

Consolidated Income Statement

52 WEEKS ENDED 2 JULY 2023 / 53 WEEKS
ENDED 3 JULY 2022

		Unaudited 2023 Total £m	2022 Pre- Exceptional Item £m	2022 Exceptional Item £m	2022 Total £m
	Note				
Revenue		2,127	2,140	-	2,140
Cost of sales		(1,619)	(1,624)	(164)	(1,788)
Gross profit		508	516	(164)	352
Administrative expenses		(109)	(102)	-	(102)
Operating profit		399	414	(164)	250
Financial income		5	2	-	2
Financial costs		(9)	(6)	-	(6)
Net financing costs		(4)	(4)	-	(4)
Profit before tax		395	410	(164)	246
Income tax expense	2	(97)	(82)	33	(49)
Profit for the year		298	328	(131)	197
Earnings per share - basic	4	91.2p	96.0p		57.7p
- diluted	4	90.9p	95.8p		57.5p

Statement of Comprehensive Income

52 WEEKS ENDED 2 JULY 2023 / 53 WEEKS
ENDED 3 JULY 2022

		Unaudited 2023 Total £m	2022 Pre- Exceptional Item £m	2022 Exceptional Item £m	2022 Total £m
Profit for the year		298	328	(131)	197
Other comprehensive (expense)/income Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations		(34)	(1)	-	(1)
Deferred tax on remeasurements of post employment benefit obligations		12	-	-	-
Other comprehensive expense for the year net of tax		(22)	(1)	-	(1)
Total comprehensive income/(expense) for the year		276	327	(131)	196

Balance Sheet

	Note	Unaudited As At 2 July 2023 £m	As At 3 July 2022 £m
Assets			
Intangible assets		1	1
Property, plant and equipment		22	20
Lease right of use assets		10	5
Investments		-	-
Deferred tax assets		1	1
Retirement benefit surplus		5	39
Trade and other receivables		-	-
Total non-current assets		39	66
Inventories	5	2,770	2,740
Trade and other receivables		42	76
Current corporation tax		-	7
Cash and cash equivalents	8	235	288
Total current assets		3,047	3,111
Total assets		3,086	3,177
Equity			
Retained earnings at 4 July 2022/28 June 2021		1,846	1,768
Profit for the year		298	197
Other comprehensive expense for the year		(22)	(1)
Dividend paid		(108)	(100)
Net purchase of own shares arising from share buyback programme		(100)	-
Movement due to equity based share options and owned shares held by EBT		8	(18)
Retained earnings at 2 July 2023/3 July 2022		1,922	1,846
Share capital	9	35	37
Share premium account		59	59
Other reserves		10	8
Total equity		2,026	1,950
Liabilities			
Trade and other payables	6	104	91
Deferred tax liabilities		3	15
Long-term provisions	7	88	110
Total non-current liabilities		195	216
Trade and other payables	6	750	914
Current income tax liabilities		8	-
Provisions	7	107	97
Total current liabilities		865	1,011
Total liabilities		1,060	1,227
Total equity and liabilities		3,086	3,177

Statement of Changes in Equity

	Note	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m
Total equity at 27 June 2021		37	59	8	1,768	1,872
Profit for the year		-	-	-	197	197
Other comprehensive income for the year		-	-	-	(1)	(1)
Total comprehensive income relating to the year (net)		-	-	-	196	196
Dividend paid – distributions to owners	3	-	-	-	(100)	(100)
Net purchase of own shares to satisfy share options		-	-	-	(22)	(22)
Other LTIP/DB/SAYE credit		-	-	-	4	4
Total equity at 3 July 2022		37	59	8	1,846	1,950
Profit for the year		-	-	-	298	298
Other comprehensive expense for the year		-	-	-	(22)	(22)
Total comprehensive income relating to the year (net)		-	-	-	276	276
Dividend paid – distributions to owners	3	-	-	-	(108)	(108)
Net purchase of own shares arising from share buyback programme		(2)	-	2	(100)	(100)
Satisfaction of share options from treasury shares		-	-	-	2	2
Other LTIP/DB/SAYE credit		-	-	-	6	6
Total equity at 2 July 2023 (Unaudited)		35	59	10	1,922	2,026

Statement of Cash Flows

	Note	Unaudited 52 weeks ended 2 July 2023 £m	53 weeks ended 3 July 2022 £m
Cash flows from operating activities			
Profit for the year		298	197
Depreciation and amortisation		4	5
Financial income		(5)	(2)
Financial costs		9	6
Income tax expense		97	49
Adjustment for non-cash items		-	7
Decrease in trade and other receivables		34	24
Increase in inventories		(30)	(227)
(Decrease)/increase in trade and other payables		(151)	86
(Decrease)/increase in provisions		(12)	173
Cash inflow generated from operations		244	318
Interest paid		(4)	(2)
Tax paid		(82)	(55)
Net cash inflow from operating activities		158	261
Cash flows from investing activities			
Acquisition of software, property, plant and equipment		(4)	(4)
Interest received		4	1
Net cash (outflow) from investing activities		-	(3)
Cash flows from financing activities			
Payment of lease liabilities		(3)	(3)
Purchase of own shares		(100)	(27)
Dividend paid	3	(108)	(100)

Net cash (outflow) from financing activities	(211)	(130)
(Decrease)/increase in net cash and cash equivalents	(53)	128
Net cash and cash equivalents at the beginning of the year	288	160
Net cash and cash equivalents at the end of the year	235	288

NOTES

1. Basis of preparation

The financial information set out above does not constitute the company's statutory accounts for the 52 weeks ended 2 July 2023 or the 53 weeks ended 3 July 2022. Statutory accounts for the 53 weeks ended 3 July 2022 have been delivered to the registrar of companies. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way on emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The statutory accounts for the 52 weeks ended 2 July 2023 will be finalised on the basis of the financial information provided by the directors in this preliminary announcement and will be delivered to the registrar of companies in due course. Copies of the full statutory accounts will also be sent to shareholders in October 2023 and will be available to be viewed online at www.redrowplc.co.uk.

Redrow plc is a public listed company, listed on the London Stock Exchange and domiciled in the UK.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the reasons outlined below.

The Group has a £350m Revolving Credit Facility (RCF) (2022: £350m) provided by an established syndicate of six banks being Barclays Bank PLC, Lloyds Bank Plc, The Royal Bank of Scotland Group Plc, Santander, HSBC and Svenska. This expires on 30 September 2025 (2022: 30 September 2025) and is a committed unsecured facility. As at 12 September 2023, £350m of this facility was undrawn. It is likely that the RCF will be renewed prior to its expiry in September 2025.

In addition the Group is in a net cash position (excluding lease liabilities) at 2 July 2023 of £235m (see note 8) and also has £3m of unsecured, uncommitted facilities.

The Directors have prepared forecasts including cashflow forecasts for a period of at least 12 months from the date of signing of these financial statements (the going concern assessment period). These forecasts incorporate assumptions about the timing of legal completions of new homes and land purchases, build cost inflation, interest rates, profitability and working capital requirements. These forecasts indicate that the Group will have sufficient funds to meet its liabilities as they fall due, taking into account the following severe but plausible downside assumptions:

- A 10% price reduction on all unexchanged private and social legal completions for the going concern assessment period compared to the base case Board approved budgeted prices;
- A 30% volume reduction for the going concern assessment period compared to the base case Board approved budgeted volumes;
- In addition to the build cost inflation incorporated within the base case Board approved budgeted costs, an additional 3% build cost inflation has been applied to all build costs from Q1 FY24 falling to 2% from Q1 FY25; and
- The Bank of England base rate increasing to 6% during FY24 before reducing to 5.5% by the end of the going concern assessment period.

Mitigations to this sensitivity analysis include a reduction in land investment and development and a reduction in dividends to align with the Company dividend payout ratio policy.

These downside assumptions reflect the further potential impact of the uncertain economic and housing market conditions, cost of living pressures, the impact on consumer confidence levels, the continuing war in Ukraine and disruption in the energy and fuel market.

Allowing for the above downside scenario, the model shows the Group has adequate levels of liquidity from its committed facilities and complies with all its banking covenants throughout the going concern assessment period. The Directors therefore consider that the Group has adequate resources in place for the going concern assessment period and have therefore adopted the going concern basis of accounting in preparing these financial statements.

The principal accounting policies have been applied consistently.

2. Income Tax expense

	Unaudited 2023 Total £m	2022 Pre- Exceptional Item £m	2022 Exceptional Item Total £m	2022 Total £m
Current year				
UK Corporation Tax in respect of current year	98	82	(33)	49
Adjustments in respect of prior years	(1)	-	-	-
Current tax charge/(credit)	97	82	(33)	49
Deferred tax				
Origination and reversal of temporary differences	-	-	-	-
Adjustments in respect of prior years	-	-	-	-
Deferred tax charge	-	-	-	-
Total income tax charge/(credit) in income statement	97	82	(33)	49
Reconciliation of tax charge for the year				
Profit before tax	395	410	(164)	246
Tax calculated at UK Corporation Tax rate at 20.5% (2022: 19.0%)	81	78	(31)	47
Residential Property Developer Tax at 4.0% (2022: 1.0%)	16	4	(2)	2
Tax charge for the year	97	82	(33)	49
Deferred tax recognised directly in equity				
Relating to pension scheme	12	-	-	-
	12	-	-	-

An increase in the UK corporation tax rate from 19% to 25% effective 1 April 2023 was substantively enacted on 24 May 2022. No further increase has been substantively enacted in respect of future years.

Residential Property Developer Tax commenced on 1 April 2022 at a rate of 4.0% per annum, hence 1.0% for the 3 months ended 3 July 2022.

3. Dividends

The following dividends were paid by the Group:

	Unaudited 2023 £m	2022 £m
Prior year final dividend per share of 22p (2022: 18.5p);		
Current year interim dividend per share of 10.0p (2022: 10.0p)	108	100
	108	100

The Board is proposing a final dividend of £66m being 20.0p per share (2022: £77m being 22.0p per share) subject to shareholder approval at the Annual General Meeting on 10 November 2023. There are ample distributable reserves from which to lawfully pay the proposed dividend.

4. Earnings per ordinary share

The basic earnings per share calculation for the 52 weeks ended 2 July 2023 is based on the weighted average number of shares in issue during the period of 327m (2022: 342m) excluding those held in trust under the Redrow Long Term Incentive Plan (10m shares (2022: 11m shares)), which are treated as cancelled.

Diluted earnings per share has been calculated after adjusting the weighted average number of shares in issue for all potentially dilutive shares held under unexercised options.

For the 52 weeks ended 2 July 2023 (Unaudited)

	Earnings	No. of shares	Per share
	£m	millions	pence
UNDERLYING AND STATUTORY			
Basic earnings per share	298	327	91.2
Effect of share options and SAYE	-	1	(0.3)
Diluted earnings per share	298	328	90.9

1,764,773 LTIP share options and 1,037,498 Deferred bonus share options outstanding at the period end (2022: 1,586,607 and 873,533) were not included in the calculation of diluted earnings per share as they are anti-dilutive for the respective periods.

For the 53 weeks ended 3 July 2022

	Earnings	No. of shares	Per share
	£m	millions	pence
UNDERLYING – PRE-EXCEPTIONAL ITEM			
Basic earnings per share	328	342	96.0
Effect of share options and SAYE	-	1	(0.2)
Diluted earnings per share	328	343	95.8

	Earnings	No. of shares	Per share
	£m	millions	pence
STATUTORY			
Basic earnings per share	197	342	57.7
Effect of share options and SAYE	-	1	(0.2)
Diluted earnings per share	197	343	57.5

5. Inventories

	Unaudited 2023	2022
	£m	£m
Land for development	1,684	1,710
Work in progress	1,017	962
Stock of showhomes	69	68
	2,770	2,740

Inventories of £1,538m were expensed in the year (2022: £1,715m). Work in progress includes £1m (2022: £1m) in respect of part exchange properties. Land held for development in the sum of £215m is subject to a legal charge as security in respect of amounts due in respect of development land (2022: £300m).

The carrying value of undeveloped land where net realisable value has been determined on the basis of a sale of land in its current state is £2m (2022: £1m). Land for development includes £68m (2022: £111m) of strategic land owned without a residential planning consent net of a net realisable value provision of £9m (2022: £14m). There is a £17m (2022: £8m) net realisable value provision against land with a residential planning consent.

The table below details the movement on the inventory net realisable value provision in the year.

	Unaudited 2023	2022
	£m	£m
4 July 2022 / 28 June 2021	22	14
Created	13	8
Released	(8)	-
Utilised	(1)	-
As at 2 July 2023/3 July 2022	26	22

6. **Land Creditors (included in trade and other payables)**

	Unaudited 2023	2022
	£m	£m
Due within one year	174	289
Due in more than one year	98	87
	272	376

7. **Provisions**

	Legacy fire safety provision	Onerous Contracts	Other	Total
	£m	£m	£m	£m
At 3 July 2022	200	1	6	207
Provisions created during the year	32	-	-	32
Provisions released during the year	(32)	-	-	(32)
Provisions utilised during the year	(12)	-	-	(12)
At 2 July 2023 (Unaudited)	188	1	6	195

	Unaudited 2023	2022
	£m	£m
Current provisions	107	97
Non-current long term provisions	88	110
	195	207

8. **Movement in net cash (excluding lease liabilities)**

	Unaudited 2023	2022
	£m	£m
Cash and cash equivalents	235	288

9. **Share capital**

	Unaudited 2023	2022
	£m	£m
Issued and fully paid	35	37

	Number of ordinary shares
As at 3 July 2022 and 2 July 2023 (ordinary shares of 10.5p each)	352,190,420
Purchased and cancelled in share buyback programme	(21,420,175)
As at July 2023 (ordinary shares of 10.5p) (Unaudited)	330,770,245

As a consequence of the £100m share buyback programme announced on 14 July 2022 and completed in January 2023, the Group purchased and subsequently cancelled 21,420,175 ordinary shares. This reduced share capital by £2m, reduced Retained earnings by £100m and increased the capital redemption reserve by £2m. As at 2 July 2023 10m Redrow plc ordinary shares of 10.5p each are held in trust under the Redrow Long Term Incentive Plan (3 July 2022: 11m shares).

10. Alternative Performance Measures

Redrow uses a variety of Alternative Performance Measures (APMs) which are not defined or specified by IFRSs but which the Directors believe are pertinent to reviewing and understanding the broader performance of the Group, in conjunction with IFRS defined measures.

Annual Injury Incidence Rate (AIIR)

No. of RIDDOR Accidents resulting in an injury divided by the average number of people employed multiplied by 100,000.

Cash conversion percentage

	Unaudited 2023	2022
Cash inflow generated from operations per statement of cash flows	£244m	£318m
Divided by:		
Operating profit per consolidated income statement	£399m	£250m
Amortisation and depreciation	£4m	£5m
	£403m	£255m
Cash conversion percentage	61%	125%

Full year dividend per share

Interim and final dividend per share declared in respect of the financial year.

HBF customer recommend rating

Independent HBF customer satisfaction rating score.

Homes revenue from ongoing business

	Unaudited 2023 £m	2022 £m
Revenue per consolidated income statement	2,127	2,140
Revenue from the sale of land	(44)	(21)
Revenue from the sale of new housing	2,083	2,119
Revenue from London Build Out sites	(45)	(52)
Homes revenue from ongoing business	2,038	2,067

Hurdle rates

Gross margin and internal rate of return minimum rates required for land purchase appraisals.

Land holding years

No. of plots in owned land holdings at balance sheet date divided by no. of legal completions in financial year.

	Unaudited 2023	2022
Owned land holdings at 2 July 2023/3 July 2022	26,070	29,600
Legal completions	5,436	5,715
Land holding years	4.8	5.2

Legal completions

The number of homes legally completed in the financial year.

Monies committed to fund improvements in local communities

These reflect committed Section 106 contributions and affordable housing provided in the year.

Net asset value per ordinary share

Total net assets at balance sheet date divided by the number of ordinary shares in issue at balance sheet date.

Number of trainees

No. of trainees at year end as a percentage of employees at year end.

Order book

The value of reserved and exchanged sales which had not legally completed at the year end.

Private reservation rate

No. of private reservations per week in financial year divided by average no. of sales outlets.

Underlying return on capital employed (Underlying ROCE)

Operating profit before exceptional items adjusted for joint ventures as a percentage of opening and closing capital employed.

Underlying return on equity (Underlying ROE)

Profit before tax before exceptional items adjusted for joint ventures as a percentage of opening and closing net assets.

	Unaudited 2023 £m	2022 £m
Net assets at 2 July 2023/3 July 2022	2,026	1,950
Net assets at 3 July 2022/27 June 2021	1,950	1,872
Average net assets	1,988	1,911
Profit before taxation – pre-exceptional	395	410
Return on equity %	19.9%	21.5%

Revenue value of private reservations secured in the year

The fair value receivable in the future of private house sales reserved by customers during the year, net of cancellations.

Sales outlets

Average no. of sales outlets open in the year.

Underlying profit before tax

Profit before tax pre-exceptional item.

Underlying earnings per share

As statutory earnings per share but based on pre-exceptional profit for the year per the consolidated income statement.

Underlying gross profit

Gross profit per the consolidated income statement pre-exceptional item.

Underlying operating profit

Operating profit per the consolidated income statement pre-exceptional item.

11. Shareholder Enquiries

The Registrar is Computershare Investor Services PLC.

Shareholder enquiries should be addressed to the Registrar at the following address:

Registrars Department
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

12. Annual General Meeting

The Annual General Meeting of Redrow plc will be held on 10 November 2023 and the Notice of Meeting, together with explanatory notes, will be sent to shareholders in due course.

A copy of this statement is available for inspection at the registered office.

13. Risks and Risk Management

The Board has carried out a robust assessment of the Group's emerging and principal risks. The principal risks, together with key controls and mitigating strategies are as follows:

Risk	Risk Owners	Key Controls and Mitigating Strategies	Example Key Risk Indicators
Housing Market The UK housing market conditions have a direct impact on our business performance.	Group Chief Executive	Ongoing and regular monitoring of Government policy consultations and developments and lobbying as appropriate. Close monitoring of Government guidance. Market conditions and trends are being closely monitored allowing management to identify and respond to any sudden changes or movements. Weekly review of sales at Group, divisional and site level with monitoring of pricing trends and customer demographics. Ensuring strong relationships with lenders and valuers to ensure they recognise our premium product. Delegated Crisis Committee established with Executive Board meetings a minimum of twice weekly in times of crisis.	<ul style="list-style-type: none">Leading market indicators re volumes and valuesWeekly sales statistics
Key Supplier or Subcontractor Failure The failure of a key component of our supply chain to perform	Group Commercial Director	Use of reputable supply chain partners with relevant experience and proven track record and maintain regular contact. Monitoring of subcontract supply chain to maintain appropriate number for each trade to identify	<ul style="list-style-type: none">Material and trade shortagesMaterial and trade price increasesAdvance payment applicationsReluctance to tender

<p>due to financial failure or production issues could disrupt our ability to deliver our homes to programme and budgeted cost.</p>		<p>potential shortage in skilled trades in the near future.</p> <p>Subcontractor utilisation on sites monitored to align workload and capacity.</p> <p>Materials forecast issued to suppliers and reviewed regularly.</p> <p>Collaborate with Supply Chain Partners in development of supply continuity strategies.</p> <p>Group Monthly Product Development meetings to identify and monitor changes in the regulatory environment.</p> <p>Tracking of construction cost movements.</p>	<p>for new business</p>
<p>Planning and Regulatory Environment The inability to adapt to changes within the planning and regulatory environment could adversely impact on our ability to comply with regulatory requirements.</p>	<p>Group Communications Director, Group Human Resources Director, Group Company Secretary and Managing Director (Harrow Estates)</p>	<p>Lobby and communicate with local authorities to facilitate early collaboration to shape developments including where a National Model Design Code (NMDC) is required.</p> <p>Close management and monitoring of planning expiry dates and CIL.</p> <p>Well prepared planning submissions addressing local concern and deploying good design.</p> <p>Careful monitoring of the regulatory environment and regular communication of proposed changes across the Group through the Executive Management Team.</p> <p>Proactive approach to managing data protection with multi-functional team meeting regularly.</p> <p>Effective engagement with local authorities to understand the extent of their policies relating to climate change.</p>	<ul style="list-style-type: none"> • Government consultations • Planning approval statistics • Proposed Government legislation
<p>Availability and affordability of Mortgage Finance Availability and affordability of mortgage finance is a key factor facilitating liquidity in the housing market.</p>	<p>Group Finance Director</p>	<p>Proactively engage with the Government, Lenders and Insurers to support the housing market.</p> <p>Expert New Build Mortgage Specialists provide updates on and monitoring of regulatory change.</p>	<ul style="list-style-type: none"> • Loan to value metrics • Number of mortgage products readily available
<p>Sustainability Risks associated with failure to embed sustainable</p>	<p>Group Communities Director</p>	<p>Preparation and planning underway for Future Homes standard.</p> <p>Preparation for future</p>	<ul style="list-style-type: none"> • Group GHG emissions scope 1 & 2 • % of timber certified • Average SAP rating

<p>development principles.</p>		<p>Environmental Bill through implementation of our Nature for People Strategy.</p> <p>Close monitoring of Government strategy and guidance.</p> <p>Regular benchmarking against peers.</p> <p>ESG scorecard.</p> <p>Risks and Opportunities assessment aligned to TCFD framework.</p> <p>Training for divisional teams.</p> <p>Appointment of Group Sustainability Director.</p>	<ul style="list-style-type: none"> • Tonnes of construction waste per 100m2 build • % of materials suppliers and manufacturers who have actively confirmed compliance with the Modern Slavery legislation and Redrow Code of Conduct
<p>Customer Service Failure of our customer service could lead to relative under performance of our business.</p>	<p>Group Customer and Marketing Director</p>	<p>Customer and Quality Director.</p> <p>My Redrow website to support our customers purchasing their new home. Increased use of digital and virtual communication tools.</p> <p>Online systems provide a full audit trail of the sales process.</p> <p>Full training on New Homes Ombudsman requirements.</p> <p>Annual review of adherence to NHQB Quality Code procedures compliance signed by divisional Managing Director</p> <p>Attention to customer feedback supported by a process at nine months post occupation to address root cause of customer fatigue and dissatisfaction.</p> <p>Bespoke digitalisation of complaints management system for improved visibility and efficiency.</p> <p>Regular review of our marketing and communications policy at both Group and divisional level.</p>	<ul style="list-style-type: none"> • Customer satisfaction metrics • NHBC Construction Quality Review scores and Reportable Items
<p>Health, Safety and Environment Non-compliance with Health & Safety standards and Environmental regulations could put our people and the environment at risk.</p>	<p>Group Health and Safety and Environmental Director</p>	<p>Dedicated in-house team operating across the Group to ensure compliance of appropriate Health and Safety standards supported by external professional expertise.</p> <p>H,S&E Assurance Audits.</p> <p>Monthly Divisional H,S&E Leadership meetings.</p> <p>Group and Regional H,S&E Leadership meetings.</p> <p>Internal and external training provided to all employees.</p> <p>ISO 14001 environmental</p>	<ul style="list-style-type: none"> • Accident incident rate • H,S&E Assurance Audits outcomes • 'Near Miss' statistics

		<p>management system covering all business operations.</p> <p>Divisional Construction (Design and Management) Regulation (CDM) inspections carried out to assess our compliance with our client duties under CDM.</p> <p>Health and Safety discussion at both Group and divisional level board meetings supported by performance information.</p> <p>CDM competency accreditation requirement as a minimum for contractor selection process.</p> <p>Regular monitoring and reporting on environmental performance.</p>	
<p>Cyber Security Failure of the Group's IT systems and the security of our internal systems, data and our websites can have significant impact to our business.</p>	Chief Information Officer	<p>Cyber Awareness campaigns.</p> <p>Communication of IT policy and procedures to all employees.</p> <p>Regular systems back up and storage of data offsite.</p> <p>Web access allowed list.</p> <p>Internal IT security specialists.</p> <p>New Security Operation Centre.</p> <p>Use of third party entity to test the Group's cyber security systems and other proactive approach for cyber security including Cyber Essentials Plus accreditation.</p> <p>Compulsory GDPR and IT security online training to all employees within our business.</p> <p>Cyber Insurance.</p>	<ul style="list-style-type: none"> • Level of instances reported in the media • Penetration test results
<p>Land Procurement The ability to purchase land suitable for our products and the timing of future land purchases are fundamental to the Group's future performance.</p>	Group Chief Executive and Managing Director (Harrow Estates)	<p>Proactive monitoring of the market conditions to implement a clear defined strategy at both Group and divisional level.</p> <p>Experienced and knowledgeable personnel in our land, planning and technical teams.</p> <p>Appropriate investment in strategic land programme supported by specialist Group team.</p> <p>Effective use of our Land Bank Management system to support the land acquisition process.</p> <p>Close monitoring of progress of relevant Local Plans.</p> <p>Peer review by Legal Directors and use of third party legal resources for larger site acquisitions to reduce risk.</p>	<ul style="list-style-type: none"> • Forward land pull through • Owned land holding years • Land offer statistics

		Monitoring of emerging legislation to inform land assessments and purchase terms.	
<p>Fraud/Uninsured Loss A significant fraud or uninsured loss could damage the financial performance of our business.</p>	Group Finance Director	<p>Systems, policies and procedures in place which are designed to segregate duties and minimise any opportunity for fraud.</p> <p>Regular Business Process Reviews undertaken to ensure compliance with procedure and policies followed by formal action plans.</p> <p>Timely management reporting.</p> <p>Insurance strategy driven by business risks including Cyber Insurance.</p> <p>Fraud awareness training.</p>	<ul style="list-style-type: none"> • Business Process Review outcomes • Insurance Review outcomes
<p>Appropriateness of Product The failure to design and build a desirable product for our customers at the appropriate price may undermine our ability to fulfil our business objectives.</p>	Group Design and Technical Director	<p>Regular review and product updates in response to the demand in the market and assessment of our customer needs.</p> <p>Design focused on high quality build and flexibility to planning changes.</p> <p>Regular site visits and implementation of product changes to respond to demands.</p> <p>Focus on award winning Heritage Collection.</p> <p>Manufacturers providing specific training to subcontractors re new technologies installation.</p> <p>Regular design and technical seminars.</p> <p>Monitor Government emerging legislation.</p>	<ul style="list-style-type: none"> • Customer satisfaction metrics • Focus Group feedback • Emerging planning regulation
<p>Attracting and Retaining Staff The loss of key staff and/or our failure to attract high quality employees will inhibit our ability to achieve our business objectives.</p>	Group Human Resources Director	<p>In-house training offering blended learning to all employees.</p> <p>Suite of development programmes for identified talent from first line manager to Director.</p> <p>Move to agile working practices embracing use of remote working.</p> <p>Graduate training, Undergraduate placements and Apprentice training programmes to aid succession planning.</p> <p>Bespoke housebuilding degree course in conjunction with Liverpool John Moores University and Coleg Cambria.</p> <p>Remuneration strategy in order to attract and retain talent within the business is reviewed regularly and</p>	<ul style="list-style-type: none"> • Employee turnover levels • Employee engagement score

		<p>benchmarked.</p> <p>Engagement Team and continued refinement of internal communications platform in addition to annual employee survey to create framework for strong, two-way communication.</p> <p>Flexible Working Policy.</p>	
<p>Liquidity and Funding</p> <p>The Group requires appropriate facilities for its short-term liquidity and long-term funding.</p>	Group Finance Director	<p>Medium term committed banking facilities sufficient for a major market breakdown.</p> <p>Regular communication with our investors and relationship banks, including visits to developments as appropriate.</p> <p>Regular review of our banking covenants appropriateness and design and capital structure.</p> <p>Ensuring our future cash flow is sustainable through detailed budgeting process and reviews and scenario modelling.</p> <p>Strong forecasting and budgeting process.</p> <p>Monitor requirements for future bonds in emerging planning agreements.</p>	<ul style="list-style-type: none"> • Cash conversion • Forecast undrawn committed facilities
<p>Climate Change</p> <p>Risks associated with the potential physical effects of climate change and the regulatory and mandatory reporting environment around climate change.</p>	Group Communities Director	<p>Risks and opportunities assessment aligned with TCFD framework and Climate Related Financial Disclosures.</p> <p>Ensure appropriate consideration is given to product design and placemaking to mitigate potential climate change impacts.</p> <p>Identify new products, processes and services aimed at improved energy performance and reducing Green House Gas emissions.</p> <p>Undertake climate-related scenario analysis.</p> <p>Commitment made to the Business Ambition for 1.5°C and to reach science-based net zero carbon emissions no later than 2050.</p>	<ul style="list-style-type: none"> • Group GHG emissions • Scope 1, 2 & 3 • Average SAP rating