decisions made by the Remuneration Committee in the context of wider workforce remuneration as set out in the 2024 Directors' Remuneration Report.
- Employees identifying which Foxtons benefits/policies they value and suggestions for the future.
- Employees inputting their suggestions on what questions we should ask in our pulse surveys and to improve participation in future surveys.
- Identifying innovative ideas to improve Health and Safety.

RESPONSIBLE BUSINESS CONTINUED

2024 employee engagement survey

The annual employee engagement survey acts as a formal mechanism for the Board and Senior Management to anonymously monitor culture, assess year-on-year progress, and form a tangible action plan in response to employee feedback.

Similar to 2023, the Group's survey was administered by CultureAmp, an independent survey provider.

This annual survey, combined with pulse surveys delivered during the year, enables the Board to collect and compare feedback on the entire employee lifecycle, from recruitment to the point an employee leaves the Company.

We ran our annual employee engagement survey using broadly the same structure as in 2023 to help us measure changes over the past 12 months.

We saw an increase in participation this year, with 77% of the overall workforce responding (2023: 68%). This gives us strong representation for meaningful analysis.

Highlights from the 2024 survey include:

- 81% of employees would recommend Foxtons as a great place to work.
- 79% of employees are proud to work for Foxtons.
- 88% of employees believe that Foxtons is in a position to really succeed over the next three years.
- 87% of employees believe that Foxtons values diversity and builds teams that are diverse.

The survey also helped identify those areas where management should focus their attention to drive continuous improvement, these areas include developing employee social connection and increasing employee involvement in performance evaluation.

The Board has reviewed all areas of feedback from the survey and incorporated areas for improvement into the 2025 people related strategy.

OUR VALUES

Innovative, professional, ambitious, authoritative and **relentless**. These values shape and underpin our culture and provide direction to our employees.

INNOVATIVE

Constantly looking for new and market leading ways to get the right deal done for our customers.

PROFESSIONAL

Providing the most efficient, reliable and dedicated customer journey, whilst maintaining the highest standards of business ethics.

AMBITIOUS

Striving to get the best results for our customers.

RELENTLESS

Maintaining consistently high standards day in and day out to consistently deliver the best results for our customers.

AUTHORITATIVE

Being the most knowledgeable agents in the market.

EMPLOYEE RECOGNITION, REWARD AND WELLBEING

Employee recognition is an important part of our high-performance culture. Throughout the year employee success is celebrated and model behaviours shared across the Company.

As a Company that celebrates a high-performance culture our reward and recognition structures are key to maintaining momentum. This year we continued to support highly competitive commission structures that support uncapped commission and other variable pay incentives. In addition we also offer experiences such as international trips that recognise outstanding personal contributions and help create a differentiated employee experience.

Employee wellbeing is vital to our people thriving personally and professionally. 2024 saw us grow our offering with the formation of an internal Wellbeing Committee composed of employees. The objective of this committee is to enhance the experience and benefits available to employees.

Most recently this has seen us launch regular initiatives, including additional support to our Mental Health First Aiders, improving the multi-faith facilities available and offering fitness and gym discounts. In 2025 we will see this offering expand as we consider the feedback provided in the most recent survey.

TRAINING

Our training and employee development programme delivers tailored and meaningful training, which aims to help all our employees deliver the best results for customers and reach their career goals.

EMPLOYEE ONBOARDING

Our intensive five-day onboarding programme is widely accepted across the industry as being the most comprehensive introduction to estate agency. It covers all aspects of selling and letting property, providing essential skills and on-the-job learning experiences for those starting their career at Foxtons, as well as ensuring that every employee quickly understands the business and is equipped with the tools they need to start delivering results for customers from the outset.

This induction week also ensures that all of our new starters understand how they can play their part in delivering our purpose and adopting our values, which underpin our unique culture.

MANAGER DEVELOPMENT PROGRAMMES

In 2024, our managers completed over 1,500 hours of our in-house management training programme, “Impact”, which is designed to equip new leaders with the skills and knowledge they need to create a high-performance culture within their teams.

Impact is a tailored management development programme which takes place over several months with the aim of developing market leading managers who will play a critical role in maintaining the right culture and delivering results for our customers. The programme culminates in an assessment which comprises five challenging assessments including the opportunity to present to the CEO as well as other members of the senior leadership team on how they are using their new skills, behaviour, and knowledge to make an impact within their departments.

“NEXT GENERATION” LEADERSHIP PROGRAMME

Additionally, in Summer 2024 we launched our “Next Generation” leadership programme designed to prepare our senior managers for director roles in the future. The programme will help us build bench strength and improve the gender balance in senior positions, whilst improving the talent supply by bridging the gap between manager and director grades.

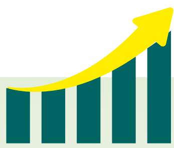
The programme aims to support the career of managers who aspire to take a larger leadership role in the Company. Through a combination of shadowing, mentoring, and interactive training, delegates are able to enhance their capability as a high performing leader. Through the course delegates will also be able to strengthen their communication, presentation, decision-making, and strategic thinking skills.

INTERNAL MENTORING

We understand the importance of providing comprehensive support to employees who have recently been promoted into a new role. As such, all newly promoted Valuers and Associate Negotiators are enrolled onto a peer-to-peer mentoring scheme during which they are assigned a mentor to support them with their enhanced responsibilities.

DIVERSITY, RESPECT AND INCLUSION TRAINING

As part of the Group’s commitment to creating a respectful and inclusive workplace, where individual differences are respected and valued, 2024 saw the launch of an updated respect and inclusion training programme to ensure the Board and our employees understand their responsibilities in this important area. This training, combined with the Group’s whistleblowing and speak up polices, is focused on creating an environment where employees feel able to speak up about any concerns.



TRAINING TO IMPROVE SKILLS

84%

of employees agree or strongly agree that they know what to do to be successful in their role (2023: 87%)[1].

84%

of employees believe the information to do their job effectively is readily available (2023: 81%)[1].

80%

of employees believe they have access to the learning and development they need to do their job well (2023: 78%)[1].

[1] Results from the 2024 employee engagement survey, independently administered by CultureAmp. 77% of the workforce responded to the 2024 survey (2023: 68%).

RESPONSIBLE BUSINESS CONTINUED

TRAINING CASE STUDY: GEORGIANA, SALES VALUER, WEMBLEY & HARROW

Georgiana joined Foxtons having had no prior estate agency experience. Upon joining Georgiana went through Foxtons' industry leading interactive induction programme. This comprehensive week covered essential topics such as estate agency law, the sales process, booking and conducting viewings, and using Foxtons' Business Operating System. This thorough preparation equipped Georgiana with the knowledge and skills needed to excel as a Sales Negotiator at our branch in Wembley.

Georgiana's commitment to hard work and excellence was evident from the start and she fully engaged in her continuous professional development programme, to further build her expertise. With her dedication and the robust support system at Foxtons, Georgiana quickly advanced in her career to become a Sales Valuer. Georgiana's story highlights how individuals can achieve success at Foxtons as long as they come to the business with the right mindset and the willingness to succeed.

"My journey at Foxtons has been a transformative experience filled with challenges, learning and growth. The dynamic environment has always encouraged me to step out of my comfort zone and develop new skills. The opportunity to work in two offices has allowed me to learn so much to improve my listing and management skills. But it is more than just information Foxtons equips you with – it is fantastic support and the confidence to succeed that has pushed me to go that extra mile and deliver for my clients."

3. COMMUNITY

Foxtons is committed to preventing homelessness in the communities we serve and supporting those impacted by homelessness to leave it behind for good.

A NEW PARTNERSHIP TO TACKLE HOMELESSNESS

Our employees selected Single Homeless Project as our charity partner for 2024 and 2025. This partnership has been instrumental in deepening our understanding of the complexity of homelessness in London. While a fifth of Single Homeless Project's work involves providing hostel places, the majority of the charity's time is focused on preventing homelessness and helping individuals rebuild their lives. This is the work we are most proud to support.

Single Homeless Project emphasises that the most effective way to end homelessness is to prevent it from happening in the first place. Their expert teams help individuals facing life-changing events stay in their homes or find suitable accommodation. Recovery from homelessness is a long-term journey, and through their Achieving Potential programme, Single Homeless Project provides opportunities for their clients to develop essential life skills, gain employment readiness, and mentor others with shared experiences.

FUNDRAISING TO DRIVE CHANGE

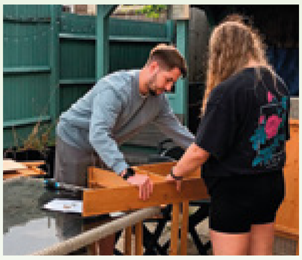
A key element of Foxtons' support for Single Homeless Project has been fundraising with the Company donating £63,464 directly to the charity, which includes £8,717 of matched employee fundraising. Through payroll giving employees are able to support the charity on a monthly basis directly from their salary. We also introduced "Powerful Pennies", allowing employees to round down their salary each month and donate the difference to Single Homeless Project.

Most inspiring has been the passion of Foxtons' employees, who collectively raised £8,717 through a series of initiatives, including 10K races, half marathons, sponsored hikes, table tennis tournaments, and art sales. These efforts directly contributed to emergency micro-grants for 329 individuals, helping them cover essentials such as energy bills, food, clothing, or mobile phones. Additionally, 98 move-on packs were provided to support those transitioning into private rented accommodation, while 601 people engaged in the Achieving Potential programme, advancing their recovery and employment goals.

Collectively, Foxtons and its employees have raised a total of £72,181.

RESPONSIBLE BUSINESS CONTINUED

LAINEY'S JOURNEY – AN EXAMPLE OF SINGLE HOMELESS PROJECT'S WORK



Lainey's childhood was marked by loss – her mother passed away when she was young, followed by her grandparents, who had been her guardians. When she moved in with an aunt, the home environment proved challenging, and at just 16, Lainey found herself homeless.

Navigating life on the streets was difficult, but she eventually found Single Homeless Project, where she was provided with food, clothing, and a safe place to stay. Single Homeless Project helped to furnish Lainey's accommodation with essential items, ensuring she had a comfortable and stable home environment from the outset. Volunteers also held mentoring sessions, helping Lainey develop skills and confidence for the next stage of her journey.

Foxtons' partnership with Single Homeless Project has allowed us to make a meaningful difference in the fight against homelessness in London. Through continued fundraising, volunteering, and advocacy, we remain committed to helping individuals rebuild their lives and achieve lasting independence.

MAKING A DIFFERENCE THROUGH VOLUNTEERING

Beyond fundraising, we have also committed to the Single Homeless Project's annual volunteer programme, delivering 10 Foxtons-led volunteer events in 2024. A total of 91 Foxtons employees dedicated their time to revitalising shared social spaces in hostels through painting, decorating, and gardening, preparing an allotment for gardening and cooking projects, and supporting Single Homeless Project's community sports day, helping facilitate the largest gathering of their clients. Employees also provided professional photography for key client events and helped bring festive warmth to hostels at Christmas.

SPREADING FESTIVE CHEER

As the year drew to a close, Foxtons employees and suppliers came together to support Single Homeless Project's seasonal campaign, ensuring clients could celebrate Christmas. Through collective donations, we directly supported 374 clients, providing 242 Christmas dinners, food hampers for individuals and families in need, gifts of warm clothing, and toys and Christmas treats for clients' support dogs.

"On behalf of everyone at Single Homeless Project, I want to thank you for the incredible support that Foxtons and your employees have given us over the past year. Your generous contributions and commitment to our mission have had a direct impact on the lives of Londoners experiencing homelessness. We look forward to all that we can accomplish together in 2025."

Liz Rutherford, CEO of Single Homeless Project.

FURTHER COMMUNITY ENGAGEMENT IN LONDON

Foxtons' commitment to the wider London community continued in 2024. Before transitioning to Single Homeless Project we made a final donation of £13,100 to London's Air Ambulance, our previous payroll giving partner. For the third consecutive year, we commissioned local artist ATOM and his team to create a mural for our Notting Hill office, celebrating our ongoing participation in Notting Hill Carnival.

4. OTHER RESPONSIBILITIES

The Board recognises its wider responsibilities and, through a number of established policies and practices, governs compliance with legislation and governance guidance.

GOVERNANCE AND ETHICS

The Board promotes the highest ethical standards when carrying out our business activities, and the Group has policies covering a number of areas, including:

- Dealing with gifts and hospitality.
- Anti-money laundering.
- The use of inside information.
- Guarding against bribery and corruption.
- Modern slavery.
- How to speak up / whistleblowing.
- Anti-facilitation of tax policy.
- Environmental, social and governance.
- Equity, diversity and inclusion.

All of these policies are included in our employee handbook and are backed by mandatory training for our people and adherence to the policies is monitored on a regular basis.

2024 HIGHLIGHTS

79%

of employees believe our company values match our culture[1]

(2023: 76%)

[1] Result from the 2024 employee engagement survey independently administered by CultureAmp. 77% of the workforce responded to the 2024 survey.

RESPONSIBLE BUSINESS CONTINUED

WHISTLEBLOWING AND SPEAKING UP

The Group is committed to conducting its business with honesty and integrity, and all employees are expected to maintain high standards. However, all organisations face the risk of things going wrong from time to time, or of unknowingly harbouring illegal or unethical conduct. A culture of openness and accountability is essential in order to prevent such situations occurring or to address them when they do occur.

The Group's whistleblowing policy aims to:

- Encourage employees to report suspected wrongdoing, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected.
- Provide employees with guidance as to how to raise those concerns.
- Reassure employees that they should be able to raise genuine concerns in good faith without fear of reprisals, even if they turn out to be mistaken.

Employees have a number of routes to report whistleblowing matters, including through our confidential whistleblowing helpline run by an independent third party. The whistleblowing helpline is advertised in the business, including prominently in the staff handbook which is accessible to all employees. The Audit Committee regularly reviews any matters reported to the whistleblowing helpline as detailed on → PAGE 64.

During the year, the Group introduced a specific "How to speak up" policy to further enhance the prominence and clarity of existing arrangements. This policy is readily available to all employees and includes details of how employees can speak up anonymously about any concerns they may have, as well as how employees can contact the Chairman of the Board and/or the Senior Independent Director if they feel unable to use any of the usual routes. The policy covers the reporting of incidents relating to harassment, discrimination, illegal activities, and any other form of wrongdoing in the workplace.

SUPPLIER/CUSTOMER RELATIONSHIPS AND RESPONSIBILITIES

The Group has a range of established supplier relationships, as well as trusted and vetted supply partners who provide a range of lettings property management services to our landlords and tenants.

We carefully manage our supplier relationships and regularly review our supplier engagement policies with a view to maintaining a high quality of service, both for the Group and our customers. We engage with all our suppliers in a fair and transparent manner.

The Board, supported by the Audit Committee, regularly reviews our supplier payment practices and associated statutory reporting.

We also recognise our responsibility to encourage good ESG behaviour among our suppliers and maintain a policy that seeks commitments and minimum standards in this respect from our suppliers.

One of the strengths of our business is our ongoing relationship with tens of thousands of customers. We use these relationships to promote improvements, especially in terms of environmental policy. For instance, we advise all our landlords proactively on improving the energy efficiency of their homes and will not do business with anyone who does not comply with government energy efficiency standards.

HUMAN RIGHTS AND MODERN SLAVERY

The Board has reviewed the risk of modern slavery within the Group and maintains the risk to be low. This assessment is based upon the nature of the business, which operates almost exclusively within Greater London.

The Group's standard practice is to check that prospective employees have the right to work in the UK and we do not generally employ agency staff. Where we work with suppliers, these are generally large organisations. We publish our modern slavery statement on both our Group and the Foxtons Limited website, as well as on the government's Modern Slavery Statement Registry for organisations. Refer to www.foxtonsgroup.co.uk/modern-slavery for the latest modern slavery and human trafficking statement.

We are committed to ensuring that there is no slavery or human trafficking in our organisation or our supply chain, and regularly review supplier service and behaviours. Before we contract with a supplier, we issue detailed contractor guidelines that contain our clear requirements to ensure that staff employed or contracted by these companies are entitled to work in the UK and are free from slavery, servitude, forced or compulsory behaviour and to comply with other laws, including health and safety. Through our contractor management procedure, we undertake and collect due diligence documents on potential suppliers before we engage their services.

HEALTH AND SAFETY

Foxtons is committed to providing a safe and healthy working environment for staff and visitors in compliance with the Health and Safety at Work etc. Act 1974 and the Management of Health and Safety at Work regulations. Specifically the Group:

- Maintains safe and healthy working conditions.
- Provides adequate control of the health and safety risks arising from its work activities.
- Provides adequate training to staff on health and safety matters.
- Regularly reviews and revises its Health and Safety Policy.

All employees are required to comply with the Group's Health and Safety Policy and must not interfere with anything provided to safeguard health and safety. They must take reasonable care of their own health and safety and report all health and safety concerns through the Group's established reporting mechanism. Company car drivers must adhere to the Group's vehicle policy which forms part of the Group's overall vehicle risk management programme and which incorporates a range of safety initiatives including driver training, vehicle telematics and dash mounted in-vehicle cameras.

All employees are made aware of the Health and Safety Policy through publication in the Employee Handbook and induction training. It is also made available on the Group's intranet. The Group uses an appropriately qualified external third party expert to provide support with the Group's ongoing compliance with health and safety regulations. During the year the ESG Committee reviewed health and safety matters on a regular basis.

OUR WIDER RESPONSIBILITIES AND LOBBYING

The Board recognises the Group's wider responsibility of supporting society's need for high quality housing and a well regulated estate agency industry that supports this supply. From time to time we engage with industry influencers, such as regulators, industry bodies, government and the media, to discuss sector regulation.

NON-FINANCIAL INFORMATION AND SUSTAINABILITY STATEMENT

The table below, and information throughout the 2024 Annual Report and Accounts and on our website that it refers to, is intended to help our stakeholders to understand our position on key non-financial matters and satisfy the requirements of Section 414CA of the Companies Act 2006.

Non-financial matter	Relevant policies/ documents that govern our approach[1]	Risk management and additional information		Associated KPIs and other published metrics	
Business model	• Our strategic priorities (refer to → PAGES 16 AND 17) • Matters reserved for the Board[1]	• Principal risks: Market risk and competitor challenge • Stakeholder engagement • Resilient business model • Foxtons Operating Platform • Delivering against our strategy	→ PAGES 34 TO 37 → PAGES 18 TO 21 → PAGES 12 AND 13 → PAGES 14 AND 15 → PAGES 16 AND 17	• Refer to key performance indicators section	→ PAGES 22 AND 23
Employees	• Data protection policies • Health and safety policies[1] • Employee handbook • Equal opportunities policy • Whistleblowing policy • Equity, diversity and inclusion policy[1]	• Principal risks: People • Stakeholder engagement • Responsible business • Directors' Report • Corporate Governance Report • Directors' Remuneration Report	→ PAGE 34 → PAGES 18 TO 21 → PAGES 40 TO 64 → PAGES 124 TO 126 → PAGES 71 TO 79 → PAGES 95 TO 123	• Employee engagement score • Gender and ethnicity diversity • Workforce remuneration • Gender pay gap (www.foxtonsgroup.co.uk/our-responsibility/gender-pay-gap)	→ PAGE 23 → PAGE 56
Human rights	• Environmental, social and governance policy • Modern slavery and human trafficking policy[1]	• Our other responsibilities (governance and ethics, whistleblowing, supplier relationships and human rights and modern slavery)	→ PAGES 63 AND 64	• Modern slavery and human trafficking statement (www.foxtonsgroup.co.uk/modern-slavery)	
Social matters	• Environmental, social and governance policy • ESG Committee terms of reference[1] • Board diversity policy[1] • Equity, diversity and inclusion policy[1]	• Principal risks: People, and reputation and brand • Stakeholder engagement • Responsible business	→ PAGES 36 AND 37 → PAGES 18 TO 21 → PAGES 40 TO 64	• Employee engagement score • Employee survey outcomes • Gender and ethnicity diversity • Community engagement metrics	→ PAGE 23 → PAGES 23, 56 AND 58 → PAGE 56 → PAGE 61
Anti-corruption and bribery	• Anti-money laundering and anti-bribery policies • Employee handbook • Environmental, social and governance policy	• Principal risks: Compliance with the legal and regulatory environment • Responsible business • Audit Committee Report	→ PAGE 34 → PAGES 40 TO 64 → PAGES 89 TO 94	• Whistleblowing reporting review	→ PAGES 63 AND 64
Environmental matters	• Environmental, social and governance policy • Recycling policy	• Emerging risks: Climate-related risks • Stakeholder engagement • Task force on climate-related financial disclosures • Responsible business • ESG Committee Report	→ PAGE 37 → PAGES 18 TO 21 → PAGES 46 TO 51 → PAGES 40 TO 64 → PAGES 86 TO 88	• Streamlined Energy and Carbon Reporting • Progress against environmental commitments	→ PAGE 44 → PAGE 42

1 Published at www.foxtonsgroup.co.uk/our-responsibility/corporate-governance. Other listed policies/documents are internal policies and not published externally.

The Strategic Report, from → PAGES 1 TO 65, has been reviewed and approved by the Board of Directors on 4 March 2025.

Guy Gittins
Chief Executive Officer

Chris Hough
Chief Financial Officer

CORPORATE GOVERNANCE REPORT

The Board is committed to maintaining a high standard of corporate governance. The Company's governance framework ensures that the Board has the right level of oversight for matters that are material to the Group.

"The Board is committed to maintaining a high standard of governance, which is key to delivering sustainable value for the benefit of all stakeholders."

Nigel Rich CBE Chairman

CHAIRMAN'S GOVERNANCE INTRODUCTION

I am pleased to introduce my fourth Corporate Governance Report, in which we describe our governance arrangements, the operation of the Board and its Committees, and how the Board discharged its responsibilities.

BOARD PRIORITIES

The Board is committed to maintaining a high standard of governance, which is key to delivering sustainable value for the benefit of all stakeholders. Specifically, the Board continues to focus on delivering against the strategic priorities set out in March 2023 with the target[1] to deliver £28 million to £33 million of adjusted operating profit in the medium-term to create significant shareholder value.

The Board continues to place focus on continuously improving and selectively investing in the operational fundamentals of the Group to drive earnings. Alongside improving operations, the Board regularly discusses the strategic direction of the Group, and specifically the role the Group should have in the ongoing consolidation of the estate agency sector.

Capital allocation continues to be a key focus area to ensure the Group's capital is being deployed in the most beneficial and efficient manner.

GOVERNANCE

The Board is responsible for steering the Group and ensuring the implementation of a robust and solid governance framework. This structure is designed to foster vigorous discussions and challenge all Board members, thereby facilitating effective decision making within acceptable timeframes and based on precise information.

Our commitment to achieving excellent governance standards is a crucial element in delivering on our strategic objectives and in creating shareholder value, while also addressing broader stakeholder interests. The Group has complied with the UK Corporate Governance Code issued in July 2018 ("the Code") throughout the year and will report against the UK Corporate Governance Code 2024 in the next Annual Report.

PURPOSE, CULTURE AND VALUES

The Group's purpose is to **get the right deal done for London's property owners**, which is reflective of our results-driven mindset. Our brand message, **we get it done**, coupled with our core values, forms the bedrock of our culture. Our values encourage employees to be innovative, professional, ambitious, relentless in their approach to delivering results, whilst providing authorative market views. These values guide our employees in their contributions towards the Group's success, support business growth, and promote a collaborative environment to achieve our goals.

The Board has specific responsibilities to ensure there is alignment of culture, policy, practices and behaviour throughout the business with the Group's purpose, values and strategy. To this end, the Board is committed to investing in and maintaining a respectful high-performance culture that attracts and retains talented people who deliver outstanding results for our customers. Fostering this high-performance culture is critical to delivering on our strategic priorities and ultimately enhances the success of the Group.

Over the course of 2024, the Board oversaw a number of areas to improve culture, including the roll out of mandatory respect and inclusion training, enhancing the Group's speak up processes, and strengthening the mechanisms used to monitor culture.

Further details on our purpose, culture and values can be found on → PAGES 52 TO 60.

[1] From 2024 onwards, in order to align with market practice, the Group's adjusted operating profit target has been redefined to exclude the amortisation of acquired intangibles, resulting in the medium-term target range being uplifted by £3 million: £28 million to £33 million (previously stated as £25 million to £30 million, including the amortisation of acquired intangibles).

STAKEHOLDER ENGAGEMENT

In line with the provisions of Section 172 of the Companies Act 2006, the Board has consistently considered the interests of all stakeholders when making significant decisions throughout the year.

Utilising various methods, the Board has interacted with all stakeholders during the year, including both formal and informal channels of communication with employees, such as through the Employee Engagement Committee and branch visits. These channels are crucial in enabling the Board to effectively monitor the Company's culture. Maintaining open dialogue with shareholders is key to fostering mutual understanding, aligning expectations and supporting the Group's strategic objectives. We enhanced our scheduled shareholder engagement programme with additional discussions on the business' key developments and strategic direction.

A comprehensive review of our stakeholder engagement, including our Section 172 statement and examples of how we considered stakeholders in making key board decisions, can be found on → PAGES 18 TO 21 of the Strategic Report.

SHAREHOLDER RETURNS

In March 2024, the Group announced its decision to adopt a progressive dividend policy with respect to the 2024 financial year. The aim being to offer a reliable and growing income stream to investors whilst still being able to maintain our current capital allocation policy.

During the year the Board paid an interim dividend of 0.22p per share (2023: 0.2p) and are proposing a final dividend of 0.95p per share (2023: 0.7p) providing a total dividend of 1.17p per share (2023: 0.9p).

REMUNERATION

The Group's Remuneration Policy was approved by shareholders at the Company's 2023 AGM, and no changes to the Remuneration Policy will be proposed at the Company's 2025 AGM. In accordance with the Code, the Group is next required to put its Remuneration Policy to shareholders for approval at its 2026 AGM. Details on remuneration can be found in the Directors' Remuneration Report on → PAGES 95 TO 123.

AUDIT, RISK AND INTERNAL CONTROL

The Audit Committee's work has continued to focus on protecting the interests of shareholders, monitoring and strengthening the Group's risk management processes and internal control systems. PwC has progressed the internal audit programme with internal audit reporting on three reviews in the year. Further information on audit, risk and internal controls can be found in the Audit Committee report on → PAGES 89 TO 94.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

The ESG Committee plays an important role in providing oversight of the Group's ESG strategy and associated governance responsibilities. The Committee has reviewed a number of areas including reviewing the execution of the Group's people strategy and related key performance indicators, the Group's employee value proposition which was relaunched in 2024, engagement survey results, workforce health and safety metrics, our community programmes, and environmental commitments and related disclosures. Further information on the work of the ESG Committee can be found → PAGES 86 TO 88.

SUCCESSION PLANNING

During the year under review, the Nomination Committee evaluated the succession requirements of the Board and Senior Management, through the assessment of the composition, structure, and diversity of the Board and its Committees and the Executive Leadership Team in the context of future opportunities and potential challenges facing the Group. Further information on the work of the Nomination Committee can be found on → PAGES 80 TO 85.

BOARD PERFORMANCE REVIEW

An internal Board performance review was completed in the second half of 2024 to review the performance of the Board, its Committees and the individual Directors. Rosie Shapland, Senior Independent Director, led the Directors in evaluating my performance as Chairman. Details of the process undertaken and a summary of the results and proposed actions for 2025 are set out on → PAGES 84 AND 85.

ANNUAL GENERAL MEETING

We plan to hold our AGM on 7 May 2025. Details of the arrangements for the meeting are set out in the AGM notice which is included as a separate document within this mailing. The AGM notice is also available on our website at www.foxtonsgroup.co.uk/investor-relations/agm.

Nigel Rich CBE
Chairman
4 March 2025

BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTORS

NIGEL RICH CBE
Chairman

Appointed
to the Board
1 October 2021

Committee memberships

Skills and experience

Extensive UK and international, listed Board experience in a career spanning more than five decades. Nigel qualified as a Chartered Accountant before joining Jardine Matheson where he spent 20 years working in a variety of roles primarily across Asia, including Managing Director of Hong Kong Land, a leading Hong Kong property company, and thereafter Managing Director of Jardine Matheson Holdings.

He previously served as the Chairman of Hamptons International, Exel plc, CP Ships Limited, Xchanging plc and SEGRO plc, and held numerous Non-Executive Director positions at companies including Granada Group plc, ITV plc, Pacific Assets Trust plc, AVI Global Trust plc and Matheson & Co. He has also served as a Member of The Takeover Panel (UK).

External appointments

Non-Executive Chairman of Urban Logistics Reit plc.

ROSIE SHAPLAND
Senior Independent Non-Executive Director

Appointed
to the Board
5 February 2020

Committee memberships

Skills and experience

Chartered Accountant with extensive knowledge of accounting and financial reporting, risk management and governance. A former audit partner at PwC with over 30 years of audit experience across multiple sectors within public and private companies, Rosie has worked with numerous boards and their audit committees.

External appointments

Non-Executive Director and Chair of the Audit Committee at PayPoint plc and Senior Independent Director and Chair of the Audit Committee at Workspace Group plc.

PETER ROLLINGS
Independent Non-Executive Director

Appointed
to the Board
1 December 2021

Committee memberships

Skills and experience

Extensive estate agency experience having started his career at Foxtons in December 1985, and holding the position of Managing Director between 1997 and 2005 where he made a significant contribution to both the growth and dynamics of the business. From 2005 to 2016 Peter was CEO of Marsh & Parsons where he presided over significant expansion and value creation.

External appointments

Non-Executive Director at Viewber Limited and Squarefoot Capital Limited.

ANNETTE ANDREWS
Independent Non-Executive Director

Appointed
to the Board
1 February 2023

Committee memberships

Skills and experience

30 years' HR and people experience, leading HR functions in both regulated and commercial businesses. Annette was previously Chief People Officer at Lloyd's of London and before that held senior HR leadership positions at Catlin Insurance, Lloyds Banking Group PLC and the Ford Motor Company. Her HR experience covers compensation regimes and leadership development, and she previously served as Non-Executive Director at Cavendish Financial Plc.

External appointments

Non-Executive Director at Esure Plc and Sole Director of Acaria Coaching & Consulting Ltd.

JACK CALLAWAY
Independent Non-Executive Director

Appointed
to the Board
1 February 2023

Committee memberships

Skills and experience

Experienced financial services executive with over 30 years of investment banking, mergers and acquisitions and financing experience.
He was recently a Non-Executive Director of Euromoney Institutional Investor plc and was previously Global Chairman of Barclays Telecom, Media and Technology Investment Banking business.
Jack formerly held senior leadership positions at Lehman Brothers and Rothschild.

External appointments

Non-Executive Director of EJLSHM Funding Limited and EJLSHM Holdings Limited.
Board Member of the Cholangiocarcinoma Foundation.

EXECUTIVE DIRECTORS

GUY GITTINS
Chief Executive Officer

Appointed
to the Board
5 September 2022

Committee memberships

N/A

Skills and experience

Significant estate agency and leadership experience having been CEO of Chestertons, the London and international residential property specialist, prior to joining Foxtons.

Guy started his early career at Foxtons, leaving in 2006 to become Sales and Marketing Director for Peter de Savary. In May 2010 he joined Savills, before moving to Chestertons in 2012, as head of their flagship Chelsea office before becoming CEO in 2018.

External appointments

None

CHRIS HOUGH
Chief Financial Officer

Appointed
to the Board
1 April 2022

Committee memberships

N/A

Skills and experience

Chartered Accountant who qualified with Deloitte LLP and worked across a range of sectors as a director within the firm's listed audit and assurance practice. Chris joined the Group in 2019 as Director of Finance and Company Secretary, acquiring an in depth understanding of all aspects of the business and played a key role in the financial management of the Group.

External appointments

None

Key Audit Committee | Nomination Committee | Remuneration Committee | ESG Committee | C inside the circle indicates Committee Chair

EXECUTIVE LEADERSHIP TEAM

The Board delegates responsibility for the day-to-day operational management to the Executive Directors, who are supported by the Executive Leadership Team.

The Executive Leadership Team is made up of our Executive Directors and other Executives responsible for key areas of the business.

THE EXECUTIVE LEADERSHIP TEAM IS RESPONSIBLE FOR:

- Developing the Group's strategy and delivering against the strategic priorities
- Developing and implementing key policies, procedures and operating plans
- Monitoring and driving performance and managing risk across the Group
- Allocating resources effectively across the Group

EXECUTIVE LEADERSHIP TEAM

Richard Merrett[1], Managing Director | Financial Services

Imran Soomro, Chief Information and Technology Officer

Fran Giltinan, Managing Director | Lettings Property Management & Customer Experience

Guy Gittins, Chief Executive Officer

Chris Hough, Chief Financial Officer

Sarah Tonkinson, Managing Director | Lettings Build to Rent

Jean Jameson, Chief Sales Officer | Sales

Gareth Atkins, Managing Director | Lettings

1 Appointed 2 January 2024.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT OVERVIEW

This report has been structured to follow the Principles of the Code, which are categorised under the following headings: Board leadership and Company purpose; Division of responsibilities; Composition, succession and evaluation; Audit, risk and internal control; and Remuneration. This report sets out our governance framework and illustrates how we have applied the Code Principles and complied with its Provisions.

Code category	Code Principles	Report detail
1 BOARD LEADERSHIP AND COMPANY PURPOSE	A. Effective and entrepreneurial Board	Biographies of the Board and their skillset are set out on → **PAGES 68 AND 69**. Details of the operation of the Board are given on → **PAGE 75**.
	B. Purpose, values and strategy	Our purpose, values and strategy are detailed in the Strategic Report on → **PAGES 40, 58 AND 16** respectively.
	C. Effective controls	Details of internal controls are set out in the Audit Committee Report on → **PAGES 91 AND 92**.
	D. Stakeholder engagement	The methods used to engage with our shareholders and other key stakeholders, and our Section 172 statement, are set out on → **PAGES 18 TO 21**.
	E. Workforce policies and practices, and methods of raising concerns	Details of our workforce policies and practices are set out in our People, Culture and Training section on → **PAGES 52 T0 60**. Details of our whistleblowing and speak up policy is set out on → **PAGE 64**.
2 DIVISION OF RESPONSIBILITIES	F. Leadership of the Chairman	Details of the division of responsibilities between the Chairman and the CEO can be found on → **PAGE 75**. Details of the results of the 2024 Board and Chairman evaluation can be found in the Nomination Committee report on → **PAGES 84 AND 85**.
	G. Composition of the Board and division of responsibilities	Details of the composition of the Board can be found on → **PAGE 84** and the division of responsibilities can be found on → **PAGES 74 AND 75**.
	H. External commitments and conflicts of interest	Details of the Directors' external commitments can be found on → **PAGES 68 AND 69**.
	I. Board policies, processes and resources	The Board is able to take independent professional advice and has access to the Company Secretary, further details can be found in the Nomination Committee Report on → **PAGES 80 TO 85**. The main activities of the Board in 2024 is set out on → **PAGE 77**. Board policies can be found on the Company's website https://www.foxtonsgroup.co.uk/our-responsibility/corporate-governance
3 COMPOSITION, SUCCESSION AND EVALUATION	J. Appointments to the Board	Details of succession planning and Board appointments can be found on → **PAGE 82**. Details of the Board's diversity policy can be found on → **PAGE 83** and is available at www.foxtonsgroup.co.uk/our-responsibility/corporate-governance
	K. Board skills, experience, knowledge and length of service	Biographies of the Board and their skillset are set out on → **PAGES 68 AND 69**, and details on Board tenure can be found on → **PAGE 84**.
	L. Annual Board performance review	Details of the 2024 Board performance review can be found in the Nomination Committee Report on → **PAGES 84 AND 85**.
4 AUDIT, RISK AND INTERNAL CONTROL	M. Financial reporting and external and internal audit	Details of financial reporting, the internal auditor and external auditor can be found in the Audit Committee report on → **PAGES 89 TO 94**.
	N. Fair, balanced and understandable	Details can be found in the Audit Committee report on → **PAGE 92**.
	O. Internal financial controls and risk management	Details on risk management and internal controls can be found on → **PAGE 91**.
5 REMUNERATION	P. Linking remuneration with purpose and strategy	Information on executive remuneration in the context of the Group's strategy can be found on → **PAGE 106**.
	Q. Procedure for developing policy on executive remuneration	Summary of our Remuneration Policy can be found on → **PAGES 102 TO 105**.
	R. Judgement and discretion when authorising outcomes	Refer to the Annual Statement from the Remuneration Committee Chair on → **PAGES 96 AND 97**.

CORPORATE GOVERNANCE REPORT CONTINUED

1 BOARD LEADERSHIP AND PURPOSE

STATEMENT OF COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

In the year ended 31 December 2024 the Group has applied the Principles and complied with all the Provisions of the UK Corporate Governance Code published in July 2018 ("the Code"). This report outlines the key features of the Group's corporate governance framework and sets out how the Group has applied the Principles of the Code.

A copy of the Code is available on the Financial Reporting Council's website at www.frc.org.uk.

THE ROLE OF THE BOARD

The Board is responsible for promoting the long-term sustainable success of the Group, delivering value for shareholders and contributing to wider society. It agrees the strategic priorities of the Group, ensuring that these are consistent with the Group's culture and achieved within an appropriate framework of effective controls that enable risk to be assessed and managed. It also ensures effective engagement with shareholders and other stakeholders, and that workforce policies are consistent with the Group's values.

Further details of our engagement with stakeholders and how we promote success are set out on → PAGES 18 TO 21.

Responsibility for day-to-day operations is delegated by the Board to the Executive Directors within defined authority limits, which are regularly reviewed and updated by the Board.

MATTERS RESERVED TO THE BOARD

The Board maintains a schedule of matters reserved for decision by the Board, which details the key aspects of the affairs of the Group which the Board does not delegate to management or any Board Committees, although it may consider recommendations from them. The schedule of matters reserved for the Board is regularly reviewed and is available at www.foxtonsgroup.co.uk/our-responsibility/corporate-governance.

The Board's specific responsibilities include:

- Setting the strategic aims, purpose and values.
- Approving the Group's budget and financial plans.
- Ensuring alignment of culture, policy, practices and behaviour throughout the business with the Group's purpose, values and strategy.
- Approval of capital expenditure, gearing levels, significant investments, acquisitions and share buybacks.
- Approval of annual and interim results and trading updates.
- Payment of interim dividends and recommendation of final dividends to shareholders.
- Setting the Group's risk appetite and oversight of the internal control, risk management and governance frameworks.
- Monitoring management's performance.
- Ensuring succession plans are in place.
- Ensuring a satisfactory dialogue with shareholders and other key stakeholders.

Matters outside the schedule of matters reserved for decision by the Board or the Committees' Terms of Reference fall within the responsibility and authority of the Executive Directors, including all executive management matters.

OUR PURPOSE

The Group's purpose is **to get the right deal done for London's property owners**, by delivering value for our customers through our Lettings, Sales and Financial Services businesses.

The definition of delivering value will vary from customer-to-customer, but regardless of the circumstances, our culture and training focuses on delivering excellent value on every transaction we work on. With this in mind, we operate a results-based business model, focusing on delivering measurable outcomes that create value for our stakeholders. An explanation of the basis on which the Group generates and preserves value over the longer term is set out in the business model on → PAGES 12 AND 13.

The success of our social contribution, in particular the importance of providing opportunities and progression for our staff and ensuring we contribute to the communities in which we operate, is key to successfully achieving our purpose. Our Responsible Business Report provides more detail on our broader contribution → PAGES 61 AND 62.

OUR CULTURE

The Board is dedicated to fostering a respectful high-performance culture, which is pivotal in attracting and retaining talented individuals. Our focus is on delivering results for our clients and continuing to strengthen our culture is key to our future success. The Board being the driving force behind our culture, sets the tone from the top and leads by example, promoting a respectful high-performance sales environment. This approach not only allows us to remain competitive in the market but also ensures that we consistently deliver value to our stakeholders. We believe in maintaining an optimal culture, underpinned by robust corporate governance. This is reflected in our commitment to acting responsibly and making the right decisions. Effective monitoring and regular assessments facilitate this while helping us to ensure we continue to thrive in a competitive market.

How the Board monitors culture

The Board monitors culture through a number of mechanisms including:

- Non-Executive Directors attending the Employee Engagement Committee (EEC) meetings on a rotational basis to directly canvass the views of employees, including areas of improvement and areas of success. More detail on the EEC, its operation and its areas of focus is provided on → PAGE 57.
- Reviewing the outcome of the annual employee engagement survey and identifying themes from the survey relevant to the monitoring or enhancement of culture.
- Regular engagement with Senior Management to understand the internal tools used to monitor culture, including employee retention metrics, training programme materials, exit interview feedback and social media scanning.
- Reviewing the Group's people dashboard.
- Informal engagement with the workforce through branch visits, regular engagement with line managers, involvement in divisional meetings and shadowing departmental activity.
- Reviewing whistleblowing reports and employee relations matters.
- Receiving regular updates from Senior Management on the Group's compliance programmes and results.
- Receiving regular updates on progress against the Group's people strategy, including training and recruitment strategies.
- Reviewing workforce diversity, equality and inclusion initiatives.

OUR VALUES

Our values underpin our culture and serve as a compass for our employees, directing their contributions towards the Group's success and instilling a commitment to uphold the highest ethical standards.

INNOVATIVE

Constantly looking for new and market leading ways to get the right deal done for our customers.

PROFESSIONAL

Providing the most efficient, reliable and dedicated customer journey, whilst maintaining the highest standards of business ethics.

AMBITIOUS

Wanting to get the best results for our customers.

RELENTLESS

Maintaining consistently high standards day in and day out.

AUTHORITATIVE

Being the most knowledgeable agents in the market.

STEPS TAKEN TO IMPROVE AND EVOLVE CULTURE IN 2024

Over the course of 2024, the Board took a number of steps to improve and evolve the Group's culture, including:

- Receiving its annual respect and inclusion workplace training from an external adviser, with similar mandatory training rolled out across the workforce.
- Enhancing and increasing the awareness of the Group's speak up processes, including whistleblowing, to foster an environment where employees feel confident to report any concerns.
- Strengthening the mechanisms used to monitor culture, including enhancing the materials the Board and its Committees reviews to monitor culture and the effectiveness of workforce diversity, equality and inclusion initiatives.
- Enhancing policies and practices in response to the October 2024 Equality Act amendments which introduced new obligations in relation to the prevention of sexual harassment.
- Engaging with Senior Management and employees to develop career development programmes which seek to support the career progression of females in the business.

BOARD STAKEHOLDER ENGAGEMENT

Proactive engagement with our stakeholder groups remains a central focus for the Board, which ensures the Directors have regard to the matters set out in Section 172. The Board receives regular stakeholder insights and feedback, which enables stakeholder views to be considered in key Board decisions.

The Board engages with stakeholders both directly and by receiving updates from the Executive Directors on management led stakeholder engagement.

The Board regularly interacts with shareholders to facilitate effective dialogue, both through recurring scheduled events, such as investor roadshows and trading updates, and through one-to-one shareholder meetings led by the Chairman or CEO.

Shareholder communications are also supported by regular coverage from external analysts who cover the financial performance of the Group.

For further information on the Group's engagement with stakeholders, and the Group's Section 172 statement, refer to → PAGES 18 TO 21 of the Strategic Report.

CORPORATE GOVERNANCE REPORT CONTINUED

2 DIVISION OF RESPONSIBILITIES

OUR GOVERNANCE MODEL IN 2024

At 31 December 2024, the Board comprised the Non-Executive Chairman, four independent Non-Executive Directors and two Executive Directors. This page shows the Group's corporate governance structure and provides an overview of the Committees of the Board.

THE BOARD

Chair: Nigel Rich

Other members: Annette Andrews, Jack Callaway, Peter Rollings, Rosie Shapland, Guy Gittins, Chris Hough.

Key responsibilities: Responsible for the long-term sustainable success of the Group.

Board activities in 2024, refer to → **PAGE 77**.

Board biographies, refer to → **PAGES 68 AND 69**.

Roles and responsibilities, refer to → **PAGES 74 AND 75**.

NOMINATION COMMITTEE

Chair: Nigel Rich

Other members: Annette Andrews, Jack Callaway, Peter Rollings, Rosie Shapland

Key responsibilities: Responsibility for reviewing Board composition, identifying and nominating candidates for Board appointments and for succession planning.

Refer to → **PAGES 80 TO 85** for more information.

AUDIT COMMITTEE

Chair: Rosie Shapland

Other members: Annette Andrews, Jack Callaway, Peter Rollings

Key responsibilities: Provides oversight and governance over the Group's financial reporting, risk management and internal controls, internal audit function and relationship with the external auditor.

Refer to → **PAGES 89 TO 94** for more information.

REMUNERATION COMMITTEE

Chair: Annette Andrews

Other members: Jack Callaway, Nigel Rich, Peter Rollings, Rosie Shapland

Key responsibilities: Reviews and recommends the remuneration policy and sets and monitors the level and structure of remuneration for Executive Directors and Senior Management. Sets the Chairman's fee.

Refer to → **PAGES 95 TO 123** for more information.

ESG COMMITTEE

Chair: Annette Andrews

Other members: Jack Callaway, Nigel Rich, Peter Rollings, Rosie Shapland

Key responsibilities: Reviews and has oversight of the implementation of the Group's ESG strategy and initiatives.

Refer to → **PAGES 86 AND 88** for more information.

2024 ROLES AND RESPONSIBILITIES

There is clear delineation of responsibility between the Chairman and the CEO, and Senior Independent Director which is set out in writing and available at www.foxtonsgroup.co.uk our-responsibility/corporate-governance.

This division of responsibilities, together with the schedule of matters which are reserved for the Board, ensures that no individual has unfettered powers of decision making.

By delegating specific responsibilities to its Committees, the Board can ensure that it is operating effectively and efficiently with the right level of attention and consideration being given to relevant matters. The role and responsibilities of each Board Committee are set out in formal Terms of Reference, which are reviewed annually. The Chairman ensures that the work of the Committees and the Board's requirements of the Committees is effectively communicated to the full Board through a two-way flow of information. The Chair of each Committee reports to the Board after each Committee meeting on the matters discussed and minutes of each meeting are provided to the Board for information as appropriate. The Terms of Reference of the Committees are available at www.foxtonsgroup.co.uk/ our-responsibility/corporate-governance.

The roles and responsibilities of the Board members and Company Secretary as at 31 December 2024 are set out below.

Chairman Nigel Rich	• Leads the Board and is responsible for its overall effectiveness in directing the Group. • Promotes a culture of openness and debate between Executive and Non-Executive Directors, facilitating constructive board relations and the effective contribution of all Directors, and providing constructive challenge to management. • Sets the Board agenda and ensures that Directors are provided with accurate, timely and clear information to enable the Board to operate effectively. • Responsible for the integrity and effectiveness of the systems of governance. • Seeks regular engagement with major shareholders in order to understand their views on governance and performance against the strategy, and ensures the Board has an understanding of their views. • Acts on the results of the annual board performance review by recognising the strengths and addressing any weaknesses of the Board and committees.
Senior Independent Director Rosie Shapland	• Available to shareholders if they have concerns that cannot be addressed through normal channels. • Provides a sounding board for the Chairman and serves as an intermediary for the other Directors and shareholders. • If necessary, working with the Chairman, other Directors and/or shareholders to resolve significant issues in order to maintain effectiveness and stability. • Leads the performance review of the Chairman on behalf of the other Directors as part of the annual Board performance review process.
Non-Executive Directors Annette Andrews, Jack Callaway, Peter Rollings, Rosie Shapland	• Provide a broad range of skills and experience to the Board to assist in formulating the Group's strategy. • Provide constructive challenge, strategic guidance and specialist advice to support the Executive Directors based on their breadth of knowledge and experience. • Scrutinise and hold to account the performance of management and individual Executive Directors against agreed strategic and performance objectives. • All of the Non-Executive Directors are regarded by the Group as independent and are free from any business or other relationship which could materially interfere with the exercise of their independent judgement.
Chief Executive Officer Guy Gittins	• Responsible for the development and delivery of the strategic priorities agreed by the Board. • Responsible for leading the Group's operating performance, day-to-day management and risk management programmes in conjunction with the CFO. • Managing relationships with key stakeholders and advising the Board accordingly.
Chief Financial Officer Chris Hough	• Responsible for the Group's financial affairs, including treasury and tax matters. • Responsible for financial strategy, budgeting, monitoring key internal controls, risk management and delivering the investor relations programme. • Supports the CEO in the development and delivery of the Group's strategic priorities.
Company Secretary MUFG Corporate Governance Limited (formerly Link Company Matters Limited)	• Supports the operation of the Board and its Committees through the provision of company secretarial services, and providing guidance and advice on corporate governance matters.

CORPORATE GOVERNANCE REPORT CONTINUED

BOARD GOVERNANCE

The Board is comprised of the Chairman, four Independent Non-Executive Directors and two Executive Directors.
The Independent Non-Executive Directors have an appropriate balance of skills and experience, and consider that, collectively, they have substantial recent and relevant experience in a variety of sectors which enable robust discussion and appropriate challenge at Board and Committee discussions. The Chairman was independent on appointment and is deemed by his fellow independent Board members to be independent in character and judgement and free of any conflicts of interest.

The Board has established a governance framework to discharge its collective responsibilities. This framework supports our Directors' compliance with their duty to promote the success of the Group under Section 172 of the Companies Act 2006, which requires the Directors to act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its shareholders as a whole, having regard to certain other matters including other key stakeholders. Information about how the Board has fulfilled its duties under Section 172 is detailed in the Section 172 statement. → PAGES 18 TO 21.

BOARD AND COMMITTEE MEETINGS

The Chairman sets the agenda and determines the format of discussions at Board meetings. At each scheduled Board meeting, the CEO and CFO present reports on operational performance, financial performance and progress against the Group's strategic priorities.

Other members of Senior Management are invited to attend during the year to update the Board on key priorities, with the Chief Sales Officer and Managing Director of Lettings attending every Board meeting. External advisers also attend meetings as required.

To ensure the continued effectiveness of the Board, the Chairman meets with the Non-Executive Directors without the presence of the Executive Directors when necessary. Similarly, the Senior Independent Director consults when necessary with the other Non-Executive Directors, without the Chairman being present, to consider the Chairman's performance. Refer to → PAGES 84 AND 85 of the Nomination Committee Report on the Group's Board performance review procedures.

> "The Chairman was independent on appointment and is deemed by his fellow independent Board members to be independent in character and judgement and free of any conflicts of interest."

Directors' attendance at scheduled Board and Board Committee meetings held during 2024 is provided in the table below:

Director	Meetings attended: Board	Audit Committee	Remuneration Committee	Nomination Committee	ESG Committee
Nigel Rich	👤👤👤👤👤👤	👤👤👤👤	👤👤👤	👤👤👤	👤👤👤
Guy Gittins	👤👤👤👤👤👤	👤👤👤👤	👤👤👤	👤👤👤	👤👤👤
Chris Hough	👤👤👤👤👤👤	👤👤👤👤	👤👤👤	👤👤👤	👤👤👤
Annette Andrews	👤👤👤👤👤👤	👤👤👤👤	👤👤👤	👤👤👤	👤👤👤
Jack Callaway	👤👤👤👤👤👤	👤👤👤👤	👤👤👤	👤👤👤	👤👤👤
Rosie Shapland	👤👤👤👤👤👤	👤👤👤👤	👤👤👤	👤👤👤	👤👤👤
Peter Rollings	👤👤👤👤👤👤	👤👤👤👤	👤👤👤	👤👤👤	👤👤👤

👤 Eligible meetings attended out of those scheduled 👤 Non-attendance at eligible meetings

BOARD ACTIVITY IN 2024

The Board has a rolling agenda of items that are regularly considered, which includes reviewing key areas of the business throughout the year, monitoring delivery against strategic priorities and covering any topical matters that arise. The Board dedicates an additional meeting every year to focus on reviewing the Group's strategy and to consider annual objectives. The Board monitors the achievement of the Group's objectives through regular Board reports which include updates from the Executive Directors, members of the Executive Leadership Team and other Senior Management.

The Board held six scheduled meetings during the year. The main activities of the Board during 2024 were as follows:

Strategy and execution

- Reviewing technology, data and marketing strategies.
- Considering market outlook and competitor activity.
- Reviewing financial and operational performance, cost base reduction initiatives and resource allocation.
- Reviewing ongoing customer service levels.
- Reviewing acquisition proposals and sector consolidation.
- Reviewing potential impact of the Renters Reform Bill.
- Reviewing strategic options for the Group.

Stakeholders impacted:
- Our Shareholders
- Our Customers
- Our People

Shareholder engagement

- Engagement with shareholders through recurring scheduled events such as investor roadshows and trading updates.
- One-on-one shareholder meetings covering topical matters including results, strategy, capital allocation, Director remuneration and ESG matters.
- Considering views of investors, including feedback from external brokers and shareholders following investor meetings.
- Consideration of market reaction to key announcements.

Stakeholders impacted:
- Our Shareholders

Employees and culture

- Reviewing outcomes from employee engagement at EEC meetings and considering any follow up actions.
- Review of external social / community engagement programmes.
- Review of people programmes including recruitment, engagement and performance management / recognition (underpinned by diversity, equity and inclusion).
- Monitoring culture through a range a mechanisms (refer to → PAGE 73 for further details) and taking steps to further enhance the Group's culture.
- Reviewing and making recommendations in relation to employee training programmes.

Stakeholders impacted:
- Our People

Internal control and risk management

- Reviewing risk appetite and principal and emerging risks.
- Assessing the effectiveness of internal controls and risk management systems, including considering internal audit reviews.
- Reviewing the cyber security strategy and compliance reviews.
- Reviewing the health and safety framework and related updates.

Stakeholders impacted:
- Our Shareholders
- Our Customers
- Our Suppliers
- Our People

Financial oversight

- Reviewing and approving the annual budget and reviewing the five-year strategic plan.
- Approving 2023 annual results and 2024 interim results. Annual results for 2024 were approved in March 2025.
- Reviewing acquisition opportunities.
- Approving trading updates.
- Considering the Group's financial position, including viability and going concern.
- Reviewing capital allocation
- Reviewing refinance of Revolving Credit Facility.
- Reviewing the dividend policy.

Stakeholders impacted:
- Our Shareholders
- Our Suppliers
- Our People

Governance

- Reviewing compliance with the UK Corporate Governance Code, including the approval of the Annual Report and Accounts.
- Reviewing Terms of Reference of Committees and matters reserved for the Board.
- Reviewing governance, legal and regulatory matters and the impact of regulatory changes on the Group.
- Considering Board performance review results for 2024.
- Reviewing ongoing ESG programmes and targets.
- Reviewing remuneration matters.

Stakeholders impacted:
- Our Shareholders
- Our Customers
- Our Suppliers
- Our People
- Our Communities

CORPORATE GOVERNANCE REPORT CONTINUED

2024

KEY BUSINESS CONSIDERED AT BOARD MEETINGS AND KEY MARKET ANNOUNCEMENTS IN 2024

Month	Board and committee meetings	Key business considered at Board meetings	Key market announcements
February	• Main Board • Audit Committee • Remuneration Committee • Nomination Committee • ESG Committee	• Dividend policy and final dividend • Strategic scenario planning • 2023 results and annual report and accounts • Capital allocation	
March			• 2023 final results & final dividend declared • 2023 Annual Report and Accounts • Notice of AGM 2024
April			• Q1 trading update
May	• Main Board	• AGM proxy voting results • Results of 2024 AGM • Cash management and RCF refinancing	• Results of 2024 AGM
June	• Main Board • ESG Committee	• Technology and data review • Annual review of management advisers	
July	• Main Board • Audit Committee • Nomination Committee	• Capital allocation • 2024 half year results • Interim dividend approval	• 2024 half year results and interim dividend
October	• Main Board • Audit Committee • Remuneration Committee • ESG Committee	• Board strategy day – reviewing all elements of the Group's strategy and operation • Review Non-Executive Director remuneration • Review of Renters' Rights Bill • Approval of acquisition of Haslams Estate Agents and Imagine Property Group	• Q3 trading update • Acquisition of Haslams Estate Agents and Imagine Property Group
December	• Main Board • Audit Committee • Remuneration Committee • Nomination Committee	• Approval of 2025 budget • Five-year strategic plans • 2024 Board performance review	

CONFLICTS OF INTEREST

Directors have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Group, unless that conflict is first authorised by the Directors. This includes potential conflicts that may arise when a Director takes up a position with another company. Foxtons' Articles of Association allow the Board to authorise such potential conflicts, and the Group has procedures in place for managing any actual or potential conflicts of interest. During the year, no actual or potential conflicts were identified which required approval by the Board. Should a Director become aware that they, or their connected parties, have an interest in an existing or proposed transaction with the Group, they should notify the Board in writing or at the next Board meeting.
The Board deals with each actual or potential conflict and takes into consideration all the relevant circumstances.

TIME COMMITMENT

All Non-Executive Directors are required to set aside sufficient time to carry out their Board responsibilities and show commitment to their role. During the year, the Nomination Committee, as part of their review of the results of the Board performance review process, considered the time commitment of all the Directors and agreed that the required time commitment is still appropriate. For the year ended 31 December 2024, and at the date of the publication of this Annual Report, the Board is satisfied that none of the Directors are over committed, and that each Director devotes sufficient time to discharge their responsibilities.

INDEPENDENCE

The Nomination Committee reviews the independence of the Non-Executive Directors annually and has confirmed to the Board that it considers all of the Non-Executive Directors to be independent in accordance with the matters set out in the Code.

NOMINATION COMMITTEE REPORT

3 COMPOSITION, SUCCESSION AND EVALUATION

MEMBERS OF THE NOMINATION COMMITTEE AND ATTENDANCE AT MEETINGS

The membership of the Committee is set out below. All of the Non-Executive Director Committee members are considered independent by the Board and in accordance with the Code. The Chair of the Committee was considered to be independent on his appointment as Chair of the Board. Biographical information can be found on → PAGES 68 AND 69. Members' attendance at Committee meetings is set out in the table on → PAGE 76. The Company Secretary acts as Secretary to the Committee.

Chair: Nigel Rich

Members as at 31 December 2024: Annette Andrews, Jack Callaway, Peter Rollings, Rosie Shapland

"Succession planning has been a focus for the Committee in 2024 with plans to build a strong diverse internal talent pipeline for key Senior Management positions."

Nigel Rich CBE Chair of the Nomination Committee

The Committee's work during the year has continued to focus on ensuring the structure, size and composition of the Board and its Committees are appropriate for the long-term success of the Group. The Committee has also monitored the skills, competencies and experience of Senior Management to ensure that the Group has the right people in place to drive operational performance and deliver the Group's strategy. This work will continue in 2025 with a focus on the development of a pipeline of talent sourced from middle management. There have no been changes to the Board's composition during the year.

2024 AREAS OF FOCUS

- Board and Committee succession planning
- Senior Management succession planning
- Talent development programmes

BOARD AND SENIOR MANAGEMENT SUCCESSION PLANNING

At the annual strategy meeting, the Committee evaluated and deliberated on the succession planning of the Board and Senior Management. The Committee continues to monitor succession planning and talent development to guarantee that we possess the necessary skills for our future. During the year the "Next Generation" leadership programme was launched to develop a strong internal pipeline for Senior Management positions. More information on this programme can be found on → PAGE 82.

BOARD PERFORMANCE REVIEW

An internal Board performance review was completed in the second half of 2024. This exercise was carried out to review the performance of the Board, its Committees, the Chairman and the individual Directors. The internal Board performance review was facilitated by MUFG Corporate Governance Limited (formerly Link Company Matters Limited), which has no connection to the Group (other than the provision of Company Secretarial services) or its individual Directors. The review process was led by the Chair, and the review of the Chairman was led by Rosie Shapland, Senior Independent Director. Details of the review set out on → PAGES 84 AND 85.

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The roles and responsibilities of the Committee, as outlined in its Terms of Reference, are:

- To keep under review the structure, size and composition of the Board and the membership of its Committees, including a review of the scope to further promote diversity, inclusion and equal opportunity.
- To review succession planning processes for the Board and other Senior Management positions and the opportunities available to the Company to further promote diversity and inclusion.
- To ensure a formal rigorous and transparent process is adopted for the appointment of new Directors, both Executive and Non-Executive.
- To recommend the annual re-election by shareholders of Directors having due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required.

The Board has a formal procedure in respect of the appointment of new Directors, with the Nomination Committee leading the process and making recommendations to the Board.

The Committee's Terms of Reference were reviewed during the year, and were updated in 2025 in line with the 2024 UK Code of Corporate Governance. The terms of Reference can be found on the Group's website at: www.foxtonsgroup.co.uk/our-responsibility/corporate-governance.

Since the last Nomination Committee Report, the Committee held three scheduled meetings. The Committee's main activities and areas of focus were as follows:

		Jul 2024	Dec 2024	Feb 2025
Board Composition	Reviewed the time commitment required from the Chairman and Non-Executive Directors to fulfil their roles.			●
	Reviewed the structure, size and composition of the Board.		●	●
	Reviewed the skills, experience and knowledge of each Board member and the Board as a whole against the needs of the Board (refer to → **PAGES 68 AND 69** for details of Board members' experience).		●	
	Considered and recommended to the Board the re-election of Directors at the 2025 AGM.			●
	Considered and confirmed that each Non-Executive Director remained independent and committed to their role.			●
Governance	Approved the report from the Nomination Committee in the 2024 Annual Report and Accounts.			●
	Considered the approach for the 2024 Board performance review and reviewed the results relating to the composition of the Board.	●	●	
	Reviewed and updated the Board Diversity Policy.		●	
Succession Planning	Reviewed the Terms of Reference of the Committee.		●	●
	Considered succession planning for the Board and Committees.		●	
	Considered succession plans for Executive Directors and Senior Management.	●		
Committee effectiveness	Reviewed progress against actions from the 2023 Board performance review and considered the actions arising from the 2024 Board performance review.		●	●

NOMINATION COMMITTEE REPORT CONTINUED

DIRECTOR TENURE

Details of the letters of appointment for Non-Executive Directors and the service contracts for Executive Directors can be found in the Directors' Remuneration Report on → **PAGES 95 TO 123**. Director tenure was reviewed as part of the Board performance review. All of the independent Non-Executive Directors and the Chairman have been appointed for less than the recommended nine years. Non-Executive Directors are typically expected to serve a minimum of two three-year terms, and thereafter their appointment is reviewed on an annual basis. All Directors must seek re-election at each AGM.

DIRECTORS' INDUCTION AND PROFESSIONAL DEVELOPMENT

The Company has in place an induction programme for new Directors, led by the Chairman, to provide them with a full, formal and tailored introduction on joining the Board, which ensures that they attain sufficient knowledge of the Company to discharge their duties and responsibilities effectively. The programme includes meeting with Senior Management, heads of departments, advisers and visits to the Group's branches.

The Board calendar is planned to ensure that Directors are briefed on a wide range of topics, including updates on corporate governance, regulatory matters and regular briefings on market conditions. During the year the Board received updates from the Company Secretary on topics including the UK Listing rules, UK Governance Code and Companies House reforms. Directors also received a briefing on the current economic and geopolitical environment ahead of the Group's strategy day and received training on legislative developments relating to employees, which provided relevant information for the review of the Group's culture and workforce diversity, equality and inclusion initiatives.

As well as internal briefings, Directors are encouraged to attend externally facilitated training sessions to ensure their knowledge is up to date on relevant legal, regulatory and financial developments or changes.

Throughout the year Directors are also encouraged to visit the branches and discuss aspects of the business directly with branch managers and employees.

All Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are complied with and that Directors have access to independent and professional advice at the Company's expense where they judge this to be necessary to discharge their responsibilities as directors.

RE-ELECTION OF DIRECTORS

The relevant experience and effectiveness of the Directors, and how that furthers the Company's business, is kept under review. The Committee and the Board have concluded that each Director standing for re-election at the AGM continues to demonstrate the necessary skills, experience and commitment to contribute effectively and add value to the Board. Biographies setting out the skills, experience and knowledge of each Director are available on → **PAGES 68 TO 69**.

It is the Committee's and the Board's view that the Directors' biographies illustrate why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success.

Details of the Board performance review and effectiveness process can be found on → **PAGES 84 AND 85**.

SUCCESSION PLANNING

Succession planning is a key priority for the Committee and the Board to deal with strategic and operational opportunities and challenges by ensuring that there is a systematic process in place to refresh the Board. Board succession planning takes into account the Board diversity policy (available at www.foxtonsgroup.co.uk/our- responsibility/corporate-governance) as well as the existing skills and experience of the Board and future skills requirements in line with the Group's strategy.

The Board's approach to Senior Management succession is to develop a diverse talent pipeline. The Committee will continue to oversee the succession plans for the Board and Senior Management and is focused on ensuring there is a robust talent pool from which high-potential colleagues are identified, developed and supported to prepare for leadership roles. This includes strengthening the leadership development proposition, supporting mentoring initiatives and planning role moves to provide more experience earlier in the careers of potential future successors. During the year, the CEO's Senior Management succession plan was reviewed and actions were agreed to increase the resilience of the plan.

Specific initiatives reviewed by the Committee include the "Next Generation" programme which aims to give our more senior managers the skills they need for future leadership roles. Of the Next Generation cohort, just under half of the employees identified to partake are women.

The Group's Women at Foxtons network also plays an important role in our succession plans. The network is chaired by two female Managing Directors and joins women together across the organisation to provide personal support and professional career development via networking opportunities, events, and initiatives designed to help women progress through our organisation.

Due to the Company's size, it is not always practicable for the Company to have an internal successor identified for all Senior Management roles. Where there is no obvious successor, the Committee is satisfied that the Company has a plan for appropriate short-term cover until a permanent successor can be recruited.

DIVERSITY

Diversity includes different nationalities, race, religion, age, sexual orientation and gender, as well as different personalities, education, backgrounds and culture.

The Board recognises the importance and benefits of diversity throughout the organisation and is committed to fostering a diverse and inclusive environment. We believe that the business benefits from having a diverse workforce and it is essential for cultivating a respectful and high-performance culture at all levels and in all roles.

Furthermore, maintaining a workforce that reflects the communities in which the Group operates enables us to better understand and meet the needs of our customers.

During the year, the Nomination Committee reviewed and updated the Board Diversity and Inclusion Policy to include the objectives of the Equality, Diversity and Inclusion Committee, which support the Board's aim to increase diversity in leadership roles.

Board diversity

The policy on Board diversity is to ensure that the Directors on the Board have a broad range of experience, skills and knowledge, and that there is diversity of thinking, background and perspective. The Committee is committed to ensuring the Board is diverse, without compromising on the calibre of Directors. When identifying suitable candidates for appointment to the Board, the Nomination Committee considers candidates on merit against objective criteria, having regard to the recommendations of the FTSE Women Leaders Review, the Parker Review and the Financial Conduct Authority's Listing Rule 6.6.6R(9), alongside the established needs of the Group. Any search firm engaged to assist the Nomination Committee in identifying candidates for appointment to the Board will be expected to include diverse candidates.

Targets set in Listing Rule 6.6.6R(9) provides that:

(i) At least 40% of individuals on the Board of directors are women;

(ii) At least one senior position on the Board of directors is held by a woman; and

(iii) At least one director on the Board is from a minority ethnic background.

At the date of this Annual Report, the Board is compliant with target (ii), however it is not compliant with the targets set out in (i) or (iii).

The Committee has discussed the Group's compliance with Listing Rule 6.6.6R(9), and although the Board is supportive of the Financial Conduct Authority's rationale for the diversity targets and recognises the benefits of further Board diversity, with a Board of only seven members, meeting all targets is considered more challenging than for a company with a larger Board.

The size of the Board has been reviewed and considered to be appropriate noting the Group's current market capitalisation and complexity. However, the Board size and composition remains under regular review as the Group grows and delivers against its strategic growth plan. As noted above, the search criteria for any new Board members will include diverse candidates which will provide an opportunity to increase Board diversity.

The following tables show the gender and ethnic background of the Directors as of the date of this report, in accordance with Listing Rule 6 Annex 1.

Workforce diversity

The Group maintains an equal opportunity and diversity policy that applies to the wider workforce. The policy seeks is to ensure that individuals are selected, promoted and otherwise treated solely on the basis of their own aptitudes, skills and abilities.

The Committee is satisfied with the diversity of the wider workforce but encourages the improvement of the gender balance and ethnic diversity at the Senior Management level.

The Group continues to prioritise succession planning for women and developing female talent pools, with the executive Talent Management and Succession Planning Committee formed to identify top female talent to pipeline into senior positions. During 2024, steps have been taken to refine the Senior Management promotion process with clearer, more objective competency-based promotion criteria, and introduce a standardised interview and selection process to reduce bias across the recruitment and promotion process. Our Women at Foxtons initiative, aims to empower women at every level of their career journey at Foxtons and a number of events were held in 2024. In 2025 we will look to introduce a structured mentoring initiative.

The Group's diversity reporting and diversity and inclusion initiatives are set out on → **PAGES 55 AND 56**. This includes details of the gender and ethnicity breakdown of Directors, Executive Leadership Team, Senior Management and all other employees.

Foxtons Limited, the Group's main trading entity, published its gender pay gap figures as at 5 April 2024 in line with the relevant regulations. The report can be found on the Group's website at www.foxtonsgroup.co.uk/our-responsibility/gender-pay-gap.

Board and Executive Leadership Team diversity

Gender identity	Number of Board members	% of the Board	Number of senior Board positions[1]	Number in Executive Leadership Team	% of Executive Leadership Team
Men	5	71%	3	6	75%
Women	2	29%	1	2	25%

Ethnic background					
White British or other White (including minority-white groups)	7	100%	4	7	87.5%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	1	12.5%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

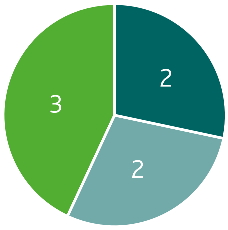
1 Senior Board positions are defined as the Chairman, Senior Independent Director, CEO and CFO.

NOMINATION COMMITTEE REPORT CONTINUED

Board composition as at 31 December 2024

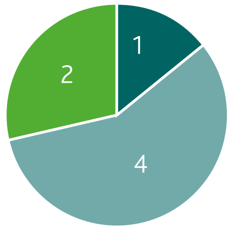
Tenure

- 1-2 years
- 2-3 years
- >3 years



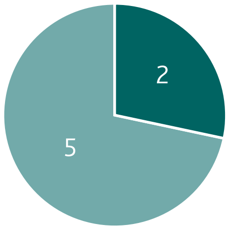
Role

- Chair
- Non-Executive
- Executive



Board gender split

- Female
- Male



Board ethnicity

- White

ENGAGEMENT WITH STAKEHOLDERS

The Committee Chair is available at the AGM to answer questions from shareholders on the work of the Committee.

For further information on engagement with stakeholders please see → PAGES 18 TO 21.

BOARD PERFORMANCE REVIEW AND EFFECTIVENESS

The Board reflects on its performance and effectiveness annually. This year, the review of the performance of the Board, its Committees and the individual Directors was facilitated internally by MUFG Corporate Governance Limited, the Group's Company Secretary, and led by the Chairman. The review took the form of a questionnaire which gave Directors the opportunity to provide comments on key areas of focus, including:

- Board: composition, diversity, governance, culture, ability to hold executive management to account, stakeholder engagement, time management, strategic oversight and overall effectiveness.
- Committees: appropriateness of the Terms of Reference, time management, effectiveness of the Committee Chairs, Committee composition and Committee specific questions.
- Executive Directors: effectiveness of the Executive team leadership, relationships and communication with shareholders, independence of thought between the CEO and CFO.
- Chairman: effectiveness of Board leadership, meeting management, relationships and communication with the Board and stakeholders.
- Individual: time commitment, relationships, knowledge and skills.

The responses to the Board and the Committee performance review were collated, analysed and reported on by the Company Secretary. The actions agreed by the Directors will be monitored by the Board during 2025.

1. QUESTIONNAIRE

The performance review process was conducted using a questionnaire in which Board members were asked to score questions and to provide additional commentary where appropriate.

2. APPRAISAL

The questionnaire responses were collated, reviewed and evaluated by the Company Secretary, who produced a report compiling the results of the performance review exercise.

3. EVALUATION

The Chairman reviewed the results of the exercise and shared the findings with Board members at the December 2024 Board meeting. The Senior Independent Director reviewed the results of the review of the Chairman before sharing the findings with the Chairman and Board.

4. OUTCOMES

In December 2024, the Board reviewed the results of the performance review exercise and agreed actions for 2025. Results concerning the Boards structure, size, composition and induction were reviewed by the Nomination Committee.

The tables on → PAGE 85 summarises the 2024 performance review outcomes and proposed actions for 2025, along with the Board's progress against the 2023 performance review findings and actions taken during 2024.

As a separate exercise, the Senior Independent Director, together with the Non-Executive Directors, conducted the Chairman's performance review. The views of the Executive Directors were also taken into account.

PROGRESS AGAINST THE 2023 BOARD REVIEW ACTIONS

Agreed Action	Progress
• Key Board and committee meeting sessions to be held over two days to enable additional discussion on strategic matters.	• The Board has separated its Board and Committee meeting sessions across two days, thus allowing increased time to focus on the discussion of key strategic matters as well as operational and governance matters.
• Workforce dashboard covering a wide range of measures to be developed and reviewed periodically by the ESG Committee.	• A workforce dashboard covering a wide range of measures has been developed and is provided to the ESG Committee for review on a quarterly basis, resulting in enhanced oversight of key workforce matters.
• Directors to monitor their own training needs as part of continuous development.	• Individual Directors have completed training on relevant governance and regulatory matters and continue to monitor their own training needs to ensure their continuous development.

2024 OUTCOMES AND PROPOSED ACTIONS

Outcomes from 2024 Board Review	Agreed Action
• It was agreed the Company's high-performance culture continues to be significant asset and provides a competitive advantage in the market. • This culture supports the delivery of excellent results for customers, supports the recruitment of high quality talent and creates an environment in which employees can thrive. • To ensure the continued alignment of the Group's culture with the purpose, values and strategy of the business, the culture and how it is embedded should be continually monitored.	• The ESG Committee will increase the amount of time dedicated to reviewing and monitoring the Group's culture. This will be supported by additional management reporting to the ESG Committee, such as employee pulse survey results and anonymously comparing survey results between different diversity groups.
• To further enhance below Board level talent succession with a view to increasing diversity in management roles and improving bench strength across the organisation.	• Management to develop specific talent development plans for key roles, including deeper reviews of required skills, competencies and diversity considerations, for discussion with the ESG Committee.

ANNUAL REVIEW OF THE NOMINATION COMMITTEE'S PERFORMANCE

As part of the internal Board performance review this year, the performance of the Nomination Committee was evaluated and no concerns were identified. The review highlighted the continued need to prioritise Board succession planning, including consideration of gender and ethnic diversity targets.

GOVERNANCE

During the year, the Committee received briefings from the Company Secretary on corporate governance matters. We have reported on the Company's compliance with the Code on → PAGE 72 of the Corporate Governance Report.

PRIORITIES FOR 2025

The Committee will continue to focus on succession planning for both the Board and Senior Management, with reference to our Board diversity policy. Furthermore, across the wider organisation, management continues to strive to develop a diverse workforce that reflects the communities we serve and to cultivate an environment where every employee feels motivated to excel and empowered to reach their full potential.

Nigel Rich CBE
Chairman of the Nomination Committee
4 March 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE REPORT

MEMBERS OF THE ESG COMMITTEE AND ATTENDANCE AT MEETINGS

The membership of the Committee is set out below. All Committee members are considered independent by the Board and in accordance with the Code. Nigel Rich was considered to be independent on his appointment as Chairman of the Company. Biographical information can be found on → PAGES 68 AND 69. Members' attendance at Committee meetings is set out in the table on → PAGE 76. The Company Secretary acts as Secretary to the Committee.

The Committee Chair has relevant ESG experience having 30 years' HR and people experience in both regulated and commercial businesses. Other Committee members have relevant experience through other external appointments, knowledge of the Group's operations and broader experience of working in customer facing businesses.

Chair: Annette Andrews

Members as at 31 December 2024: Jack Callaway, Nigel Rich, Peter Rollings, Rosie Shapland

> "Our people are key to the success of the Group and the Committee remains committed to ensuring its culture, policies and practices provide the best environment to develop sector leading talent."
>
> **Annette Andrews Chair of the ESG Committee**

During the year, the ESG Committee has provided an important forum for ESG matters to be discussed by members of the Board and the Executive Leadership Team. The Committee has supported the Board in allocating sufficient time for discussion of the Group's ESG strategy and has overseen a range of responsible business topics including culture, employee engagement, diversity and inclusion, environmental and other social matters. Our Responsible Business Report on → PAGES 40 TO 64 provides further details on a range of environmental and social matters, including our environmental and social commitments.

2024 AREAS OF FOCUS

- Reviewing the Group's ESG governance framework.
- Reviewing ESG related targets, measures and commitments.
- Reviewing workplace policies, programmes and health and safety records.
- Reviewing the equity, diversity and inclusion programme.
- Reviewing the Group's environmental footprint and compliance with the Task Force on Climate-Related Financial Disclosures (TCFD).
- Reviewing and making changes to enhance the Group's culture.
- Consideration of upcoming changes to ESG legislation.

ROLE OF THE ESG COMMITTEE

The Committee's main responsibilities, as outlined in its Terms of Reference, are:

- To provide oversight of the governance framework relating to environmental and social matters.
- To review the Group's environmental and social strategy to ensure alignment with the Group's overall strategy, including consideration of related risks and opportunities.
- To actively look for opportunities to promote environmental and social matters within the Group.
- To receive updates on performance against the Group's environmental and social strategy and targets.
- To receive updates on regulatory changes which could impact the implementation of the Group's environmental and social strategy.
- To receive updates on the social and community initiatives of the Group, including community engagement and partnerships.
- To review the extent and effectiveness of the Group's external reporting of its environmental and social performance, and to review the external social reporting prior to its publication.
- To review environmental and social related risks to the Group and make recommendations to the Audit Committee regarding inclusion in the Group's risk management practices.

The Committee's Terms of Reference were reviewed during the year, and were updated in 2025 in line with the 2024 UK Code of Corporate Governance. The terms of Reference can be found on the Group's website at: www.foxtonsgroup.co.uk/our-responsibility/corporate- governance.

Since the last ESG Committee Report, the Committee held three scheduled Committee meetings. The Committee's main activities and areas of focus were as follows:

		Jun 2024	Oct 2024	Feb 2025
Environment	Reviewed the environmental performance and external reporting disclosures in the Annual Report and Accounts.			●
	Reviewed the Responsible Business Report for social and environmental matters.			●
Social	Reviewed the people dashboard and key performance indicators for workforce and culture matters.	●	●	●
	Reviewed the health and safety programme.		●	●
	Received an update on the Group's charity partner, Single Homeless project.	●	●	
	Reviewed the progress against the Group's people strategy.	●	●	●
	Received an update on equity, diversity and inclusion programmes.	●	●	
	Reviewed key workplace policies.			●
	Received an update on the Employment Rights Bill.		●	
	Reviewed the 2024 employee engagement survey results.			●
	Consideration of the employee value proposition and its launch.		●	
	Reviewed the Group's culture and related programmes.		●	●
Governance	Reviewed the ESG governance framework.			●
	Reviewed the Committee's terms of reference.		●	●
	Approved the report from the ESG Committee in the 2024 Annual Report and Accounts.			●
	Reviewed the Committee's composition.		●	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE REPORT CONTINUED

The following sections provide further details of the environmental, social and governance matters considered by the Committee in 2024.

ENVIRONMENTAL MATTERS

Although the Group has a relatively simple infrastructure and does not operate in a high-risk environmental sector, our environmental targets will reduce the Group's environmental impact by lowering emissions and reducing energy consumption. To support our target of reaching net zero by 2050 (across Scope 1, Scope 2 and Scope 3 emissions), the Committee has established an interim emissions target to reduce Scope 1 and Scope 2 emissions by 30% by 2030 against the 2021 baseline. The commitment to electrify our vehicle fleet by 2030 and the ongoing work to improve the efficiency of our offices will support this goal. More information on the Group's commitment to reducing its environmental impact can be found on → PAGES 42 TO 51. Specific Committee activities in this area have included:

- Reviewing the annual Streamlined Energy and Carbon Reporting statement and other relevant key performance indicators.
- Reviewing progress of the Group's emission reduction initiatives, including the vehicle fleet electrification programme, the branch energy usage reduction programme and progress against the Group's interim 2030 emissions reduction target.

SOCIAL MATTERS

Our people are key to the success of the Group and the Committee remains committed to ensuring its culture, policies and practices provide the best environment to develop sector leading talent. Specifically, recruiting and retaining an engaged workforce is key to our success, and therefore our workforce social programmes, including equity, diversity and inclusion, continue to be a key area of focus. The Committee has spent considerable time reviewing the Group's culture and employee related programmes, with the main activities as follows:

- Supporting the Board in monitoring culture through the mechanisms set out on → PAGE 73.
- Reviewing the Group's employee value proposition which has been relaunched in 2024.
- Reviewing the annual employee engagement survey results and reviewing management's response plan.
- Reviewing employee equity, diversity and inclusion activities and programmes.
- Reviewing the Group's health and safety governance framework and performance.
- Reviewing employee dashboards which present key performance indicators in relation to workforce matters.
- Engaging with the Group's Human Resources Director and external employment advisers on employee relations matters and policy enhancements.
- Reviewing the impact of future employment legislation changes.

At the start of 2024 we launched our charity partnership with Single Homeless Project, a London-wide charity that provides supported accommodation and community-based support for people who are homeless or at risk of homelessness. The partnership has enabled employees to engage in a range of charitable activities, including fundraising and giving their time to support the work of the charity. Refer to → PAGES 61 AND 62 for further details of our partnership with Single Homeless Project.

GOVERNANCE MATTERS

During the year, the Committee received briefings from the Company Secretary on ESG related corporate governance matters as relevant. We have reported on the Company's compliance with the Code on → PAGE 72 of the Corporate Governance Report.

The environmental and social governance framework, which establishes the reporting lines for environmental and social matters and Senior Management responsibilities, has been reviewed in the period. The ESG Committee provided oversight of the environmental and social governance framework, including:

- Reviewing the framework, strategy, activities and commitments relating to the Group's environmental and social responsibilities.
- Agreeing the Committee's agenda for 2024 and 2025.
- Reviewing upcoming changes in ESG legislation.
- Reviewing ESG related Annual Report disclosures, including TCFD reporting.

ENGAGEMENT WITH STAKEHOLDERS

The Committee Chair is available at the AGM to answer questions from shareholders on the work of the Committee. For further information on engagement with stakeholders please see → PAGES 18 TO 21.

ANNUAL PERFORMANCE REVIEW OF THE ESG COMMITTEE'S PERFORMANCE

As part of the internal Board performance review this year, the performance of the ESG Committee was reviewed and found to be satisfactory with no issues identified.

PRIORITIES FOR 2025

The Committee's priorities include continuing to monitor and provide recommendations to support the continuous development of the Company's culture, reviewing the implementation of the redesigned employee value proposition (refer to → PAGE 53 for further details) and reviewing charitable activities relating to the Group's charity partner, Single Homeless Project. The Committee will also be prioritising the development of a more diverse management pipeline with a focus on increasing the number of females in managerial positions.

Annette Andrews
Chair of the ESG Committee
4 March 2025

AUDIT COMMITTEE REPORT

4 AUDIT, RISK AND INTERNAL CONTROL

MEMBERS OF THE AUDIT COMMITTEE AND ATTENDANCE AT MEETINGS

The membership of the Committee is set out below. All Committee members are considered independent by the Board and in accordance with the Code. Biographical information can be found on → PAGES 68 AND 69. Members' attendance at Committee meetings is set out in the table on → PAGE 76. The Company Secretary acts as Secretary to the Committee.

The Committee Chair is a Chartered Accountant, former audit partner with over 30 years of audit experience across multiple sectors within public and private companies, and Chair of the Audit Committee at both Paypoint plc and Workspace Group plc. The Committee Chair satisfies the requirement of having appropriate recent and relevant financial experience. The Committee members have competence relevant to the business, in addition to general management and commercial experience.

The Committee usually invites the full Board, our outsourced internal audit partner and external auditor to attend each meeting. Other members of management attend as and when requested. The Committee holds private sessions with the external and internal auditors as necessary without the presence of executive management at least once a year.

Chair: Rosie Shapland **Members as at 31 December 2024:** Annette Andrews, Jack Callaway and Peter Rollings

"The Committee continues to focus on monitoring the effectiveness of the Group's risk management processes, internal controls and financial reporting processes."

Rosie Shapland Chair of the Audit Committee

I am pleased to present the Audit Committee's report setting out its key activities and principal and ongoing responsibilities.

The Committee continues to focus on monitoring the effectiveness of the Group's risk management processes, internal controls and financial reporting processes. In 2024 there has been an ongoing focus on monitoring and strengthening internal controls and risk management processes in order to protect the interests of shareholders.

The Committee has spent time reviewing the risk and compliance framework of Alexander Hall, the Group's FCA regulated Financial Services arm, including management's response to recent regulatory changes.

PwC has continued to deliver the Group's internal audit programme which provides the Committee with independent and objective assurance over significant risk or strategically important areas. PwC's 2024 internal audit reviews covered data management, internal controls readiness ahead of the 2024 UK Code of Corporate Governance becoming effective, and a review of the key controls within the Lettings business. During the year, PwC also reported to the Committee management's progress in addressing audit findings identified from prior reviews and validated management's response.

The Committee reviewed a number of key financial reporting matters including the annual brand impairment review, with particular focus on the cash flow forecasts, charges presented as adjusted items, alternative performance measures, acquisition accounting, the Group's going concern assumption and longer-term prospects and viability statement.

The Committee also reviewed the Group's critical accounting judgements and key sources of estimation uncertainty disclosures.

The Committee continues to review the ongoing changes in the risk management and internal control landscape, prompted by updates to reporting requirements, particularly the revised Provision 29 of the UK Corporate Governance Code 2024 which the Board is preparing for.

ROLE OF THE AUDIT COMMITTEE

The primary function of the Audit Committee is to support the Board in providing challenge and oversight of financial reporting, risk management and internal controls to protect the interests of shareholders. The Committee is also responsible for managing the relationship with the internal and external auditors.

Key responsibilities include:

- Monitoring the integrity of the financial statements and half year report and other formal announcements relating to financial performance.
- Monitoring, reviewing and challenging when necessary the financial reporting processes, including significant financial reporting issues, accounting policies and judgements.
- Recommending to the Board the appointment, reappointment and removal of the external auditor, approving the terms of engagement and remuneration and monitoring the independence of the auditor and the provision of non-audit services.
- Monitoring the statutory audit of the Group's annual financial statements.
- Reviewing the Group's internal audit strategy, findings from internal audit reviews, resolution of any matters arising and effectiveness of the function.
- Reviewing the Group's systems and controls for the prevention of bribery and procedures for detecting fraud.
- Reviewing the Group's processes and procedures that ensure material risks are properly identified, assessed, managed and reported and that appropriate systems of monitoring and control are in place.
- Reviewing the effectiveness of internal financial controls and risk management policies and systems.

AUDIT COMMITTEE REPORT CONTINUED

The Committee's Terms of Reference were reviewed during the year and updated where necessary to align with the 2024 UK Code of Corporate Governance and the Minimum Standard for Audit Committees. The Terms of Reference can be found on the Group's website at: www.foxtonsgroup.co.uk/our-responsibility/corporate-governance.

SIGNIFICANT FINANCIAL REPORTING MATTERS

The Committee considered the following significant financial reporting matters which require judgement or are sources of estimation uncertainty. The matters, and how they were addressed by the Committee, are detailed below. The matters below are disclosed as critical accounting judgements or key sources of estimation uncertainty within Note 1.20 of the financial statements:

- **Useful economic life of the brand intangible asset (carrying value of £99 million)**
  The Committee challenged the appropriateness of the indefinite useful economic life assigned to the brand intangible asset. The Committee considered whether there had been any changes in the period over which the brand asset is expected to generate cash inflows. Following this assessment, it was confirmed that there is no foreseeable limit to the period over which the asset is expected to generate cash inflows. Therefore, it continues to be appropriate for the brand asset to be assigned an indefinite useful economic life.
- **Impairment of the brand intangible asset (carrying value of £99 million)**
  The Committee challenged management's impairment review methodology of the indefinite life brand intangible asset, including the relevant forecasts, discount rates and long-term growth rates. The Committee concurred with management's view that no impairment of the Group's brand asset is required. However, the Committee noted that a reasonable possible change in key assumptions within the impairment model would remove the headroom between the recoverable amount and the carrying value of the brand asset and appropriate sensitivity disclosure is included within Note 10 of the financial statements.
- **Contract asset expected credit loss provision**
  The Committee challenged management's estimation of expected credit losses relating to the Group's contract asset balance of £24.2 million at 31 December 2024 (2023: £19.0 million), which is net of an expected credit loss provision of £2.5 million (2023: £1.6 million). As disclosed in Note 19, the contract asset balance primarily relates to the Lettings business, with £23.9 million (2023: £18.8 million) of the balance relating to unbilled Lettings commission. Management assesses expected credit losses using the relevant IFRS 9 'Financial Instruments' guidance with reference to historical loss rates and forward-looking loss estimates.
- Forward-looking loss estimates consider broader economic factors and the possible impact of the Renters' Rights Bill, which is being progressed through parliament, if tenants choose to exit their existing contracts earlier than originally anticipated, which may be permitted under the new legislation. The Committee is satisfied with management's estimates, noting there is inherent uncertainty in the estimates which seek to predict future tenant behaviour. The Committee was also satisfied with the related sensitivity disclosures included in Note 19 of the financial statements.

OTHER RELEVANT FINANCIAL REPORTING MATTERS

The Committee also reviewed other relevant financial reporting matters in the period:

- **Adjusted items**
  The Committee considered the presentation and disclosure of £0.3 million of adjusted item credits (2023: £4.5 million charge) which have been recognised in the period (refer to Note 4 of the financial statements for further details). The Committee reviewed the quantification and the nature of the adjusted items, with reference to the Group's adjusted items policy (refer to Note 1 of the financial statements), and concluded the classification and disclosure of the items was appropriate and the policy had been consistently applied across financial years.
- **Alternative performance measures**
  The Committee reviewed the revised definitions of the Group's profit based alternative performance measures which now exclude the amortisation of acquired intangibles. The Committee is satisfied with the revised definition, and the associated restatement of comparatives, noting that the amortisation charge arising from acquired intangible assets is not considered when assessing the underlying trading performance of the Group/segments. The change also aligns the definition of the alternative performance measures with generally accepted market practice. Overall the Committee determined the Group's alternative performance measures disclosure to be appropriate.
- **Going concern and longer-term prospects and viability statement**
  The Committee reviewed management's assessment of the Group's going concern assumption and longer-term prospects and viability statement. The review included consideration of forecast cash flows, specifically uncertainties in relation to the macroeconomic outlook, the reverse stress scenario sensitivities and the Group's liquidity over the relevant forecast period.

  For the purposes of assessing the going concern assumption, an 18-month forecast period from the date of the approval of the 2024 financial statements was considered, including the results of a reverse-stress scenario. A longer period of five years was used for assessing viability, which is consistent with the Group's strategic planning period. The viability assessment included the consideration of severe, but plausible, scenarios and the impact such scenarios could have on the Group's future financial position. The Committee confirmed preparing the financial statements on a going concern basis continues to be appropriate (refer to Note 1.7 for going concern disclosure) and recommended the approval of the long-term prospects and viability statement which is set out on → **PAGES 38 AND 39**.

The Committee also reviewed other key estimates:

- **Acquisition accounting**
  As set out in Note 13 of the financial statements, the Group acquired two businesses in the year. Management's purchase price allocation exercises identified £3.9 million of acquired intangible assets relating to customer contracts and relationships and £12.2 million of goodwill arising on the acquisitions. The Committee reviewed the key valuation assumptions and is satisfied that the acquisition accounting is appropriate.
- **Provisions**
  As set out in Note 20, the Group has provisions of £4.5 million which relate to property related liabilities, onerous costs and legal matters. The Committee reviewed the key assumptions used to determine the year end provision balance and concluded the valuation of provisions is appropriate.
- **Branch impairment assessment**
  The Committee also reviewed management's branch impairment assessment and is satisfied that the carrying value of branch property, plant and equipment and right-of-use assets as at 31 December 2024 is appropriate. Refer to Note 11 and Note 12 of the financial statements for respective details of the carrying value of branch property, plant and equipment and right-of-use assets.

The Committee also reviewed the continuing rationale for not recording client monies in the Group's financial statements. The Committee concluded there was no judgement in this area, and no amounts should be recorded in the Group's financial statements, since these funds belong to tenants. Refer to Note 26 of the financial statements for details of the value of client money held at 31 December 2024.

FINANCIAL REPORTING

The Committee regularly reviews the robustness of financial reporting processes. The Group maintains a comprehensive financial planning and reporting cycle, which includes a detailed annual financial budgeting process where forecasts are prepared for challenge and approval by the Board. Management reviews key performance indicators on a regular basis which enable business performance and the market to be monitored on an ongoing basis, allowing corrective action to be taken or opportunities seized as appropriate. At a Group level, a comprehensive management accounts pack, including income statements, a balance sheet, a cash flow statement, and key performance indicators, is reviewed monthly by the Board. Reforecasts of current year performance are carried out on a regular basis during the year. Management monitors the publication of new accounting and reporting standards and reports on any updates to the Committee.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Committee, on behalf of the Board, keeps under review the effectiveness of the Group's risk management and internal control systems through management update reports, output from the executive risk committees and reports from PwC internal audit to ensure that controls in place are effective in order to safeguard shareholders' investments and the Group's assets. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has defined its risk appetite for strategic, financial, operational and compliance risks as set out on → **PAGE 33** of the Strategic Report. A standard methodology for risk assessment is applied across the Group to assist with monitoring gross and residual risk and comparing residual risk against risk appetite. As required by the 2018 UK Code of Corporate Governance, the Board, through the Audit Committee, has carried out a robust assessment of the principal and emerging risks facing the Group, including those that could threaten its business model, future performance, solvency or liquidity. Further details can be found on → **PAGES 35 TO 37** of the Strategic Report.

AUDIT COMMITTEE REPORT CONTINUED

The Group has the following key procedures and monitoring processes in place to provide effective internal control:

- An ongoing process to identify, evaluate and manage significant risks, which is monitored and regularly reviewed by the Executive Leadership Team with significant issues presented to the Board and Audit Committee.
- The Group's compliance department continuously reviews operations to ensure that transactions have been properly authorised and procedures are adhered to across the Group.
- Appropriate segregation of duties are embedded across the organisation.
- Management reports to the Audit Committee on the mechanisms in place to monitor the effectiveness of key internal controls, which includes mapping key entity level processes and controls to the Group's three lines of defence.
- On behalf of the Board, the Audit Committee reviews fraud, anti-bribery and whistleblowing policies and procedures and considers any whistleblowing incidents, and the appropriate response.
- An annual fraud risk assessment and financial risk assessment is prepared and is subject to review by the Audit Committee.
- A system for planning, reporting and reviewing financial performance, including performance against strategy and the business plan as described above.
- The Environmental, Social and Governance (ESG) Committee reviews the TCFD climate related disclosures.
- Key management personnel, including the Chief Financial Officer, Chief Information and Technology Officer, Legal and Compliance Director and Alexander Hall's Risk and Compliance Committee, provide regular risk and control updates to the Audit Committee.
- Compliance with the risk appetite statement is monitored through the Group's standard monitoring and reporting mechanisms. The Board reviews the risk appetite statement annually.
- The Audit Committee reviews internal risks, including IT systems and cyber risk, to ensure that the Group's IT function effectively implements preventative and detective controls to monitor and mitigate risk.

On the basis of the above procedures and the monitoring processes employed, the Board, supported by the Audit Committee, has reviewed the effectiveness of the risk management and internal control systems during 2024, and up to the date of the approval of the Annual Report and Accounts. No significant failings or weaknesses were identified during the period under review.

INTERNAL AUDIT

PwC is the Group's outsourced internal audit partner and has the remit to provide independent and objective assurance over the Group's operations. PwC's internal audit plan is reviewed and approved by the Committee annually and can be updated during the year should the need arise. The internal audit plan is determined with reference to the Group's strategy and the risks that may prevent the Group from meeting its strategy. Following each review, PwC issues an independent report to the Committee with findings graded and any remedial actions agreed as necessary. Remediation progress is monitored and reported to the Committee on a regular basis by PwC.

During 2024 PwC reported on three internal audits covering Data Management, Internal Controls and readiness for the 2024 UK Corporate Governance Code.

The independent reports issued in these areas were scoped with reference to the risk profile of each area and all areas were reported to be satisfactory, with only low or medium findings being reported against certain areas.

Appropriate remediation plans have been put in place to respond to the findings with good progress made against these items in the year.

The Committee assesses the effectiveness of internal audit on a regular basis.

WHISTLEBLOWING

The Group believes that it is critical to have a culture of openness and accountability in order to prevent situations relating to possible impropriety, financial or otherwise, from occurring or to address them when they do occur. The Group's independent whistleblowing helpline is open to all employees and fully operational.

Activity reports are provided to the Committee, with any matters relating to Senior Management being reported directly to the Audit Committee Chair. Any material whistleblowing matters are raised to the Board and responded to accordingly.

During the year, the Group introduced a specific "How to speak up" policy to further enhance the prominence and clarity of existing arrangements. This policy is readily available to employees and includes details as to how employees can anonymously speak up, as well as how they can contact the Chairman of the Board and the Senior Independent Director if an employee feels unable to use any of the usual routes. The Committee is satisfied that the whistleblowing policy and its administration remain effective.

FAIR, BALANCED AND UNDERSTANDABLE

The Group has a comprehensive and thorough assurance process in respect of the preparation, verification and approval of periodic financial reports and the Annual Report and Accounts. The process involves:

- The involvement of qualified and appropriately experienced staff, under the direction of the CFO.
- A comprehensive review and verification process which deals with the factual content of the reports and ensures consistency across various sections.
- A common understanding amongst senior staff which ensures consistency and overall balance.
- A transparent process to ensure full disclosure of information to the external auditor.
- Engagement of a professional and experienced external audit firm who understands the Foxtons business and business model.
- Oversight by the Audit Committee which, among other things, reviews:
  - The key accounting judgements and key sources of estimation uncertainty.
  - The consistency of, and any changes to, significant accounting policies and practices.
  - Significant adjustments arising from the external audit.
  - The Group's statement on risk management and internal control.
  - The going concern and viability assumptions.
  - The overall balance of the Annual Report and Accounts disclosures with reference to the Committee's understanding of the Group's business model, strategy, financial position and drivers of performance.

The process outlined, together with the review and challenge of management by the Committee and its recommendation to the Board, provides comfort to the Board that the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's business model, strategy, position and performance. The Directors confirm this statement within the Directors' Responsibilities Statement on → PAGE 127.

EXTERNAL AUDITOR

BDO were re-appointed as external auditor by shareholders at the AGM in 2024, and were appointed as statutory auditor of the Company following a tender process in 2020. The 2024 audit was led by Tim Neathercoat. Under the partner rotation rules set out in the applicable ethical standards, 2024 was his final year as partner after five years of service.

As noted, the Committee has reviewed the effectiveness and quality of the external audit process. The Committee did this by:

- Reviewing the external auditor's plan, with specific focus on the auditor's approach to auditing areas of heightened interest to the Audit Committee, or which are new or unique to the 2024 audit, such as the acquisition accounting for the two businesses acquired in the year and the expected loss provisioning of the Group's contract assets.
- Discussing the results of the external auditor's testing, including their views on material accounting issues, key judgements and estimates, and their audit report. The auditor's reporting to the Committee included details of how the audit procedures challenge management's key judgements in relation to the other financial reporting matters set out on → PAGES 90 AND 91.
- Considering the robustness of the audit process, specifically how the auditor has challenged management's key assumptions and demonstrated professional scepticism throughout the audit.
- The Committee assessed the auditor's professional scepticism in a number of ways, including making enquiries with the audit partner in relation to the extent of audit procedures, challenging the auditor's IT specialist on the extent of general IT controls testing, and as noted above, challenging the auditor's assessment of management's key assumptions and judgements. Specific attention was paid to the auditor's professional scepticism in relation to the significant financial reporting matters and other relevant financial reporting matters set out on → PAGES 90 AND 91.
- Reviewing the quality of people and service provided by BDO, including a review of the FRC's latest Audit Quality Review of BDO and BDO's response to the FRC's findings.
- Confirming the independence and objectivity of BDO.

The Committee concluded that it was satisfied with the performance, ongoing quality and independence of BDO as external auditor. The Committee recommends that BDO be re-appointed as the Company's external auditor at the Company's 2025 AGM.

NON-AUDIT SERVICES

To safeguard the independence and objectivity of the external auditor, the Group has a Non-Audit Services Policy which the Committee reviews annually. The policy details the services termed 'excluded services' that are not permitted to be provided by the external auditor. The policy is disclosed on our website www.foxtonsgroup.co.uk/our-responsibility/corporate-governance. Excluded services comprise services prohibited under the applicable regulatory and ethical guidance. All permitted non-audit services provided by the external auditor are subject to prior approval by the Committee and where BDO performs non-audit work, both the Company and BDO adhere to robust processes to ensure that the objectivity and independence of the auditor is not compromised. With the exception of the interim review performed under International Standard on Review Engagements (UK and Ireland) 2400 and an accountant's report required as a Propertymark member, there were no other non-audit services undertaken during the year. Total non-audit fees for services provided by BDO for the year ended 31 December 2024 were £49,500 (2023: £47,000). Audit fees for the year were £493,000 (2023: £475,000).

REVIEW OF THE AUDIT COMMITTEE'S PERFORMANCE

As part of the internal Board performance review this year, the performance of the Committee was reviewed. No areas of concern were identified and it was concluded that the Committee had effectively fulfilled its role.

ENGAGEMENT WITH STAKEHOLDERS

The Committee Chair is available at the AGM to answer questions from shareholders on the work of the Committee. For further information on engagement with stakeholders refer to → PAGES 18 TO 21.

AUDIT COMMITTEE REPORT CONTINUED

Since the last Audit Committee's Report, the Committee held four scheduled meetings. The Committee's main activities and areas of focus were as follows:

Role	Tasks	July 2024	Oct 2024	Dec 2024	Feb 2025
Financial reporting	Monitored and reviewed the Group's accounting policies, practices and significant accounting judgements, including any relevant changes in accounting or reporting standards.	●	●	●	●
	Reviewed key financial reporting matters (key matters are set out on → **PAGES 90 AND 91**).	●		●	●
	Reviewed the plan to produce the 2024 Annual Report and Accounts, including the plans for reporting on the 2018 UK Corporate Governance Code.			●	
	Reviewed the annual and half year financial statements and advising the Board on whether the Annual Report and Accounts are fair, balanced and understandable. In fulfilling this task, the Audit Committee reviewed the process undertaken to produce the Annual Report and Accounts, which included guidance given to contributors, internal verification processes and content approval procedures.	●			●
	Reviewed the going concern paper which analysed the profitability and cash generation of the Group and agreeing with the adoption of the going concern basis.	●		●	●
	Reviewed the Group's assessment of the Task Force on Climate-Related Financial Disclosures framework and reviewed the related disclosures in the Annual Report and Accounts with reference to the ESG Committee's recommendations.				●
	Considered and reviewed the viability statement and supporting sensitivity analysis which assessed the potential impact of the principal risks on the future performance and liquidity of the Group over a five-year period.			●	●
	Reviewed the dividend proposal.				●
External audit	Approved the appointment of the external auditor and their terms of engagement and fees for the financial year 2024.		●		
	Considered the scope of work to be undertaken by the external auditor, assessment of the auditor's professional scepticism and reviewing the results of the work undertaken.	●	●		●
	Received the external auditor's audit planning paper for 2024 and reviewing materiality thresholds and the areas of risk where the auditor would concentrate.		●		
	Reviewed and monitored the independence of the external auditor and approving their provision of non-audit services.		●		●
	Reviewed the effectiveness of the external auditor.	●			
	Reviewed the external auditor's interim review, pre year end and year end report (no material issues were identified in any of BDO's reports).	●		●	●
Internal audit	Reviewed internal audit's assurance map and risk assessment. Approving the internal audit plan for 2025.			●	
	Reviewed internal audit reports following the completion of specific audits, monitoring progress against the internal audit plan and assessing ongoing effectiveness of internal audit.			●	
Internal controls	Reviewed compliance with the 2018 UK Corporate Governance Code.				●
	Reviewed new requirements under the 2024 UK Corporate Governance Code and reviewed management's readiness plans.			●	●
	Reviewed the whistleblowing policy and helpline reports.	●			●
	Reviewed internal control reports from external audit, internal audit and relevant management committees; and advised the Board on the effectiveness of the Group's systems of internal controls to allow the Board to assert as such in the Annual Report and Accounts.	●		●	
Risk management	Reviewed the Group's risk appetite and risk monitoring systems which assess gross risk, mitigating controls and residual risk across the Group and comparing residual risk against the Board's risk appetite.			●	●
	Reviewed controls within the IT function through reports received from the Chief Information and Technology Officer, the internal auditor and the external auditor, including progress with the Group's cyber security strategy, response to cyber threats and attacks and the general IT control environment.		●	●	●
	Reviewed a report on legal and compliance matters within the Group.		●		
Governance	Reviewed the Committee's Terms of Reference.			●	
	Reviewed the Group's non-audit services policy.		●		

Rosie Shapland
Chair of the Audit Committee
4 March 2025

DIRECTORS' REMUNERATION REPORT

5 REMUNERATION

MEMBERS OF THE REMUNERATION COMMITTEE AND ATTENDANCE AT MEETINGS

The membership of the Committee is set out below. All of the Non-Executive Directors who are Committee members are considered independent by the Board and in accordance with the UK Governance Code. Nigel Rich was considered to be independent on his appointment as Chairman of the Company. Biographical information can be found on → PAGES 68 AND 69. Members' attendance at Committee meetings is set out in the table on → PAGE 76. The Company Secretary acts as Secretary to the Committee.

Chair: Annette Andrews **Members as at 31 December 2024**: Jack Callaway, Nigel Rich, Peter Rollings, Rosie Shapland

Annual Statement from the Remuneration Committee Chair Refer to → PAGES 96 AND 97	Overview statement from the Committee Chair providing relevant background for remuneration decisions and a summary of key decisions.
The work of the Committee Refer to → PAGE 98	An overview of our work in the year.
Directors' Remuneration Report at a glance Refer to → PAGES 98 TO 100	A summary of remuneration in respect of 2024.
Summary of Directors' Remuneration Policy Refer to → PAGES 99 TO 102	Summary of the Policy that was approved at the 2023 AGM, and how it will be implemented in 2025.
2024 Annual Report on Remuneration Refer to → PAGES 102 TO 123	The Annual Report on Remuneration includes the following sub-sections: • Our approach to fairness and wider workforce considerations. • How we implemented the Policy in 2024. • Additional information.

"2024 has been a year of progress, with a strong set of financial results delivered alongside continued progression against the Group's strategic priorities."

Annette Andrews Chair of the Remuneration Committee

The 2024 Annual Report on Remuneration, including the Annual Statement from the Remuneration Committee Chair, will be subject to an advisory vote at the 2025 AGM.

DIRECTORS' REMUNERATION REPORT CONTINUED

ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR

On behalf of the Board, I am delighted to present the Directors' Remuneration Report for the year ended 31 December 2024. This is the second year of the implementation of the Remuneration Policy agreed by shareholders in May 2023, which received overwhelming support of 97.45%. This annual statement sets out a summary of incentive outcomes and business performance for this year, as well as remuneration decisions for implementation in 2025.

INTRODUCTION

2024 has been a year of progress, with a strong set of financial results delivered alongside continued progression against the Group's strategic priorities. Specifically, significant market share and revenue growth was delivered in Sales; and Lettings delivered resilient performance, bolstered by acquisitions.

Management and the broader team have demonstrated a key focus on several strategic focal points, such as improving training, enhancing negotiator tenure, continuing to improve our culture, and leveraging data and technology capabilities to drive growth.

This strong performance has been reflected in the shareholder experience, with share price growth over the period of 50% and a 30% increase in the full year dividend to 1.17p per share.

2024 VARIABLE PAY

Variable pay continues to form a core part of the reward for Executive Directors, Senior Management and fee earners, reflective of the results driven culture at Foxtons, and in the residential property industry more generally.

The outcome of the Bonus Banking Plan (BBP) for Executive Directors is 72.4% (2023: 82.7%) of maximum for the year ended 31 December 2024. The BBP's main performance measure is adjusted operating profit which increased by 38% to £21.6 million (2023: £15.7 million) compared to 2023, resulting in an outcome of 77.8% of maximum for this element. The other BBP measures are Lettings organic market share growth, Sales market share growth and employee experience. Across the three metrics, the average outturn of the various elements was 60%, reflecting a 20% increase in Sales market share, flat Lettings organic market share, and strong progress in the Group's people strategy. Details of performance against each of the 2024 BBP targets are set out on → PAGE 118.

The Committee carefully considered the appropriateness of the 2024 BBP targets and the respective formulaic BBP outcomes in light of the overall business performance on a holistic basis, including consideration of the experience of stakeholders in 2024. The Committee determined that no discretionary adjustment would be appropriate to the 2024 BBP outcome and that the formulaic outcome fairly reflects the underlying performance of the business. Further details of the experience of stakeholders in 2024 are set out on → PAGE 101.

The CFO and CEO have 2022 RSP awards vesting in May 2025 and September 2025, respectively. The CEO's award was a delayed grant due to his joining date. The Committee assessed overall performance on a holistic basis in relation to the CFO's award, in line with the underpin framework that applies to the RSP.

The underpin allows the Remuneration Committee to make adjustments to the level of vesting if the Committee believes due to business performance, individual performance or wider Company considerations that the vesting should be adjusted.

The Committee is satisfied that the underpin has been met for the CFO's award and no reduction in vesting level is appropriate. Within this assessment, the Committee reviewed:

- Underlying financial performance, considering key financial indicators in particular.
- ESG performance and impact.
- Operational performance.
- Individual performance.
- Stakeholder experience, including, but not limited to shareholders.

In addition, the Committee considered whether any windfall gain is incorporated within the value of the CFO's 2022 RSP, and has determined that no adjustment would be appropriate to the vesting of the award on the basis it was granted at a share price that was stable for much of the period of 2022.

The Committee will conduct the review of the CEO's underpin ahead of vesting in September 2025, which will be disclosed in next year's report.

In line with the 2023 Remuneration Policy, the CEO and CFO received an RSP grant of 100% and 75% of salary, respectively in 2024. As set out in detail in last year's report, the qualitative holistic underpin continues to apply to the RSP, which will be assessed at the point of vesting.

2025 IMPLEMENTATION

CEO base salary review

Following review, the Remuneration Committee has decided to maintain the CEO's current salary for 2025 in line with the decision not to award any inflationary salary increases to the Executive Leadership Team.

CFO base salary review

The CFO was appointed in April 2022 with a gross base salary significantly below that of his predecessor and below the market rate for a business of the size and complexity of Foxtons, with the intention of keeping his salary under review with the potential to move it towards the market rate as the CFO developed and established himself in the role.

As set out in last year's report, the Committee agreed that an appropriate salary level for the CFO is around £300,000, which was positioned between the lower quartile and median of the FTSE Small Cap at the time of review. It was determined that this salary level would be achieved over two years, subject to continued strong performance in role. As such, the CFO's salary was increased to £274,000 from 1 April 2024, and will be increased by a further 9.5% to £300,000 from 1 April 2025, following continued strong performance in role. His gross base salary remains below that of the previous CFO.

2025 incentives

2025 incentives will be operated in line with the shareholder approved 2023 Remuneration Policy. As such, the CEO and CFO will be eligible for a BBP opportunity of 150% and 125% of salary, respectively, and an RSP grant of 100% and 75% of salary, respectively.

The BBP will continue to be based on adjusted operating profit, Sales market share growth, Lettings organic market share growth and an assessment of the employee experience. A qualitative holistic underpin will continue to apply annually to the unpaid balance of the BBP and at the point of vesting for the RSP.

The discretionary underpin allows the Remuneration Committee to make adjustments to the level of vesting if the Committee believes due to business performance, individual performance or wider Company considerations that the vesting should be adjusted. The Committee is satisfied that the operation of a holistic underpin continues to be the most appropriate approach for Foxtons, and the Committee will continue to implement the framework that was developed in 2022 to assess performance over the period, to ensure that it is robustly and thoroughly assessed.

WIDER WORKFORCE

During 2024, Foxtons reviewed wider workforce salaries in light of continued high inflation levels and the cost of living crisis and awarded an average salary increase of 4% for eligible employees. For those members of the wider workforce who receive variable pay, which includes commission payments and bonuses, the average increase in variable pay was 11% from 2023 to 2024.

For 2025, base salary increases for eligible employees will average c.2.5%, with certain junior employee groups receiving higher base salary increases, for example Trainee Negotiators and other Front Office support staff will receive a c.7% base salary increase in April 2025 reflecting the change in National Living Wage.

ESG MEASURES

Employee experience continues to be a well-established component of our annual bonus performance measures, implemented as a holistic assessment. The Committee assesses a number of areas, including employee retention, employee engagement, employee relations matters and other employee related key performance indicators.

As described in the ESG Committee report, the Group has various environmental commitments, including an interim emissions target to reduce Scope 1 and Scope 2 emissions by 30% by 2030 (from a 2021 baseline) and to electrify the vehicle fleet by 2030.

The Committee will continue to review the importance of a range of ESG measures, including those that relate to the environment, but do not propose to introduce further measures into incentive plans unless they are material to the Group's strategy and can be robustly measured.

UPCOMING POLICY REVIEW

In line with the three year cycle, our Remuneration Policy will be submitted for shareholder approval at the 2026 AGM. The Committee will conduct a full review of the Remuneration Policy during 2025 to ensure that it remains fit for purpose and aligned to the business strategy. This will include a review of our core remuneration structure, as well as its implementation; and we will consider any action that needs to be taken to support the retention of key personnel.

CONCLUSION

Performance in 2024 was strong on a range of metrics and the Executive team have continued to deliver against the Group's strategy. We look forward to receiving any shareholder feedback and hope to receive support in favour of our Remuneration Report at our upcoming AGM.

Annette Andrews
Chair of the Remuneration Committee
4 March 2025

DIRECTORS' REMUNERATION REPORT CONTINUED

THE WORK OF THE COMMITTEE

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The Committee's role and responsibilities as outlined in its Terms of Reference, are:

- To determine the Remuneration Policy for Executive Directors and Senior Management, in the context of pay and conditions across the wider workforce.
- To review workforce remuneration and related policies across the Company as a whole.
- To design and approve specific remuneration packages and their implementation, which include salaries, bonuses, equity incentives, pension rights and benefits.
- To review the Executive Directors' service contracts.
- To consider the external business environment, market changes and benchmarking data.
- To ensure failure is not rewarded and that steps are always taken to mitigate loss on termination, within contractual obligations.
- To approve the terms, recommend grants and approve the vesting outcomes under the Group's incentive plans.

The Committee's Terms of Reference were reviewed during the year, and were updated in 2025 in line with the 2024 UK Code of Corporate Governance. The terms of Reference can be found on the Group's website at: www.foxtonsgroup.co.uk/our-responsibility/corporate-governance.

Since the last Directors' Remuneration Report, the Committee held three scheduled meetings. The Committee's main activities and areas of focus were as follows:

	Oct 2024	Dec 2024	Feb 2025
Reviewed trends and governance developments.	●		
Reviewed Senior Management remuneration.	●		
Reviewed the Committee's performance evaluation results.		●	
Reviewed the training and development needs of the Committee.		●	
Reviewed Senior Management remuneration.		●	
Reviewed the Executive Directors' and the Chairman's remuneration for 2024.		●	
Reviewed and approved the outturn of 2024 bonus payments for Executive Directors and Senior Management.			●
Reviewed and approved the 2024 Directors' Remuneration Report.			●
Reviewed workforce remuneration.			●
Reviewed the latest Gender Pay Gap Report.			●
Reviewed Executive Director remuneration, including 2025 packages, BBP 2025 targets and 2025 share awards.			●
Reviewed Senior Management remuneration, including 2025 packages and share-based awards.			●

COMMITTEE SUPPORT

During the year, we sought internal support from the CEO and CFO whose attendance at Committee meetings was by invitation from the Chair, to advise on specific questions raised by the Committee and on matters relating to the performance and remuneration of the Senior Management team.
The Company Secretary acts as Secretary to the Committee. No Director was present for any discussions that related directly to their own remuneration. Our adviser is PwC, with further details provided on → PAGE 123.

ANNUAL EVALUATION OF THE REMUNERATION COMMITTEE'S PERFORMANCE

As part of the internal Board evaluation this year, the performance of the Remuneration Committee was reviewed and no material concerns were identified.

ENGAGEMENT WITH STAKEHOLDERS

No engagement with shareholders specifically in relation to remuneration occurred this year, but the Committee Chair is available at the AGM to answer questions from shareholders on the work of the Committee. For further information on engagement with stakeholders refer to → PAGES 18 TO 21.

STRATEGIC REPORT
CORPORATE GOVERNANCE REPORT
FINANCIAL STATEMENTS

DIRECTORS' REMUNERATION REPORT AT A GLANCE

REMUNERATION IN RESPECT OF 2024

The Remuneration Policy operated as intended during the year. The following tables set out what our Executive Directors earned during the year:

FIXED COMPONENTS

Current Executive Directors

Guy Gittins, CEO

- **Salary:** (10% in Salary Substitute Restricted Shares)
  1 January to 31 March 2024: £450,000
  1 April to 31 December 2024: £468,000
- **Pension:** 3% of base salary
- **Benefits:** Company car (or allowance), life assurance and private medical insurance

Chris Hough, CFO

- **Salary:** (*% in Salary Substitute Restricted Shares)
  1 January to 31 March 2024: £250,000 (*20%)
  1 April to 31 December 2024: £274,000 (*10%)
- **Pension:** 3% of base salary
- **Benefits:** Company car (or allowance), life assurance and private medical insurance

VARIABLE COMPONENTS

2024 Annual BBP outcome

	Bonus outcome (% of maximum)	Maximum bonus (% of salary)	Salary (£'000)	Bonus outcome (£'000)	Bonus outcome (% of salary)
CEO Guy Gittins	72.4%	150%	463.5	503.7	109%
CFO Chris Hough		125%	268.0	242.7	91%

More detail on the performance condition outcomes are set out on → PAGE 118.

Each year the bonus outcome contributes to the participants' plan account with 50% of the plan account balance paid out in cash and 50% paid out in shares. 100% of the balance in the final fourth year of the plan will normally be settled in the form of shares transferred or allotted to the participant. 2024 was the second year of the second cycle of the BBP.

The table below summarises the movements in participants' cycle two plan account from 1 January 2024 onwards:

	CEO Guy Gittins (£'000)	CFO Chris Hough (£'000)
Value of deferred notional shares to carried forward over to 2024	**279.0**	**129.2**
2024 share price appreciation[1]	130.8	60.6
Value of deferred notional shares in plan account at 31 December 2024 (end of year two of the plan)	**409.8**	**189.7**
Bonus contribution made at the start of 2025 in respect of performance over 2024	503.7	242.7
Dividend equivalent contributed	5.8	2.7
Cumulative account following bonus contribution and dividends	**919.3**	**435.1**
Less: 2025 cash payment out of the plan account (50% of cumulative account)	(459.6)	(217.5)
Value of deferred notional shares to be paid in shares in early 2024 (£'000)	**459.6**	**217.5**

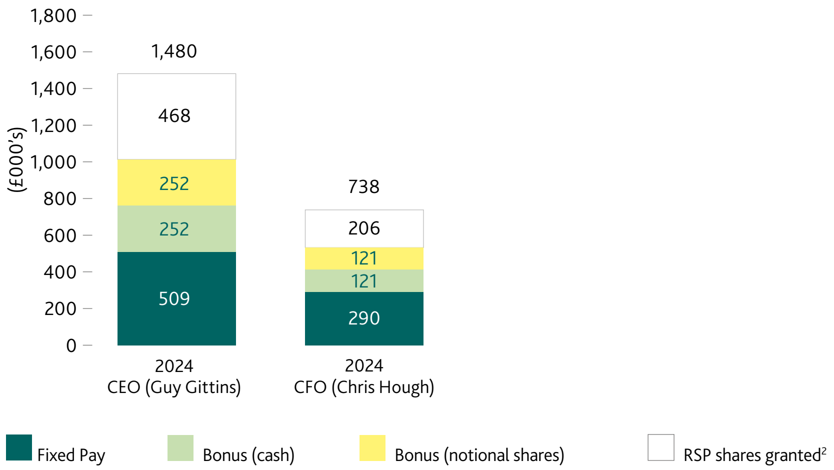
1 Reflects the revaluation of the deferred notional shares carried forward over to 2024 from 44.5 pence per share to 65.4 pence per share, being the mid-market value of a share for the 30-day period to 31 December 2023 and 30-day period to 31 December 2024 respectively.

DIRECTORS' REMUNERATION REPORT CONTINUED

Long-term incentive plans vesting during 2024

Long-term incentives	CEO Guy Gittins (£'000)	CFO Chris Hough (£'000)
Share option awards that vested based on a vesting period ended in the year	n/a	n/a
No RSP awards were due to vest during the year	n/a	n/a

Total single figure of remuneration



[1] Fixed pay includes base salary (cash and Salary Substitute Restricted Shares), pension and benefits.

[2] Value of RSP awards are included in the year of grant and have a 3 year vesting period and a 2 year holding period.

In line with the remuneration reporting regulations, the RSP awards have been included in the year of grant for the purposes of calculating the total single figure of remuneration, which impact both the 2023 and 2024 total single figure. While the RSP award is included in the total single figure amount in the year of grant, it does not actually vest until three years after grant and is then subject to a further two-year holding period. Only once it vests is the Executive Director unconditionally entitled to the award.

When considering the appropriateness of incentive outcomes, the Committee considers these in light of business performance, as set out in the Annual Statement from the Remuneration Committee Chair, as well as the wider stakeholder experience. The table below sets out the stakeholder experience in the year. On this basis, the Committee is satisfied that the above incentive outcomes are appropriate.

	Experience during 2024

Employees	• The overall employee base of the Group has remained stable with ten redundancies in the year.
	• Wider workforce inflationary basic salary increases of 7% (excluding Executive Directors) and wider workforce variable pay outcomes were 11% up on 2023 (excluding Executive Directors).
	• Bonus outcomes of 74% of maximum opportunity for Senior Management, excluding Executive Directors.
	• Enhanced employee experience through several CEO led initiatives, including:
	  • launching a new employee value proposition to improve employee experience throughout the lifecycle;
	  • launching a new manager career development programme designed to support senior management succession and improve diversity at senior management levels;
	  • making further enhancements to training programmes; and
	  • improving employee feedback mechanisms so positive action can be taken to improve experience and staff retention.

Investors	• Share price increased by 50% from 46p at the end of 2023 to 69p at the end of 2024. • Total shareholder return (TSR) performance of 53% in 2024. • Total 2024 dividend of 1.17p per share (2023: 0.9p per share).
Directors	• No increase to Non-Executive Director fees for 2024, including the Chairman. • CEO salary increase in 2024 in line with the wider workforce and CFO salary increased to a level that remains below market as explained in the Annual Statement from the Remuneration Committee Chair. • CEO and CFO sacrificed 10%[1] of salary in restricted shares with a three-year vesting period and a two-year holding period.
Customers	• Further investments in customer service capability, including embedding new customer service questionnaires, employee training and remuneration structures that reward excellent customer service. • Continued to deliver high levels of customer satisfaction with a Google rating of 4.5 out of 5 (2023: 4.6).
Wider society	• Environmental and social initiatives continue to be progressed, further details are provided in the ESG Committee's report set out on → PAGES 86 TO 88.

1 CFO sacrificed 20% of salary for the period 1 January 2024 to 31 March 2024, reducing to 10% of salary for the period 1 April 2024 to 31 December 2024 in line with the CEO.

DIRECTORS' REMUNERATION REPORT CONTINUED

SUMMARY OF THE DIRECTORS' REMUNERATION POLICY AND IMPLEMENTATION IN 2025

EXECUTIVE DIRECTOR REMUNERATION UNDER THE 2023 REMUNERATION POLICY

This section sets out a summary of the Group's Remuneration Policy for Executive and Non-Executive Directors which was approved by shareholders at the AGM on 9 May 2023 and is intended to apply for three years. The full Policy report is set out on → PAGES 103 TO 113 of the 2022 Annual Report and Accounts which is available at www.foxtonsgroup.co.uk.

The Company applies the following remuneration principles throughout the organisation at all levels:

- The Company's policy is to target a remuneration package that is at around median, for median performance, and in the upper quartile for exceptional performance, and which is closely linked with the Company's strategic objectives;
- In setting all elements of remuneration the Company seeks to benchmark itself against comparable companies; and
- The aim of the Company's Policy is to attract, retain and continue to motivate talented employees while aligning remuneration with the achievement of the Company's strategic objectives.

The diagram below sets out the key components of Executive Director remuneration with each element colour coded and referred to throughout the Report.

Base salary		Benefits		Pension		BBP		RSP		
Competitive salary to attract the right calibre of Executive Paid 10% in Salary Substitute Restricted Shares for the CEO and CFO, respectively	+	Competitive benefits to attract the right calibre of Executive	+	Both Executive Directors: In line with workforce (3% of base salary)	+	150% (CEO), 125% (CFO) of salary maximum Key financial, operational and stakeholder performance indicators 50% deferral in notional shares	+	100% (CEO), 75% (CFO) of salary maximum Three-year vesting subject to underpin Two-year holding period	=	**Total Remuneration**

Shareholding guidelines: 250% of salary for CEO and 200% for CFO, extending in full for two years post–cessation of employment

Our key objective for the Remuneration Policy is to help promote the long-term sustainable success of the Company by providing fair and competitive remuneration packages that attract, retain and motivate Executive Directors and Senior Management of the right calibre to deliver the Company's strategy, while aligning remuneration with shareholder interests.

This is achieved by a significant proportion of remuneration being in the form of variable pay, linked to the achievement of stretching targets that align with the Company's strategic goals, as well as a significant proportion of remuneration delivered in long-term equity to encourage sustainable shareholder value creation.

The Committee aims to ensure that remuneration arrangements are clear, simple, not excessive and are aligned with the Company's purpose, culture and values, with mechanisms in place to ensure there are no rewards for failure. When setting the Remuneration Policy, the Committee takes into account remuneration across the organisation as a whole, where variable pay is a relatively high component throughout.

A summary of the Policy and how it is intended to operate in 2025 is set out in the following table.

Purpose and link to strategy	Operation/details	Implementation in 2025
Base salary		
Core element of remuneration set at a level to attract and retain Executive Directors of the required calibre to successfully deliver the Group's strategy. Salary Substitute Restricted Shares increase alignment to the shareholder experience.	Salary increases are typically in line with those of the wider workforce. Typically reviewed on an annual basis considering several factors, including: • Scope and responsibilities of role; • Individual skills, experience and performance; • Business performance and the external economic environment; • Appropriate market data; and • Pay and conditions elsewhere in Foxtons. A portion of base salary will typically be paid in Salary Substitute Restricted Shares. Note that the full gross base salary (cash plus Salary Substitute Restricted Shares) will be used to calculate all other remuneration elements that are set as a percentage of base salary.	Base salary from 1 April 2025: CEO: £468,000 (paid 90% in cash and 10% in Salary Substitute Restricted Shares) (0% rise). £468,000 prior to 1 April 2025. CFO: £300,000 (paid 90% in cash and 10% in Salary Substitute Restricted Shares) (9.5% rise). £274,000 prior to 1 April 2025. Refer to the Annual Statement from the Remuneration Committee Chair for more details. Base salary increases for eligible employees estimated to be 2.5% on average.
Benefits		
To provide Executive Directors with market competitive benefits consistent with the role.	May include (but are not limited to) a company car or cash equivalent, life assurance, private medical insurance, health club membership and other benefits as appropriate.	All Executive Directors: Company car (or allowance), life assurance and private medical insurance.
Pension		
To provide funding for Executive Directors' retirement.	Pension contributions are, and will continue to be, set in line with the majority employer contribution for the wider workforce.	CEO: 3% of base salary CFO: 3% of base salary
BBP		
Variable pay opportunity set at a market competitive level designed to motivate and reward Executive Directors for the achievement of business objectives on an annual basis to enable successful implementation of the Group's strategy. Aligns the interests of Executive Directors with shareholders and contributes to the retention of key individuals by deferring part of the annual bonus in shares or share- linked units.	Maximum opportunity is 150% of salary. For threshold performance, 25% of the maximum will be payable. For target performance, 50% of the maximum will be payable. For maximum performance, 100% of the maximum will be payable. Upon annual assessment of performance by the Committee, a contribution will be made by the Company into the participant's plan account and 50% of the cumulative balance will be paid in cash for each of the first three years of the plan. Any remaining balance will be converted into shares or share-linked units. 100% of the balance in the final fourth year of the plan will normally be settled in the form of shares transferred or allotted to the participant. Malus and clawback provisions apply.	Maximum opportunity for 2025: • CEO: 150% of base salary • CFO: 125% of base salary Performance measures for 2025 (% weighting): • 70% adjusted operating profit; • 10% sales market share growth; • 10% lettings organic market share growth; and • 10% assessment of the employee experience. Targets are considered commercially sensitive and will be disclosed retrospectively for all information that is no longer commercially sensitive. The deferred balance in the participant's plan account is subject to an annual discretionary forfeiture underpin, see → PAGE 105 for further details.

DIRECTORS' REMUNERATION REPORT CONTINUED

Purpose and link to strategy	Operation/details	Implementation in 2025

BBP Continued

The diagram below summarises the key elements of the BBP's operation:

STEP 1: ANNUAL CONTRIBUTION

Assessment of performance against annual bonus targets is made at the end of the financial year.

Annual contribution into the participant's 'plan account' is made following assessment (i.e. early in the following financial year).

STEP 2: ANNUAL PAYOUT

50% of the value in a participant's 'plan account' **pays out immediately** following contribution.

STEP 3: DEFERRED AMOUNTS

Remaining 50% of the value in a participant's 'plan account' remains in the account, held as Notional Shares **(i.e. the value will move in line with the Company's share price)**.

At the end of each financial year, **a qualitative holistic assessment of performance** is made by the Committee (the discretionary underpin).

The value in the 'plan account' can be forfeited if the Committee believes appropriate due to business performance, individual performance or wider Company considerations.

STEP 4: SHARES GRANTED

100% of the value in the plan account is paid out at the end of year 4 (normally in the form of shares).

A new cycle will start simultaneously, with a new plan account opening. **For example the first contribution to the 2nd BBP 'plan account' would occur at the same time as the final release of shares from the 1st BPP 'plan account'**.

Steps 1, 2 and 3 are repeated until there have been 3 contributions into the 'plan account'.
At the end of the 4th year the value in the 'plan account' is distributed (see Step 4).

RSP

Purpose and link to strategy	Operation/details	Implementation in 2025
To encourage and facilitate substantial long-term share ownership and reward the delivery of sustainable value over time in a cyclical business.	Maximum award is 100% is salary. Awards vest after three years, subject to continued employment and assessment of an underpin. Following vesting, an additional two-year holding period will apply, such that shares are not released until five years from grant. Malus and clawback provisions apply.	CEO: 100% of base salary CFO: 75% of base salary No performance measures are associated with the grant of awards. Vesting is subject to a discretionary underpin, see → **PAGE 105** for further details.

Shareholding guidelines

Purpose and link to strategy	Operation/details
The Committee believes that Executive Directors should build a sizeable shareholding in the Company over time to ensure that they are as closely aligned as possible with the shareholder ownership experience.	The minimum shareholding guideline is 250% of gross basic salary for the CEO, and 200% of gross basic salary for other Executive Directors. Executive Directors are required to retain the post-tax number of vested shares from the RSP until the minimum shareholding requirement is met and maintained. Shares that count towards the shareholding requirement include: • Shares owned outright. • Unvested shares which are not subject to further performance conditions, on a net of tax basis. Employment conditions and performance underpins may apply to these shares i.e. unvested Salary Substitute Restricted Shares. • Shares which have vested, but which remain subject to a holding period and/or clawback, may count towards the shareholding requirement. On cessation of employment, Executive Directors are required to retain the lower of their minimum shareholding requirement and actual shareholding immediately prior to departure for two years.

Malus and clawback policies

Malus is the adjustment of annual bonus contributions or the balance in a participant's plan account, unvested RSP awards or unvested Salary Substitute Restricted Share Awards, because of the occurrence of one or more circumstances listed below.
The adjustment may result in the value being reduced to nil.

Clawback is the recovery of payments made under the annual bonus, vested RSP awards or vested Salary Substitute Restricted Share Awards as a result of the occurrence of one or more circumstances listed below. Clawback may apply to all or part of a participant's payment or award and may be affected, among other means, by requiring the transfer of shares, payment of cash or reduction of awards or bonuses.

The circumstances in which malus and clawback could apply are as follows:

- Discovery of a material misstatement resulting in an adjustment in the audited accounts of the Group or any Group Company.
- If the assessment of any performance condition or condition was based on error, or inaccurate or misleading information.
- The discovery that any information used to determine the plan contribution or RSP award was based on error, or inaccurate or misleading information.
- Action or conduct of a participant which amounts to fraud or gross misconduct.
- A material failure of risk management.
- Corporate failure.
- Events or the behaviour of a participant have led to the censure of a Group Company by a regulatory authority which has led to a significant detrimental impact on the reputation of any Group Company provided that the Board is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to the participant.

	BBP	RSP
Malus	Up to the date of a payment under the plan	To the end of the three–year vesting period
Clawback	Two years post the date of any payment under the plan	Two years post–vesting

Framework to assess the BBP and RSP qualitative underpin

Payouts and vesting under the BBP and RSP are subject to a discretionary underpin that allows the Remuneration Committee to make adjustments to the level of vesting if the Committee believes due to business performance, individual performance or wider Company considerations that the vesting should be adjusted.

The Committee is satisfied that the operation of a holistic discretionary underpin is the most appropriate approach for Foxtons. Given the challenges inherent in setting long-term targets, it is essential that the Committee retains the flexibility to assess performance 'in the round' and review all elements of performance as a whole, rather than implementing quantitative targets that may reduce the relevance of the underpin at the point of final assessment.

To ensure that the qualitative underpin is robustly and thoroughly assessed, the Committee has developed a framework to assess performance over the period, which will be used going forward. In particular, the Committee will reduce the vesting level of the BBP and RSP if any of the following are considered to be below a satisfactory level:

- Underlying financial performance, considering key financial indicators in particular.
- ESG performance and impact.
- Operational performance.
- Individual performance.
- Stakeholder experience, including, but not limited to shareholders.

DIRECTORS' REMUNERATION REPORT CONTINUED

HOW THE 2025 BBP PERFORMANCE MEASURES SUPPORT THE IMPLEMENTATION OF THE GROUP'S STRATEGY

In executing our strategy, we aim to create sustainable value and positive outcomes for our shareholders and all other stakeholders. We have reviewed the performance measures we use for our incentives to ensure that they support the delivery of our strategy. The diagram below demonstrates how our incentive measures align to our strategy.

OUR STRATEGIC PRIORITIES

1. LETTINGS ORGANIC GROWTH	**3. SALES** MARKET SHARE GROWTH
2. LETTINGS ACQUISITIVE GROWTH	**4. FINANCIAL SERVICES** REVENUE GROWTH

Refer to → PAGES 16 AND 17 of the Strategic Report for further details on the Group's strategic priorities.

MEASURING PERFORMANCE

FINANCIAL PERFORMANCE	OPERATIONAL PERFORMANCE	EMPLOYEES AND CUSTOMERS
Revenues and volumes	Market share growth	Employee engagement and experience
Adjusted operating profit	Balance of business	Customer satisfaction
Net free cash flow	Productivity	

BBP

The following 2025 performance measures support the implementation of our strategy:

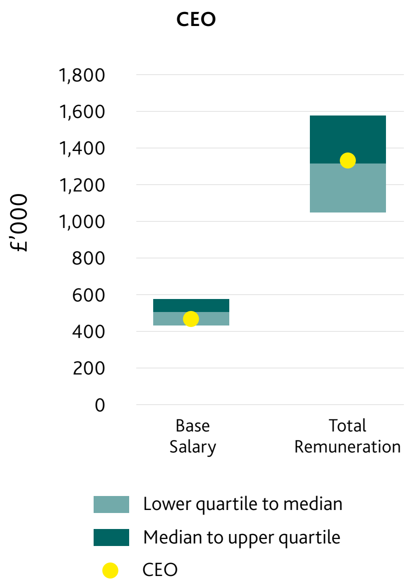
Adjusted operating profit	**Market share growth (sales and lettings)**	**Employee experience**

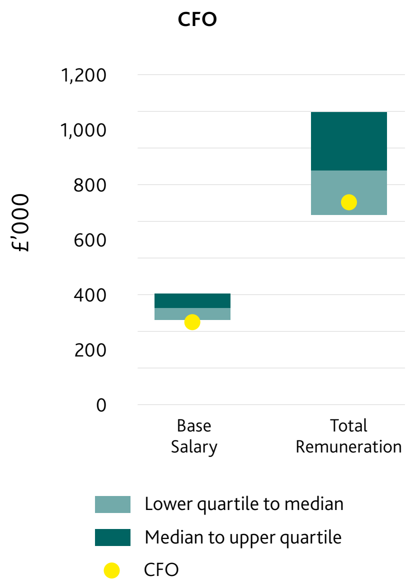
RSP

Supports the delivery of sustainable shareholder value through the build-up of a material shareholding and provides a shared ownership experience with the Group's shareholders.

POSITIONING OF REMUNERATION VERSUS THE FTSE SMALL CAP

The following charts show for the CEO and CFO the position of their base salary and on-target total remuneration compared to the FTSE Small Cap. The charts demonstrate the normal annual package of the CEO and CFO, i.e. salaries from 1 April 2025 on a full year basis and excluding buyout awards that were awarded to the CEO on appointment to compensate for the forfeiture of incentive arrangements held with his previous employer.





The charts highlight:

- The CEO's package is competitively positioned in relation to the FTSE Small Cap.
- As set out in last year's Directors' Remuneration Report, the Committee agreed that an appropriate salary level for the CFO is around £300,000 which was positioned between the lower quartile and median of the FTSE Small Cap at the time of review.

DIRECTORS' REMUNERATION REPORT CONTINUED

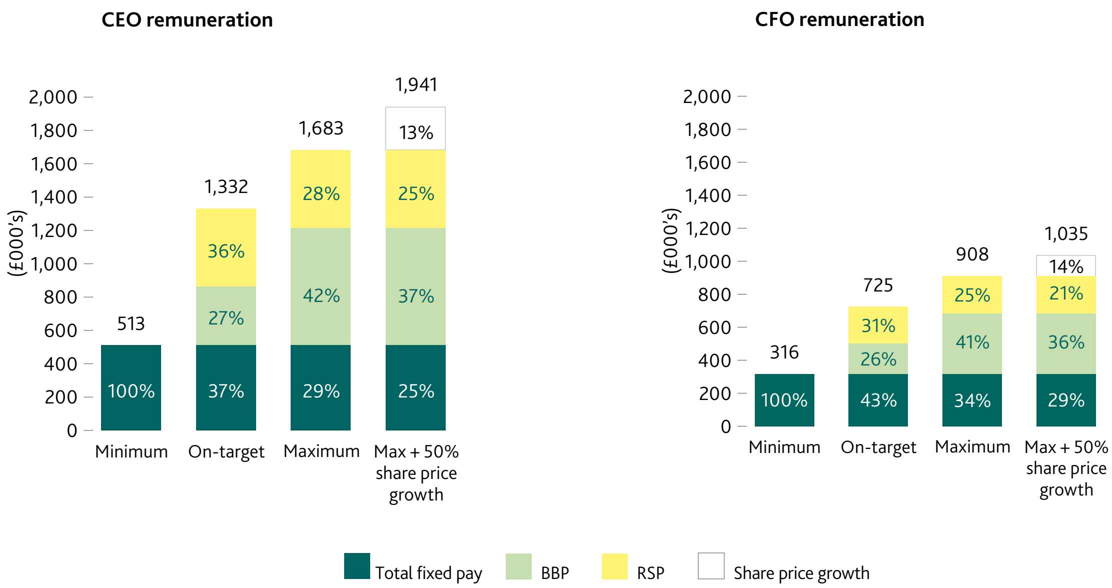
ALIGNMENT TO PROVISION 40

In determining the new Remuneration Policy, the Committee paid attention to Provision 40 of the 2018 UK Corporate Governance Code. The table below sets out how the Committee addresses the factors of clarity, simplicity, risk, predictability, proportionality and alignment to culture, as set out in Provision 40 of the Code.

Factor	How the Committee addressed these factors
Clarity Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	• The BBP performance conditions are based on the core KPIs (which includes the employee experience) of the strategy and therefore there is a clear link to all stakeholders between their delivery and reward provided to management. • The RSP and Salary Substitute Restricted Shares provide annual grants of shares which must be retained for the longer term to ensure a focus on sustainable performance in an inherently cyclical market. This provides complete clarity of the alignment of the interests of management and shareholders.
Simplicity Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	• The performance conditions for the BBP are based on the Group's KPIs. This alignment of reward with the delivery of key markers of the success of the implementation of the strategy ensures simplicity. • Restricted shares are a simple mechanism and avoid the setting of long-term performance conditions which tend to inherently make remuneration more complex.
Risk Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	The Policy includes: • Requiring the deferral of a substantial proportion of the incentives in shares for a material period. • Aligning the performance conditions with the strategy of the Group. • Ensuring a focus on long-term sustainable performance through the RSP and Salary Substitute Restricted Shares. • Forfeiture thresholds. • Ensuring there is enough flexibility to adjust payments through malus and clawback and an overriding discretion to depart from formulaic outcomes. These elements mitigate against the risk of target-based incentives by: • Deferring the value in shares for the long term which helps ensure that the performance earning the award was sustainable and thereby discouraging short-term behaviours. • Aligning any reward to the agreed strategy of the Group. • The use of an RSP supports a focus on the sustainability of the performance over the longer term. • Reducing the awards or cancelling them if the behaviours giving rise to the awards are inappropriate. • Reducing the awards or cancelling them if it appears that the criteria on which the award was based do not reflect the underlying performance of the Group. We set out a clear framework for assessing the BBP and RSP qualitative underpin to support this.
Predictability The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the Policy.	• Our Policy sets out clearly the range of values and discretions in respect of the remuneration of management. • The RSP increases the predictability of the rewards received by Executive Directors, and the BBP, being based on annual targets, operates over a time cycle where performance is more predictable compared with traditional long-term incentive plan schemes thereby allowing the Remuneration Committee to more effectively ensure desirable remuneration outcomes for all stakeholders.
Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	• The BBP provides a clear link between the reward provided to management and the delivery of the strategy through incentivising management to deliver the KPIs. • The RSP and salary substitute shares provide a focus on the long-term sustainable performance of Foxtons through the build up of a long-term locked in shareholding. • Both the BBP and the RSP includes performance underpins that allow the Remuneration Committee to exercise its discretion to override formulaic outcomes.
Alignment to culture Incentive schemes should drive behaviours consistent with Company purpose, values and strategy.	• The BBP drives behaviours consistent with Foxtons' strategy. • The RSP drives behaviours consistent with the Group's purpose and values which are focused on the long-term future of the business throughout the business cycle.

ILLUSTRATIONS OF TOTAL REMUNERATION OPPORTUNITY

The charts below provide estimates of the potential future reward opportunities under the Policy for the CEO and CFO (annualised basis) and the potential split between the different elements of remuneration under four different performance scenarios: ‘Minimum’, ‘On Target’, ‘Maximum’ and ‘Maximum with share price growth of 50% over three years’. The ‘Minimum’ scenario includes base salary, pension and benefits only (i.e. fixed remuneration).



Element	Assumptions
Total fixed pay	Base salary: 10% paid in Salary Substitute Restricted Shares for the CEO and CFO. Pro-rated to reflect the following salary increases expected in 2025: 1 January 2025 – 31 March 2025: • CEO £468,000 • CFO £274,000 1 April 2025 – 31 December 2025: • CEO £468,000 • CFO £300,000
	Pension: 3% of salary for the CEO and the CFO
	Benefits: As disclosed in single figure table on → PAGE 117
BBP	Minimum: No payout On-target: 50% of maximum (75% of salary for the CEO, 62.5% of salary CFO) Maximum: 100% of maximum (150% of salary for the CEO; 125% of salary for CFO)
RSP	Minimum: No vesting due to operation of the underpin On-target: 100% of maximum (100% of salary for the CEO, 75% of salary for the CFO) Maximum: 100% of maximum (100% of salary for the CEO, 75% of salary for the CFO)
Share price growth	Impact of 50% share price appreciation on maximum remuneration over three years (on Restricted Shares and Salary Substitute Restricted Shares).

DIRECTORS' REMUNERATION REPORT CONTINUED

Policy for Chairman and Non-Executive Directors

The Non-Executive Directors, including the Chairman, do not have service contracts. The appointment of the Chairman and each of the Non-Executive Directors is for an initial period of up to three years, which is renewable, and is terminable by the Chairman/Non-Executive Director (as applicable) or the Company on three months' notice. No contractual payments would be due on termination. The Directors are subject to annual re-election at the AGM. Non-Executive Directors' letters of appointment are available to view at the Company's registered office.

Non-Executive Directors do not receive benefits from the Company, and they are not eligible to join the Company's pension scheme or participate in any bonus or share incentive plans. Where specific cash or share arrangements are delivered to the Chairman or Non-Executive Directors, these will not include share options or any other performance related elements. Any reasonable expenses that they incur in the furtherance of their duties are reimbursed by the Company (including any tax liability thereon).

Details of the policy on Non-Executive Director fees are set out in the table below:

Purpose and link to strategy	Operation	Fee levels
To enable the Group to attract and retain Non-Executive Directors of the required calibre by offering market competitive fees.	The Chairman is paid an annual all-inclusive fee for all Board responsibilities. Non-Executive Directors receive a basic annual Board fee. Additional fees may be payable for additional Board responsibilities such as chairship or membership of a Committee, or the role of Senior Independent Director. The Chairman and/or Non-Executive Directors may receive part of their fee(s) in company shares. The Chairman's fee is determined by the Committee, and fees to Non-Executive Directors are determined by the Board. Fees are reviewed periodically, considering time commitment, scope and responsibilities, and appropriate market data. Expenses incurred in the performance of non-Executive duties for the Company may be reimbursed or paid for directly by the Company, including any tax due thereon.	Fee increases are typically expected to be in line with wider employee rises. In exceptional circumstances (including, but not limited to, material misalignment with the market or a change in the complexity, responsibility or time commitment required to fulfil the role) the Board may make appropriate adjustments to fee levels to ensure they remain market competitive and fair to the Director. The maximum annual aggregate fee for all Non-Executive Directors will be within the limit set out in the Company's articles of association (currently £600,000).

Further information on the Policy

The full Remuneration Policy, approved by shareholders at the 2023 AGM, is set out on → PAGES 103 TO 113 of the 2022 Annual Report and Accounts and includes further information on:

- Considerations when determining Remuneration Policy.
- Committee discretions.
- Approach to remuneration on recruitment.
- Executive Directors' service contracts and Non-Executive Directors' letters of appointment.
- Policy on payment for loss of office.
- Consistency with remuneration for the wider Group.

2024 ANNUAL REPORT ON REMUNERATION

OUR APPROACH TO FAIRNESS AND WIDER WORKFORCE CONSIDERATIONS

This section in the report brings visibility of remuneration across the entire workforce together in one place. In this section, we provide context to Executive remuneration by explaining our employee policies and our approach to fairness, including the following:

- General pay and conditions in the Group.
- Gender and diversity.
- Comparison metrics on Executive and employee remuneration.

In order for the Committee to carry out its oversight review of wider workforce pay, policies and incentives the Committee receives a report annually setting out key details of remuneration throughout the Group. A summary of the information reviewed by the Committee and findings are set out below.

OVERVIEW OF WORKFORCE REMUNERATION AND THE COMMITTEE'S REVIEW

The table below summarises the Group's approach to workforce remuneration across five employee groups.

			Variable pay[2]				
Employee group	% of workforce	Average increase in base salaries[1]	Commission schemes	Annual bonus	Share plans[3]	Pension[4]	Benefits[5]
Executive Directors	<1%	6.0%[6]	No	Yes	Yes	Yes	Yes
Senior Management	3%	4.3%	No	Yes	Yes	Yes	Yes
Senior Sales Staff	13%	18.7%	Yes	Yes	Role dependent	Yes	Yes
Sales and Sales Support Staff	70%	8.8%	Role dependent	No	No	Yes	Yes
Administrative Staff	14%	6.4%	No	Role dependent	Role dependent	Yes	Yes
Total	**100%**	**6.8%**					

1 Base salaries
- Base salaries are market competitive and determined with reference to role type, experience and market practice.
- Annual salary increases are applied on an equitable and objective basis dependent on role type. The base salaries of fee earners are subject to periodic market benchmarking rather than annual salary reviews due to the commission structures in place.
- Average increase in base salaries are for 2024 versus 2023, and have been calculated by comparing basic salaries at the start of the year to those at the end of the year (for those in employment for the full year) for eligible employees.

2 Variable pay
- In line with our approach to Executive Director remuneration, a significant proportion of the remuneration of the wider workforce is in the form of variable pay, linked to the achievement of stretching targets that align with the Group's strategic goals.
- Approximately 80% of the workforce benefit from variable pay which is linked to the Group's performance in the form of commission schemes or annual bonuses. Variable pay is determined with reference to financial performance and/or the achievement of objectives which are aligned to the Group's strategic priorities (refer to → PAGES 16 AND 17 of the Strategic Report).

3 Share plans
- Senior Management restricted share plans increase alignment to shareholder experience and cascade the principles of the Executive Director arrangements. These awards are subject to at least a two-year vesting period and leaver provisions. No holding period applies for the majority of Senior Management awards.

4 Pension
- Employer contributions are consistent across the Group (3% employer contribution), with minor deviations appropriate for role type.

5 Benefits
- Consistent approach applied and determined with reference to role type, market practice and seniority.

6 As disclosed in the 2023 Directors' Remuneration Report, the CEO was awarded a 4% base salary increase from 1 April 2024 in line with the average salary increase awarded to eligible employees. Additionally, as set out in the 2023 Annual Statement from the Remuneration Committee Chair, the CFO was awarded a 9.6% base salary increase from 1 April 2024 as part of the Committee's decision to increase the CFO's salary to market rates over a two-year period.

DIRECTORS' REMUNERATION REPORT CONTINUED

The Committee does not seek a homogeneous approach to workforce remuneration since the level and type of remuneration will vary across the Group depending on the employee's seniority and role. The Committee, when conducting its review of workforce remuneration, pays particular attention to:

- Whether the element of remuneration is consistent with the Group's remuneration principles see → PAGE 111.
- If there are differences, whether they are objectively justifiable.
- Whether the approach is fair and equitable in the context of other employees.

The key findings and outcomes from the Committee's 2024 review are as follows:

- Average salary increases for employees across the Group are being applied on an equitable and objective basis.
- In light of the impact that rising inflation and the cost-of-living crisis has had on our workforce, Foxtons reviewed wider workforce salaries and awarded an average salary increase of 6.9% across the business (excluding Directors), and there have been limited redundancies.
- For those members of the wider workforce who receive variable pay the average increase from 2023 was 11%.
- Senior Management restricted share award arrangements cascade the principles applied to Executive Directors and increase alignment to the shareholder experience for this population.
- The majority of employees have the ability to share in the success of the Group through incentive compensation in the form of variable pay linked to performance.
- All employees are eligible for enrolment in a defined contribution pension arrangement and the Executive Directors' pension contributions are aligned to the wider workforce.
- Benefits are offered according to the level of seniority of the role in line with market practice.

The Committee is satisfied that the approach to remuneration across the Group is consistent with the Group's principles of remuneration, strategy and culture. Furthermore, in the Committee's opinion the approach to Executive and Senior Management remuneration aligns with the wider Group approach and there are no anomalies specific to the Executive Directors.

COMMUNICATION AND ENGAGEMENT WITH EMPLOYEES

The Board is committed to ensuring there is an open dialogue with our employees over various decisions and the Committee has the authority to ask for additional information from the Group in order to carry out its responsibilities. → PAGES 21, 57 AND 58 explains the key approaches used by the Board to engage with employees during 2024.

As explained on → PAGE 57, the Employment Engagement Committee (EEC) facilitates engagement between the Board and the workforce, with each meeting attended by a Non-Executive Director. The Remuneration Committee Chair attends the EEC annually to discuss the Executive Directors' Remuneration Policy and its application with members of the EEC. At this year's meeting, the Chair provided employees with an overview of the Group's approach to Executive Remuneration, how Executive remuneration aligns with wider company pay policy and the key elements of the policy and key considerations. Similar to previous years, there was a good level of employee engagement during the discussion, which allowed for a range of topics to be debated and questions to be answered. The session further informed the Remuneration Committee Chair's view of the workforce on the Group's approach to pay.

In 2024, an engagement/culture survey was implemented in line with 2023 which provides the Board with a rounded assessment of the Group's culture and the ability to compare year-on-year trends. Refer to → PAGE 58 for further details of the culture survey process and key findings.

LIVING WAGE, EQUAL OPPORTUNITIES AND DIVERSITY INITIATIVES

A summary of the Group's general policies in relation to living wage, equal opportunities and diversity initiatives are as follows:

Policy	Description
Living wage employer	Our policy is to ensure that all employees, whatever their age, are paid the National Living Wage or above.
Equal opportunities and diversity initiatives	The Group is committed to an active equal opportunities policy from recruitment and selection, through training and development, performance reviews and promotion. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit. The Group is responsive to the needs of its employees, customers and the community. We are an organisation which uses everyone's talents and abilities, and where diversity is valued. The Group ensures its promotion and recruitment practices are fair and objective and encourages the continuous development and training of its employees, as well as the provision of equal opportunities for the training and career development of all employees. Further details are provided in the Strategic Report on → PAGES 52 TO 60.

GENDER PAY GAP

Having a diverse workforce which reflects the communities we serve in is important to us and means we can better serve our customers. As set out on → PAGES 52 TO 60, we hire from diverse backgrounds, and our recruitment policies, salary and bonus structures are designed to be gender neutral. At 31 December 2024, the gender balance across the Group is split 52% men and 48% women.

As set out in our Gender Pay Gap report, which is available at www.foxtonsgroup.co.uk/our-responsibility/gender-pay-gap, a gender pay gap exists which is primarily due to there being a higher proportion of male employees in senior roles. We are taking steps to reduce the gender pay gap and are progressing a number of initiatives to increase female representation at more senior levels within the organisation.

CEO PAY RATIO

We have set out the ratio of CEO pay (based on the single total figure of remuneration) to that of employees for 2019 to 2024, in the table below. The calculation has been performed in line with 'Option A' under the regulations in line with best practice and is based on the total single figure of remuneration methodology.

		CEO pay ratio			
Financial year	**Method used**	**25th percentile pay ratio**	**50th percentile pay ratio**	**75th percentile pay ratio**	**CEO total pay (£000)**
2024	Option A	43:1	32:1	22:1	1,480
2023	Option A	50:1	38:1	24:1	1,496
2022[1]	Option A	47:1	35:1	21:1	1,272
2021[2]	Option A	66:1	45:1	27:1	1,707
2020[2]	Option A	61:1	44:1	28:1	1,605
2019	Option A	48:1	37:1	22:1	1,257

1. As reported in the 2021 Remuneration Report, Nic Budden (former CEO) received an RSP grant on 1 April 2022 with a value of £434,700 in line with the Remuneration Policy, which was subsequently forfeited on his departure and the value of this RSP award is not included in the total single figure of remuneration for 2022. As such, the 2022 single figure, and therefore pay ratio, is lower than if the 2022 RSP had not been forfeited due to the departure of Nic Budden.
2. The 2021 and 2020 single figure include £579,600 and £569,400 of RSP grants respectively which have been forfeited in full in 2022. Removing these grants reduces the CEO 2021 and 2020 single figure to £1,127,000 and £1,036,000 respectively, which would reduce the CEO pay ratio at each of the percentiles as explained further below.

Total remuneration for each employee was calculated on a full-time equivalent basis and the lower quartile, median and upper quartile employees identified as at 31 December 2024. The hourly rates were annualised using the same number of contractual hours as the CEO. Employee total remuneration includes: basic salary, maternity/paternity pay, annual cash bonus, commissions earned and benefits. The total remuneration for the relevant employees was compared to that of the CEO.

In 2024, the employee total pay and benefits at the 25th, 50th and 75th percentile were £34,731, £45,792 and £67,080 respectively, and the basic salary for the same employees, excluding variable pay, was £32,000 £44,250 and £34,873 respectively.

In 2024, the CEO pay ratios reduced compared to 2023 at all three percentiles reflecting larger workforce pay increases compared to that of the CEO. Refer to the prior year's Directors' Remuneration Report for an explanation of prior year-on-year movements in the CEO pay ratio.

In assessing our pay ratio versus last year's market numbers from industry peers, we believe that we are well positioned comparably, but note that annual and long-term incentive payments have varied considerably amongst this group. We also recognise that ratios will be influenced by levels of employee pay and in the real estate sector employee pay will be lower than in many other sectors of the economy.

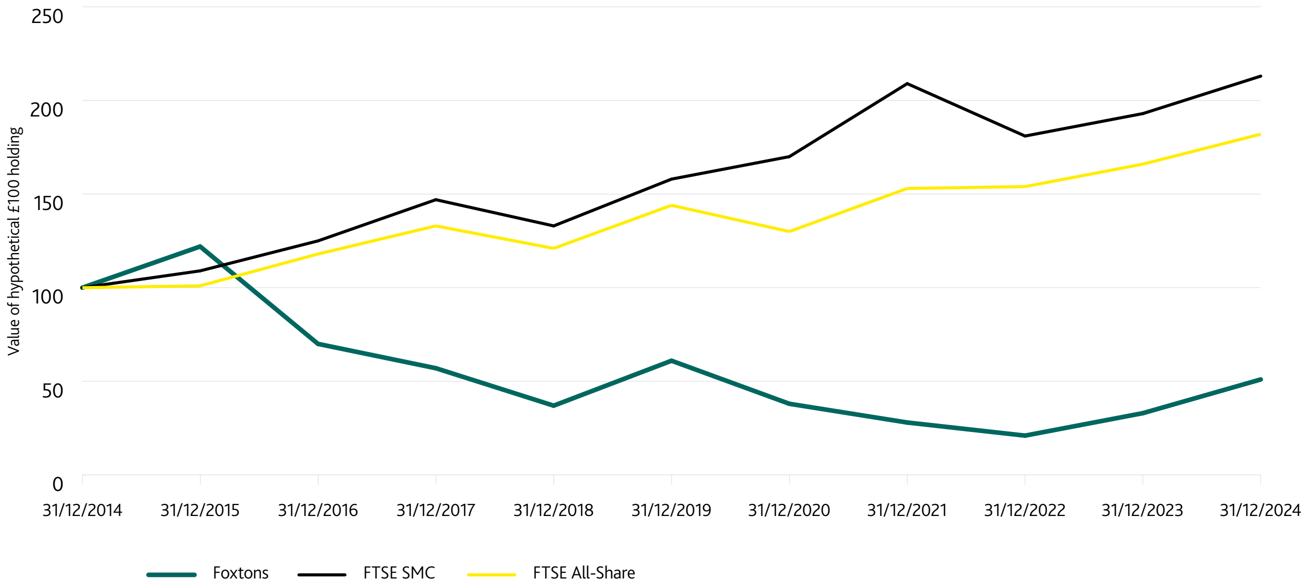
Over time, we expect that there may be significant volatility in the CEO pay ratio. We recognise that the ratio is driven by the different structure of the pay of our CEO versus that of our employees (for example, the inclusion of a higher proportion of variable incentive pay), as well as the make-up of our workforce. This ratio varies between businesses even in the same sector. What is important from our perspective is that this ratio is influenced only by the differences in structure, and not by divergence in fixed pay between the CEO and wider workforce. Where the structure of remuneration is similar, as for Senior Management and the CEO, the ratio is likely to be much more stable over time.

DIRECTORS' REMUNERATION REPORT CONTINUED

TSR PERFORMANCE VERSUS FTSE SMALL CAP AND FTSE ALL-SHARE

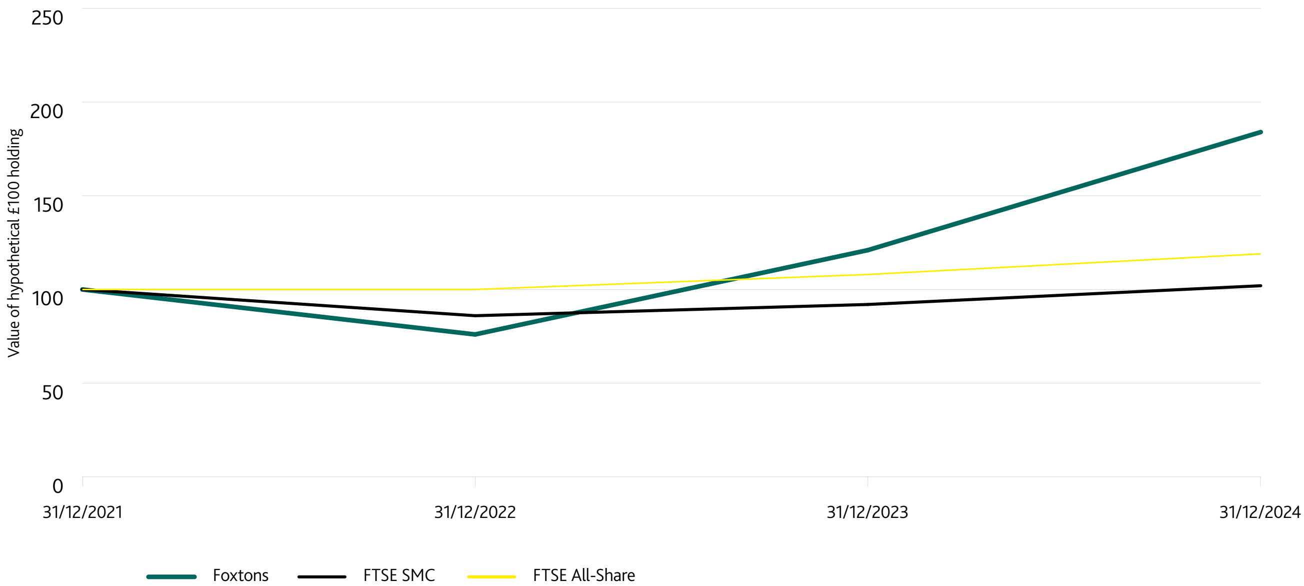
10 year TSR chart (£'000)

The chart below shows the Group's TSR performance since 31 December 2014 against the FTSE Small Cap and FTSE All Share indices, based on £100 initially invested.



3 year TSR chart (£'000)

The chart below shows the Group's TSR performance since 31 December 2021 against the FTSE Small Cap and FTSE All Share indices, based on £100 initially invested. This shorter-term chart shows the progress in the Foxtons share price following the turnaround initiated in September 2022.



CEO remuneration in the last ten years

The table below shows the remuneration of the CEO for each of the financial years shown in the chart above.

	2015	2016	2017	2018	2019	2020	2021	2022[1]	2023	2024
Incumbent	N. Budden	N. Budden	N. Budden	N. Budden	N. Budden	N. Budden	N. Budden	N. Budden / P. Rollings / G. Gittins	G. Gittins	G. Gittins
CEO single figure of remuneration – excluding RSP awards (2020 – 2024 only) (£'000)[2]	856	982	914	910	1,257	1,036	1,127	534 / 135 / 459	1,046	1,012
RSP awards (2020 – 2024 only) (£'000)[3]	–	–	–	–	–	569	580	– / n/a / 145	450	468
CEO single figure of remuneration (£'000)	856	982	914	910	1,257	1,605	1,707	534 / 135 / 603	1,496	1,480
Annual bonus / BBP earning (% of maximum)[4]	51.5%	36.5%	26.4%	30.0%	70.0%	45.6%	51.2%	68.8% / n/a / 68.8%	82.7%	72.4%
Long-term incentives[5] (% of maximum)	n/a	0%	0%	0%	0%	100%	100%	n/a / n/a / 100%	100%	100%

1 Nic Budden stepped down as CEO on 30 May 2022. Guy Gittins was appointed as Group CEO with effect from 5 September 2022. Peter Rollings, currently an Independent Non-Executive Director, acted as Interim CEO between the date of Nic Budden stepping down and the date at which Guy Gittins took up his appointment. The single figure for 2022, above, includes the amounts received by Nic Budden and Guy Gittins in relation to their Executive positions during the year (excluding the 2022 RSP grant to Nic Budden which was forfeited on his cessation of employment), as well as the fee that Peter Rollings received during his time as Interim CEO.

2 The CEO single figure of remuneration is shown excluding the restricted stock awards that have been granted from 2020 onwards. This is because, while the regulations require the restricted stock to be disclosed at the time of grant, the value is not released to the CEO until the end of the three-year vesting period following the assessment of an underpin, and the shares are then subject to a further two-year holding period. Therefore, for transparency we also show the CEO's single figure excluding the restricted stock award as it better reflects the value that each CEO has earned and received in respect of that year.

3 From 2020 onwards the long-term incentive has been delivered in the form of an RSP award with a three-year vesting period subject to the achievement of the underpin. Whilst the RSP grants are included in the above table, in line with the required single figure of remuneration treatment, we note that Nic Budden's in-flight awards were forfeited in full on cessation of employment, and the Interim CEO was not eligible to receive incentive awards. Therefore, Nic Budden's 2022 RSP award with a face value of £434,700 is excluded from the above table.

4 The 2022 annual bonus / BBP earnings figure relates to both the former and current CEO, who were both eligible to receive a pro-rated annual bonus for 2022. The Interim CEO was not eligible to receive any incentive awards.

5 The 2016 to 2019 long-term incentive value of 0% relates to the historic LTIP and Share Option Plan awards which did not vest in those years due to performance conditions not being achieved. The first award under the LTIP was granted in 2014 and had a three-year performance period and therefore no awards were scheduled to vest in 2015. Nic Budden also had options under the 2017 Share Option Plan that were due to vest during 2022. These options lapsed due to the TSR performance conditions and as such, paid out at 0% of maximum.

DIRECTORS' REMUNERATION REPORT CONTINUED

PERCENTAGE CHANGE IN DIRECTORS' REMUNERATION

The Committee monitors the changes year-on-year between our Directors' pay and average employee pay. As per our Policy, base salary increases applied to Executive Directors will typically be in line with those of the wider workforce. The table below shows the percentage change in Executive Director and Non-Executive Director total remuneration compared to the change for the average of employees within the Group. The comparator group is based on all employees of the Group.

	Salary/fees					Taxable benefits					Short-term variable pay[1]				
	2020	2021[6]	2022	2023	**2024**	2020	2021	2022	2023	**2024**	2020	2021	2022	2023	**2024**
Executive Directors															
Guy Gittins[2]	–	–	–	0%	**3%**	–	–	–	25%	**28%**	–	–	–	23%	**(10%)**
Chris Hough[2]	–	–	–	0%	**7%**	–	–	–	7%	**5%**	–	–	–	20%	**(6%)**
Non-Executive Directors															
Nigel Rich	–	–	0%	0%	**0%**	–	–	–	–	**–**	–	–	–	–	**–**
Annette Andrews[2,4]	–	–	–	–	**7%**	–	–	–	–	**–**	–	–	–	–	**–**
Jack Callaway[2]	–	–	–	–	**0%**	–	–	–	–	**–**	–	–	–	–	**–**
Peter Rollings[3]	–	–	183%	(65%)	**0%**	–	–	–	–	**–**	–	–	–	–	**–**
Rosie Shapland[4]	–	6%	0%	4%	**2%**	–	–	–	–	**–**	–	–	–	–	**–**
All other employees[5]	2%	2%	4%	3%	**7%**	1%	5%	1%	0%	**4%**	(1%)	52%	22%	13%	**11%**

1 Short-term variable pay includes annual bonus and/or BBP and commission payments.

2 This Director was not in office for a full 12 months in 2023. Therefore, when calculating the year-on-year percentage change in remuneration, annualised remuneration figures have been used for 2023.

3 Peter Rollings acted as Interim CEO in the period between 30 May 2022 and 4 September 2022. During this period, and for a short handover period after the incoming CEO joined, Peter Rollings' annual Non-Executive Director fee was increased to an annual rate of £450,000. As such, his increase in 2022 remuneration and decrease in 2023 remuneration is reflective of this change in role.

4 Annette Andrew's 2024 fee increase reflects the additional responsibility following appointment as Chair of the Remuneration Committee and the ESG Committee on 9 May 2023. Rosie Shapland's 2024 fee increase reflects the additional responsibility following appointment as Senior Independent Director on 9 May 2023.

5 Reflects the average of all employees of the Group due to the listed Parent Company having no employees who are not Directors.

6 For Board members, the 2021 increase in salary was calculated on a salary/fees paid basis (in line with the single figure methodology), which therefore incorporated the impact of the 20% voluntary reduction in basic pay taken in April and May 2020 during Covid-19. For 'All other employees', the percentage change has been calculated by comparing basic salaries at the start of the year to those at the end of the year (for those in employment for the full year), and therefore does not capture any voluntary pay reductions taken by the workforce in April and May 2020.

HOW WE IMPLEMENTED THE POLICY IN 2024

This section provides details of how our Remuneration Policy was implemented during the financial year ended 31 December 2024.

Single figure of the Executive and Non-Executive Directors (audited)

The table below sets out a single figure for the total remuneration received by each Director for the year ended 31 December 2024 and the prior year.

		Salary / fees paid[3]	Taxable benefits[4]	BBP[5]	RSP[6]	Buyout awards[7]	Pension[8]	Total[9]	Total fixed remuneration	Total variable remuneration
Guy Gittins	**2024**	**464**	**31**	**504**	**468**	**–**	**14**	**1,480**	**509**	**972**
	2023	450	24	558	450	–	14	**1,496**	488	**1,008**
Chris Hough	**2024**	**268**	**14**	**243**	**206**	**–**	**8**	**738**	**290**	**448**
	2023	250	14	258	188	–	8	717	271	446
Nigel Rich[1]	**2024**	**150**	**–**	**–**	**–**	**–**	**–**	**150**	**150**	–
	2023	150	–	–	–	–	–	150	150	–
Annette Andrews[2]	**2024**	**78**	**–**	**–**	**–**	**–**	**–**	**78**	**78**	–
	2023	67	–	–	–	–	–	67	67	–
Jack Callaway[2]	**2024**	**63**	**–**	**–**	**–**	**–**	**–**	**63**	**63**	–
	2023	58	–	–	–	–	–	58	58	–
Peter Rollings	**2024**	**63**	**–**	**–**	**–**	**–**	**–**	**63**	**63**	–
	2023	63	–	–	–	–	–	63	63	–
Rosie Shapland	**2024**	**78**	**–**	**–**	**–**	**–**	**–**	**78**	**78**	–
	2023	76	–	–	–	–	–	76	76	–

1 Since appointment on 1 October 2021 to 30 September 2024, Nigel Rich was paid £150,000 per annum in fees, of which £100,000 per annum was paid in cash and £50,000 per annum was paid in shares at the prevailing market price. From 1 October 2024 the irrevocable market share purchase arrangement in place with the Group's broker could no-longer be supported due to compliance changes. As a result of this change, the Chairman's fee was settled fully in cash from 1 October 2024 to 31 December 2024.

2 Annette Andrews and Jack Callaway were appointed to the Board on 1 February 2023. 2023 fees for these individuals are therefore pro-rated reflecting the period of the year that they were in role.

3 Salary includes base salary paid in cash and Salary Substitute Restricted Shares for Executive Directors, and fees paid in cash and shares for Non-Executive Directors.

4 Taxable benefits received in 2023 and 2024 include a car or car allowance, medical and life assurance.

5 This column reflects the BBP contribution in respect of performance during the relevant year. In 2024 and 2023, amounts earned under the BBP are paid into the participant's plan account, with 50% paid as cash and the remaining 50% held in shares or share-linked units in the participants plan account. In addition, as the fourth year of the first BBP cycle, 100% of the remaining balance of the first cycle was paid out in shares, in early 2024 → **PAGE 120**. Further details of the performance criteria, achievement and resulting awards for the 2024 BBP are set out on → **PAGE 118**.

6 This column reflects the RSP awards granted in April 2023 and 2024 (refer to → **PAGE 119** for the face value of the April 2024 RSP award).

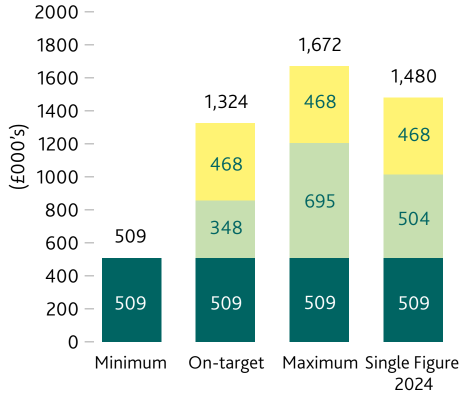
7 No buyout awards were granted in 2023 or 2024 with no performance conditions, and no long-term buyout awards vested in 2023 or 2024.

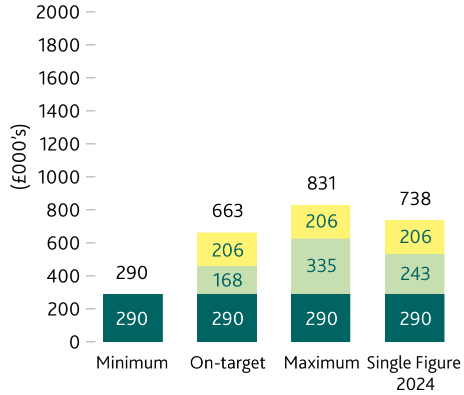
8 During 2023 and 2024, the Executive Directors received a pension contribution or cash allowances in lieu of a pension contribution amounting to 3% of salary.

9 No share price appreciation (or estimate of) is included in the values included in the single figure table. The RSP is included in the single figure table based on the value at grant. No performance measures are associated with the grant of awards; although the Committee will consider Group and individual performance before determining any grant. Vesting is subject to a discretionary underpin that allows the Remuneration Committee to make adjustments to the level of vesting if the Committee believes due to business performance, individual performance or wider Group considerations that the vesting should be adjusted.

DIRECTORS' REMUNERATION REPORT CONTINUED

The following charts show the total single figure of remuneration for the CEO and CFO compared to the Policy scenarios under the 2023 Remuneration Policy which applied during the year.





ANNUAL BBP OUTCOME IN RESPECT OF 2024 (AUDITED)

Executive Directors' objectives continue to be linked to the delivery of the Group's strategic priorities. In determining the outcome of some objectives, the Committee sought input from the wider Board and other Board Committees as appropriate. The Committee is committed to providing as much retrospective detail of the measures as possible, setting out clearly the decision-making process and the levels of attainment achieved, but mindful that any information which could be considered commercially sensitive cannot be disclosed.

The table below sets out the 2024 annual bonus targets, performance against these targets and the resulting annual formulaic bonus outcome.

2024 annual bonus outcome

	Weighting	Threshold (25% payable)	Target (50% payable)	Maximum (100% payable)	Actual	Outcome (% of element)	Outcome (% of maximum)
Adjusted operating profit[1]	70%	£19.4m	£20.6m	£22.4m	£21.6m	77.8%	54.4%
Lettings organic market share growth	10%	3%	4%	6%	0%	0%	0%
Sales market share growth	10%	3%	4%	6%	20%	100%	10%
Employee experience	10%		Holistic assessment		80%	80%	8%
						Bonus outcome (% of maximum)	72.4%

1 Adjusted operating profit targets and the actual outcome for 2024 are presented under the revised definition of Adjusted operating profit which excludes £2.1m of amortisation of acquired intangibles.

In making its holistic assessment of the employee experience in 2024 the Committee assessed management's progress of delivering against the Group's people strategy and reviewed a range of workforce related metrics, including employee retention, employee engagement, and equity, diversity and inclusion. It concluded that on most measures there had been a good level of success during the year, with major employee related projects successfully delivered in the year and as such no adjustment to the formulaic outcome was considered appropriate.

SCHEME INTERESTS GRANTED DURING 2024 (AUDITED)

RSP Share Awards

Executive Directors were granted the following nil-cost option awards over the Group's ordinary shares under The Foxtons Group plc 2020 RSP. Awards were granted on 2 April 2024, in line with the typical RSP grants.

No consideration was paid for the grant of the RSP Awards which are structured as nil cost options.

The number of ordinary shares granted under RSP Awards have been calculated using an ordinary share price of 53.4 pence per share being the average of the closing share prices over the three dealing days preceding the date of grant.

Executive	Number of ordinary shares	% of salary	Face value	Share price used for calculation	Option price	Performance conditions
Guy Gittins	876,404	100%	£468,000	53.4p	£nil	Awards will ordinarily vest after three years subject to the grantee's continued service and a discretionary underpin that allows the Remuneration Committee to make adjustments to the level of vesting if the Committee believes due to business performance, individual performance or wider Group considerations that the vesting should be adjusted. This will include consideration of all relevant factors, including any windfall gains.
Chris Hough	384,831	75%	£205,500	53.4p	£nil	

Salary Substitute Restricted Share Awards

Executive Directors were granted the following nil-cost option awards over the Group's ordinary shares under The Foxtons Group plc 2020 RSP in respect of their Salary Substitute Restricted Share Awards, granted on 2 April 2024.

The number of ordinary shares granted under the Salary Substitute Restricted Share Awards have been calculated using an ordinary share price of 53.4 pence per share being the average of the closing share prices over the three Dealing Days preceding the date of grant.

The Salary Substitute Restricted Share Awards will ordinarily vest after three years subject to the grantee's continued service.

Executive	Number of ordinary shares	Face value	Share price used for calculation	Option price	Performance conditions
Guy Gittins	87,640	£46,800	53.4p	£nil	Awards will ordinarily vest after three years subject to the grantee's continued service.
Chris Hough	51,310	£27,400	53.4p	£nil	

The normal vesting date for all RSP Awards granted in 2024 (both the RSP Share Awards, and the Salary Substitute Restricted Share Awards, above) will be 2 April 2027, being the third anniversary of the award dates. Once vested, the RSP Awards will normally be exercisable until the day before the tenth anniversary of the award date. The RSP Awards are subject to a two-year holding period commencing on vesting.

DIRECTORS' REMUNERATION REPORT CONTINUED

BBP share awards grant of shares to close cycle one

On 2 April 2024, the following Ordinary shares in the Company were acquired by the Executive Directors under The Foxtons Group plc 2020 Bonus Banking Plan ("BBP"). These Ordinary Shares were transferred to settle 100% of the participants' BBP cycle one plan balance, in the final fourth year of the plan. Full details are set out in the directors' remuneration report for 2023.

Executive	Number of Ordinary Shares[1]	Face value	Share price used for calculation	Performance conditions
Guy Gittins	253,793	£112,963	44.51p	Awards are not subject to a vesting or holding period but are subject to the clawback provisions of the BBP.
Chris Hough	270,516	£120,407	44.51p	

1 Includes dividend equivalents of 10,392 shares.

No consideration was paid for the Ordinary Shares. The number of Ordinary Shares transferred under these BBP Payments have been calculated using an Ordinary Share price of 44.51 pence per share being the mid-market value of an Ordinary Share for the 30-day period finishing on 31 December 2023, being the end of the relevant financial year, in accordance with the BBP rules.

BBP share awards – cycle two

The following table sets out the BBP accounts for the Executive Directors as at the end of 2024 which shows the paying in of the first bonus from 2023, the first payment of cycle two from the bank in 2024, and subsequent deferral of notional shares over the remainder of 2024 and into the start of 2025. The notional shares are subject to a discretionary underpin that allows the Remuneration Committee to make adjustments to the level of vesting if the Committee believes due to business performance, individual performance or wider Group considerations that the vesting should be adjusted. This will include consideration of all relevant factors, including any windfall gains.

Each year, subject to the achievement of annual BBP performance conditions, a contribution will be made into the participants' plan accounts. 50% of the cumulative balance of each Executive Director's plan is paid in cash.

These notional shares are a mechanism that allows the deferred element of the award to be linked to the share price. The Committee confirms that there is no intention to issue actual shares until the end of the fourth year of the cycle, when the full bank value will normally be settled in the form of shares transferred or allotted to the participant.

	CEO Guy Gittins	CFO Chris Hough
Number of deferred notional shares in account at the end of year one (31 December 2023)[1]	0	0
Value of deferred notional shares in account at the end of year one (31 December 2023)	**£0**	**£0**
Bonus contribution in 2024 in respect of performance over 2023 (contribution into the account)	£558,032	£258,348
Dividend equivalent contributed	n/a	n/a
Cumulative account following contribution	**£558,032**	**£258,348**
Less: 2024 payment out of the account	£(279,016)	£(129,174)
Value of deferred notional shares carried forward over to 2024	**£279,016**	**£129,174**
Number of deferred notional shares carried forward at the end of year two (31 December 2024)[2]	626,902	290,232

1 Nil balance of deferred notional shares at 31 December 2023 reflecting the opening of the second BBP cycle.

2 The share price used to calculate the number of shares carried forward at the end of year two was the mid-market value of a share for the 30-day period to 31 December 2023, which was 44.5 pence per share.

STATEMENT OF DIRECTORS' SHAREHOLDING AND SHARE INTERESTS (AUDITED)

The table below shows the interests of the Directors and connected persons in shares (owned outright or vested) as at 31 December 2024. There have been no changes in Directors' interests in the period between 31 December 2024 and 4 March 2025.

		Outstanding scheme interests[5]						
	Shares owned outright	Unvested shares not subject to performance[1]	Unvested share options subject to performance[2]	Notional shares held[3]	Total scheme interests	Shareholding guideline (% of salary)	Current shareholding (% of salary)[4]	Guideline met
Executive Directors								
Guy Gittins	313,793	2,663,698	6,883,891	626,902	10,174,491	250%	254%	Yes
Chris Hough	470,516	1,485,297	-	290,232	1,775,529	200%	317%	Yes
Non-Executive Directors								
Nigel Rich	1,611,426	–	–	–	–	–	–	–
Annette Andrews	48,422	–	–	–	–	–	–	–
Jack Callaway	200,000	–	–	–	–	–	–	–
Peter Rollings	197,883	–	–	–	–	–	–	–
Rosie Shapland	20,000	–	–	–	–	–	–	–

1 Unvested shares not subject to performance are shares granted under the RSP and Salary Substitute Restricted Shares.

2 No unvested share options subject to performance remain outstanding except for a buyout award to compensate Guy Gittins for the forfeiture of incentive arrangements held with his previous employer, Chesterton UK Services Limited (previously known as 'Chesterton Global Limited'). The LTIP buyout award has a face value of £2.5 million and is subject to a performance requirement for the share price of an Ordinary Share to be at least 70 pence for any 30 consecutive days during the vesting period. The number of Ordinary Shares granted equivalent to £2.5 million has been calculated using an Ordinary Share price of 36.32 pence per share being the average of the closing Ordinary Share prices over the three Dealing Days preceding 30 May 2022, the date that it was announced that Guy Gittins would be the incoming Chief Executive Officer.

3 Notional shares held are the number of deferred notional shares carried forward at the end of year two of the BBP scheme (31 December 2024).

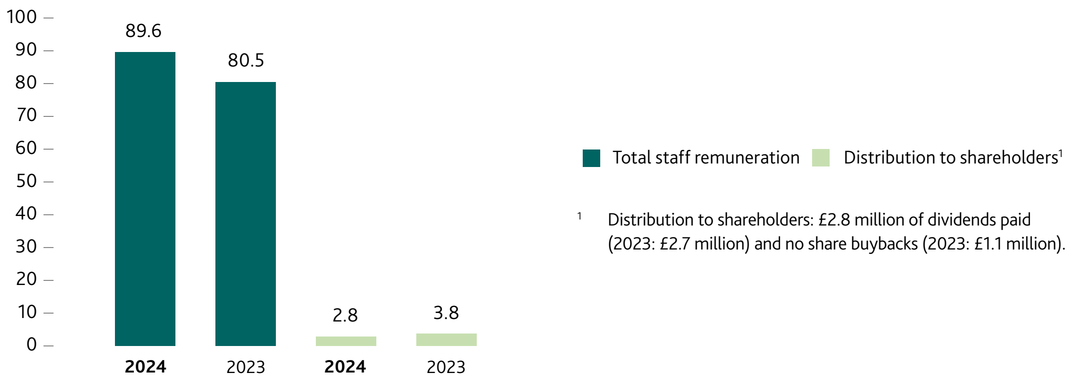
4 Based on the share price on 31 December 2024 of 69 pence. Includes shares owned outright, shares which have vested but which remain subject to a holding period and/or clawback, unvested Salary Substitute Restricted Share awards (on a net of tax basis) and unvested RSP awards (on a net of tax basis).

5 No options were exercised by Directors in the year. There are no vested but unexercised options as at 31 December 2024.

RELATIVE IMPORTANCE OF SPEND ON PAY

The chart below shows the Group's actual expenditure on shareholder distributions (including dividends and share buybacks) and total employee pay expenditure for the financial years ended 31 December 2023 and 31 December 2024.

Relative importance of spend on pay (£m)



1 Distribution to shareholders: £2.8 million of dividends paid (2023: £2.7 million) and no share buybacks (2023: £1.1 million).

DIRECTORS' REMUNERATION REPORT CONTINUED

ADDITIONAL INFORMATION

The following table sets out the other elements of the Annual Report on Remuneration and where in the Directors' remuneration report they can be found (where relevant).

Element	Page
No long-term incentive plan award vested for incumbent Executive Directors for performance ending in the 2024 financial year (audited)	→ PAGE 100
How we will apply the Policy in 2025	→ PAGES 102 TO 110
No payments for loss of office (audited)	n/a
No payments to former Directors (audited)	n/a

2025 NON-EXECUTIVE DIRECTOR FEES

Details of the Policy on Non-Executive Director fees are set out in the table below:

Implementation in 2025

Chairman and Non-Executive Director fees for 2025 are as follows:

- **Chairman fee[1]:** £150,000 paid in cash (0% increase versus 2024)
- **Senior Independent Director fee:** £5,000 (0% increase versus 2024)
- **Non-Executive Director base fee:** £63,000 (0% increase verus 2024)
- **Chair of Audit Committee incremental fee:** £10,000 (0% increase versus 2024)
- **Chair of Remuneration Committee incremental fee:** £10,000 (0% increase versus 2024)
- **Chair of ESG Committee incremental fee:** £5,000 (0% increase versus 2024)

1 For the period 1 January 2024 to 30 September 2024, the Chairman was paid £150,000 per annum in fees, of which £100,000 per annum was paid in cash and £50,000 per annum was paid in shares at the prevailing market price. From 1 October 2024 the irrevocable market share purchase arrangement in place with the Group's broker could no-longer be supported due to broker compliance changes. As a result of this change, the Chairman's fee was settled fully in cash from 1 October 2024 to 31 December 2024.

SERVICE CONTRACTS

The Executive Directors are employed under contracts of employment with Foxtons Group plc. The principal terms of the Executive Directors' service contracts are as follows. The service contracts of the Executive Directors are not of a fixed duration and therefore have no unexpired terms.

			Notice period	
Executive Director	**Position**	**Effective date of contract**	**From Company**	**From Director**
Guy Gittins	CEO	5 September 2022	12 months	12 months
Chris Hough	CFO	1 April 2022	12 months	12 months

The Chairman and Non-Executive Directors have letters of appointment. Dates of the Directors' letters of appointment are set out below:

Name	Date of original appointment	Date of most recent appointment letter	Date of appointment/ last reappointment at AGM	Notice period
Nigel Rich	1 October 2021	28 February 2025	7 May 2024	3 months
Annette Andrews	1 February 2023	26 January 2023	7 May 2024	3 months
Jack Callaway	1 February 2023	26 January 2023	7 May 2024	3 months
Peter Rollings	1 December 2021	28 February 2025	7 May 2024	3 months
Rosie Shapland	5 February 2020	9 May 2023	7 May 2024	3 months

REMUNERATION COMMITTEE ADVISERS

The Remuneration Committee received advice on Executive remuneration from PwC, following appointment by the Remuneration Committee as independent adviser in 2019. PwC is a founding member of the Remuneration Consultants Group and voluntarily operates under its Code of Conduct in its dealings with the Committee. PwC's fees charged for the provision of independent advice to the Committee during the year were £63,090 (2023: £72,775). Other than in relation to advice on remuneration, PwC provides support to the Company in relation to tax compliance, internal audit and ad-hoc tax and accounting advice. The Committee is satisfied that PwC engagement partners and teams which provided remuneration advice to the Committee, do not have connections with the Group that may impair their objectivity and independence.

SHAREHOLDER VOTING AT THE GROUP'S AGM

The table below sets out the results of the most recent shareholder votes on the Directors' Remuneration Policy (2023 AGM) and the advisory vote on the 2024 Annual Statement from the Remuneration Committee Chairman and the Annual Report on Remuneration at the 2024 AGM on 7 May 2024.

	Percentage of votes cast		Number of votes cast		
Resolution	**For and Discretion**	**Against**	**For and Discretion**	**Against**	**Withheld[1]**
Approve the Directors' Remuneration Policy	97.45%	2.55%	194,494,392	5,096,407	15,868
Annual Statement from the Remuneration Committee Chairman and the Annual Report on Remuneration	99.90%	0.10%	227,705,623	230,022	10,001

1 A withheld vote is not a vote in law and is not counted in the calculation of the proportion of votes cast for and against a resolution.

The Directors' Remuneration Report was approved by the Board and signed on its behalf by:

Annette Andrews
Chair of the Remuneration Committee
4 March 2025

DIRECTORS' REPORT

The Directors present their report for the year ended 31 December 2024. In accordance with the Companies Act 2006 (as amended), the Listing Rules and the Disclosure Guidance and Transparency Rules, the Corporate Governance Statement, Directors' Remuneration Report, Audit Committee Report and the Statement of Directors' Responsibilities should be read in conjunction with one another and the Strategic Report.

As permitted by legislation, some of the matters required to be included in the Directors' Report have instead been included in the Strategic Report, as the Board considers them to be of strategic importance. The Strategic Report and the Directors' Report together constitute the Management Report as required under Rule 4.1.8R of the Disclosure Guidance and Transparency Rules.

CORPORATE GOVERNANCE

A report on corporate governance and the Group's compliance with the UK Corporate Governance Code is set out on → PAGES 66 TO 79 and forms part of this report by reference.

THE BOARD OF DIRECTORS

The members of the Board of Directors and their biographical details are shown on → PAGES 68 TO 69 and are incorporated into this report by reference. There have been no changes to the Board membership during the year.

APPOINTMENT AND REPLACEMENT OF DIRECTORS

The appointment and replacement of Directors is governed by the Company's Articles of Association (the 'Articles'), the UK Corporate Governance Code (the "Code"), the Companies Act 2006 and related legislation. The Board may appoint new directors from time to time, as long as the total number of directors does not exceed the limit prescribed in the Articles (not less than two, or more than 12 directors). Under the Articles, any director appointed by the Board may only hold office until the next AGM of the Company where they will stand for election. The Board has decided that all Directors will seek re-election at each AGM in accordance with the Code.

DIRECTORS' INDEMNITY AND COMPENSATION FOR LOSS OF OFFICE

The Company has granted a third party indemnity to each of its Directors against any liability that attaches to them in defending proceedings brought against them, to the extent permitted by English law, in connection with the discharge of their duties as a Director of the Company and its subsidiaries. In addition, Directors and Officers of the Company and its subsidiaries are covered by Directors' and Officers' liability insurance, which gives appropriate cover for legal action brought against the Directors.

The Company does not have arrangements with any Director or employee that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's share plans may cause options and awards granted under such plans to vest on a takeover. Further information is provided in the Directors' Remuneration Report on → PAGES 95 TO 123.

ENGAGEMENT WITH STAKEHOLDERS

The long-term success of the Company is dependent on its relationships with its stakeholders. In accordance with Section 172 of the Companies Act 2006, the Company's statement on engagement with its suppliers, customers, the community and others can be found on → PAGES 18 TO 21.

EMPLOYEE ENGAGEMENT AND EQUAL OPPORTUNITIES POLICY

The Company provides employees with information on the Group's performance and on matters concerning them on a regular basis. The Board engages with employees through formal and informal channels including the Employee Engagement Committee ("EEC"), as set out on → PAGE 57.

Considerable value is placed on the involvement of employees, which is reflected in the principles of Foxtons' corporate practices and related guidance, which require regular, open, fair and respectful communication, zero tolerance for human rights violations, fair remuneration and, above all, a safe working environment.

Foxtons operates an equal opportunities policy to ensure fair treatment for all employees throughout selection, recruitment, training, development and promotion processes. Foxtons aims to create an inspiring working environment where everyone is engaged, motivated and safe from discrimination. The Group's policies and procedures are designed to provide for full and fair consideration and selection of disabled applicants for all vacancies. Such applicants will receive training to ensure they can perform their roles safely and effectively and to provide career opportunities to allow them to fulfil their potential. Where an employee becomes disabled in the course of their employment, the Group will actively seek to retain them wherever possible by making adjustments to their work content and environment or by retraining them to undertake new roles.

The details of the wider workforce pay policies and the alignment of incentives operated by the Group are set out on → PAGE 111.

Further information on the Group's approach to diversity, inclusion and career progression are contained in the Strategic Report on → PAGES 52 TO 60. Refer to → PAGE 112 for details of how the Board engages with employees.

SHARE CAPITAL

At 31 December 2024, there were 330,097,758 ordinary shares of £0.01 each in issue. 26,192,151 ordinary shares were held in treasury. Each ordinary share carries one vote; therefore, the total voting rights in issue at 31 December 2024 were 303,905,607. As at 3 March 2025, the latest practicable date before the publication of this report, there has been no change to the number of shares in treasury and the total voting rights in the Company.

Details of the Company's issued share capital and any shares issued during the year can be found in Note 21 of the financial statements.

The Company was granted a general authority by its shareholders at the 2024 AGM to allot shares up to 33.33% of the Company's issued share capital. The Company also received authority to allot shares for cash on a non-pre-emptive basis up to 10% of the Company's issued share capital. These authorities will expire at the conclusion of the 2025 AGM or 30 June 2025.

A resolution will be proposed at the 2025 AGM to renew the general authority to allot shares up to 33.33% of the Company's issued share capital. In addition, as recommended by the Pre-Emption Group's revised Statement of Pre-emption Principles (as published in November 2022), the Company will propose Special Resolutions at the 2025 AGM to seek shareholder authority to disapply pre-emption rights of up to 10% of issued share capital and a further 10% of issued share capital in relation to the financing of a share issue in connection with an acquisition or specified capital investment.

The Company was granted authority by its shareholders at the 2024 AGM to purchase up to 30,129,498 of its ordinary shares, being 10% of the issued share capital. This authority will expire at the conclusion of the 2025 AGM or 30 June 2025. No shares were bought back under this authority during the year ended 31 December 2024.

In order to retain flexibility, the Company will propose a resolution at the 2025 AGM to renew the Company's authority to purchase up to 10% of its ordinary shares at the Directors' discretion. If the resolution is passed, the new authority will replace the existing authority, which will lapse at the conclusion of the AGM on 7 May 2025.

DIVIDENDS

In line with the Company's policy, the Directors are recommending the payment of a final dividend on its ordinary shares for the year ended 31 December 2024 of 0.95p per share (2023: 0.7p). Subject to the approval of shareholders at the forthcoming AGM, the proposed final dividend will be payable on 16 May 2025 to shareholders on the register at the close of business on 11 April 2025. The ex-dividend date will be 10 April 2025.

MAJOR SHAREHOLDINGS

The table below shows notifications received by the Company from holders of notifiable interests in the Company's issued share capital, in accordance with the Financial Conduct Authority's DTR 5 as at the financial year ended 31 December 2024. This information was correct at the date of notification; however, the date it was received may not have been within the current financial year. It should be noted that these holdings are likely to have changed since the Company was notified; however, notification of any change is not required until the next notifiable threshold is crossed.

Institution	Number of shares	% of share capital disclosed
Aberforth Partners LLP[1]	37,749,582	12.30
3G Capital Management LLC	28,717,285	9.53
Azvalor Asset Management SGIIC SA[1]	27,847,761	9.16
Platinum Investment Management Limited	23,263,759	7.68
Martin Currie Investment Management	15,700,000	5.17
Lombard Odier Asset Man (Europe) Limited	14,638,923	4.86
Converium Capital Master Fund LP	12,232,981	4.03
Hosking Partners LLP	11,541,774	3.81
SFM UK Management LLP	11,106,000	3.66

Between the year end and the latest practicable date prior to the publication of the annual report, the Company received the following notification from shareholders with notifiable interests in the Company:

Institution	Number of shares	% of share capital disclosed
JP Morgan Asset Management Holdings Inc	16,120,346	5.30

RIGHTS AND OBLIGATIONS ATTACHING TO SHARES

The Company has a single class of ordinary shares in issue. Holders of the ordinary shares are entitled to receive dividends (when declared) and a copy of the Company's Annual Report and Accounts, attend and speak at general meetings of the Company and appoint proxies and exercise voting rights or the transfer of voting rights. At any general meeting, on a show of hands, every shareholder present in person or by proxy shall have one vote and, on a poll, every shareholder present in person or by proxy, shall have one vote for every share of which they are the holder. Subject to certain thresholds being met, holders of ordinary shares may requisition the Board to convene a general meeting or propose resolutions at AGMs. On liquidation, holders of ordinary shares may share in the assets of the Company.

None of the ordinary shares carry any special rights with regard to control of the Company and there are no restrictions on voting rights or the transfer of voting rights. Major shareholders have the same voting rights per share as all other shareholders. The Company is not aware of any arrangements under which financial rights are held by a person other than the holder of the shares.

The Foxtons Group Employee Benefit Trust is an Employee Benefit Trust which holds ordinary shares in the Company in trust for employees within the Group. The Trustee of the Trust has the power to exercise the rights and powers incidental to, and to act in relation to, the ordinary shares subject to the Trust in such manner as the Trustee, in its absolute discretion, thinks fit. The Trustee of the Employee Benefit Trust has waived its rights to dividends on ordinary shares held by the Trust as these have not yet vested unconditionally in employees. Details of the ordinary shares held by the Trust can be found in Note 23 of the financial statements.

There are no restrictions on the transfer of securities in the Company and no requirement for any person to obtain the approval of the Company, or other holders of the Company's securities, in order to transfer securities. The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or on voting rights.

SIGNIFICANT AGREEMENTS

With the exception of the revolving credit facility agreement with Barclays Bank plc, which may be terminated by Barclays and all outstanding loans declared immediately due and payable following a change of control, the Group is not a party to any significant agreements that would take effect, alter or terminate on a change of control of the Group.

[1] The date on which the threshold was crossed or reached was prior to 31 December 2024, however the market was notified after 31 December 2024.

DIRECTORS' REPORT CONTINUED

STREAMLINED ENERGY AND CARBON REPORTING AND TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Information on the Group's Streamlined Energy and Carbon Reporting and Task Force on Climate-Related Financial Disclosures is set out in the Strategic Report on → PAGES 44 TO 51 and forms part of this report by reference.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has carried out a robust assessment of the Group's principal and emerging risks as set out on → PAGES 32 TO 37 of the Strategic Report. The Group's financial risk management objectives and policies, including its use of financial instruments, are set out in Note 24 of the financial statements.

GOING CONCERN

The financial position of the Group, its cash flows and liquidity position are set out in the consolidated financial statements. Furthermore, Note 24 of the financial statements includes the Group's objectives and policies for managing its capital, its financial risk management objectives, details of its financial instruments and its exposure to credit and liquidity risk.

The Directors believe the Group has adequate resources to continue in operation for a period of at least 12 months from the date of approval of the financial statements due to its existing, and forecast, availability of cash resources. For this reason, the going concern basis of accounting has been adopted in preparing the financial statements. The Directors have made this assessment based on consideration of forecast cash flows, with specific reference to uncertainties in relation to the macroeconomic outlook, the reverse stress scenario sensitivities and the Group's liquidity over an 18-month forecast period to August 2026.

AUDITOR

The Directors holding office at the date of this Annual Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware. Each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

BDO LLP, the external auditor of the Group, has advised of its willingness to continue in office and a resolution to reappoint them as auditor and the authority for their remuneration to be determined by the Audit Committee will be proposed at the 2025 AGM. Further details on how the objectivity and independence of the auditor is safeguarded and assessed can be found in the report of the Audit Committee on → PAGE 93.

INFORMATION PRESENTED IN OTHER SECTIONS OF THIS REPORT

Certain information is required to be included in the Annual Report and Accounts by Listing Rule 6.6.1R. The following table provides references to where this information can be found.

Section	Listing Rule Requirement	Location	Page
1	Interest capitalised by the Group	Not applicable	
2	Publication of unaudited financial information	Not applicable	
3	Details of long-term incentive schemes only involving a Director	Directors' Remuneration Report	→ PAGES 95 TO 123
4	Waiver of emoluments by a Director	Not applicable	
5	Waiver of future emoluments by a Director	Not applicable	
6	Non-pro-rata allotments for cash (issuer)	Not applicable	
7	Non-pro-rata allotments for cash (major subsidiaries)	Not applicable	
8	Parent participation in a placing by a listed subsidiary	Not applicable	
9	Contracts of significance	Not applicable	
10	Provision of services by a controlling shareholder	Not applicable	
11	Shareholder waivers of dividends	Directors' Report	→ PAGE 125
12	Shareholder waivers of future dividends	Directors' Report	→ PAGE 125
13	Agreements with controlling shareholders	Not applicable	

POLITICAL DONATIONS

No political donations were made or political expenditure incurred for 2024 (2023: £nil).

AGM

The Company's AGM will take place at 10.00 am on 7 May 2025 at the Company's registered office, Building One, Chiswick Park, 566 Chiswick High Road, London W4 5BE. The Notice of Meeting, which sets out the resolutions to be proposed at the forthcoming AGM and attendance arrangements, accompanies the Annual Report and Accounts and can also be found on the Group's website at www.foxtonsgroup.co.uk/investor-relations/agm.

POST BALANCE SHEET EVENTS AND FUTURE DEVELOPMENTS

Refer to Note 29 of the financial statements for details of post balance sheet events. Details of the Group's business activities and the factors likely to affect its future development, performance and position are set out in the Strategic Report on → PAGES 1 TO 65 and form part of this report by reference.

On behalf of the Board

Guy Gittins
Chief Executive Officer
4 March 2025

Chris Hough
Chief Financial Officer

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the Group and Parent Company 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 financial statements in accordance with applicable law and UK-adopted international accounting standards. The Directors have elected to prepare the Parent Company financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 Parent Company of the profit or loss of the Group for that period.

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

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether Financial Reporting Standard 101 'Reduced Disclosure Framework' has been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Parent Company will continue in business.

In preparing the Group's financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.
- Make an assessment of the Group's ability to continue as a going concern.

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

The Directors are responsible for preparing the Directors' Report, the Strategic Report, the Directors' Remuneration Report and the Corporate Governance Report in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA.

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

RESPONSIBILITY STATEMENT

Each of the Directors confirm that to the best of their knowledge:

- The consolidated financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- The Parent Company financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities and financial position of the Company; and
- The Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- The Directors consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's and the Company's position, performance, business model and strategy.

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

Guy Gittins
Chief Executive Officer
4 March 2025

Chris Hough
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOXTONS GROUP PLC

OPINION ON THE FINANCIAL STATEMENTS

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 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Foxtons Group plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, notes to the financial statements, Parent Company Statement of Financial Position, Parent Company Statement of Changes in Equity and notes to the Parent Company financial statements including material and significant accounting policy information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

Independence

Following the recommendation of the Audit Committee, we were appointed by the Directors on 13 May 2020 to audit the financial statements for the year ended 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is five years, covering the years ended 31 December 2020 to 31 December 2024. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

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 the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- An assessment of the appropriateness of the approach and model used by the Directors when performing their going concern assessment, including the following procedures:
  - Subjecting the going concern model to checks of mechanical accuracy of the underlying formulae in both the base case and reverse stress test case;
  - Confirmed the definition and basis of calculation of the financial covenants within the Revolving Credit Facility ('RCF') agreement. We checked the covenant compliance calculations included within the going concern assessment model to determine whether this was calculated accurately, and the Group complied with the financial covenants included within the RCF agreement, therefore supporting the availability of the facility throughout the going concern review period to August 2026 as assessed by management;
  - Tested the underlying figures of the forecast by agreeing the opening cash and borrowings balances for 1 January 2025 to the closing audited balances as at 31 December 2024;
  - Considered and challenged management's assessment of the potential impact of the Renters' Rights Bill on the Group's future cash flows in the going concern period; and
  - Considered the adequacy of disclosures made in respect of going concern considering the Directors' going concern assessment (Note 1.7).

- An evaluation and challenge of the underlying data and key assumptions used to make the assessment (focussing on revenue growth rates, Group profitability and the timing and quantum of significant future cash flows). Challenge over assumptions included:
  - Key assumptions (being; revenue growth and profitability) were challenged to supporting evidence and initiatives within the Group;
  - Comparison of revenue growth estimates against market research (both corroborative and contradictory) to determine the reasonableness of the estimates used.
  - Challenged the Directors on the accuracy of any significant non-profit cash flows and regular operating profit derived cash movements within the going concern model (including working capital, capital expenditure, taxes and acquisition consideration, and unwinding of accumulated contract assets for lettings revenue) by agreement to supporting documentation where available;
  - Evaluation of the Directors' historic forecasts against the achieved actuals for the year ended 31 December 2024 to establish the accuracy with which cash flows have been budgeted (together with assessment of previous years); and
  - Assessing the accuracy of the point at which the reverse stress scenario is modelled with reference to covenant compliance and available headroom on the facility and the likelihood of the reverse stress test scenario occurring.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the 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.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

OVERVIEW

		2024	2023
Key audit matters	1. Risk of inaccurate IFRS 15 coding calculation leading to errors in the year end lettings IFRS 15 revenue adjustment.	✓	X
	2. Impairment risk due to potential non-achievability of cash flows underlying the brand asset value in use.	X	✓
	Key audit matter 2 is no longer considered to be a key audit matter given there are no impairment indicators noted, there is significant headroom assessed in the value in use calculation with the continued improvement in the Group's performance. Based on these factors an unrecorded material impairment to branch assets is considered unlikely.		
Materiality	Group financial statements as a whole – £1.23m (2023: £1.09m) based on 0.75% (2023: 0.75%) of group revenue for the year.		

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOXTONS GROUP PLC CONTINUED

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement to the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the Group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the Group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components

There are 20 entities within the Group, including the Parent Company. The nature of the entities in the Group is as follows:

- 5 of these are dormant entities, and have no financial impact on the financial statements;
- 4 of these entities are holding companies which hold investments in the trading entities in the Group, 2 of which have no financial impact, being Haslams Estate Agents (Thames Valley) Limited and Ludlow Thompson Holdings Limited;
- 4 of these are non-trading entities and have no financial impact on the financial statements, these being Stones Residential (Stanmore) Limited, Atkinson McLeod Limited, Ludlow Thompson SLM Ltd and Ludlowthompson.com Limited; and
- The remaining 7 are trading entities, including the Parent Company.

The control environment is consistent across the Group as the finance and IT teams are centralised in one location, being London, United Kingdom.

Based on the nature of the entities within the Group, and the processes and controls of the entities, we identified 6 components of the Group (made up of 9 entities).

The remaining 11 entities in the Group were deemed to have no financial impact on the consolidated financial statements and therefore were not considered as components.

For the 6 components, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures and tests of operating effectiveness of controls; and
- procedures on one or more classes of transactions, account balances or disclosure.

Procedures performed at the component level

We performed procedures to respond to Group risks of material misstatement at the component level that included the following:

Component	Component Name	Entity	Group Audit Scope
1	Foxtons Group plc ('FGP')	Foxtons Group plc – the parent company and trading entity.	Statutory audit and procedures on the entire financial information of the component.
2	Foxtons Limited ('FL')	Foxtons Limited – main trading entity.	Statutory audit and procedures on the entire financial information of the component.
3	Alexander Hall Associates Limited ('AHAL')	Alexander Hall Associates Limited – trading entity.	Procedures on one or more classes of transactions and risk assessment procedures.
4	Foxtons Intermediate Holdings Limited ('FIHL') and Foxtons Operational Holdings Limited ('FOHL')	• Foxtons Intermediate Holdings Limited – holding entity. • Foxtons Operational Holdings Limited – holding entity.	Procedures on one or more classes of transactions and risk assessment procedures.
5	Haslams Estate Agents ('HEA')	• Haslams Estate Agents Limited – trading entity. • Michael Hardy & Company (Lettings) Limited – trading entity. • Michael Hardy & Company (Wokingham) Limited – trading entity.	Risk assessment procedures.
6	Imagine Property Group Limited ('IPG')	Imagine Property Group Limited – trading entity.	Risk assessment procedures.

Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls, as well as similarity of the Group's activities in the period in relation to all financial statement areas due to the centralised function of the head office.

We have therefore designed and performed procedures centrally for all financial statement areas.

The Group operates a centralised IT function that supports revenue recognition for the main trading entity, Foxtons Limited, as well as financial reporting and IT processes for all other components and entities within the Group. The centralised IT function is subject to specified risk-focused audit procedures, predominantly the testing for appropriate design and implementation of the relevant IT general controls and IT application controls.

The Group engagement team has performed all procedures and has not involved component auditors in the Group audit.

Changes from the prior year

There have been no significant changes to the Group's audit scope from the prior year.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the Annual Report and Accounts;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board, Audit Committee and ESG Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out on → **PAGE 40** may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in management's going concern assessment and viability assessment and in management's judgements and estimates in relation to the cash flows attributable to the value in use assessment of the indefinite life brand asset (Note 1.20).

We also assessed the consistency of management's disclosures included within the Group's 'Task force on climate-related financial disclosures' report from → **PAGE 46** with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any key audit matters that were materially affected by climate-related risks and related commitments.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOXTONS GROUP PLC CONTINUED

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, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Risk of inaccurate IFRS 15 coding calculation leading to errors in the year end lettings IFRS 15 revenue adjustment. This risk is in respect of the £23.9m gross contract assets (pre-expected credit loss) relating to unbilled lettings commission in Foxtons Limited and £5.6m of contract liabilities for securing a tenant relating to Foxtons Limited (Note 19 to the Group financial statements). The accounting policy leading to the inception of these balances is covered in section 1.9 of the Group financial statements.	The Group uses a complex IT coding to convert contracts within the system from a "billed" basis to a "revenue" basis, utilising (among other parameters) the break clause as described in section 1.9 of the Group financial statements, to split revenue and recognise it accordingly over the life of the contract. The increasing size of the contract assets, together with the complexity of the underlying code, has led the audit team to conclude this risk as being the most significant risk of material misstatement to the Group. The complexity of the code and the nature of specific IT-dependent and automated controls that underpin the successful running of this code, requires us to use IT audit specialists in testing the accuracy of this code. As a result of the above complexity and focus from IT audit specialists, we considered this to be a key audit matter.	The audit team have performed the following control procedures in testing the risk in relation to the IFRS 15 coding calculation for the accuracy of contract asset and contract liability measurements: • Performed a detailed assessment of the coding that calculates the IFRS 15 adjustments, including a consideration of the code against that of the prior year to identify any unexpected changes made to the underlying code; and • Tested the detailed assessment of coding against a number of examples of the potential permutations of a lettings deal and how monthly revenue recognition should be recognised when utilising this coding. Having tested the accuracy of the IFRS 15 coding calculation and reconciled to the resultant contract asset and contract liability positions recognised at 31 December 2024 in the Group's financial statements, the audit team then performed the following substantive testing on a sample of contract assets and liabilities at an interim test date of 30 September 2024 and again at the full year 31 December 2024: • Agreed the cumulative revenue recognised on the deals by inspecting the underlying deal documentation including the tenancy agreement and terms and conditions of the tenancy; • Tested the controls and performed a substantive recalculation over the cumulative charged amounts between the Landlord and the Group; and • Confirmed the resultant contract asset or contract liability calculation (being the difference between cumulative revenue and cumulative charged amounts). **Key observations:** Our audit procedures over the key audit matter did not identify any issues with the existence and accuracy of the contract assets and contract liabilities recorded as a result of management applying the IFRS 15 coding.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

	Group financial statements		Parent Company financial statements	
	2024	2023	**2024**	2023
Materiality (£m)	1.23	1.09	1.17	0.98
Basis for determining materiality	0.75% of final audited revenues.	0.74% of final audited revenue.	95% of Group materiality	90% of Group materiality
Rationale for the benchmark applied	We consider revenue to be the most appropriate materiality benchmark as it provides a more stable measure of year-on-year performance and is a key performance indicator for the Group.		The Parent Company does not have a source of revenue. Materiality was set at a percentage of group materiality given the assessment of aggregation risk.	
Performance materiality (£k)	921	760	875	686
Basis for determining performance materiality	75% of Group materiality	70% of Group materiality	75% of Parent Company materiality	70% of Parent Company materiality
Rationale for the percentage applied for performance materiality	Continued low level of historic and anticipated misstatements and brought forward uncorrected misstatements. Continued rationalisation in complex estimates in the Group, reflecting a lower level of management judgement across the Group financial statements.		Continued low level of historic and anticipated misstatements and brought forward uncorrected misstatements.	

We further applied a performance materiality level of 75% (2023: 70%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of 75% (2023: 70%) of Group materiality dependent on a number of factors including expected total value of known and likely misstatements, aggregation effect of planned nature of testing, locations, precision of estimates and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £65,000 to £875,950 (2023: £87,000 to £990,000).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £62,000 (2023: £44,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the document entitled Annual Report and Accounts other than the financial statements and our auditor’s report thereon. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOXTONS GROUP PLC CONTINUED

CORPORATE GOVERNANCE STATEMENT

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on → **PAGE 126**; • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on → **PAGE 38**; and • The Directors' statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities set out on → **PAGE 31**.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on → **PAGE 92**; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on → **PAGE 126**; • The section of the Annual Report and Accounts that describes the review of effectiveness of risk management and internal control systems set out on → **PAGES 91 AND 92**; and • The section describing the work of the Audit Committee set out on → **PAGE 89**.

OTHER COMPANIES ACT 2006 REPORTING

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic Report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.
Directors' remuneration	In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.
Corporate governance statement	In our opinion, based on the work undertaken in the course of the audit the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in this information. In our opinion, based on the work undertaken in the course of the audit information about the Parent Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules. We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Parent Company.
Matters on which we are required to report by exception	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, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance and those responsible for legal and compliance procedures; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be:

- Those that relate to the reporting framework (UK adopted international accounting standards) and United Kingdom Generally Accepted Accounting Practice;
- The Companies Act 2006 and UK Corporate Governance Code;
- Accounting Rule 1 of the Conduct and Membership Rules of Propertymark; and
- Relevant UK tax regulations.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be.

- Estate Agents Act 1979;
- The Money Laundering Regulations 2007;
- The Proceeds of Crime Act 2002; and
- The Data Protection Act 2018.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence, including inspections, with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Assessing the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's and components' ability to operate. These include compliance with the Estate Agents Act 1979, the Money Laundering Regulations 2007, the Proceeds of Crime Act 2002, and the Data Protection Act 2018;
- Third-party confirmations were obtained directly from the Group's solicitors to assess the completeness of claims and legal matters made available to us; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

The engagement partner assessed the audit team as collectively holding the appropriate competence and capabilities to identify and/or recognise non-compliance with laws and regulations. Where appropriate, additional specialists were involved as members of engagement team discussions to direct the audit procedures toward identifying irregularities as above.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOXTONS GROUP PLC CONTINUED

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to: detecting and responding to the risks of fraud; and internal controls established to mitigate risks related to fraud;
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be;

- IFRS 15 risk of coding errors in respect of the accuracy of contract assets and contract liabilities in the lettings revenue stream; and
- Management override of controls (including the posting of adjustments in respect of the IFRS 15 coding remeasurement of contract assets and contract liabilities).

Our procedures in respect of the above included:

- Checked the accuracy of the lettings revenue reconciliation for the year between the Group's business operating system and the Group's accounting system. We corroborated reconciling items back to movements in audited statement of financial position areas (including the lettings contract assets and contract liabilities and the rental collection deferral). Where the reconciling items related to revenue codes either not included in the business operating system or not included within the accounting system, a sample of these items were agreed to further supporting documentation;
- Testing of the IFRS 15 coding and substantive testing of a sample of contract assets and contract liabilities to supporting documentation as noted in our key audit matter; and
- Tested journal entries throughout the year which met a defined risk criteria, together with an additional sample of journals that fell outside of this risk threshold, by agreeing to supporting documentation and that the transaction was a bona fide business transaction.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement 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 deliberate concealment by, for example, forgery, misrepresentations or through collusion. 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 are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Tim Neathercoat (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street, London, W1U 7EU
4 March 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

Continuing operations	Notes	2024 £'000	2023 £'000
Revenue	2	**163,927**	147,127
Direct operating costs		**(59,064)**	(53,881)
Other operating costs		**(85,057)**	(83,456)
Operating profit		**19,806**	9,790
Other gains	3	**260**	–
Finance income	5	**296**	381
Finance costs	5	**(2,877)**	(2,277)
Profit before tax		**17,485**	7,894
Tax charge	6	**(3,483)**	(2,404)
Profit and total comprehensive income for the year		**14,002**	5,490
Earnings per share			
Basic earnings per share	9	**4.6p**	1.8p
Diluted earnings per share	9	**4.5p**	1.7p
Adjusted measures			
Adjusted EBITDA[2]	28	**23,803**	17,511
Adjusted operating profit[1,3]	2,28	**21,559**	15,652
Adjusted profit before tax[1,2]	28	**19,238**	13,756
Adjusted basic earnings per share[1,4]	9,28	**5.0p**	3.4p

1 In 2024 the Group's adjusted profit/earnings measures have been redefined to exclude the amortisation of acquired intangibles. 2023 comparatives have been restated as applicable under the revised definition to ensure a fair comparison. Refer to Note 28 for definitions of each of the adjusted measures, the rationale for the change in definitions and reconciliations presenting the restatement of the prior year comparatives as applicable.

2 Adjusted EBITDA and Adjusted profit before tax are reconciled to the nearest statutory measure in Note 28.

3 Adjusted operating profit is reconciled to the nearest statutory measure in Note 2.

4 Adjusted basic earnings per share is reconciled to statutory earnings per share in Note 9.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 £'000	Restated[1] 2023 £'000
Non-current assets			
Goodwill	10	**52,278**	40,709
Other intangible assets	10	**118,017**	114,897
Property, plant and equipment	11	**8,084**	9,459
Right-of-use assets	12	**38,622**	42,471
Contract assets	19	**5,608**	4,748
Investments	14	**31**	31
Deferred tax assets	6	**2,738**	1,905
		225,378	214,220
Current assets			
Trade and other receivables	16	**16,709**	17,432
Contract assets	19	**18,579**	14,256
Current tax assets	6	**2,172**	–
Cash and cash equivalents		**5,320**	4,989
Assets classified as held for sale	7	**–**	450
		42,780	37,127
Total assets		**268,158**	251,347
Current liabilities			
Trade and other payables	17	**(23,921)**	(21,303)
Current tax liabilities		**–**	(79)
Borrowings	18	**–**	(40)
Lease liabilities	12	**(11,354)**	(10,686)
Contract liabilities	19	**(10,506)**	(11,770)
Provisions	20	**(2,156)**	(1,609)
		(47,937)	(45,487)
Net current liabilities		**(5,157)**	(8,360)
Non-current liabilities			
Lease liabilities	12	**(31,410)**	(36,915)
Borrowings	18	**(18,008)**	(11,740)
Contract liabilities	19	**–**	(439)
Provisions	20	**(2,321)**	(3,008)
Deferred tax liabilities	6	**(29,503)**	(28,153)
		(81,242)	(80,255)
Total liabilities		**(129,179)**	(125,742)
Net assets		**138,979**	125,605
Equity			
Share capital	21	**3,301**	3,301
Merger reserve	22	**20,568**	20,568
Other reserves	22	**2,653**	2,653
Own shares reserve	23	**(11,012)**	(12,092)
Retained earnings		**123,469**	111,175
Total equity		**138,979**	125,605

1 Current and non-current borrowings as at 31 December 2023 have been restated to adopt Amendments to IAS 1 effective 1 January 2024. See Notes 1 and 18 for further details.

The financial statements of Foxtons Group plc, registered number 07108742, were approved by the Board of Directors on 4 March 2025.

Signed on behalf of the Board of Directors

Chris Hough
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital £'000	Merger reserve £'000	Other reserves £'000	Own shares reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024		**3,301**	**20,568**	**2,653**	**(12,092)**	**111,175**	**125,605**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**14,002**	**14,002**
Dividends	8	**–**	**–**	**–**	**–**	**(2,787)**	**(2,787)**
Credit to equity for share-based payments	27	**–**	**–**	**–**	**–**	**2,490**	**2,490**
Settlement of share incentive plan	23	**–**	**–**	**–**	**1,080**	**(1,411)**	**(331)**
Balance at 31 December 2024		**3,301**	**20,568**	**2,653**	**(11,012)**	**123,469**	**138,979**

	Notes	Share capital £'000	Merger reserve £'000	Other reserves £'000	Own shares reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023		3,301	20,568	2,653	(10,993)	107,139	122,668
Total comprehensive income for the year		–	–	–	–	5,490	5,490
Dividends	8	–	–	–	–	(2,725)	(2,725)
Own shares acquired in the period	23	–	–	–	(1,112)	–	(1,112)
Credit to equity for share-based payments	27	–	–	–	–	1,284	1,284
Settlement of share incentive plan	23	–	–	–	13	(13)	–
Balance at 31 December 2023		3,301	20,568	2,653	(12,092)	111,175	125,605

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £'000	2023 £'000
Operating activities			
Operating profit:	2	**19,806**	9,790
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	11,12	**13,226**	12,910
Amortisation of intangible assets	10	**2,302**	1,791
Net impairment of plant and equipment and right-of-use assets	4	**–**	3,410
(Gain)/loss on disposal of property, plant and equipment	11	**(37)**	17
Gain on lease surrenders and lease modifications		**(556)**	(894)
Sub–lease asset impairment		**–**	190
(Decrease)/increase in provisions		**(705)**	422
Share incentive plans – tax settlements on behalf of employees		**(331)**	–
Share–based payment charges	27	**1,549**	1,036
Operating cash flows before movements in working capital		**35,254**	28,672
Increase in receivables and contract assets		**(2,916)**	(12,136)
(Decrease)/increase in payables and contract liabilities		**(2,004)**	1,328
Cash generated by operations		**30,334**	17,864
Income taxes paid		**(5,587)**	(2,192)
Net cash from operating activities		**24,747**	15,672
Investing activities			
Interest received		**296**	381
Proceeds on disposal of property, plant and equipment and assets held for sale	7,11	**607**	–
Purchases of property, plant and equipment	11	**(1,106)**	(2,121)
Purchases of intangibles	10	**(1,565)**	(1,495)
Proceeds on sale / (purchase) of investments		**91**	(25)
Acquisition of subsidiaries (net of cash acquired)	13	**(12,704)**	(13,935)
Net cash used in investing activities		**(14,381)**	(17,195)
Financing activities			
Proceeds from borrowings		**26,800**	21,573
Repayment of borrowings		**(20,629)**	(10,681)
Dividends paid	8	**(2,787)**	(2,725)
Interest on borrowings		**(536)**	(236)
Interest on lease liabilities	12	**(2,065)**	(1,971)
Repayment of lease liabilities	12	**(11,102)**	(10,554)
Sub–lease receipts		**284**	191
Purchase of own shares	23	**–**	(1,112)
Net cash used in financing activities		**(10,035)**	(5,515)
Net increase/(decrease) in cash and cash equivalents		**331**	(7,038)
Cash and cash equivalents at beginning of year		**4,989**	12,027
Cash and cash equivalents at end of year		**5,320**	4,989

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

1.1 General information

Foxtons Group plc ('the Company') is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the Company's registered office is Building One, Chiswick Park, 566 Chiswick High Road, London W4 5BE. The principal activity of the Company and its subsidiaries (collectively, 'the Group') is the provision of services to the residential property market in the UK.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Group operates.

1.2 Compliance with International Financial Reporting Standards

The financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The accounting policies set out below have been applied in preparing the financial statements for the years ended 31 December 2023 and 2024.

1.3 Basis of preparation

These financial statements have been prepared on the historical cost basis as modified by items held at fair value through other comprehensive income. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

1.4 Basis of consolidation

The financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power over the investee; is exposed, or has rights, to variable return from its involvement with the investee; and has the ability to use its power to affect its returns.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

1.5 Climate change

In preparing the financial statements, the Directors have considered the impact of climate change, particularly in the context of the climate-related risks identified in the Group's Task Force on Climate-Related Financial Disclosures. These considerations did not have a material impact on the financial reporting judgements and estimates in the current year. This reflects the conclusion that climate-related risks are not material to the Group and are not expected to have a significant impact on the Group's short-term or medium-term cash flows including those considered in the going concern and viability assessments, impairment assessments of the carrying value of non-current assets and the estimates of future profitability used in our assessment of the recoverability of deferred tax assets.

1.6 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1.7 Going concern

Going concern assessment

The financial statements of the Group have been prepared on a going concern basis as the Directors have satisfied themselves that, at the time of approving the financial statements, the Group will have adequate resources to continue in operation for a period of at least 12 months from the date of approval of the consolidated financial statements. The assessment has taken into consideration the Group's financial position, liquidity requirements, recent trading performance and the outcome of reverse stress testing over an 18-month forecast period to August 2026.

At 31 December 2024, the Group was in a net current liability position of £5.2 million (2023: £8.4 million) and a net debt position of £12.7 million (2023: £6.8 million net debt), which includes the £18.0 million drawdown on the Group's £30.0 million revolving credit facility ('RCF') used to fund the Group's acquisition strategy and working capital requirements. The facility is available for use until June 2027 and has an option to extend for a further year to June 2028. The facility also includes a £10 million accordion option which can be requested at any time subject to bank approval. For RCF terms refer to Note 18.

Reverse stress scenario

In assessing the Group's ability to continue as a going concern, the Directors have stress tested the Group's cash flow forecasts using a reverse stress scenario which incorporates a severe deterioration in market conditions. Reverse stress testing seeks to determine the point at which the Group could be considered to fail without taking further mitigating actions or raising additional funds. For the purposes of the reverse stress test, the point of failure has been defined as the point at which the Group breaches its RCF covenants.

The reverse stress scenario has taken into consideration the revenue characteristics of the Group, specifically the transactional nature of Sales revenue, which contrasts to the recurring and non-cyclical nature of Lettings revenue. The scenario assumes a severe macro-economic downturn from April 2025 to August 2026 which heavily impacts Sales and Financial Services revenues since these streams are most sensitive to the macro-economic environment. Additionally, Lettings revenues have been assumed to be impacted despite their resilient nature.

Under the reverse stress scenario Sales revenue would be 15% lower than 2024 and Lettings revenue 4% lower than 2024, despite the Group having completed two acquisitions in October 2024 which are revenue accretive. The key assumptions are:

- A 24% reduction in sales market transactions and a 10% reduction in Lettings units compared to 2024. For context, a 24% reduction in sales market transactions would see transaction volumes fall c.7% compared to those levels seen in 2009 following the Global Financial Crisis.
- An 18% reduction in sales market share and a 10% reduction in Lettings average revenue per transaction from current levels, further reducing revenues.
- Mitigating action is taken to reduce discretionary spending and right size fee earner headcount to reflect market conditions. The modelled actions include: reducing direct costs to reflect market conditions; reducing discretionary spend such as marketing; and pausing management bonuses.

In the unlikely event of the reverse stress scenario, the Group forecasts it would breach the RCF's leverage covenant (refer to Note 18 for details of the covenants) in March 2026. Under such a scenario, further mitigating actions that could be taken, but not included in the reverse stress scenario, include further reducing discretionary spend, further rationalising headcount, pausing capital expenditure, seeking agreement to defer lease payments or raising additional funds.

1.8 Adoption of new and revised standards

The following standards and amendments to published standards, effective for periods on or after 1 January 2024, have been endorsed:

Amendments to IAS 1	*Non-current liabilities with covenants*
Amendments to IFRS 16	*Lease liability on sale and leaseback*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The Group has considered the new or revised standards above. It concluded that either they are not relevant to the Group or would not have a material impact on its financial statements with the exception of Amendments to IAS 1. The adoption and impact of the Amendments to IAS 1 has been disclosed in Note 18.

At the date of authorisation of these financial statements, the following standards, amendments and interpretations which have not been applied in these financial statements were in issue but not yet effective:

Amendments to IAS 21	*Lack of Exchangeability*
IFRS 18	*Presentation and Disclosure in Financial Statements*
IFRS 19	*Subsidiaries without Public Accountabilitys*

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year are not expected to have a material impact on the Group's financial statements.

1.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, when performance obligations are met net of discounts (if any) and VAT. Revenue is generated from the Group's operations which are wholly based in the UK.

Rendering of services

Under IFRS 15 'Revenue from Contracts with Customers', a five step process is taken for recognising revenue from contracts with customers. The process consists of: 1) Identifying the contract(s) with a customer; 2) Identifying the performance obligations in the contract; 3) Determining the transaction price; 4) Allocating the transaction price to the performance obligation(s); and 5) Recognising revenue when a performance obligation has been satisfied.

The Group generates revenue from customers, the majority of which are based in the UK, from three main revenue streams: Lettings; Sales; and Financial Services. The point at which transfer of control of services to customers for each performance obligation is deemed to be met, and consequently the revenue recognition point for each performance obligation, is in line with the criteria outlined below.

Lettings revenue streams

Revenue is recognised as follows for the following Lettings revenue streams:

(i) Commission for securing a tenancy for the landlord

The Group satisfies its performance obligation at the point the tenancy is secured and recognises initial Lettings commission at this point. The initial Lettings commission is determined by applying the contractual commission percentages to the value of the rental over the non-cancellable period. Once the non-cancellable period has passed, and the contract can be terminated in accordance with the break clause, the contract is accounted for as a rolling contract with optional renewals.

Contract assets represent the accrual of revenue beyond amounts invoiced for contracts where invoicing only covers part of the non-cancellable contract period, and contract liabilities represent amounts invoiced for contracts where invoicing has extended past the non-cancellable contract period.

This commission is recognised over time in line with the contract between the Group and the landlord which has been determined to be a cancellable contract, due to the landlord having the ability to cancel the contract at any time once the non-cancellable period has passed. If the contract is cancelled, the Group refunds any initial commissions paid by the landlord on a pro-rata basis.

(ii) Commission for collecting rent on behalf of the landlord

Commission for rent collection services is recognised over the life of the contract on a straight-line basis which is in line with the satisfaction of the performance obligation, measured using a mark-up on the estimated costs allocated to the provision of the service.

(iii) Commission for managing the tenancy on behalf of the landlord

Property management services are recognised over the life of the contract on a straight-line basis which is in line with the satisfaction of the performance obligation.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Sales revenue streams

Revenue is recognised as follows for the following Sales revenue streams:

(i) Commission for residential property sales

Commission earned on residential property sales is recognised at a point in time upon the exchange of contracts for such sales.

(ii) Commission for residential off-plan property sales

For contracts relating to new homes sold off-plan, the Group's commission is variable and dependent on the off-plan sale successfully completing. At the point of exchange of contract, management makes an assessment of the amount and probability of revenue expected to be received.

Variable consideration is estimated using the expected value methodology to predict the amount of consideration the Group will be entitled to. The estimate is determined with reference to historical and forecast information. Estimates are constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur once any uncertainty is subsequently resolved. Constraints are determined with reference to factors outside the Group's control and the length of time between point of exchange of contracts and completion of the sale.

Financial Services revenue streams

Commission earned on financial services is recognised at a point in time, when either insurance policies go on risk or when mortgage contracts complete. Income from other services is recognised in the period or periods when the services are provided. Commission is recognised at fair value which takes account of expected future cancellations.

Interest income

The Group deposits its cash with reputable financial institutions. Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. The Group earns interest income on its own funds which is presented as finance income. The Group also earns interest on client monies which is presented within Lettings revenue given the collection and holding of client monies (deposits for tenancy agreements) is an integral part of the lettings service provided to landlords.

1.10 Taxation

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

Current tax

The tax currently receivable/payable is based on taxable profit for the period and any adjustments in respect to prior periods. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and amended to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

1.11 Goodwill and goodwill impairment

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the fair value of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs), or groups of CGUs as applicable, expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the CGU may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss recognised for goodwill is not reversed in a subsequent period.

1.12 Other intangible assets

Development costs that are directly attributable to the design and testing of identifiable software products controlled by the Group are recognised as intangible assets when the project or process is technically and commercially feasible. Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Intangible assets under construction represent the amount of expenditure recognised in the course of an asset's construction. Amortisation of an asset is recognised from the time it is available for use.

Intangible assets, other than goodwill that are acquired by the Group (the acquired Foxtons brand, software and customer contracts), are stated at cost less accumulated amortisation and impairment losses. The brand is considered to have an indefinite economic life because of the institutional nature of the brand and the Group's commitment to develop and enhance its value. The carrying value of the brand is subject to an annual impairment review, and adjusted to its recoverable amount if required. Amortisation of customer contracts and software is included within other operating costs in the consolidated income statement, and is recognised on a straight-line basis as follows:

Customer contracts and relationships	Estimated life of the contracts/relationships
Software	20% straight-line

1.13 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost of assets (other than land and assets under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Leasehold improvements	Over the term of the lease (typical lease terms range from five years to 15 years)
Fixtures, fittings and equipment	Between 20% and 25% straight-line
Motor vehicles	25% straight-line

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1.14 Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets (in relation to goodwill, refer to section 1.11 for details of the goodwill impairment policy) 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 to determine the extent of the impairment loss (if any). An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated income statement.

1.15 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases for low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

a) **Lease liability:** The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using an incremental borrowing rate which is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability primarily comprise fixed lease payments.

The lease liability is presented across separate lines (current and non-current) in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying assets.

b) **Right-of-use assets:** Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in line with the Group's existing impairment accounting policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in other operating costs in the consolidated income statement.

The Group as lessor

The Group acts as an intermediate sub-lessor for certain properties. The Group accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

1.16 Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is equal to their fair value. Cash and cash equivalents excludes client monies since these funds belong to tenants (refer to Note 26 for details of the client monies held by the Group).

1.17 Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes party to the contractual provisions of the instrument.

a) Financial assets

The financial assets held by the Group are classified, at initial recognition, and subsequently measured at amortised cost or at fair value through other comprehensive income (OCI). All financial assets are recognised and derecognised on a trade date where the purchase or sale of the financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus transaction costs.

For purposes of subsequent measurement, the financial assets held by the Group are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

All financial assets, other than cash and cash equivalents and investments classified as fair value through OCI, are measured at amortised cost using the effective interest rate (EIR) method, except for short-term receivables when the recognition of interest would be immaterial, and are subject to impairment.

Impairment of financial assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established an ECL model that is based on its historical credit loss experience, adjusted for forward-looking market factors specific to the debtors and the economic environment. Further information on the ECLs for trade receivables is given in Note 16. The ECLs against contract assets are measured through a consideration of historic rental defaults, adjusted for forward-looking market factors that align to those of the debtors' ECLs, and applied based on the expected year of maturity.

Investments in unlisted shares

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as fair value through OCI (unless held for trading). The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are recognised through OCI.

Dividends on these investments are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

The Group recognises its non-listed equity investments as fair value through OCI.

b) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest rate (EIR) method, with interest expense recognised on an effective yield basis.

The EIR method is used in calculating the amortised cost of a financial liability and for allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for restructuring is recognised when management has a formal plan for the restructuring that identifies that portion of the business and principal locations that will be affected in detail and timing, and has raised an expectation among those affected that it will proceed with the restructuring.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

1.18 Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 27.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the consolidated income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

1.19 Alternative performance measures (APMs)

In reporting financial information the Group presents APMs which are not defined or specified under the requirements of IFRS. The Group believes that the presentation of APMs provides stakeholders with additional and helpful information on the performance of the business, but does not consider them to be a substitute for or superior to IFRS measures. APMs are also used to enhance the comparability of information between reporting periods, by adjusting for factors which affect IFRS measures, to aid users in understanding the Group's performance. The Group's APMs are defined, explained and reconciled to the nearest statutory measure within Notes 2 and 28.

Changes in APM definitions

During the financial year, the Board reviewed certain APM definitions and decided to exclude the amortisation of intangibles acquired in business combinations from profit measures. The amortisation charge is excluded since the incremental amortisation charge arising from acquired intangible assets is not considered when assessing the underlying trading performance of the Group/segments. The change also aligns the metric with generally accepted market practice.

As a result of this change, the following APMs have been redefined to exclude the amortisation of intangibles acquired in business combinations:

- Adjusted operating profit
- Adjusted operating profit margin
- Adjusted profit before tax
- Adjusted earnings per share

2023 comparatives have been restated as applicable under the revised definition to ensure a fair comparison. Refer to Note 28 for further details of the restatement of the 2023 comparatives.

Adjusted items

Adjusted operating profit, adjusted operating profit margin, adjusted EBITDA, adjusted EBITDA margin, adjusted profit before tax, adjusted earnings per share, exclude adjusted items.

Adjusted items include costs or revenues which due to their size and incidence require separate disclosure in the financial statements to reflect management's view of the underlying performance of the Group and allow comparability of performance from one period to another. Items include restructuring and impairment charges, significant acquisition costs and any other significant exceptional items. Refer to Note 4 for further information around the adjusted items recognised in the year.

1.20 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements in applying the Group's accounting policies

Critical accounting judgements, apart from those involving estimations, that are applied in the preparation of the consolidated financial statements are discussed below.

- **Useful economic life of the brand intangible asset**

The Company completed the acquisition of 100% of the equity of Foxtons Intermediate Holdings Limited on 30 March 2010. The Directors identified one material intangible asset: the Foxtons brand, which was deemed to have an indefinite life as there is no foreseeable limit to the period over which the asset is expected to generate cash inflows. This judgement continues to be appropriate noting the Group's intention and the ability to maintain the brand intangible asset so that there is no foreseeable limit on the period over which the asset is expected to generate net cash inflows. Refer to Note 10 for further consideration of the carrying value of the brand intangible asset.

Key sources of estimation uncertainty

Key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

- **Impairment of intangibles with an indefinite life**

Determining whether intangibles with an indefinite life are impaired requires an estimation of the value in use of the CGUs to which intangible assets with an indefinite life (i.e. the Foxtons brand) have been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate present value. The carrying amount of the Foxtons brand is £99 million. The key source of estimation uncertainty relates to the forecast cash flows used to determine the value in use. Sensitivity analysis is provided in Note 10.

- **Contract asset expected credit loss provision**

As disclosed in Note 19, the Group's contract asset balance at 31 December 2024 is £24.2 million (2023: £19.0 million), of which £23.9 million (2023: £18.8 million) relates to unbilled Lettings commission.

Under the requirements of IFRS 9 'Financial Instruments', management estimates an expected credit loss (ECL) provision to capture the recoverability risk of the gross unbilled Lettings commission. The Lettings contract asset provision is £2.5 million at 31 December 2024 (2023: £1.6 million). The provision is estimated with reference to historical loss rates and forward-looking loss estimates. Since the estimates are relatively sensitive to change, the contract asset ECL provision rate has been identified as a key source of estimation uncertainty. Sensitivity analysis is provided in Note 19.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

Products and services from which reportable segments derive their revenues

Management has determined the operating segments based on the monthly management pack reviewed by the Directors, which is used to assess both the performance of the business and to allocate resources within the entity. Management has identified that the Board is the Chief Operating Decision Maker ('CODM') in accordance with the requirements of IFRS 8 'Operating Segments'.

The operating and reportable segments of the Group are (i) Lettings; (ii) Sales; and (iii) Financial Services.

(i) Lettings generates commission from the letting and management of residential properties and income from interest earned on client monies.

(ii) Sales generates commission on sales of residential property.

(iii) Financial Services generates commission from the arrangement of mortgages and related products under contracts with financial service providers and receives administration fees from clients.

All revenue for the Group is generated from within the UK and there is no intra-group revenue.

Segment assets and liabilities, including depreciation, amortisation and additions to non-current assets, are not reported to the Directors on a segmental basis and are therefore not disclosed. Goodwill and intangible assets have been allocated to reportable segments as described in Note 10.

The segmental disclosures include two APMs as defined below. Further details of the APMs is provided in Note 28.

Contribution and contribution margin

Contribution is defined as revenue less direct operating costs (being salary costs of front office staff and costs of bad debt). Contribution margin is defined as contribution divided by revenue. These measures indicate the profitability and efficiency of the segments before the allocation of shared costs.

Adjusted operating profit and adjusted operating profit margin

Adjusted operating profit represents the profit before tax for the period before amortisation of acquired intangibles, adjusted items (defined in Note 1.19), finance income, finance cost and other gains/losses. Adjusted operating profit margin is defined as adjusted operating profit divided by revenue. As explained in Note 28, these measures are used by the Board to measure delivery against the Group's strategic priorities, to allocate resource and to assess segmental performance.

As explained in Note 1.19, the definitions of adjusted operating profit and adjusted operating profit margin have been updated in the year to exclude the amortisation of acquired intangibles. The 2023 comparatives (Group and segmental metrics) have been restated as detailed within this note to ensure a fair comparison.

Segment revenues and results

The following is an analysis of the Group's continuing operations results by reportable segment for the year ended 31 December 2024:

	Notes	Lettings £'000	Sales £'000	Financial Services £'000	Corporate costs £'000	Group total £'000
Revenue		**106,030**	**48,565**	**9,332**	**n/a**	**163,927**
Contribution	28	78,105	22,743	4,015	n/a	104,863
Contribution margin	*28*	*73.7%*	*46.8%*	*43.0%*	*n/a*	*64.0%*
Adjusted operating profit/(loss)	28	**27,158**	**(4,099)**	**1,135**	**(2,635)**	**21,559**
Adjusted operating profit/(loss) margin	*28*	*25.6%*	*(8.4%)*	*12.2%*	*n/a*	*13.2%*
Adjusted items	4					331
Amortisation of acquired intangibles	10					(2,084)
Operating profit						**19,806**
Other gains						260
Finance income	5					296
Finance cost	5					(2,877)
Profit before tax						**17,485**

Depreciation and amortisation	Lettings £'000	Sales £'000	Financial Services £'000	Corporate costs £'000	Group total £'000
Depreciation[1]	8,249	4,963	14	–	13,226
Amortisation from non-acquired intangibles	103	66	49	–	218
Amortisation from acquired intangibles	1,666	418	–	–	2,084
Total	**10,018**	**5,447**	**63**	**–**	**15,528**

1 Total depreciation of £13.2 million consists of £2.5 million of property, plant and equipment depreciation (refer to Note 11) and £10.7 million of IFRS 16 lease depreciation (refer to Note 12).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The following is an analysis of the Group's continuing operations results by reportable segment for the year ended 31 December 2023:

	Notes	Lettings £'000	Sales £'000	Financial Services £'000	Corporate costs £'000	Group total £'000
Revenue		101,188	37,158	8,781	n/a	147,127
Contribution	28	75,381	14,455	3,410	n/a	93,246
Contribution margin	*28*	*74.5%*	*38.9%*	*38.8%*	*n/a*	*63.4%*
Adjusted operating profit/ (loss) – restated[1]	28	27,148	(9,874)	654	(2,276)	15,652
Adjusted operating profit/ (loss) margin – restated[1]	*28*	*26.8%*	*(26.6%)*	*7.4%*	*n/a*	*10.6%*
Adjusted items	4					(4,466)
Amortisation of acquired intangibles	10					(1,396)
Operating profit						9,790
Finance income	5					381
Finance cost	5					(2,277)
Profit before tax						7,894

1 The adjusted operating profit/loss and adjusted operating profit/loss margin lines have been restated under the Group's revised definitions of these measures which now both exclude the amortisation of acquired intangibles. Refer to Note 28 for further details including a reconciliation of the metrics under the revised definition versus the previous definition.

Depreciation and amortisation	Lettings £'000	Sales £'000	Financial Services £'000	Corporate costs £'000	Group total £'000
Depreciation[1]	(8,080)	(4,815)	(15)	–	(12,910)
Amortisation from non-acquired intangibles	(205)	(130)	(60)	–	(395)
Amortisation from acquired intangibles	(1,315)	(81)	–	–	(1,396)
Total	(9,600)	(5,026)	(75)	–	(14,701)

1 Total depreciation of £12.9 million consists of £2.4 million of property, plant and equipment depreciation (refer to Note 11) and £10.5 million of IFRS 16 lease depreciation (refer to Note 12).

3. INCOME AND EXPENSES

Profit for the year is stated after charging:

	Notes	**2024 £'000**	2023 £'000
Short-term leases	12	**915**	1,438
Depreciation of property, plant and equipment	11	**2,542**	2,399
Depreciation of right-of-use assets	12	**10,684**	10,511
Amortisation of non-acquired intangibles	10	**218**	395
Amortisation of acquired intangibles	10	**2,084**	1,396
(Gain)/loss on disposal of property, plant and equipment	11	**(37)**	17
Impairment loss on trade receivables and contract assets	16,19	**1,269**	570
Employee costs		**91,192**	81,924
Adjusted items net (credit) / charge	4,28	**(331)**	4,466
Other gains[1]		**260**	–

1 Total other gains in 2024 includes profit on disposal of an asset held for sale mentioned in Note 7 and a gain from sale of investments.

Auditor's remuneration

The remuneration of the auditor is split as follows:

	2024 £'000	2023 £'000
The audit of the Company	**368**	355
The audit of the Company's subsidiaries	**125**	120
Total audit fees	**493**	475
Audit-related assurance services	**44**	42
Other assurance services	**6**	5
Total non-audit fees	**50**	47

Details of the Company's policy on the use of the auditor for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity was safeguarded are set out in the Audit Committee report on → **PAGE 93**. No services were provided pursuant to contingent fee arrangements.

Employee numbers and costs

The average monthly number of employees (including Executive Directors) was:

	2024 Number of employees	2023 Number of employees
Fee earning staff	**859**	829
Administrative and support staff	**563**	525
	1,422	1,354

Their aggregate remuneration comprised:

	Notes	2024 £'000	2023 £'000
Wages and salaries		**78,966**	71,712
Social security costs		**9,511**	8,153
Share-based payments	27	**1,549**	1,036
Defined contribution pension costs		**1,166**	1,023
		91,192	81,924

The following table details the aggregate remuneration charged in the year relating to the Executive Directors and Non-Executive Directors.

	2024 £'000	2023 £'000
Wages and salaries	**1,910**	1,983
Short-term non-monetary benefits	**45**	38
Share-based payments[1]	**1,031**	772
Pension benefits	**22**	21
	3,008	2,814

1 The 2023 comparative has been adjusted to remove related National Insurance charges to be on a consistent basis with the 2024 disclosure.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4. ADJUSTED ITEMS

Adjusted operating profit, adjusted operating profit margin, adjusted EBITDA, adjusted EBITDA margin, adjusted profit before tax, and adjusted earnings per share, exclude adjusted items. These APMs are defined, purpose explained and reconciled to statutory measures in Note 2 and Note 28. The following items have been classified as adjusted items in the period.

	2024 £'000	2023 £'000
Branch asset impairment charge[1]	–	3,410
Net property related / other (reversal)/charge[2]	(629)	671
Transaction related costs[3]	298	385
Total net adjusted items (credit)/charge	**(331)**	4,466

1 The 2023 branch asset impairment charge related to property and equipment (£1,037k) and right-of-use assets (£2,373k) as disclosed in Note 11 and 12, respectively.

2 Net property related / other (reversal)/charge includes dilapidations, rates, service charges and other unavoidable costs under onerous leases, offset by net gains on the disposal of IFRS 16 balances.

3 Transaction related costs relate to costs involved with the acquisition of Imagine and Haslams (2023: for the acquisition of Atkinson McLeod and Ludlow Thompson).

Net cash outflow from adjusted items during the year totalled £1.2 million (2023: £0.6 million).

5. FINANCE INCOME AND COSTS

	Notes	2024 £'000	2023 £'000
Finance income			
Interest income on cash and cash equivalents		266	340
Interest income on leasing arrangements	12	30	41
Total finance income		**296**	381
Finance costs			
Interest on borrowings		(812)	(306)
Interest on lease liabilities	12	(2,065)	(1,971)
Total finance costs		**(2,877)**	(2,277)
Net finance cost		**(2,581)**	(1,896)

6. TAXATION

Recognised in the group income statement

The components of the tax charge recognised in the Group comprehensive income statement are:

	2024 £'000	2023 £'000
Current tax		
Current period UK corporation tax	**4,546**	2,684
Adjustment in respect of prior periods	**(1,029)**	160
Total current tax charge	**3,517**	2,844
Deferred tax		
Origination and reversal of temporary differences	**(473)**	(471)
Impact of change in tax rate	**–**	(24)
Adjustment in respect of prior periods	**439**	55
Total deferred tax (credit)	**(34)**	(440)
Tax charge on profit on ordinary activities	**3,483**	2,404

Corporation tax for the year ended 31 December 2024 is calculated at 25% (2023: 23.5%) of the estimated taxable profit for the period.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021. For the financial year ended 31 December 2024 the tax rate was 25% (2023: the weighted average tax rate was 23.5%). Deferred tax at the balance sheet date has been measured using this enacted tax rate.

Reconciliation of effective tax charge

The tax on the Group's profit before tax differs from the standard UK corporation tax rate of 25% (2023: 23.5%), because of the following factors:

	2024 £'000	2023 £'000
Profit before tax from continuing operations	**17,485**	7,894
Tax at the UK corporation tax rate (see above)	**4,371**	1,855
Tax effect of expenses that are not deductible	**392**	483
Tax effect of non-taxable income	**(280)**	(12)
Other differences – share awards	**(59)**	(51)
Adjustment in respect of previous periods	**(590)**	215
Impact on deferred tax of change in tax rate	**–**	(24)
Recognition of a deferred tax asset	**(351)**	(62)
Tax charge on profit on ordinary activities	**3,483**	2,404
Effective tax rate	**19.9%**	30.5%

Group relief is claimed and surrendered between Group companies for consideration equal to the tax benefit.

Tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly credited to equity is £941k (2023: £248k), comprising £750k (2023: £248k) of deferred tax and £191k (2023: £nil) of current tax. This relates to share-based payment schemes.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Deferred tax

Deferred tax assets and liabilities are only offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2024 £'000	2023 £'000
Deferred tax assets	**2,738**	1,905
Deferred tax liabilities	**(29,503)**	(28,153)
Net deferred tax	**(26,765)**	(26,248)

Deferred tax liabilities relate to the intangible assets of the Foxtons brand and purchased customer contracts and relationships, which have an indefinite life and a range of definite lives respectively. The deferred tax liability relating to the Foxtons brand will not reverse unless the Foxtons brand is impaired or sold by the Group, and the deferred tax liability relating to purchased customer contracts and relationships will unwind over the range of amortisation periods of the respective assets.

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting periods.

	Fixed assets £'000	Other temporary differences £'000	Tax losses carried forward £'000	Intangible assets £'000	Total £'000
At 31 December 2022	(5)	183	1,208	(27,049)	(25,663)
(Charge)/credit to profit or loss	110	210	(238)	358	440
Charge to equity	–	248	–	–	248
Additions through business combinations	–	189	–	(1,462)	(1,273)
At 31 December 2023	**105**	**830**	**970**	**(28,153)**	**(26,248)**
Credit/(charge) to profit or loss	**(36)**	**491**	**(36)**	**(385)**	**34**
Charge to equity	**–**	**750**	**–**	**–**	**750**
Additions through business combinations (see Note 13)	**–**	**(336)**	**–**	**(965)**	**(1,301)**
At 31 December 2024	**69**	**1,735**	**934**	**(29,503)**	**(26,765)**

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences to the extent that it is probable that these assets will be recovered through future taxable profits.

A deferred tax asset totalling £0.9 million (2023: £1.0 million) has been recognised in relation to tax losses brought forward. This relates to gross £3.7 million (2023: £3.9 million) of unused non-trade deficits in Foxtons Intermediate Holdings Limited at 31 December 2024.

Foxtons Intermediate Holdings Limited has £30.6 million of unused losses (2023: £32.0 million) for which a deferred tax asset has not been recognised on the basis that it is not considered probable that there will be future taxable profits available. These losses may be carried forward indefinitely.

Current tax receivable is £2.2m (2023: payable of £0.1m) arising from utilisation of accelerated capital allowances across FY22, FY23 and FY24.

7. ASSETS CLASSIFIED AS HELD FOR SALE

The table below summarises the movement in the assets held for sale in the year.

	2024 £'000	2023 £'000
At 1 January	**450**	–
Transfer from Property, plant and equipment	**–**	450
Disposal	**(450)**	–
At 31 December	**–**	450

As at 31 December 2023, a freehold property with a carrying value of £450k was being actively marketed and this met the criteria for IFRS 5 assets held for sale. In May 2024 the property was sold for £570k and a gain of £120k was recognised in the consolidated statement of comprehensive income.

8. DIVIDENDS

	2024 £'000	2023 £'000
Final dividend for the year ended 31 December 2023: 0.70p (31 December 2022: 0.70p) per ordinary share	**2,119**	2,122
Interim dividend for the year ended 31 December 2024: 0.22p (31 December 2023: 0.20p) per ordinary share	**668**	603
	2,787	2,725

For 2024, the Board has proposed a final dividend of 0.95p per ordinary share (£2.9 million) to be paid on 16 May 2025.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, excluding own shares held.

Diluted earnings per share is calculated by dividing the earnings attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period, excluding own shares held, plus the weighted average number of ordinary shares that would be issued on conversion of all the potentially dilutive ordinary share awards into ordinary shares. The Company's potentially dilutive ordinary shares are in respect of share awards granted to employees.

As explained in Note 1.19, the definition of adjusted earnings per share has been updated in the year to exclude the amortisation of acquired intangibles. The 2023 comparative has been restated as detailed within this note to ensure a fair comparison.

	2024 £'000	Restated[2,3] 2023 £'000
Profit for the purposes of basic and diluted earnings per share	**14,002**	5,490
Adjusted for:		
Adjusted items (including associated taxation)[1]	**(314)**	3,585
Amortisation of acquired intangibles (including associated taxation) (refer to Note 2)	**1,563**	1,047
Adjusted earnings for the purposes of adjusted earnings per share[2]	**15,251**	10,122

Number of shares	**2024**	2023
Weighted average number of ordinary shares for the purposes of basic earnings per share	**302,867,437**	302,039,983
Effect of potentially dilutive ordinary shares	**6,899,138**	12,877,904
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**309,766,575**	314,917,887
Earnings per share (basic)	**4.6p**	1.8p
Earnings per share (diluted)	**4.5p**	1.7p
Adjusted earnings per share (basic)[3]	**5.0p**	3.4p
Adjusted earnings per share (diluted)[3]	**4.9p**	3.2p

1 Adjusted items credit of £331k (2023: £4,466k charge) per Note 4, and associated tax charge of £17k (2023: £881k credit), resulting in an after tax credit of £314k (2023: £3,585k charge).

2 The 2023 'adjusted earnings for the purposes of adjusted earnings per share' comparative has been restated to exclude the amortisation of acquired intangibles net of tax of £1,047k, increasing the metric from £9,075k (as presented in 2023) to £10,122k.

3 The 2023 'adjusted earnings per share (basic and diluted)' has been restated to reflect the adjusted earnings noted above. The 2023 adjusted earnings per share (basic) has increased from 3.0p to 3.4p and 2023 adjusted earnings per share (diluted) has increased from 2.9p to 3.2p.

10. GOODWILL AND OTHER INTANGIBLE ASSETS

2024	**Goodwill £'000**	**Brand £'000**	**Software £'000**	**Assets under construction £'000**	**Customer contracts and relationships £'000**	**Total £'000**
Cost						
At 1 January 2024	**50,528**	**99,000**	**3,007**	**1,487**	**17,925**	**171,947**
Fair value adjustments[1]	**(577)**	**–**	**–**	**–**	**–**	**(577)**
Additions	**–**	**–**	**–**	**1,565**	**–**	**1,565**
Acquired through business combinations (refer to Note 13)	**12,146**	**–**	**–**	**–**	**3,857**	**16,003**
Transfer	**–**	**–**	**228**	**(228)**	**–**	**–**
At 31 December 2024	**62,097**	**99,000**	**3,235**	**2,824**	**21,782**	**188,938**
Accumulated amortisation and impairment losses						
At 1 January 2024	**9,819**	**–**	**2,193**	**–**	**4,329**	**16,341**
Amortisation	**–**	**–**	**218**	**–**	**2,084**	**2,302**
At 31 December 2024	**9,819**	**–**	**2,411**	**–**	**6,413**	**18,643**
Net carrying value						
At 31 December 2024	**52,278**	**99,000**	**824**	**2,824**	**15,369**	**170,295**
At 1 January 2024	**40,709**	**99,000**	**814**	**1,487**	**13,596**	**155,606**

1 Fair value adjustment relating to prior year acquisitions arising from an adjustment to deferred consideration within the 12-month window from acquisition date. Refer to Note 13 for further details on the prior year acquisitions.

2023	Goodwill £'000	Brand £'000	Software £'000	Assets under construction £'000	Customer contracts and relationships £'000	Total £'000
Cost						
At 1 January 2023	35,869	99,000	2,244	755	12,041	149,909
Additions	–	–	763	732	–	1,495
Acquired through business combinations	14,659	–	–	–	5,884	20,543
At 31 December 2023	50,528	99,000	3,007	1,487	17,925	171,947
Accumulated amortisation and impairment losses						
At 1 January 2023	9,819	–	1,798	–	2,933	14,550
Amortisation	–	–	395	–	1,396	1,791
At 31 December 2023	9,819	–	2,193	–	4,329	16,341
Net carrying value						
At 31 December 2023	40,709	99,000	814	1,487	13,596	155,606
At 1 January 2023	26,050	99,000	446	755	9,108	135,359

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Annual impairment review

a) Carrying value of goodwill and intangible assets with indefinite lives

The carrying values of goodwill and intangible assets with indefinite lives as at 31 December are summarised below.

	2024 £'000	2023 £'000
Lettings goodwill	**52,278**	40,709
Brand asset – Sales and Lettings	**99,000**	99,000
	151,278	139,709

- Lettings goodwill is allocated to the Lettings CGU and tested at this level. This allocation represents the lowest level at which goodwill is monitored for internal management purposes and is not larger than an operating segment.
- The brand asset has been tested for impairment by aggregating the values in use relating to the Lettings and Sales CGUs. No brand value is allocated to the Financial Services CGU since the Foxtons brand only relates to the Sales and Lettings CGUs. This grouping represents the lowest level at which management monitors the brand internally and reflects the way in which the brand asset is viewed, rather than being allocated to each segment on an arbitrary basis.

b) Impairment review approach and outcome

The Group tests goodwill and the indefinite life brand asset annually for impairment, or more frequently if there are indicators of impairment, in accordance with IAS 36 'Impairment of Assets'.

The Group has determined the recoverable amount of each CGU from value in use calculations. The value in use calculations use cash flow projections from formally approved budgets and forecasts covering a five-year period, with a terminal growth rate after five years. The resultant cash flows are discounted using a pre-tax discount rate appropriate to the CGUs.

Following the annual impairment review performed as at 30 September 2024, there has been no impairment of the carrying amount of goodwill or the brand asset.

c) Impairment review assumptions

The assumptions used in the annual impairment review are detailed below:

- **Cash flow assumptions**

The key variables in determining the cash flows are Lettings revenues, Sales revenues and the associated direct costs incurred during the forecast period. These assumptions are based upon a combination of past experience of observable trends and expectations of future changes in the market. Key assumptions are as follows:

  - Sales revenue increases by a CAGR (compound average growth rate) of 7.9% as the market recovers 7.1% in 2025 and 2.5% annually from there and market share growth continues.
  - Within the Sales revenue assumption, house prices are assumed to increase 1.5% annually.
  - Lettings revenue is assumed to grow at a CAGR of 3.2% over the forecast period, excluding future Lettings portfolio acquisitions that must be excluded from forecast cash flows under the relevant accounting standard.

- **Long-term growth rates**

To evaluate the recoverable amounts of each CGU, a terminal value has been assumed after the fifth year and includes a long-term growth rate in the cash flows of 2.0% (2023: 2.0%) into perpetuity.

The long-term growth rate is derived from management's estimates, which take into account the long-term nature of the market in which each CGU operates and external long-term growth forecasts.

- **Discount rates**

In accordance with IAS 36, the pre-tax discount rate applied to the cash flows of each CGU is based on the Group's weighted average cost of capital (WACC) and is calculated using a capital asset pricing model and incorporates lease debt held under IFRS 16. The WACC has been adjusted to reflect risks specific to each CGU not already reflected in the future cash flows for that CGU.

The pre-tax discount rate used to discount Lettings cash flows used in the assessment of Lettings goodwill is 17.6% (2023: 17.1%). The pre-tax discount rate used to discount aggregated Sales and Lettings cash flows used in the assessment of the brand asset is 17.6% (2023: 17.1%). The year-on-year increase in the discount rate is attributable to market changes in WACC inputs, primarily the adjusted beta.

d) Sensitivity analysis

Sensitivity analysis has been performed to assess whether the carrying values of goodwill and the brand asset are sensitive to reasonably possible changes in key assumptions and whether any changes in key assumptions would materially change the carrying values. Lettings goodwill showed significant headroom against all sensitivity scenarios, while the brand asset is sensitive to reasonably possible changes in key assumptions.

The key assumption in the brand impairment assessment is the forecast revenues for the Lettings and Sales businesses. The carrying value of the brand asset is not highly sensitive to changes in discount rates or long-term growth rates.

The impairment model indicates brand asset headroom of £58.6 million (2023: £60.4 million) or 35% (2023: 38%) of the carrying value under test. Cash flows are sourced from the Group's Board approved plan while also complying with the requirements of the relevant accounting standard.

Assuming no changes in other elements of the plan, the brand asset headroom would reduce to zero if the combined revenue CAGR over the forecast period reduces from 4.8% to 3.0%. Under a reasonably possible downside scenario, Sales revenue would grow by 10.9% in 2025 (base: 17.3%) reflecting a possible, but pessimistic, sales market downside view, Lettings revenue growth is limited to 1% and the Group takes appropriate mitigating actions, such as reducing discretionary spend and direct costs, the brand asset headroom would be reduced to £10.2 million.

11. PROPERTY, PLANT AND EQUIPMENT

2024	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Assets under construction £'000	Total £'000
Cost					
At 1 January 2024	35,083	12,965	–	–	48,048
Additions	297	228	–	581	1,106
Acquired through business combinations (refer to Note 13)	61	–	–	–	61
Transferred into use	509	72	–	(581)	–
At 31 December 2024	35,950	13,265	–	–	49,215
Accumulated depreciation and impairment losses					
At 1 January 2024	28,767	9,822	–	–	38,589
Depreciation	1,581	961	–	–	2,542
At 31 December 2024	30,348	10,783	–	–	41,131
Net carrying value					
At 31 December 2024	5,602	2,482	–	–	8,084
At 1 January 2024	6,316	3,143	–	–	9,459

Assets with a net book value of £nil (2023: £17k) were disposed of during the year. Proceeds of £37k (2023: £nil) gave rise to a gain on disposal of £37k (2023: loss on disposal of £17k).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2023	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Assets under construction £'000	Total £'000
Cost					
At 1 January 2023	35,666	11,221	14	1,213	48,114
Additions	372	1,033	–	716	2,121
Acquired through business combinations	549	–	–	–	549
Disposals	(1,689)	(583)	(14)	–	(2,286)
Reclassified as assets held for sale[1]	(450)	–	–	–	(450)
Transferred into use	635	1,294	–	(1,929)	–
At 31 December 2023	35,083	12,965	–	–	48,048
Accumulated depreciation and impairment losses					
At 1 January 2023	27,788	9,620	14	–	37,422
Depreciation	1,622	777	–	–	2,399
Disposals	(1,676)	(579)	(14)	–	(2,269)
Impairment	1,033	4	–		1,037
At 31 December 2023	28,767	9,822	–	–	38,589
Net carrying value					
At 31 December 2023	6,316	3,143	–	–	9,459
At 1 January 2023	7,878	1,601	–	1,213	10,692

1 As at 31 December 2023, a freehold property with a carrying value of £450k was being actively marketed and met the IFRS 5 assets held for sale criteria. In May 2024 this property was sold for £570k. See Note 7.

12. LEASES

Group as a lessee

The Group has lease contracts for its head office, branches and for motor vehicles used in its operations. With the exception of short-term leases, each lease is recognised on the balance sheet with a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 11).

Generally, the right-of-use assets can only be used by the Group, unless there is a contractual right for the Group to sub-lease the asset to another party. The Group is also prohibited from selling or pledging the leased assets as security.

Right-of-use assets

The carrying amounts of the right-of-use assets recognised and the movements during the year are outlined below:

	Property £'000	Motor vehicles £'000	Total £'000
At 1 January 2023	38,453	4,117	42,570
Additions	5,701	7,831	13,532
Acquired through business combinations	1,891	–	1,891
Lease modifications	(298)	–	(298)
Disposals	(1,845)	(495)	(2,340)
Depreciation	(7,012)	(3,499)	(10,511)
Impairment charge	(2,373)	–	(2,373)
At 31 December 2023	**34,517**	**7,954**	**42,471**
Additions	**2,396**	**3,475**	**5,871**
Acquired through business combinations (refer to Note 13)	**921**	**80**	**1,001**
Lease modifications	**(84)**	**534**	**450**
Disposals	**(242)**	**(245)**	**(487)**
Depreciation	**(6,754)**	**(3,930)**	**(10,684)**
At 31 December 2024	**30,754**	**7,868**	**38,622**

Lease liabilities

The carrying amounts of lease liabilities recognised and the movements during the year are outlined below:

	Property £'000	Motor vehicles £'000	Total £'000
At 1 January 2023	42,189	4,272	46,461
Additions	5,609	7,831	13,440
Acquired through business combinations	1,891	–	1,891
Lease modifications	(574)	–	(574)
Disposals	(2,577)	(486)	(3,063)
Interest charge	1,771	200	1,971
Payments	(8,832)	(3,693)	(12,525)
At 31 December 2023	**39,477**	**8,124**	**47,601**
Additions	**2,367**	**3,475**	**5,842**
Acquired through business combinations (refer to Note 13)	**921**	**80**	**1,001**
Lease modifications	**(73)**	**535**	**462**
Disposals	**(799)**	**(241)**	**(1,040)**
Interest charge	**1,683**	**382**	**2,065**
Payments	**(9,012)**	**(4,155)**	**(13,167)**
At 31 December 2024	**34,564**	**8,200**	**42,764**
Current	**7,584**	**3,770**	**11,354**
Non-current	**26,980**	**4,430**	**31,410**

During the year ended 31 December 2024, the difference in lease modifications movements recognised within right-of-use assets and lease liabilities, totalling £nil (2023: £0.3 million), is recognised as an adjusted item and included in the net property related charge within Note 4.

Of the movements in the year, cash payments with respect to principal lease instalments totalling £13.2 million were made (2023: £12.5 million) and the remaining net movement in lease liabilities of £8.3 million (2023: £13.7 million) was non-cash in nature.

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments which fall due as follows:

	2024 £'000	2023 £'000
Maturity analysis – contractual undiscounted cash flows		
Within one year	**13,101**	12,488
In the second to fifth years inclusively	**27,032**	31,007
After five years	**8,282**	14,739
	48,415	58,234

The Group has elected not to recognise a lease liability for short-term leases (expected lease term is 12 months or less), in line with the IFRS 16 short-term lease exemption. Payments made under such leases are expensed on a straight-line basis. At 31 December 2024, the Group had a commitment of less than £0.1 million (2023: less than £0.1 million) in relation to short-term leases.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Amounts recognised in profit or loss

The following are the amounts recognised in profit or loss during the year, in respect of the leases held by the Group as a lessee:

	2024 £'000	2023 £'000
Depreciation of right-of-use assets	**10,684**	10,511
Net impairment of right-of-use assets[1]	**–**	2,373
Interest expense on lease liabilities	**2,065**	1,971
Expenses relating to short-term leases	**915**	1,438
Total amount recognised in profit or loss	**13,664**	16,293

1 Net impairment of right-of-use assets is classified as an adjusted item due to the one-off nature and is included in the branch asset impairment charge within Note 4.

The Group as an intermediate lessor

Finance lease receivables

The Group is an intermediate lessor for various lease arrangements considered to be finance sub-leases. The amounts recognised in the profit or loss during the year are outlined below:

	2024 £'000	2023 £'000
Finance income under finance sub-leases recognised in the year	**30**	41

As at 31 December 2024 and 2023, third parties had outstanding commitments due to the Group for future undiscounted minimum lease payments, which fall due as follows:

	2024 £'000	2023 £'000
Within one year	**171**	210
In the second to fifth years inclusive	**580**	606
After five years	**206**	351
	957	1,167

13. BUSINESS COMBINATIONS

On 28 October 2024 the Group acquired 100% of the share capital of the following independent London estate agents which are primarily focused on the commuter towns of Reading and Watford:

- Haslams Estate Agents (Thames Valley) Limited and subsidiaries ('Haslams');
- Imagine Property Group Limited ('Imagine').

The acquisitions are in line with the Group's strategy of acquiring high quality businesses with strong lettings portfolios.

The provisional purchase price allocation exercise for both acquisitions has been completed which identified a total of £3.9 million of acquired intangible assets relating to customer contracts and relationships, which are identifiable and separable, and will be amortised over ten years.

The discount rates applied to the forecast cash flows from the acquired customer contracts and relationships are based on the respective acquired entities' weighted average cost of capital (WACC), calculated using a capital asset pricing model. The WACC has been adjusted to reflect risks specific to Haslams and Imagine not already reflected in the future cash flows.

£7.0 million and £5.2 million of goodwill has arisen on the acquisitions of Haslams and Imagine, respectively, and is primarily attributable to synergies, new customers, the acquired workforce and business expertise. The acquired goodwill has been allocated for impairment testing purposes to the Group's Lettings cash-generating unit which is expected to benefit from the synergies of the combination. None of the goodwill is expected to be deductible for tax purposes.

Business combinations – contribution to 2024

From the date of acquisition, 28 October 2024, the Haslams business combination contributed £1.1 million of revenue and £0.3 million adjusted operating profit to the Group's performance for the year. If the acquisition had taken place at the beginning of the year, revenue for the year would have been £6.2 million and adjusted operating profit would have been £0.8million.

From the date of acquisition, 28 October 2024, the Imagine business combination contributed £0.6 million of revenue and £0.1 million adjusted operating profit to the Group's performance for the year. If the acquisition had taken place at the beginning of the year, revenue for the period would have been £3.4 million and adjusted operating profit would have been £0.7 million.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities as at the respective dates of acquisition are disclosed below. The fair value of the identifiable assets and liabilities are estimated by taking into consideration all available information at the reporting date.

	Haslams £'000	Imagine £'000	Total £'000
Assets			
Acquired intangible assets recognised on acquisition	2,797	1,060	3,857
Property, plant and equipment	61	–	61
Right-of-use assets	909	92	1,001
Cash and cash equivalents	377	865	1,242
Trade and other receivables	460	177	637
Contract assets	634	561	1,195
	5,238	2,755	7,993
Liabilities			
Trade and other payables	(774)	(533)	(1,307)
Contract liabilities	(13)	(12)	(25)
Lease liabilities	(909)	(92)	(1,001)
Current tax liabilities	272	(282)	(10)
Deferred tax liabilities (net)	(878)	(423)	(1,301)
Provisions	(240)	(325)	(565)
	(2,542)	(1,667)	(4,209)
Total identifiable net assets at fair value	2,696	1,088	3,784
Goodwill arising on acquisition	6,968	5,178	12,146
Fair value of consideration	9,664	6,266	15,930

The acquired lease liabilities were measured using the present value of the remaining lease payments as at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities, less any acquisition related adjustments.

The net deferred tax liabilities mainly comprise the tax effect of the accelerated amortisation for tax purposes of the acquired intangible assets recognised on acquisition and the deferred tax liabilities recognised on the acquired net contract assets.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Purchase consideration

	Haslams £'000	Imagine £'000	Total £'000
Amount settled in cash	7,434	5,141	12,575
Contingent cash consideration	2,230	1,125	3,355
Fair value of consideration	**9,664**	**6,266**	**15,930**

Purchase consideration settled in cash during the year was £12.6 million as shown in the table above. Consideration paid in the year, net of cash acquired, was £11.3 million and is included in cash flows from investing activities.

As part of the purchase agreement with the previous owners of both Haslams and Imagine, an estimated £3.4 million of contingent cash consideration will be payable 12 months after the acquisition date subject to certain performance targets being met. This contingent consideration of £3.4 million is included within trade and other payables.

Prior period acquisitions

As disclosed in Note 13 of the 2023 Annual Report and Accounts, on 3 March and 6 November 2023 respectively the Group acquired 100% of the share capital of the following independent London estate agents which are primarily focused on providing Lettings and Property Management services:

- Atkinson McLeod Limited ('Atkinson McLeod');
- Ludlow Thompson Holdings Limited and its subsidiaries Ludlowthompson SLM Ltd and Ludlowthompson.com Limited (collectively 'Ludlow Thompson').

A total deferred consideration of £1.4 million was paid in 2024, with a further estimated £0.8 million of deferred consideration remaining payable.

Analysis of cash flows on acquisition

	2024 £'000	2023 £'000
Cash consideration	(12,575)	(13,769)
Cash acquired in subsidiaries	1,242	1,306
Current year acquisitions of subsidiaries, net of cash acquired	(11,333)	(12,463)
Deferred consideration paid in relation to prior year acquisitions	(1,371)	(1,472)
Acquisitions of subsidiaries, net of cash acquired (included in cash flows from investing activities)	(12,704)	(13,935)
Transaction costs of the acquisitions paid in the year (included in cash flows from operating activities)[1]	(295)	(285)
Net cash flow on acquisitions	**(12,999)**	**(14,220)**

1 Transaction costs are presented within adjusted items set out in Note 4.

14. INVESTMENTS

	2024 £'000	2023 £'000
At 1 January	31	6
Additions	–	25
At 31 December	**31**	**31**

In 2023 the Group invested £25k in Global Property Ventures Limited (trading as Zero Deposits).

15. SUBSIDIARIES

Investments in subsidiaries as at 31 December 2024 are summarised below:

Name	Place of incorporation and operation	Principal activity	Proportion of ownership interest held in ordinary shares %	Proportion of voting power held %
Foxtons Intermediate Holdings Limited[1]	United Kingdom	Holding company	100%	100%
Foxtons Operational Holdings Limited	United Kingdom	Holding company	100%	100%
Foxtons Limited	United Kingdom	Estate agency	100%	100%
Alexander Hall Associates Limited	United Kingdom	Financial services	100%	100%
Alexander Hall Direct Limited	United Kingdom	Dormant	100%	100%
London Stone Properties Limited	United Kingdom	Dormant	100%	100%
London Stone Property Sales Limited	United Kingdom	Dormant	100%	100%
Stones Residential Holdings Limited	United Kingdom	Dormant	100%	100%
Stones Residential (Stanmore) Limited	United Kingdom	Estate agency	100%	100%
IMM Properties Ltd.	United Kingdom	Dormant	100%	100%
Atkinson McLeod Limited	United Kingdom	Estate agency	100%	100%
Ludlow Thompson Holdings Limited	United Kingdom	Holding company	100%	100%
Ludlowthompson SLM Ltd	United Kingdom	Estate agency	100%	100%
Ludlowthompson.com Limited	United Kingdom	Estate agency	100%	100%
Haslams Estate Agents (Thames Valley) Limited	United Kingdom	Holding company	100%	100%
Haslams Estate Agents Limited	United Kingdom	Estate agency	100%	100%
Michael Hardy & Company (Lettings) Limited	United Kingdom	Estate agency	100%	100%
Michael Hardy & Company (Wokingham) Limited	United Kingdom	Estate agency	100%	100%
Imagine Property Group Limited	United Kingdom	Estate agency	100%	100%

1 Direct holding of Foxtons Group plc. All other subsidiaries are indirect holdings.

All subsidiaries except those listed below, have their registered office at Building One, Chiswick Park, 566 Chiswick High Road, London, W4 5BE.

Alexander Hall Associates Limited registered office is 137-144 High Holborn, London, WC1V 6PL.

Ludlow Thompson Holdings Limited, Ludlowthompson SLM Ltd and Ludlowthompson.com Limited have their registered office at Suite G03/G04 Oak House, Bridgwater Road, Worcester, England, WR4 9FP.

Haslams Estate Agents (Thames Valley) Limited and Haslams Estate Agents Limited have their registered office at 159 Friar Street, Reading, Berkshire, RG1 1HE.

Michael Hardy & Company (Lettings) Limited and Michael Hardy & Company (Wokingham) Limited have their registered office at 9 Broad Street, Wokingham, Berkshire, RG40 1AU.

Imagine Property Group Limited registered office is Block B, 26 Wilmington Close, Watford, WD18 0FQ.

During 2024, Group subsidiaries namely Pillars Estates Ltd, Aston Rowe Holdings Limited, Aston Rowe Limited, Foxtons Ruby Limited and IMM Properties Investment Limited were dissolved via voluntary strike-off.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Subsidiary audit exemptions

The following UK subsidiary undertakings are exempt from the requirements of the Companies Act 2006 (the Act) relating to the audit of individual accounts by virtue of section 479A of the Act.

Name	Company number
London Stone Properties Limited	06431946
London Stone Property Sales Limited	09653811
Stones Residential Holdings Limited	08823115
Stones Residential (Stanmore) Limited	04141139
IMM Properties Ltd.	04078132
Atkinson McLeod Limited	04242670
Ludlow Thompson Holdings Limited	07369596
Ludlowthompson SLM Ltd	05955309
Ludlowthompson.com Limited	06959011
Haslams Estate Agents (Thames Valley) Limited	10960874
Haslams Estate Agents Limited	02957717
Michael Hardy & Company (Lettings) Limited	03731054
Michael Hardy & Company (Wokingham) Limited	01867303
Imagine Property Group Limited	10313168

The Company will guarantee all outstanding liabilities that these subsidiaries are subject to as at the financial year ended 31 December 2024 in accordance with section 479C of the Act, as amended by the Companies and Limited Liability Partnerships (Accounts and Audit Exemptions and Change of Accounting Framework) Regulations 2012. In addition, the Company will guarantee any contingent and prospective liabilities that these subsidiaries are subject to.

The following UK subsidiary undertakings are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 480 of the Act.

Name	Company number
Alexander Hall Direct Limited	03790471

16. TRADE AND OTHER RECEIVABLES

	2024 £'000	2023 £'000
Trade receivables	**13,201**	12,526
Less: Expected credit loss allowance	**(3,058)**	(3,103)
Net trade receivables	**10,143**	9,423
Prepayments	**4,853**	5,132
Other receivables	**1,713**	2,877
	16,709	17,432

Trade receivables without a significant financing component are classified and held at amortised cost, being initially measured at the transaction price and subsequently measured at amortised cost less any associated expected credit loss allowance. Credit losses are measured at the present value of all cash shortfalls.

Trade receivables are considered past due once they have passed their contracted due date. Amounts invoiced to customers on exchange of sales contracts or signing of lettings contracts are due immediately.

Impairment of trade receivables

For Sales, the majority of our receivables are received directly from the conveyancing solicitor working on behalf of the seller from completion monies. This process facilitates the prompt collection of receivables. For Lettings, the vast majority of receivables are collected through rental payments from tenants, which are used to recover commission receivables prior to being paid away to landlords.

The Group applies the simplified IFRS 9 approach in measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of customer type with shared credit risk characteristics. The expected credit loss rates are based on the corresponding historical credit losses over an appropriate period, taking into account the different grouping of customers, and are adjusted to reflect current and forward looking macro-economic factors affecting the customers' ability to settle the amounts outstanding. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade receivables are written off when there is no reasonable expectation of recovery. The Group does not hold any collateral or other credit enhancements over any of its trade receivables, nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

A summary of the Group's trade receivables and credit loss allowances is set out below.

31 December 2024	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**More than 120 days past due**	**Total**
Gross carrying amount (£'000)	**6,374**	**1,216**	**787**	**688**	**4,136**	**13,201**
Expected credit loss rate	**3%**	**5%**	**14%**	**27%**	**61%**	**23%**
Expected credit loss allowance (£'000)	**(185)**	**(66)**	**(113)**	**(183)**	**(2,511)**	**(3,058)**

31 December 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
Gross carrying amount (£'000)	5,636	1,523	857	594	3,916	12,526
Expected credit loss rate	3%	7%	10%	24%	67%	25%
Expected credit loss allowance (£'000)	(151)	(103)	(88)	(141)	(2,620)	(3,103)

The movement in the expected credit loss allowance is set out below.

	Expected credit loss allowance £'000
At 31 December 2022	(3,019)
Amounts provided for during the period	(235)
Amounts utilised during the period	151
At 31 December 2023	**(3,103)**
Amounts provided for during the period	**(341)**
Amounts utilised during the period	**386**
At 31 December 2024	**(3,058)**

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Trade debtor days at the year end were 23 days (2023: 23 days).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

17. TRADE AND OTHER PAYABLES

	2024 £'000	Restated[1] 2023 £'000
Trade creditors	**4,201**	4,884
Social security and other taxes	**3,349**	3,026
VAT payable	**1,511**	1,368
Contingent and deferred consideration	**4,106**	2,739
Accruals	**10,549**	8,413
Other creditors	**205**	873
	23,921	21,303

1 The December 2023 comparatives for accruals and other creditors have been restated to better reflect the nature of the balances.

The Directors consider that the carrying amount of trade payables approximates fair value. The average trade creditor days as at 31 December 2024 were 25 days (2023: 28 days).

18. BORROWINGS

	2024 £'000	Restated[1] 2023 £'000
Current:		
Freehold mortgage	–	40
Total borrowings due within one year	–	40
Non-current:		
Revolving credit facility	**18,180**	11,769
Transaction costs	**(172)**	(127)
Freehold mortgage	–	98
Total borrowings due in more than one year	**18,008**	11,740
Total borrowings	**18,008**	11,780

1 As noted below, the 31 December 2023 comparative has been restated to reflect an IAS 1 amendment with all borrowings presented as non-current, except for £40k. The 2023 borrowings were presented as £11,682k (current) and £98k (non-current) within the 2023 financial statements.

During the period, the Company increased the revolving credit facility (RCF) from £20 million to £30 million and extended it by one year from June 2026 to June 2027. The RCF attracts a margin of 1.65% above SONIA and is unsecured. The facility is available for use until June 2027 and has an option to extend for a further year to June 2028, as well as an accordion facility to increase the facility size to £40 million subject to bank approval.

The RCF is subject to a leverage covenant (net debt to adjusted EBITDA not to exceed 1.75) and an interest cover covenant (adjusted EBITDA to interest not to be less than 4) as defined in the facility agreement. Both covenants are calculated using pre-IFRS 16 accounting principles as detailed within Note 28. The Group has been compliant with covenants throughout the period.

The IAS 1 amendments, effective from 1 January 2024, clarified the requirements relating to the classification of liabilities subject to covenants where the entity has the right defer settlement. The Group has the right to defer settlement of the RCF providing that the covenants are met. The Group was in compliance with the covenants at 31 December 2024 (leverage covenant 0.5x and interest cover 29x) and as such the RCF liability has been classified as non-current. The Group was also in compliance with the covenants as of 31 December 2023 (leverage covenant 0.4x and interest cover 59x). As the IAS 1 amendments are applied retrospectively, the comparative has been restated.

19. CONTRACT ASSETS AND LIABILITIES

Contract assets

At 31 December 2024, the Group recognised contract assets of £24.2 million (2023: £19.0 million), as summarised and explained below.

	2024 £'000	2023 £'000
Lettings: Unbilled commission	**23,930**	18,818
Sales: Off plan new homes commission	**257**	186
	24,187	19,004

- **Lettings: Unbilled commission**
  Commission for securing a tenancy for the landlord representing unbilled commission revenue due to the Group for the non-cancellable contract period. The increase in contract assets has been driven by a focus on securing longer tenancy terms, and the introduction of shorter billing periods for landlords opting to agree to longer tenancy terms.
- **Sales: Off plan new homes commission**
  As explained in Note 1.9, commissions for sales of new homes purchased off-plan is treated as variable consideration under IFRS 15. For these contracts, it is necessary to constrain the consideration to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The table below summarises the movement in the contract assets in the period.

	2024 £'000	2023 £'000
At 1 January	**19,004**	7,376
Contract assets recognised in revenue	**20,288**	17,711
Contract assets invoiced	**(15,372)**	(6,096)
Acquired through business combination	**1,195**	1,061
Reclassification of expected credit loss provision[1]	**–**	(713)
Movement in expected credit loss provision	**(928)**	(335)
At 31 December	**24,187**	19,004

1 The 2023 amount represents reclassification of £0.7m from contract liabilities to contract assets which better reflects the nature of the balance.

Impairment of contract assets

As at 31 December 2024, the Group recognised an expected credit loss provision of £2.5 million (2023: £1.6 million). Management assesses expected credit losses using the relevant IFRS 9 'Financial Instruments' guidance with reference to historical loss rates and forward-looking loss estimates. Forward-looking loss estimates consider broader economic factors and the possible impact of the Renters' Rights Bill which is being progressed through Parliament if tenants choose to exit their existing contracts earlier than originally anticipated, which may be permitted under the new legislation.

The expected credit loss provision represents 9% of the gross contract asset balance (2023: 8%). A 1% to 3% absolute increase in the expected credit loss provision rate, which is considered to be a reasonable range sensitivity, would result in a £0.3 million to £0.8 million increase in the expected credit loss provision which would primarily be caused by a change in the forward-looking loss factors.

Contract liabilities

At 31 December 2024, the Group recognised contract liabilities of £10.5 million (2023: £12.2 million) as summarised and explained below.

	2024 £'000	2023 £'000
Lettings: Securing a tenancy for the landlord	**6,977**	9,169
Lettings: Rent collection service	**2,119**	2,006
Other amounts deferred	**1,410**	1,034
	10,506	12,209

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

A contract liability is created when charges are raised for future periods during which either the landlord or tenant will have the ability to cancel the contract. During the cancellable period, the liability is reduced and revenue is realised for the duration that the deal remains uncancelled. If the deal is cancelled, the liability reduces to zero and the deferred revenue is reversed to commission refunds.

The nature of the contract liability balances are as follows:

- **Lettings: Securing a tenancy for the landlord**
  As explained in Note 1.9, the contracts the Group holds with landlords are considered to be 'cancellable contracts' under IFRS 15, due to the landlord having the ability to cancel the contract at any time once the non-cancellable period has passed. If the contract is cancelled, the landlord is refunded any initial amounts paid to the Group on a pro-rata basis.

  The contract liabilities relate to contracts where charges have been raised for future periods where the landlord has the ability to cancel the contracts.
- **Lettings: Rent collection service**
  The contract liabilities relate to charges raised in advance of rent collection performance obligations being satisfied. The remaining performance obligations will be performed over the course of the remaining tenancy period which is estimated to be 11 months.
- **Other amounts deferred**
  Other amounts deferred relate to the Group's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer or where the Group has a constructive obligation to a customer.

The table below splits the current and non-current classification of contract assets and contract liabilities with reference to when the asset or liability is expected to crystallise.

	2024 £'000	2023 £'000
Current contract assets	**18,579**	14,256
Non-current contract assets	**5,608**	4,748
Total contract assets	**24,187**	19,004
Current contract liabilities	**10,506**	11,770
Non-current contract liabilities	**–**	439
Total contract liabilities	**10,506**	12,209

20. PROVISIONS

	Provision for adjusted items £'000	**Other provisions £'000**	**Total £'000**
At 1 January 2024	**2,629**	**1,988**	**4,617**
Increase in provision	**501**	**662**	**1,163**
Acquired through business combinations (refer to Note 13)	**65**	**500**	**565**
Reversal of provision	**(673)**	**(213)**	**(886)**
Utilisation of provision	**(787)**	**(195)**	**(982)**
At 31 December 2024	**1,735**	**2,742**	**4,477**

	Provision for adjusted items £'000	Other provisions £'000	Total £'000
At 1 January 2023	1,414	1,857	3,271
Increase in provision	1,431	486	1,917
Acquired through business combinations	610	314	924
Reversal of provision	(183)	(367)	(550)
Utilisation of provision	(643)	(302)	(945)
At 31 December 2023	2,629	1,988	4,617

The balances are analysed as follows:

	2024 £'000	2023 £'000
Current	**2,156**	1,609
Non-current	**2,321**	3,008
	4,477	4,617

Provision for adjusted items

This provision relates to the dilapidations, rates, service charges and other unavoidable costs under onerous leases relating to branches that were no longer required. The provision is based on the present value of unavoidable costs payable during the lease term, after taking into account amounts expected to be recovered through sub-lease arrangements. The provision has an expected life of up to 14 years (2023: 15 years).

During the period a net provision reversal of £0.2 million (2023: £1.2 million charge) has been recognised as adjusted items. Refer to Note 4 for further details.

Other provisions

These provisions include mainly dilapidation provisions relating to the ongoing branch portfolio and other onerous provisions that are incurred in the ordinary course of business and legal provisions. Movement in the year mainly relates to dilapidation provisions.

21. SHARE CAPITAL

	2024 £'000	2023 £'000
Authorised, allotted, issued and fully paid:		
Ordinary shares of £0.01 each		
At 1 January and 31 December	**3,301**	3,301

As at 31 December 2024 the Company had 330,097,758 ordinary shares (2023: 330,097,758).

22. MERGER RESERVE AND OTHER RESERVES

	2024 £'000	2023 £'000
Merger reserve	**20,568**	20,568
Capital redemption reserve	**71**	71
Other capital reserve	**2,582**	2,582
	23,221	23,221

During the period, there were no movements in either the merger reserve, capital redemption or other capital reserve. Prior to the Company's initial public offering, a ratchet mechanism reduced the number of shares in issue resulting in a reduction in share capital and transfer to the other capital reserve.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23. OWN SHARES RESERVE

	2024 £'000	2023 £'000
Balance at 1 January	**12,092**	10,993
Acquired during the year	**–**	1,112
Settlement of share incentive plan	**(1,080)**	(13)
Balance at 31 December	**11,012**	12,092

The own shares reserve represents the cost of shares in the Company purchased in the market and held by either the Company or the Foxtons Group Employee Benefit Trust to satisfy awards under the Group's long term incentive schemes. The number of ordinary shares held by the Employee Benefit Trust at 31 December 2024 was 57,467 (2023: 57,467).

The number of ordinary shares held by the Company at 31 December 2024 was 26,192,151 (2023: 28,802,778).

24. FINANCIAL INSTRUMENTS

Categories of financial instruments

The categories of financial instruments, including contract assets and liabilities, held by the Group are as follows:

	2024 £'000	2023 £'000
Financial assets		
FVOCI financial assets	**31**	31
Cash and cash equivalents	**5,320**	4,989
Financial assets recorded at amortised cost	**36,043**	31,304
Financial liabilities		
Financial liabilities recorded at amortised cost	**(27,448)**	(27,112)
Borrowings	**(18,008)**	(11,780)
Lease liabilities	**(42,764)**	(47,601)

Management considers that the book value of financial assets and liabilities recorded at amortised cost and their fair value are approximately equal.

Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of the financial instruments held:

Level 1 – Quoted market prices

Level 2 – Valuation techniques (market observable)

Level 3 – Valuation techniques (non-market observable)

The Group held £31k of Level 3 financial instruments relating to unlisted shares in Global Property Ventures Limited at 31 December 2024 (2023: £31k). The Group does not hold any financial instruments categorised as Level 1 or 2 under IFRS 13 (2023: £nil).

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, undertake share buybacks, return capital to shareholders, issue new shares or negotiate debt facilities.

The capital structure of the Group consists of equity, comprising issued capital, reserves and retained earnings, and external borrowings.

A regulated subsidiary of the Group, Alexander Hall Associates Limited, is subject to externally imposed capital requirements. The required amount is calculated as 2.5% of the subsidiary's annual revenue as defined by the Financial Conduct Authority. As at 31 December 2024, the threshold was £233k (2023: £218k), for which the entity is in compliance.

Gearing ratio

The Group's gearing ratio, calculated as net debt divided by equity, at each period end is as follows:

	2024 £'000	2023 £'000
Net debt[1]	**(12,688)**	(6,791)
Equity	**138,979**	125,605
Gearing ratio	**9.1%**	5.4%

[1] As defined in Note 28, net debt is defined as cash and cash equivalents less external borrowings and excludes IFRS 16 lease liabilities.

Equity includes all capital and reserves of the Group that are managed as capital.

Financial risk management

The Group closely monitors cash requirements to ensure sufficient funds are held for the operations of the Group.

Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group earn interest on client deposits (see Note 26) and incur interest on RCF drawdowns based on a floating interest rate. The interest rate risk is managed by maintaining an appropriate level of gearing and mix of fixed/floating rate assets and borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments (cash and cash equivalents and client monies) at the statement of financial position date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the statement of financial position date was outstanding for the whole period.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's profit before tax and total equity for the 12 months ended 31 December 2024 would increase/decrease by £1.1 million/£1.1 million (2023: increase/decrease by £1.2 million/£1.2 million).

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Trade receivables and contract assets consist of a large number of customers and are monitored on an ongoing basis.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any counterparty did not exceed 1% of gross monetary assets at any time during the period.

The credit risk on liquid funds is considered to be limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk as no collateral or other credit enhancements are held.

Client monies (see Note 26) are held with financial institutions with high credit ratings assigned by international credit-rating agencies. The credit risk of banks cannot be totally eliminated. However, as the funds are client monies there is the additional protection of the Financial Services Compensation Scheme (FSCS) under which the government guarantees amounts of up to £85,000 each. This guarantee applies to each individual client deposit, not the sum total on deposit.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Additionally, the Group has access to a £30.0 million RCF (2023: £20.0 million) which expires in June 2027 with an option to extend for a further year. As at 31 December 2024 the Group had drawn down £18.0 million (31 December 2023: £11.7 million).

The Group's non-derivative financial liabilities consist of trade and other payables, contract liabilities and lease liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be unwound on those liabilities.

31 December 2024	**Carrying amounts £'000**	**Contractual cash flows £'000**	**Within 1 year £'000**	**1-2 years £'000**	**2-3 years £'000**	**3-4 years £'000**	**After 4 years £'000**
Trade and other payables[1]	**(19,061)**	**(19,061)**	**(19,061)**	**–**	**–**	**–**	**–**
Borrowings	**(18,008)**	**(18,180)**	**–**	**–**	**(18,180)**	**–**	**–**
Contract liabilities[2]	**(8,387)**	**(8,387)**	**(8,387)**	**–**	**–**	**–**	**–**
Lease liabilities	**(42,764)**	**(48,415)**	**(13,101)**	**(11,446)**	**(7,596)**	**(4,303)**	**(11,969)**
	(88,220)	**(94,147)**	**(40,653)**	**(11,446)**	**(25,776)**	**(4,303)**	**(11,969)**

31 December 2023	Carrying amounts £'000	Contractual cash flows £'000	Within 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	After 4 years £'000
Trade and other payables	(16,909)	(16,909)	(16,909)	–	–	–	–
Borrowings	(11,780)	(12,143)	(12,035)	(67)	(41)	–	–
Contract liabilities[2]	(10,203)	(10,203)	(9,764)	(439)	–	–	–
Lease liabilities	(47,601)	(58,235)	(12,488)	(11,595)	(9,308)	(6,278)	(18,566)
	(86,493)	(97,490)	(51,196)	(12,101)	(9,349)	(6,278)	(18,566)

1 This amount excludes £4.9 million (2023: £4.4 million) of non-contractual payables.

2 This amount excludes £2.1 million (2023: £2.0 million) of non-contractual liabilities.

25. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and, in accordance with IAS 24, are not disclosed in this note.

Remuneration of key management personnel

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24: 'Related Party Disclosures'. The definition of key management personnel extends to the Directors of the Company.

	2024 £'000	2023 £'000
Short-term employee benefits	**1,955**	2,021
Post-employment benefits	**22**	21
Share-based payments[1]	**1,031**	772
	3,008	2,814

1 The 2023 comparative has been adjusted to remove related National Insurance charges to be on a consistent basis with the 2024 disclosure.

26. CLIENT MONIES

At 31 December 2024, client monies held within the Group in approved bank accounts amounted to £127.2 million (31 December 2023: £122.4 million). Neither this amount, nor the matching liabilities to the clients concerned, are included in the consolidated statement of financial position since these funds belong to clients. Foxtons Limited's terms and conditions provide that any interest income received on these client monies accrues to the Company and is recognised in line with the accounting policy set out in Note 1.9.

Client monies are protected by the FSCS under which the government guarantees amounts up to £85,000 each. This guarantee applies to each individual client deposit, not the sum total on deposit.

27. SHARE-BASED PAYMENTS

An IFRS 2 'Share-based payment' income statement charge of £1.5 million (2023: £1.0 million) has been incurred in relation to the Group's equity-settled share award schemes and the equity element of the Bonus Banking Plan (BBP). National Insurance contributions payable in connection with the schemes granted is treated as a cash-settled transaction, and is excluded from the income statement charge noted above. The amount credited to equity of £2.5 million (2023: £1.3 million) includes the IFRS 2 charge of £1.5 million (2023: £1.0 million) and tax on share-based payments of £0.9 million (2023: £0.2 million) (refer to Note 6).

Equity-settled share award schemes

The Group had three equity-settled share award schemes in operation during the period.

a) Restricted Share Plan (RSP) Awards

The Company introduced the RSP awards in 2020 for Executive Directors and Senior Management. The awards have been made in the form of an option with a nil exercise price. The awards are subject to service conditions, vest over a three-year period, and the holding period subsequent to the vesting date is two years. If the awards remain unexercised after a period of ten years from the date of grant the awards expire. The treatment of leavers before awards vest is determined by good leaver/bad leaver provisions. A net income statement charge of £0.5 million has been incurred in relation to this scheme (2023: £0.3 million charge).

During the year, 1,261,235 share awards (2023: 1,589,114) with a fair value of £0.6 million (2023: £0.6 million) were awarded.

b) Salary Substitute Restricted Share Awards

The Company introduced salary substitute restricted share awards in 2022 for Executive Directors and Senior Management. The awards have been made in the form of an option with a nil exercise price. The awards are subject to service conditions, vest over a three-year period for Executive Directors and two years for Senior Management, with a two-year holding period for Executive Directors. If the awards remain unexercised after a period of ten years from the date of grant the awards expire. The treatment of leavers before awards vest is determined by good leaver/bad leaver provisions. A net income statement charge of £0.5 million has been incurred in relation to this scheme (2023: £0.3 million).

During the year, 1,446,418 share awards (2023: 1,593,751) with a fair value of £0.7 million (2023: £0.5 million) were awarded.

c) LTIP Buyout Award

Upon joining the business Guy Gittins, CEO, was awarded an LTIP buyout award to compensate for the forfeiture of incentive arrangements from his previous employer. The awards were granted on appointment as nil cost options that vest three years after the grant date in September 2025. The vesting of the award is subject to a performance requirement for the Foxtons share price to be at least 70p for any 30 consecutive days during the vesting period. If this condition is not met, the award will lapse in full. A net income statement charge of £0.3 million has been incurred in relation to this scheme (2023: £0.3 million).

The inputs into the Monte Carlo models used in determining the fair value of the LTIP buyout award were as follows:

	2022 award
Weighted average share price	35.40p
Weighted average exercise price	52.38p
Expected volatility	54.02%
Expected life	3 years
Risk-free rate	3.00%
Expected dividend yield	1.33%

Expected volatility was determined by calculating the historical volatility of the share price of comparable listed companies over the previous three years.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Outstanding share awards

Details of the share awards in relation to the RSP, the RSA, the LTIP buyout award and the legacy RSIP scheme outstanding during the year are as follows.

	2024		2023	
	Number of share awards	**Weighted average exercise price**	Number of share awards	Weighted average exercise price
Outstanding at beginning of period	**12,532,659**	**nil**	9,464,881	nil
Granted during the period	**2,707,653**	**nil**	3,182,865	nil
Forfeited during the period	**–**	**–**	(84,129)	nil
Lapsed during the period	**–**	**–**	–	–
Exercised during the period	**(1,590,211)**	**nil**	(30,960)	nil
Outstanding at the end of the period	**13,650,101**	**nil**	12,532,657	nil
Exercisable at the end of the period	**36,930**	**nil**	938,243	nil

The awards outstanding at 31 December 2024 had a weighted average remaining contractual life of eight years (2023: nine years). The entire balance of share awards outstanding at the end of the period have a nil cost exercise price (2023: £nil).

Employer's National Insurance contributions are accrued, where applicable, at the rate of 15.0% (2023: 13.8%) which management expects to be the prevailing rate at the time the awards are exercised.

Equity-settled share bonus payment scheme

Bonus Banking Plan

In 2020 the Company introduced a performance-related bonus scheme, BBP, for Executive Directors whereby the bonus amount paid is based on a percentage of salary and is paid partly in cash and partly in shares. Bonuses are awarded in cash annually depending on the achievement of performance measures that are also determined annually. An income statement charge of £0.2 million has been incurred in relation to the equity component of this scheme (2023: £0.1 million).

The BBP scheme runs in three-year performance cycles, with each cycle vesting over a four-year period in shares. A contribution will be made by the Company into the participant's plan account following the end of each plan year. The scheme pays out 50% of the cumulative balance annually for the first three years of the plan, with 100% of the residual value paid out at the end of the four-year period.

The fair value of the share awards under this scheme is based on the Group's average share price in the 30-day period up to the end of the financial year in which the share awards were granted.

	2024 Number of awards
Outstanding at beginning of period	**1,460,421**
Granted during the period	**917,134**
Forfeited during the period	**–**
Exercised during the period[1]	**(1,460,421)**
Outstanding at the end of the period	**917,134**

1 513,917 share awards were exercised by the Executive Directors and the balance by former executive directors.

At 31 December 2024 the awards had an average remaining life of two years (2023: less than a year). There is no exercise price for these awards. The weighted average fair value of awards at 31 December 2024 was £0.65 per share award (2023: £0.45 per share award). Of the awards outstanding at the end of the period, none were exercisable.

28. ALTERNATIVE PERFORMANCE MEASURES

In reporting financial information, the Group presents APMs which are not defined or specified under the requirements of IFRS. The Group believes that the presentation of APMs provides stakeholders with additional helpful information on the performance of the business, but does not consider them to be a substitute for or superior to IFRS measures.

The Group's APMs are aligned to the Group's strategy and together are used to measure the performance of the business with certain APMs forming the basis of remuneration performance measures. Adjusted results exclude certain items, because if included, these could distort the understanding of our performance for the period and the comparability between periods. The definition, purpose and how the measures are reconciled to statutory measures are set out below.

During the financial year, the Board reviewed certain APM definitions and decided to exclude the amortisation of intangibles acquired in business combinations from profit measures. The amortisation charge is excluded since the incremental amortisation charge arising from acquired intangible assets is not considered when assessing the underlying trading performance of the Group/segments. The change also aligns the metric with generally accepted market practice.

As a result of this change, the following APMs have been redefined to exclude the amortisation of intangibles acquired in business combinations:

- Adjusted operating profit
- Adjusted operating profit margin
- Adjusted profit before tax
- Adjusted earnings per share

The reconciliation between the revised definition of the APMs and the previous definition of the APMs have been included below.

a) Contribution and contribution margin

Contribution is defined as revenue less direct salary costs of front office staff and costs of bad debt. Contribution margin is defined as contribution divided by revenue. Contribution and contribution margin are key metrics for management since both are measures of the profitability and efficiency before the allocation of shared costs. A reconciliation between revenue and contribution is presented below.

31 December 2024	**Lettings £'000**	**Sales £'000**	**Financial Services £'000**	**Consolidated £'000**
Revenue	**106,030**	**48,565**	**9,332**	**163,927**
Less: Direct operating costs	**(27,925)**	**(25,822)**	**(5,317)**	**(59,064)**
Contribution	**78,105**	**22,743**	**4,015**	**104,863**
Contribution margin	**73.7%**	**46.8%**	**43.0%**	**64.0%**

31 December 2023	Lettings £'000	Sales £'000	Financial Services £'000	Consolidated £'000
Revenue	101,188	37,158	8,781	147,127
Less: Direct operating costs	(25,807)	(22,703)	(5,371)	(53,881)
Contribution	75,381	14,455	3,410	93,246
Contribution margin	74.5%	38.9%	38.8%	63.4%

b) Adjusted EBITDA and adjusted EBITDA margin

Adjusted EBITDA represents the profit before tax before finance income, non-IFRS 16 finance costs, other gains/(losses), depreciation of property, plant and equipment (but after IFRS 16 depreciation), amortisation, share-based payment charges and adjusted items. Since the measure includes IFRS 16 lease depreciation and IFRS 16 lease finance cost, adjusted EBITDA includes all elements of the Group's leasing costs and therefore fully reflects the Group's lease cost base. Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenue. These measures are frequently used by investors, securities analysts and other interested parties to evaluate financial performance and compare performance of sector peers. Furthermore, adjusted EBITDA is used to calculate the leverage and interest cover ratios for the purposes of the Group's RCF covenants. A reconciliation between operating profit and adjusted EBITDA is presented below.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	Notes	2024 £'000	2023 £'000
Operating profit		**19,806**	9,790
(Deduct)/add back: adjusted items	4	**(331)**	4,466
Add back: Amortisation of acquired intangibles	10	**2,084**	1,396
Adjusted operating profit		**21,559**	15,652
Add back: Amortisation of non-acquired intangibles	10	**218**	395
Add back: Depreciation of property, plant and equipment[1]	11	**2,542**	2,399
Add back: Share-based payment charges[2]	3	**1,549**	1,036
Deduct: Interest on IFRS 16 leases[3]	12	**(2,065)**	(1,971)
Adjusted EBITDA		**23,803**	17,511
Adjusted EBITDA margin		**14.5%**	11.9%

1 Depreciation of IFRS 16 right-of-use assets is not added back so that adjusted EBITDA includes the non-financing element of property and vehicle leases.
2 Share based payment' charges exclude National Insurance.
3 Interest on IFRS 16 leases is deducted so that adjusted EBITDA includes the financing cost of property and vehicle leases.

c) Adjusted operating profit and adjusted operating profit margin

Adjusted operating profit represents the profit before tax for the period before amortisation of acquired intangibles, finance income, finance cost, other gains/(losses) and adjusted items (defined within Note 1.19). This measure is reported to the Board for the purpose of resource allocation and assessment of segment performance. The closest equivalent IFRS measure to adjusted operating profit is profit before tax.

Adjusted operating profit margin is defined as adjusted operating profit divided by revenue. This APM is a key performance indicator of the Group and is used to measure the delivery of the Group's strategic priorities.

Refer to Note 2 for a reconciliation between profit before tax and adjusted operating profit and for the inputs used to derive adjusted operating profit margin. The table below reconciles the revised definition of the metrics to the previous definition.

	Notes	2024 £'000	2023 £'000
Operating profit		**19,806**	9,790
(Deduct)/add back: adjusted items	4	**(331)**	4,466
Adjusted operating profit (previous definition)		**19,475**	14,256
Add back: amortisation of acquired intangibles	10	**2,084**	1,396
Adjusted operating profit (revised definition)		**21,559**	15,652
Adjusted operating profit margin (previous definition)		**11.9%**	9.7%
Add back: amortisation of acquired intangibles		**1.3%**	0.9%
Adjusted operating profit margin (revised definition)		**13.2%**	10.6%

d) Adjusted profit before tax

Adjusted profit before tax represents profit before tax before adjusted items and provides a view of the underlying profit before tax and aids comparability of performance from one period to another. A reconciliation between profit before tax and adjusted profit before tax is presented below.

	Notes	2024 £'000	2023 £'000
Profit before tax		**17,485**	7,894
(Deduct)/add back: adjusted items	4	**(331)**	4,466
Adjusted profit before tax (previous definition)		**17,154**	12,360
Add back: amortisation of acquired intangibles	10	**2,084**	1,396
Adjusted profit before tax (revised definition)		**19,238**	13,756

e) Adjusted earnings per share

Adjusted earnings per share is defined as earnings per share excluding adjusted items and amortisation of acquired intangibles. The measure is derived by dividing profit after tax, adjusted for post-tax adjusted items and amortisation of acquired intangibles, by the weighted average number of ordinary shares in issue during the financial period, excluding own shares held. This APM is a measure of management's view of the Group's underlying earnings per share.

The closest equivalent IFRS measure is earnings per share. Refer to Note 9 for a reconciliation between earnings per share and adjusted earnings per share.

As noted above, adjusted earnings per share has been redefined to exclude the amortisation of intangibles acquired in business combinations. The relevant 2023 comparatives have been restated for the change in definition as explained in Note 9.

f) Net free cash flow

Net free cash flow is defined as net cash from operating activities less repayment of IFRS 16 lease liabilities and net cash used in investing activities, excluding the acquisition of subsidiaries (net of any cash acquired), divestments and purchase of investments. This measure is used to monitor cash generation. A reconciliation between net cash from operating activities and net free cash flow is presented below.

	2024 £'000	2023 £'000
Net cash from operating activities	**24,747**	15,672
Less: Interest on lease liabilities	**(2,065)**	(1,971)
Less: Repayment of lease liabilities	**(11,102)**	(10,554)
Net cash from operating activities, after repayment of IFRS 16 lease liabilities	**11,580**	3,147
Investing activities:		
Interest received	**296**	381
Proceeds on disposal of property, plant and equipment	**607**	–
Purchases of property, plant and equipment	**(1,106)**	(2,121)
Purchases of intangibles	**(1,565)**	(1,495)
Net cash used in investing activities	**(1,768)**	(3,235)
Net free cash flow	**9,812**	(88)

g) Net Debt

Net cash/debt is defined as cash and cash equivalents less external borrowings and excludes IFRS 16 lease liabilities. The measure is monitored internally for the purposes of assessing the availability of capital and balance sheet strength. A reconciliation of the measure is presented below.

	2024 £'000	2023 £'000
Cash and cash equivalents	**5,320**	4,989
Less: External borrowings	**(18,008)**	(11,780)
Net debt	**(12,688)**	(6,791)

h) Other performance measure definitions

Definitions of other performance measures presented in the Group's Annual Report and Accounts are summarised below.

Volumes

- **Sales volumes:** Total number of property sales transactions which have exchanged during the period.
- **Lettings volumes:** Total of the number of long and short lets entered into by tenants and the number of renewals agreed between tenants and landlords during the period.
- **Financial Services volumes:** Total number of mortgages arranged during the period (purchase and refinance units).

Revenue per transaction

- **Revenue per Sales transaction:** Sales revenue during the period divided by Sales volumes during the period.
- **Revenue per Lettings transaction:** Lettings revenue during the period divided by Lettings volumes during the period.
- **Revenue per Financial Services transaction:** Financial Services revenue during the period divided by Financial Services volumes during the period.

29. EVENTS AFTER THE REPORTING PERIOD

On 28 February 2025, the Group acquired the entire issued share capital of Marshall Vizard LLP (and its holding companies), a Watford lettings agent, for a consideration of £2.3 million on a debt free and cash free basis. The consideration was fully satisfied in cash, with £0.5 million deferred for 12 months subject to performance conditions. Unaudited revenue and operating profit for the 12 months ended 31 March 2024 was £0.9 million and £0.5 million respectively. Gross assets at 31 March 2024 were £1.1 million. Given the proximity of the transaction to the announcement of the Group's financial statements, a full purchase price allocation exercise has not yet been completed and the valuation of the assets acquired will be assessed prior to the next reporting date.

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 £'000	Restated[1] 2023 £'000
Non-current assets			
Investment in subsidiaries	32	**62,828**	39,238
Other receivables	33	**–**	16,557
Deferred tax asset		**132**	113
		62,960	55,908
Current assets			
Other receivables	33	**19,261**	25,184
Cash and cash equivalents		**32**	3
		19,293	25,187
Current liabilities			
Trade and other payables	34	**(1,948)**	(3,981)
Non-current liabilities			
Borrowings	18	**(18,008)**	(11,642)
Net current assets		**17,345**	21,206
Net assets		**62,297**	65,472
Equity			
Share capital	21	**3,301**	3,301
Merger reserve	22	**20,568**	20,568
Other reserves	22	**2,653**	2,653
Own shares reserve	23	**(11,012)**	(12,092)
Retained earnings		**46,787**	51,042
Equity attributable to owners of the Company		**62,297**	65,472

1 Current and non-current borrowings as at 31 December 2023 have been restated to adopt Amendments to IAS 1 effective 1 January 2024. See Note 18 for further details.

The Company reported a loss for the financial year ended 31 December 2024 of £1.8 million (2023: loss of £0.8 million).

The financial statements of Foxtons Group plc, registered number 07108742, were approved by the Board of Directors on 4 March 2025.

Signed on behalf of the Board of Directors

Chris Hough
Chief Financial Officer

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital £'000	Own shares reserve £'000	Merger reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024		**3,301**	**(12,092)**	**20,568**	**2,653**	**51,042**	**65,472**
Loss and total comprehensive loss for the year		**–**	**–**	**–**	**–**	**(1,783)**	**(1,783)**
Dividends	**8**	**–**	**–**	**–**	**–**	**(2,787)**	**(2,787)**
Credit to equity for share–based payments		**–**	**–**	**–**	**–**	**425**	**425**
Capital contribution given relating to share–based payments		**–**	**–**	**–**	**–**	**1,301**	**1,301**
Settlement of share incentive plan	**23**	**–**	**1,080**	**–**	**–**	**(1,411)**	**(331)**
Balance at 31 December 2024		**3,301**	**(11,012)**	**20,568**	**2,653**	**46,787**	**62,297**

	Notes	Share capital £'000	Own shares reserve £'000	Merger reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023		3,301	(10,993)	20,568	2,653	53,505	69,034
Loss and total comprehensive loss for the year		–	–	–	–	(761)	(761)
Dividends	8	–	–	–	–	(2,725)	(2,725)
Own shares acquired in the period	23	–	(1,112)	–	–	–	(1,112)
Credit to equity for share–based payments		–	–	–	–	152	152
Capital contribution given relating to share–based payments		–	–	–	–	884	884
Settlement of share incentive plan	23	–	13	–	–	(13)	–
Balance at 31 December 2023		3,301	(12,092)	20,568	2,653	51,042	65,472

At 31 December 2024, retained earnings were fully distributable.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

30. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparing the financial statements for the years ended 31 December 2023 and 2024. The principal accounting policies adopted are the same as those set out in Note 1 to the consolidated financial statements except as noted below.

Basis of preparation

The Company's financial statements are prepared in accordance with the Companies Act 2006 and FRS 101 Reduced Disclosure Framework as issued by the Financial Reporting Council. The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, compensation of key management personnel, capital management, presentation of a cash flow statement, standards not yet effective and related party transactions.

Investments in subsidiary companies

Investments in subsidiaries are recognised at cost less provisions for impairment.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operation for a period of at least 12 months from the date of approval of the financial statements. The assessment has taken into consideration the Company's financial position, liquidity requirements and reasonably possible changes in performance and outlook. Accordingly, the going concern basis has been adopted in preparing the financial statements. Refer to Note 1.7 for a full description of the Directors' considerations made in respect to the Group's going concern assessment.

31. LOSS FOR THE YEAR

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own income statement for the financial year. The Company's loss for the year was £1.8 million (2023: loss of £0.8 million).

The Company has two employees at 31 December 2024 (2023: two).

The auditor's remuneration for audit and other services is disclosed in Note 3 to the consolidated financial statements.

32. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Investments in subsidiary undertakings were as follows:

	£'000
At 31 December 2022	38,354
Capital contribution arising from share–based payments	884
At 31 December 2023	**39,238**
Capital contribution arising from share–based payments	**1,301**
Capitalised inter–company balance	**22,289**
At 31 December 2024	**62,828**

During the year, the Company subscribed for 22,289,000 ordinary shares of £1.00 each in the capital of its subsidiary, Foxtons Intermediate Holdings Limited ('FIHL') paid for by way of settlement of the outstanding inter-company balance equal to £22,289,000 owed by FIHL to the Company.

Investments in subsidiaries are stated at cost, less any provision for impairment. The subsidiary undertakings, all of which are wholly owned and included in the consolidated accounts, are shown in Note 15 of the consolidated financial statements.

33. OTHER RECEIVABLES

Amounts falling due after one year:	2024 £'000	2023 £'000
Amounts owed by subsidiary undertakings	–	16,557
	–	16,557

Amounts falling due within one year:	2024 £'000	2023 £'000
Amounts owed by subsidiary undertakings	19,183	25,179
Prepayments and accrued income	78	5
	19,261	25,184

Amounts owed by subsidiary undertakings are unsecured, interest free and repayable on demand except for a loan receivable of £17.6 million (2023: £16.6 million). The loan was extended effective as of 26 February 2025 and matures on 1 March 2027. The facility incurs interest at 1.65% (2023: 1.5%) per annum above the base rate of the Bank of England.

34. TRADE AND OTHER RECEIVABLES

Amounts falling due within one year:	2024 £'000	2023 £'000
Amounts owed by subsidiary undertakings	(736)	(2,782)
Accruals	(1,212)	(1,199)
	(1,948)	(3,981)

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand.

INFORMATION FOR SHAREHOLDERS

COMPANY REGISTRATION NUMBER

07108742

REGISTERED AND HEAD OFFICE

Foxtons Group plc, Building One, Chiswick Park, 566 Chiswick High Road, London, W4 5BE

2025 Financial calendar

2024 financial year end	31 December 2024
Year–end trading update	28 January 2025
Preliminary announcement	5 March 2025
Publish Annual Report and Accounts	March 2025
First quarter trading update	23 April 2025
Annual General Meeting	7 May 2025
Interim period end	30 June 2025
Announcement of interim results	30 July 2025
Third quarter trading update	23 October 2025

CORPORATE WEBSITE

You can access the corporate website at www.foxtonsgroup.co.uk. The Foxtons Group plc website provides useful information including annual and half year reports, results announcements and presentations, share price data and financial news.

SHAREHOLDER ENQUIRIES

For shareholder enquiries please contact our Registrars, MUFG Corporate Markets. For general enquiries please call MUFG's Customer Support Centre on: 0371 664 0300 (lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales), or alternatively email: shareholderenquiries@cm.mpms.mufg.com.

ELECTRONIC COMMUNICATIONS

Help us to save paper and get your shareholder information quickly and securely by signing up to receive your shareholder communications by email. To register for electronic communications, visit www.foxtonsshares.co.uk. Please note, you will need your investor code, which can be found on your share certificate or your dividend tax voucher.

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Pureprint Ltd aims to reduce at source the effect its operations have on the environment and is committed to continual improvement, prevention of pollution and compliance with any legislation or industry standards.

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FOXTONS GROUP PLC ANNUAL REPORT AND ACCOUNTS 2024