FOR IMMEDIATE RELEASE

Wednesday 13 September 2023

REDROW plc

FINAL RESULTS FOR THE 52 WEEKS TO 2 JULY 2023

STRONG UNDERLYING PERFORMANCE IN UNCERTAIN MARKET

Financial Results

	Unaudited 2023	2022	Var	Var %
Legal Completions	5,436	5,715	(279)	(5)
Revenue	£2.13bn	£2.14bn	£(0.01bn)	-
Underlying profit before tax[1]	£395m	£410m	£(15m)	(4)
Statutory profit before tax	£395m	£246m	£149m	61
Underlying EPS[1]	91.2p	96.0p	(4.8p)	(5)
Statutory EPS	91.2p	57.7p	33.5	58
Final dividend per share (DPS)	20.0p	22.0p	(2.0p)	(9)
Underlying ROCE[1]	23.1%	24.5%	(1.4ppts)	(6)
Total order book[1]	£0.85bn	£1.44bn	£(0.59bn)	(41)

Highlights

- Revenue in line with the prior year at £2.13bn (2022: £2.14bn)
- Underlying profit before tax of £395m (2022: £410m)
- Statutory profit before tax of £395m (2022: £246m)
- Strong operating cash generation with year end net cash of £235m (2022: £288m) after dividend and £100m share buyback
- Underlying Return on Capital Employed of 23.1% (2022: 24.5%)
- Final dividend of 20.0p making 30.0p for the year (2022: 32.0p)
- Founding signatory to the New Homes Code of Practice
- Continue to be a 5 star builder and rated excellent on Trustpilot
- Air source heat pumps and ground floor underfloor heating as standard in detached homes on new developments

2024 Guidance update

The company is re-introducing its 2024 guidance based on a sales rate in line with FY 2023 of 0.46 per outlet per week:

Revenue	£1.65bn - £1.7bn
PBT	£180m - £200m
EPS	c41p
DPS	c14p
Average outlets	117

Footnote:
[1] Redrow uses a variety of statutory performance measures and alternative performance measures when reviewing the performance of the Group. Underlying is defined as any statutory or alternative performance measure pre exceptional items. See note 10 for an explanation and reconciliation of these alternative performance measures.

Commenting on the results Matthew Pratt, CEO of Redrow, said:

"Despite continuing political and economic headwinds, I'm pleased to report that the Group has delivered another strong set of results. During the year under review, we have taken several important strategic decisions to maximise sustainable value for our stakeholders, while delivering 5,436 homes (2022: 5,715).

Cost of living and mortgage affordability continue to have a negative impact on the market. Where appropriate, we've used targeted sales incentives to convert buyer interest into reservations. Following several consecutive Bank of England base rate increases, we remain hopeful that, as inflation eases, we will see some stability in mortgage rates. The reduction in mortgage volatility will enable potential customers to progress the purchase of their home with financial certainty. Reflecting the macro-economic picture and the tougher sales market, our average private reservation rate per week for the year was 0.46 compared to 0.68 in 2022.

As expected, the sales market over the summer has been challenging. This has resulted in sales per outlet per week for the first 10 weeks of the new financial year of 0.34 (2023: 0.61).

Despite these difficult market conditions our strategy remains the right one, and this was clearly demonstrated during the financial year under review. Our Heritage Collection serves different parts of the market: from downsizers who want character with energy efficiency, to aspirational home movers who desire quality and space."

Enquiries:

Redrow plc

Richard Akers, Non-Executive Chairman	01244 527411
Matthew Pratt, Group Chief Executive	01244 527411
Barbara Richmond, Group Finance Director	01244 527411
Instinctif Partners	0207 457 2020
Tim McCall, Head of Capital Markets	07753 561862
Bryn Woodward, Associate Partner	0207 457 2045

A webcast and slide presentation of our results will be available at 7.00 am on www.redrowplc.co.uk.

There will be an analyst Q&A meeting with management at 9.30 am at The London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS. Coffee will be served from 9.00 am.

A live audio webcast of this event will be available at 9.30 am on www.redrowplc.co.uk.

Participants can also dial in to the Q&A live at 9.30 am on +44 (0) 33 0551 0200 or UK Toll Free 0808 109 0700; Password: Redrow.

A recording will be available on www.redrowplc.co.uk shortly after the event.

LEI Number:
2138008WJZBBA7EYEL28

Announcement Classification:
1.1: Annual financial and audit report

CHAIRMAN'S STATEMENT

The last financial year proved to be one of considerable uncertainty for the housing sector. The market almost came to a standstill in the second quarter of our financial year due to the steep rise in mortgage rates as a result of political uncertainty. Whilst the market did partially recover in spring 2023, the further rise in mortgage rates combined with the cost of living crisis means the market remained subdued. The Board have worked hard to deal with the emerging risks, and regulatory and policy uncertainty, to ensure that our strategy remains fit for purpose in this environment.

Financial Results

We completed 5,436 homes in the year. Whilst this was a 5% reduction on the 2022 financial year (2022: 5,715), revenue was stable due to the increase in average selling price that was already embedded in the order book. This reflects the demand for our Heritage range of family homes in primary locations and our focus on placemaking and enabling thriving communities to develop.

Profit before tax was £395m, which was 4% below the underlying profit for 2022, primarily due to cost inflation exceeding house price inflation in the year.

Shareholder Returns

Our underlying earnings per share of 91.2p were 5% below the previous financial year (2022: 96.0p). In addition to the lower profit before tax this reduction is also due to higher Corporation Tax and Residential Property Development Tax effective rates totalling 24.5% versus 20% last year.

Our underlying Return on Capital Employed was 23.1% (2022: 24.5%) and underlying Return on Equity was 19.9% (2022: 21.5%). We ended the year with net cash excluding lease liabilities of £235m (2022: £288m). The average monthly net cash balance was £196m, only £54m below the prior year, despite the £100m share buyback completed in January 2023.

As a result of this strong financial performance and in line with the company's policy of three times dividend cover, the Board is proposing a final dividend of 20.0p making a total of 30.0p for the year (2022: 32.0p). Subject to shareholder approval at the Annual General Meeting on 10 November 2023, this will be paid on 16 November 2023 to all shareholders on the register at 22 September 2023.

Purpose and Strategy

Our purpose of Creating a Better Place to Live is deeply embedded within the company. The Pillars on which this is built of Thriving Communities, Building Responsibly and Valuing People are the basis of our sustainability agenda. We have made great progress in developing our metrics and commitment to sustainability in the knowledge that it is built on creating developments which will stand the test of time.

The Group has completed its withdrawal from the London market, other than the ongoing Colindale development. Outside London our product is primarily our Heritage Range which has proven to be resilient and popular through the changing market conditions. Despite this, the company found it necessary to undertake a restructuring in July, including the closure of two offices.

Fire Safety

We have continued to make progress in the area of legacy fire safety. We signed the UK Government's Self Remediation Contract and the Welsh Government's Pledge in the year concerning the remediation of life critical fire safety in buildings over 11m that we developed in the last 30 years. Remediation works are either progressing or being planned for all the buildings concerned.

People

I am very pleased that Geeta Nanda joined the Board as an independent non-executive director on 1 May 2023. Geeta has spent almost the entirety of her career in housing associations and is currently Chief Executive of Metropolitan Thames Valley Housing Association. She will add valuable additional experience of the housing sector to the Redrow Board. Nick Hewson retired at the AGM in November 2022 after nearly ten years of service, and we thank him for the valuable contribution he has made over that time. His roles of Senior Independent Director and Audit Chair have been taken up by Nicky Dulieu and Oliver Tant respectively.

The excellent long-term performance of the business is due to the ongoing commitment and hard work of everyone at Redrow, together with our subcontractors and suppliers, and I would like to thank them all for their efforts in these uncertain times.

Trading and outlook

Following the macroeconomic volatility of the last financial year, as we go into 2024 the market remains challenging and uncertain. However, we believe we are well positioned to respond to the market as it develops. We have the land, people, designs and quality to deliver the homes and communities our customers want.

Richard Akers
Non-Executive Chairman

GROUP CHIEF EXECUTIVE'S REVIEW

Despite continuing political and economic headwinds, I'm pleased to report that the Group has delivered another strong set of results. During the year under review, we have taken several important strategic decisions to maximise sustainable value for our stakeholders, while delivering 5,436 completions (2022: 5,715).

Our Heritage Collection remains at the centre of our strategy, differentiating us from both new-build competitors and the much larger second-hand market. We continue to offer a unique proposition to homebuyers: the character of older homes combined with quality, energy efficiency and modern open plan interiors. These selling points appeal to those moving to larger homes as well as those who are downsizing. Once again, we saw the evidence of this with cash buyers representing 35.7% (2022: 33%) of all private reservations.

In January 2023, we became the first large housebuilder to announce that we would be installing air source heat pumps into all our homes on upcoming developments. Having listened to customers, we saw the opportunity to give our homes a significant further advantage over others on the market. Combining the heat pump with underfloor heating as standard across the ground floor of all our detached homes further enhanced the desirability and lifestyle benefits of our houses for customers.

Cost of living and mortgage affordability continue to have a negative impact on the market. Where appropriate, we've used targeted sales incentives to convert buyer interest into reservations. Following several consecutive Bank of England base rate increases, we remain hopeful that, as inflation eases, we will see some stability in mortgage rates. The reduction in mortgage volatility will enable potential customers to progress the purchase of their home with financial certainty. Reflecting the macro-economic picture and the tougher sales market, our average private reservation rate per week for the year was 0.46 compared to 0.68 in 2022 (excluding bulk deals 0.45 and 0.66).

Given housebuilders' strong forward order books during the financial year under review, both materials and sub-contract labour were stretched, with build cost inflation of up to 8% in some instances. These pressures have since eased as the macro-economic picture has become more uncertain, with build cost inflation beginning to return to more sensible levels. Going forward, in the new financial year, we expect build cost inflation to be circa 4%.

We ended the financial year with a total order book of £0.85bn (2022: £1.44bn) of which 65% (2022: 76%) was exchanged. We are continuing to be very selective on land buying and focused on bringing forward strategic land. This was demonstrated by the purchase of only 1,906 plots of current land. This is against the backdrop of our substantial land investment in 2021 when we added over £3bn of Gross Development Value (GDV) to our land holdings with planning at good margins. This activity secured the medium-term land bank.

As a result of our land investment in 2021 we increased the number of average outlets over the financial year to 117 and we expect to maintain this position during the 2024 financial year. We remain in a strong positive cash position, ending the financial year with £235m net cash excluding lease liabilities (2022: £288m). This is despite the fact we have returned £100m to shareholders in the form of a share buyback programme during the period from July 2022 to January 2023.

Sustainability is fundamental to our purpose, our business model, our culture, and strategy. We've made good progress across our operational KPI's and environmental, social and governance (ESG) metrics. We also exceeded industry averages for sustainability in the FTSE4Good Index and sustained high customer satisfaction ratings from the National House Building Council (NHBC) surveys and Trustpilot.

In order to embed this integrated approach throughout our business, we've refreshed our operational framework which is built around our long-standing sustainable business pillars: Building Responsibly, Thriving Communities and Valuing People. This strengthens Redrow's resilience in the face of evolving ESG risks, including regulation and industry standards, such as the Future Homes Standard, National Model Design Code and the New Homes Quality Board Code of Practice, as well as upcoming Biodiversity Net Gain legislation and the Nutrient Mitigation Scheme. It also leaves us well placed to take competitive advantage of sustainable opportunities, such as delivering energy and water-efficient homes for customers. Across the framework, we highlight how these activities contribute to the UN Sustainable Development Goals (SDG's).

Thriving Communities is about more than building homes. We apply our audited Redrow 8 placemaking principals to all our developments to ensure we deliver beautiful, nature rich, sustainable places for communities to enjoy. We bring extensive and lasting socio-economic value for local communities by investing in infrastructure like schools, health centres, shops, parks and green spaces, as well as affordable homes. These Redrow 8 placemaking principles and our Nature for People commitments ensure that our developments stand the test of time. Our research shows they're at the heart of community cohesion many years down the line.

Building Responsibly affirms our commitment to upholding the highest standards of health, safety and environmental responsibility. I'm pleased to report positive progress against targets in this area. Our 2030 net zero carbon targets have been validated by the Science-Based Targets Initiative and we're also establishing a science-based roadmap to 2050 that covers the entire value chain, where the majority of our emissions arise. Quality remains one of the top material issues for our stakeholders and we've earned our reputation for consistently delivering homes to a superior standard, as evidenced in 'Excellent' Trustpilot ratings and five-star HBF ratings for five years' running.

We invested further in people and systems to uphold quality and service standards, ensuring we rapidly rectified and learned from any defect reports. Our investments in apprenticeships, work placements, graduate programmes and university and schools' partnerships have been more important than ever, along with prioritising the work/life balance, professional growth, and physical and mental wellbeing of our colleagues.

Operating in an environment where there is a complete absence of any coherent housing policy from central government, is very challenging for all parts of the sector. The housing market invests for the long-term, yet the government is not providing the framework for this level of financial commitment. There is a fundamental disparity between the country's population growth and the number of homes built.

We continue to call for a long-term plan that enables the industry to invest and build the homes the country so desperately needs. The introduction of a national, independent body that could identify housing need and accelerate development in those areas would be a significant positive step. It would also generate a positive direct and indirect economic benefit across areas such as education, health, and infrastructure.

We have made positive progress in tackling issues of legacy fire safety. We signed the UK Government's Self Remediation Contract Long Form Agreement (LFA) and the Welsh Government's Pledge Deed of Bilateral Contract regarding the remediation of life critical fire safety issues in buildings over 11m that we developed in the past 30 years. And we believe we were the first large house builder to sign the Government's Responsible Actors Scheme.

We are actively progressing 46 of the 51 buildings with known or likely external works. All 18m plus buildings are in progress, which aligns with the Government's prioritisation advice. We are on-site at 18 of these buildings, with 14 at pre-contract stage.

The industry now has an additional requirement to consider the internal common parts. We are in the process of assessing the 109 buildings expected to require works, however we don't expect this to result in a change to our overall provision.

Outlook

The impact of a record number of consecutive interest rate increases in a short space of time and the general rise in the cost of living, continues to make this a challenging housing market.

As a result of this operating environment, we took the difficult decision in July 2023 to reshape the business, closing two of our smaller divisional offices: Thames Valley and Southern. Our outlets were unaffected by this change, and they are now managed by other local divisions. We also reduced a number of roles across our wider teams to reflect market conditions. We have worked closely with affected colleagues to support them throughout this time.

There are signs of economic stability, particularly with mortgage rates, following a sharp and painful period of adjustment for the country.

The strong fundamentals underpinning the new homes market remain the same. There is a chronic shortage of new homes to keep pace with the country's current and future needs.

In the first ten weeks of trading for the current financial year the reservation per outlet per week was 0.34 (2023: 0.61).

Despite these difficult market conditions our strategy remains the right one, and this was clearly demonstrated during the financial year under review. Our Heritage Collection serves different parts of the market: from downsizers who want character with energy efficiency, to aspirational home movers who desire quality and space.

I'd like to close by placing on record my thanks to all Redrow colleagues and our partners in the wider supply chain for their hard work and dedication this past year. We have once again provided high quality homes and places for thousands of families across the country. We look forward to carrying on this proud track record as we head into our 50th anniversary year in 2024.

Matthew Pratt
Group Chief Executive

FINANCIAL REVIEW

Underlying Performance

This year the Group has delivered a strong financial performance given market conditions. We generated operating profit of £399m (2022: underlying £414m[1]) and a return on capital employed of 23.11% (2022: 24.54%). We successfully completed the share buyback we launched in July 2022, returning £100m cash to shareholders and ended the year with net cash excluding lease liabilities of £235m (2022: £288m). FY23 was a 52 week year compared to FY22 which was a 53 week year.

Revenue, legal completions and outlets

Total Group revenue was £2.1bn (2022: £2.1bn). Homes revenue was broadly maintained at £2.1bn (2022: £2.1bn) from the completion of 5,436 new homes, a 5% reduction on the prior year (2022: 5,715). The average selling price of our private home completions increased by 8% and that of our affordable homes by 5% on those in 2022 due to house price inflation and product mix. Other revenue from land sales was higher than in the prior year at £44m due to two significant land sales on larger sites (2022: £21m).

Homes Revenue grew in our North and Central regions and reduced in the South and Colindale. The Central region achieved sales growth of 15% and benefitted from both improved product availability due to an increase in outlets and an improvement in geographical and product mix. Revenue in the South reduced by just under 8% due to lower volumes and a change in mix, with a greater proportion of private apartment completions and affordable homes. As a result, Homes Revenue for the ongoing business was £2,038m, 1% lower than the prior year (£2,067m) from 5% fewer legal completions.

Revenue from private houses decreased by 2% to £1.6bn (2022: £1.7bn) on 11% lower volumes whilst revenue from private apartments decreased by 22% to £181m (2022: £232m) on 14% lower volumes. This was a result of completing the run down of our London business (excluding Colindale) and higher sales of apartments in the South East outside London which are of a lower average selling price than those in London.

Our Heritage Collection contributed 90% of private revenue in the year up from 88% last year. The average selling price of our Heritage homes increased by 9% to £473,300 (2022: £433,300). This continues to reflect the strategic shift towards quality family detached homes in primary regional locations, focusing on the home mover segment.

Affordable revenue increased 25% to £258m (2022: £207m) due to the timing of legal completions. It represented 12% of Homes Revenue (2022: 10%). In terms of volumes, affordable homes represented 27% of the 5,436 legal completions we delivered in FY23 (2022: 22% of 5,715).

Average active outlets increased to 117 (2022: 111) which was 3 below the guidance we issued, primarily due to planning delays. Our guidance for the 2024 financial year is for average active outlets to remain at 117 due to continuing delays in the planning system and a slower sales market.

Reservations and Order Book

The Group secured £1.3bn of net private reservations in the 52 weeks to 2 July 2023 compared to £1.82bn for the 53 weeks in the previous year. We ended the financial year with a private order book of £0.6bn (2022: £1.1bn) and a total order book of £0.9bn, compared to £1.4bn last year. The reduction in reservations started with the negative impact of the Government's mini-Budget at the end of September 2022 which caused a spike in interest rates and not only a reduction in new reservations but also a very high number of cancellations. Whilst the housing market did pick up in the 2023 calendar year it did not return to normal levels of activity, with the sales rate averaging 0.53 per outlet per week for the second half of the financial year (2022: 0.71). This is due to the increases in mortgage rates. The sales rate reduced again in June as further mortgage rate rises were introduced by the major lenders.

Profitability

Gross profit was £508m, a £8m reduction on the prior year (2022: underlying £516m[1]). This represents a gross margin of 23.9% (2022: 24.1%[1]). The 20 basis point reduction in margin reflects build cost inflation which was not fully offset by house price inflation and also a higher proportion of affordable housing revenue due to the timing of legal completions.

Administrative expenses increased by £7m to £109m (2022: £102m) due mainly to cost inflation and ongoing IT investment. Administrative expenses were 5.1% of revenue, an increase on the previous year levels (2022: 4.8%).

The Group therefore delivered an operating profit of £399m (2022: underlying £414m[1]) in the year at an operating margin of 18.76% (2022: 19.3%[1]).

Net financing costs at £4m were in line with the prior year with bank interest payable and receivable increasing reflecting increases in base rate. We had an average monthly net cash balance of £196m for the year compared to £250m the previous year.

As a result, the Group delivered a profit before tax of £395m (2022: underlying £410m[1]) for the year with basic earnings per share of 91.2p (2022: underlying 96.0p[1]).

Last year an additional £164m legacy fire safety provision was created and charged to cost of sales in April 2022 in respect of the buildings the Group agreed to remediate solely as a result of signing the voluntary Building Safety Pledge. This was treated as exceptional as it is outside the normal course of business, non-recurring and material by size and nature. On 13 March 2023 Redrow signed the Self Remediation Terms (SRT) contract with DLUHC which follows on from the Building Safety Pledge and the equivalent Welsh version on 18 April 2023. The SRT widens builders' responsibilities regarding potential remedial work which may need to be undertaken and led to a further £32m of costs to be provided as a result of this scope change. This was offset by a reduction in the estimated costs of the necessary works for the external wall systems provided for in 2022. There is therefore no exceptional item in FY23.

Statutory Performance

As statutory performance last year was impaired by an exceptional item in respect of the legacy fire safety provision, the review of performance above has been of underlying performance i.e pre-exceptional. From a statutory perspective gross profit of £508m was £156m higher than the £352m delivered in the prior year. Operating profit was £399m (2022: £250m) and profit before tax of £395m was a £149m increase on the £246m achieved in 2022.

Tax

The corporation tax charge for the year was £97m (2022: £49m). The Group's tax rate for 2023 was 24.5% (2022: 20%). This increase in the effective rate is a result of an increase in the corporation tax rate to 25% from 1 April 2023 and a full year of Residential Property Developers Tax (RPDT) at the rate of 4% which was introduced by HMRC from 1 April 2022. The normalised rate of corporation tax for the year ending 30 June 2024 is projected to increase to 29% based on corporation tax and RPDT rates which are substantively enacted currently.

The Group paid £82m of corporation tax in the year (2022: £55m), in four instalments.

Dividends

The Board has proposed a 2023 final dividend of 20.0p per share which will be paid on 16 November 2023 to Shareholders on the register on 22 September 2023, subject to Shareholder approval at the 2023 Annual General Meeting. This gives a full year dividend of 30.0p (2022: 32.0p) on earnings per share of 91.2p (2022: underlying 96.0p[1]), a payout ratio of 33% of underlying earnings, in line with our stated policy.

Returns

Net assets at 2 July 2023 were £2,026m (2022: £1,950m), a 4% increase representing a NAV per share of £6.13 following the £100m share buyback and cancellation of 21,420,175 10.5p shares (2022: £5.54). Capital employed at the same date was £1,791m (2022: £1,662m) due to increased levels of work in progress and a reduction in land creditors. Our return on capital employed decreased to 23.11% (2022: 24.54%) due to the lower profit and higher capital employed. Return on equity also reduced to 19.9% (2022: 21.5%). (See note 10).

Land

Our gross investment in land at £1,684m (2022: £1,710m) reduced slightly as a result of our cautious approach to the land market in the light of the uncertain economic conditions. Our land holdings owned with planning amounted to approximately 4.8 years output (2022: 5.2 years). A review of the net realisable value of our land holdings at 2 July 2023 resulted in a net £4m increase in the net realisable value provision to £26m.

Our land buying expertise, placemaking and design abilities and strong balance sheet assist us when we are in the market to secure quality land holdings in primary locations. During the financial year the Group only added c1,900 plots with planning permission to our current (owned and contracted) land holdings (2022: c6,000) due to ongoing economic uncertainty. We closed the year with 26,070 plots in the current land holdings, a 3,530 decrease on the prior year (2022: c29,600 plots).

Approximately 58% of our current land holding additions in FY23 came from our forward land holdings. This is higher than the prior year, reflecting our reduced activity in the current land market together with securing implementable planning permissions on a small number of strategic sites in the year (2022: 27%). We closed the year with 36,100 forward land holdings (2022: 37,800 plots).

Land creditors decreased by £104m to £272m at 2 July 2023 (2022: £376m) representing 16.2% of gross land value (2022: 22.0%). This is due to the timing of land creditors maturing and the reduction in land purchases.

Our owned plot cost has increased by £7,000 to £88,000 (2022: £81,000) whilst still representing 19% (2022: 19%) of the average selling price of private legal completions in the year. This reflects the geographic mix of our land purchases in the year.

Work in progress

Our investment in work in progress has increased by £56m to £1,086m (2022: £1,030m) as a result of build cost inflation and increased outlets. As a percentage of Homes Revenue it increased to 52% from 49% last year.

Receivables

Trade receivables and contract assets decreased by £21m at 2 July 2023 to £24m (2022: £45m) due primarily to the timing of PRS and affordable housing receipts. Other receivables decreased from £25m to £13m mainly due to the timing of the recovery of VAT on land purchases.

Payables

Trade payables, customer deposits and accruals were £52m lower than 2022 levels at £561m (2022: £613m) with trade payables increasing and customer deposits and accruals decreasing reflecting timing and levels of activity.

Provisions

Provisions reduced by £12m overall during the year to £195m (2022: £207m). This was due to expenditure on the legacy fire safety provision. We expect £107m of this to be utilised in FY24. Our expenditure in FY23 was lower than the £97m expected due to requests for payments to the Building Safety Fund not being received in the timeframe anticipated.

Cash flow and Net Cash

There was a cash inflow generated from operations of £244m in the year (2022: £318m). This is lower than the previous year mainly due to the decrease in land purchases and reduction in land creditors already mentioned. This reduced our cash conversion percentage (see note 10) to 61% compared to 125% in the prior year. We successfully completed the £100m share buyback we announced in July 2022 in the year. As a result, we closed the year with net cash excluding lease liabilities of £235m (2022: £288m).

Financing and Treasury Management

Our unsecured £350m syndicated loan facility was extended in March 2021 and is due to mature in September 2025.

Redrow remains a UK based housebuilder and therefore the main focus of its financial risk management surrounds the management of liquidity and interest rate risk. Financial management at Redrow is conducted centrally using policies approved by the Board.

(i) Liquidity

The Group regularly prepares and reviews its cash flow forecasts and stress tests them. These are used to manage liquidity risks in conjunction with the maintenance of appropriate committed banking facilities to ensure we maintain medium term committed banking facilities sufficient for a major market breakdown.

Facilities are kept under regular review and the Group maintains regular contact with its banks and other financial institutions; this ensures Redrow remains attuned to new developments and opportunities and that our facilities remain aligned to our strategic and operational objectives and market conditions.

Our current banking syndicate comprises six banks and in addition to our committed facilities, Redrow also has further uncommitted bank facilities which are used to assist day to day cash management.

(ii) Interest rate risk

The Group is exposed to interest rate risk as it borrows money at floating rates. Redrow occasionally uses simple risk management products, notably sterling denominated interest rate swaps, as appropriate to manage this risk. Such products are not used for speculative or trading purposes. Redrow regularly reviews its hedging requirements. No hedging was undertaken in the year or the previous financial year and no interest rate swaps are held currently (2022: nil).

Pensions

On 27 January 2023, the Trustees of the Redrow Staff Pension Scheme entered into a bulk annuity buy-in contract with Standard Life. This transaction is part of the Trustees strategy to reduce the Scheme's exposure to risk with the Trustees agreeing to exchange the assets of the Scheme for an insurance policy which exactly matches the projected cashflows for all future pension benefits. Thus under the bulk annuity the Trustees will receive payments from Standard Life which they will use to pay pension benefits under the Scheme.

The buy-in reduces future pension and funding risk from a Company perspective. However, the Trustees making the strategic investment decision and entering into the bulk annuity buy-in contract does not impact the Company's obligations in relation to the Scheme e.g. to ensure the employee benefits are paid when they fall due. Therefore, as the Company retains responsibility for all its obligations in relation to the Scheme, it continues to treat the Scheme as a defined benefit plan as permitted by IAS 19 with £34m charged to Other Comprehensive Income in the period.

As a result, at 2 July 2023, the Group's financial statements showed a £5m surplus (2022: £39m surplus) in respect of the defined benefits section of The Redrow Staff Pension Scheme (which closed to future accrual with effect from 1 March 2012).

Barbara Richmond
Group Finance Director

Footnote 1: Redrow uses a variety of statutory performance measures and alternative performance measures when reviewing the performance of the Group. Underlying is defined as any statutory or alternative performance measure pre-exceptional items. See note 10 for an explanation and reconciliation of these alternative performance measures.

Consolidated Income Statement

52 WEEKS ENDED 2 JULY 2023 / 53 WEEKS ENDED 3 JULY 2022	Note	**Unaudited 2023 Total £m**	2022 Pre-Exceptional Item £m	2022 Exceptional Item £m	2022 Total £m
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

Redrow plc Registered no. 2877315

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 compiles 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**
UNDERLYING AND STATUTORY	**£m**	**millions**	**pence**
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
UNDERLYING – PRE-EXCEPTIONAL ITEM	£m	millions	pence
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
STATUTORY	£m	millions	pence
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 £m	2022 £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 £m	2022 £m
Due within one year	**174**	289
Due in more than one year	**98**	87
	272	376

7. **Provisions**

	Legacy fire safety provision £m	Onerous Contracts £m	Other £m	Total £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 £m	2022 £m
Current provisions	**107**	97
Non-current long term provisions	**88**	110
	195	207

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

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

9. **Share capital**

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

	Number of ordinary shares
As at 3 July 2022 and 2 July 20223 (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.	• Leading market indicators re volumes and values • Weekly 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	• Material and trade shortages • Material and trade price increases • Advance payment applications • Reluctance to tender

due to financial failure or production issues could disrupt our ability to deliver our homes to programme and budgeted cost.		potential shortage in skilled trades in the near future. Subcontractor utilisation on sites monitored to align workload and capacity. Materials forecast issued to suppliers and reviewed regularly. Collaborate with Supply Chain Partners in development of supply continuity strategies. Group Monthly Product Development meetings to identify and monitor changes in the regulatory environment. Tracking of construction cost movements.	for new business
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.	Group Communications Director, Group Human Resources Director, Group Company Secretary and Managing Director (Harrow Estates)	Lobby and communicate with local authorities to facilitate early collaboration to shape developments including where a National Model Design Code (NMDC) is required. Close management and monitoring of planning expiry dates and CIL. Well prepared planning submissions addressing local concern and deploying good design. Careful monitoring of the regulatory environment and regular communication of proposed changes across the Group through the Executive Management Team. Proactive approach to managing data protection with multi-functional team meeting regularly. Effective engagement with local authorities to understand the extent of their policies relating to climate change.	• Government consultations • Planning approval statistics • Proposed Government legislation
Availability and affordability of Mortgage Finance Availability and affordability of mortgage finance is a key factor facilitating liquidity in the housing market.	Group Finance Director	Proactively engage with the Government, Lenders and Insurers to support the housing market. Expert New Build Mortgage Specialists provide updates on and monitoring of regulatory change.	• Loan to value metrics • Number of mortgage products readily available
Sustainability Risks associated with failure to embed sustainable	Group Communities Director	Preparation and planning underway for Future Homes standard. Preparation for future	• Group GHG emissions scope 1 & 2 • % of timber certified • Average SAP rating

development principles.		Environmental Bill through implementation of our Nature for People Strategy. Close monitoring of Government strategy and guidance. Regular benchmarking against peers. ESG scorecard. Risks and Opportunities assessment aligned to TCFD framework. Training for divisional teams. Appointment of Group Sustainability Director.	• 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
Customer Service Failure of our customer service could lead to relative under performance of our business.	Group Customer and Marketing Director	Customer and Quality Director. My Redrow website to support our customers purchasing their new home. Increased use of digital and virtual communication tools. Online systems provide a full audit trail of the sales process. Full training on New Homes Ombudsman requirements. Annual review of adherence to NHQB Quality Code procedures compliance signed by divisional Managing Director Attention to customer feedback supported by a process at nine months post occupation to address root cause of customer fatigue and dissatisfaction. Bespoke digitalisation of complaints management system for improved visibility and efficiency. Regular review of our marketing and communications policy at both Group and divisional level.	• Customer satisfaction metrics • NHBC Construction Quality Review scores and Reportable Items
Health, Safety and Environment Non-compliance with Health & Safety standards and Environmental regulations could put our people and the environment at risk.	Group Health and Safety and Environmental Director	Dedicated in-house team operating across the Group to ensure compliance of appropriate Health and Safety standards supported by external professional expertise. H,S&E Assurance Audits. Monthly Divisional H,S&E Leadership meetings. Group and Regional H,S&E Leadership meetings. Internal and external training provided to all employees. ISO 14001 environmental	• Accident incident rate • H,S&E Assurance Audits outcomes • 'Near Miss' statistics

		management system covering all business operations. Divisional Construction (Design and Management) Regulation (CDM) inspections carried out to assess our compliance with our client duties under CDM. Health and Safety discussion at both Group and divisional level board meetings supported by performance information. CDM competency accreditation requirement as a minimum for contractor selection process. Regular monitoring and reporting on environmental performance.	
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.	Chief Information Officer	Cyber Awareness campaigns. Communication of IT policy and procedures to all employees. Regular systems back up and storage of data offsite. Web access allowed list. Internal IT security specialists. New Security Operation Centre. 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. Compulsory GDPR and IT security online training to all employees within our business. Cyber Insurance.	• Level of instances reported in the media • Penetration test results
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.	Group Chief Executive and Managing Director (Harrow Estates)	Proactive monitoring of the market conditions to implement a clear defined strategy at both Group and divisional level. Experienced and knowledgeable personnel in our land, planning and technical teams. Appropriate investment in strategic land programme supported by specialist Group team. Effective use of our Land Bank Management system to support the land acquisition process. Close monitoring of progress of relevant Local Plans. Peer review by Legal Directors and use of third party legal resources for larger site acquisitions to reduce risk.	• Forward land pull through • Owned land holding years • Land offer statistics

		Monitoring of emerging legislation to inform land assessments and purchase terms.	
Fraud/Uninsured Loss A significant fraud or uninsured loss could damage the financial performance of our business.	Group Finance Director	Systems, policies and procedures in place which are designed to segregate duties and minimise any opportunity for fraud. Regular Business Process Reviews undertaken to ensure compliance with procedure and policies followed by formal action plans. Timely management reporting. Insurance strategy driven by business risks including Cyber Insurance. Fraud awareness training.	• Business Process Review outcomes • Insurance Review outcomes
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.	Group Design and Technical Director	Regular review and product updates in response to the demand in the market and assessment of our customer needs. Design focused on high quality build and flexibility to planning changes. Regular site visits and implementation of product changes to respond to demands. Focus on award winning Heritage Collection. Manufacturers providing specific training to subcontractors re new technologies installation. Regular design and technical seminars. Monitor Government emerging legislation.	• Customer satisfaction metrics • Focus Group feedback • Emerging planning regulation
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.	Group Human Resources Director	In-house training offering blended learning to all employees. Suite of development programmes for identified talent from first line manager to Director. Move to agile working practices embracing use of remote working. Graduate training, Undergraduate placements and Apprentice training programmes to aid succession planning. Bespoke housebuilding degree course in conjunction with Liverpool John Moores University and Coleg Cambria. Remuneration strategy in order to attract and retain talent within the business is reviewed regularly and	• Employee turnover levels • Employee engagement score

		benchmarked. Engagement Team and continued refinement of internal communications platform in addition to annual employee survey to create framework for strong, two-way communication. Flexible Working Policy.	
Liquidity and Funding The Group requires appropriate facilities for its short-term liquidity and long-term funding.	Group Finance Director	Medium term committed banking facilities sufficient for a major market breakdown. Regular communication with our investors and relationship banks, including visits to developments as appropriate. Regular review of our banking covenants appropriateness and design and capital structure. Ensuring our future cash flow is sustainable through detailed budgeting process and reviews and scenario modelling. Strong forecasting and budgeting process. Monitor requirements for future bonds in emerging planning agreements.	• Cash conversion • Forecast undrawn committed facilities
Climate Change Risks associated with the potential physical effects of climate change and the regulatory and mandatory reporting environment around climate change.	Group Communities Director	Risks and opportunities assessment aligned with TCFD framework and Climate Related Financial Disclosures. Ensure appropriate consideration is given to product design and placemaking to mitigate potential climate change impacts. Identify new products, processes and services aimed at improved energy performance and reducing Green House Gas emissions. Undertake climate-related scenario analysis. Commitment made to the Business Ambition for 1.5°C and to reach science-based net zero carbon emissions no later than 2050.	• Group GHG emissions • Scope 1, 2 & 3 • Average SAP rating