

## Consolidated Income Statement

		Unaudited 26 weeks ended 27 December <b>2020</b>	Unaudited 26 weeks ended 29 December 2019	Audited 52 weeks ended 28 June 2020
	Note	£m	£m	£m
<b>Revenue</b>		<b>1,041</b>	870	1,339
Cost of sales		(819)	(662)	(1,097)
<b>Gross profit</b>		<b>222</b>	208	242
Administrative expenses		(44)	(49)	(94)
Operating profit		<b>178</b>	159	148
Financial income		-	1	2
Financial costs		(4)	(3)	(10)
Net financing costs		(4)	(2)	(8)
<b>Profit before tax</b>		<b>174</b>	157	140
Income tax expense	2	(33)	(29)	(27)
<b>Profit for the period</b>		<b>141</b>	128	113
Earnings per share - basic	4	<b>41.0p</b>	37.2p	32.9p
- diluted	4	<b>41.0p</b>	37.1p	32.8p

## Consolidated Statement of Comprehensive Income

		Unaudited 26 weeks ended 27 December <b>2020</b>	Unaudited 26 weeks ended 29 December 2019	Audited 52 weeks ended 28 June 2020
	Note	£m	£m	£m
<b>Profit for the period</b>		<b>141</b>	128	113
<b>Other comprehensive income/(expense):</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of post-employment benefit obligations	5	2	(3)	1
Deferred tax on remeasurements taken directly to equity		-	1	-
<b>Other comprehensive income/(expense) for the period net of tax</b>		<b>2</b>	(2)	1
<b>Total comprehensive income for the period</b>		<b>143</b>	126	114

## Consolidated Balance Sheet

		Unaudited At at 27 December 2020	Unaudited As at 29 December 2019	Audited As at 28 June 2020
	Note	£m	£m*	£m
<b>Assets</b>				
Intangible assets		2	2	2
Property, plant and equipment		19	17	19
Lease right of use assets		6	8	7
Investments		-	8	9
Deferred tax assets		1	4	1
Retirement benefit surplus	5	24	17	22
Trade and other receivables		-	7	-
<b>Total non-current assets</b>		<b>52</b>	<b>63</b>	<b>60</b>
Inventories	6	2,454	2,510	2,585
Trade and other receivables		64	37	38
Current corporation tax receivables		-	14	7
Cash and cash equivalents	8	242	89	44
<b>Total current assets</b>		<b>2,760</b>	<b>2,650</b>	<b>2,674</b>
<b>Total assets</b>		<b>2,812</b>	<b>2,713</b>	<b>2,734</b>
<b>Equity</b>				
Retained earnings at 29 June 2020/1 July 2019		1,522	1,481	1,481
Profit for the period		141	128	113
Other comprehensive income/(expense) for the period		2	(2)	1
Dividends paid		-	(72)	(72)
Movement in LTIP/SAYE		2	3	(1)
Retained earnings		1,667	1,538	1,522
Share capital	10	37	37	37
Share premium account		59	59	59
Other reserves		8	8	8
<b>Total equity</b>		<b>1,771</b>	<b>1,642</b>	<b>1,626</b>
<b>Liabilities</b>				
Bank loans	8	4	75	170
Trade and other payables	7	144	125	120
Deferred tax liabilities		5	4	5
Long-term provisions		8	8	8
<b>Total non-current liabilities</b>		<b>161</b>	<b>212</b>	<b>303</b>
Trade and other payables	7	879	859	805
Current income tax liabilities		1	-	-
<b>Total current liabilities</b>		<b>880</b>	<b>859</b>	<b>805</b>
<b>Total liabilities</b>		<b>1,041</b>	<b>1,071</b>	<b>1,108</b>
<b>Total equity and liabilities</b>		<b>2,812</b>	<b>2,713</b>	<b>2,734</b>

\*Restated – see note 1.

## Consolidated Statement of Changes in Equity

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m
At 1 July 2019	37	59	8	1,481	1,585
Total comprehensive income for the period	-	-	-	126	126
Dividends paid	-	-	-	(72)	(72)
Movement in LTIP/SAYE	-	-	-	3	3
<b>At 29 December 2019 (Unaudited)</b>	<b>37</b>	<b>59</b>	<b>8</b>	<b>1,538</b>	<b>1,642</b>
At 1 July 2019	37	59	8	1,481	1,585
Total comprehensive income for the period	-	-	-	114	114
Dividends paid	-	-	-	(72)	(72)
Movement in LTIP/SAYE	-	-	-	(1)	(1)
<b>At 28 June 2020 (Audited)</b>	<b>37</b>	<b>59</b>	<b>8</b>	<b>1,522</b>	<b>1,626</b>
At 29 June 2020	37	59	8	1,522	1,626
Total comprehensive income for the period	-	-	-	143	143
Dividends paid	-	-	-	-	-
Movement in LTIP/SAYE	-	-	-	2	2
<b>At 27 December 2020 (Unaudited)</b>	<b>37</b>	<b>59</b>	<b>8</b>	<b>1,667</b>	<b>1,771</b>

## Consolidated Statement of Cash Flows

		Unaudited 26 weeks ended 27 December <b>2020</b>	Unaudited 26 weeks ended 29 December 2019	Audited 52 weeks ended 28 June 2020
	Note	£m	£m*	£m
<b>Cash flows from operating activities</b>				
Operating profit		141	128	113
Depreciation and amortisation		2	3	7
Financial income		-	(1)	(2)
Financial costs		4	3	10
Income tax expense		33	29	27
Adjustment for non-cash items		6	(3)	1
(Increase)/decrease in trade and other receivables		(26)	13	20
Decrease/(increase) in inventories		131	(213)	(181)
Increase/(decrease) in trade and other payables		98	86	(75)
<b>Cash inflow/(outflow) generated from operations</b>		<b>389</b>	45	(80)
Interest paid		(1)	(1)	(5)
Tax paid		(25)	(77)	(64)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>363</b>	(33)	(149)
<b>Cash flows from investing activities</b>				
Acquisition of software, property, plant and equipment		(2)	(3)	(7)
Net payments to joint ventures		4	(2)	(3)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>2</b>	(5)	(10)
<b>Cash flows from financing activities</b>				
Issue of bank borrowings		-	75	170
Repayment of bank borrowings		(166)	(80)	(80)
Payment of lease liabilities		(1)	-	(3)
Purchase of own shares		-	-	(16)
Dividends paid	3	-	(72)	(72)
<b>Net cash (outflow) from financing activities</b>		<b>(167)</b>	(77)	(1)
<b>Increase/(decrease) in net cash and cash equivalents</b>		<b>198</b>	(115)	(160)
Net cash and cash equivalents at the beginning of the period		44	204	204
<b>Net cash and cash equivalents at the end of the period</b>	8	<b>242</b>	89	44

\* Restated – see note 1

## **NOTES (Unaudited)**

### **1. Accounting policies**

#### **Basis of preparation**

The condensed consolidated half-yearly financial information for the 26 weeks ended 27 December 2020 has been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34 interim Financial Reporting adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The Directors consider this to be appropriate for the reasons outlined below.

The annual financial statements of the group for the 52 weeks to 27 June 2021 will be prepared in accordance with International Financial Reporting Standards (IFRSs) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 28 June 2020 which were prepared in accordance with IFRSs as adopted by the EU.

#### **Going concern**

As a precaution against an extended lockdown, the Group increased its available banking facilities by £100m in April 2020. As a result, the Group has a £350m Revolving Credit Facility (RCF) provided by an established syndicate of six banks being Barclays Bank PLC, Lloyds Bank Plc, The Royal Bank of Scotland Plc, Santander UK PLC, HSBC UK Bank PLC and Svenska Handelsbanken AB (PUBL). This expires in December 2022 and is a committed unsecured facility. No change to the RCF covenants was made as a result of the increase to £350m. As at 10 February 2021, £350m of this facility was undrawn. It is likely that the RCF will be renewed prior to its expiry in December 2022.

In addition the Group has a further £13m of committed, unsecured facilities also expiring in December 2022 and £3m of unsecured, uncommitted facilities.

The Group also gained eligibility as an issuer for the Government's COVID Corporate Funding Facility (CCFF) with an issuer limit of £300m. Given the timely return to work and the effectiveness of measures to protect its cash flow, the Group has not used the CCFF and our forecasts do not assume the utilisation of this facility.

The Directors have prepared forecasts including cashflow forecasts for a period of 22 months from the date of approval of these financial statements to 30 December 2022. 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 20% price reduction on all unexchanged private legal completions for FY21 and a 10% price reduction on all unexchanged social legal completions for FY21;

A 10% price reduction on all unexchanged private legal completions for FY22 and a 5% price reduction on all unexchanged social legal completions for FY22;

FY23 legal completions at September 2020 forecast prices; and

A reduction in sales rate to 0.4 per budgeted active outlet per week from January 2021 to Sept 2021.

These downside assumptions reflect the further potential impact of COVID 19 being increased economic uncertainty, further Government lockdown restrictions and increasing rates of unemployment and consumer confidence levels.

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 forecast period. The Directors therefore consider that the Group will have sufficient funds to continue to meet its liabilities as they fall due for the forecast period and have therefore adopted the going concern basis of accounting in preparing these financial statements.

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

The half-yearly condensed consolidated report should be read in conjunction with the annual consolidated financial statements for the 52 weeks ended 28 June 2020, which have been prepared in accordance with IFRSs as adopted by the European Union.

This half-yearly financial information does not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006. This condensed half-yearly financial information has been reviewed, not audited. The comparative figures for the financial period ended 28 June 2020 are not the Group's statutory accounts for that financial year. Audited statutory accounts for the 52 weeks ended 28 June 2020 were approved by the Board of Directors on 15 September 2020 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

The principal accounting policies adopted in the preparation of this condensed half-yearly financial information are included in the annual consolidated financial statements for the 52 weeks ended 28 June 2020. The accounting policies are consistent with those followed in the preparation of the financial statements to the 52 weeks ended 28 June 2020 where there was a change in accounting in respect of Inventories. Inventories were previously stated net of cash on account (payments on account from social and private rented sector customers). These payments are now disclosed in Trade and Other payables and the 2019 comparatives have been restated.

The preparation of condensed half-yearly financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may subsequently differ from these estimates. In preparing this condensed half-yearly financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the 52 weeks ended 28 June 2020.

The main operation of the Group is focused on housebuilding. As it operates entirely within the United Kingdom, the Group has only one reportable business and geographic segment. After considering the requirements of IFRS 15 to present disaggregated revenue, the Group does not believe there is any disaggregation criteria applicable to its one reportable business and geographic segment. There is no material difference between any assets or liabilities held at cost and their fair value.

### **Principal risks and uncertainties**

As with any business, Redrow plc faces a number of risks and uncertainties in the course of its day to day operations.

The principal risks and uncertainties facing the Group are outlined within our half-yearly report 2020 (note 16). We have reviewed the risks pertinent to our business in the 26 weeks to 27 December 2020 and which we believe to be relevant for the remaining 26 weeks to 27 June 2021. The only material change from those outlined in our Annual Report 2020 is the considerable unknowns still remaining now the UK has left the EU. We have however not experienced any significant direct impact to date.

### **2. Income Tax expense**

Income tax charge is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year (19% (2020: 18.5%)). Deferred taxation balances have been valued at 19% being the corporation tax rate from 1 April 2020 substantively enacted on 22 July 2020.

### **3. Dividends**

A dividend of £nil was paid in the 26 weeks to 27 December 2020 (26 weeks to 29 December 2019: £72m).

### **4. Earnings per share**

The basic earnings per share calculation for the 26 weeks ended 27 December 2020 is based on the weighted number of shares in issue during the period of 344m (26 weeks ended 29 December 2019: 344m) excluding those held in trust under the Redrow Long Term Incentive Plan, 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.

**26 weeks ended 27 December 2020 (Unaudited)**

	Earnings £m	No. of shares millions	Per share Pence
Basic earnings per share	141	344	41.0
Effect of share options and SAYE	-	-	-
<b>Diluted earnings per share</b>	<b>141</b>	<b>344</b>	<b>41.0</b>

**26 weeks ended 29 December 2019 (Unaudited)**

	Earnings £m	No. of shares millions	Per share Pence
Basic earnings per share	128	344	37.2
Effect of share options and SAYE	-	1	(0.1)
<b>Diluted earnings per share</b>	<b>128</b>	<b>345</b>	<b>37.1</b>

**52 weeks ended 28 June 2020 (Audited)**

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	113	343	32.9
Effect of share options and SAYE	-	2	(0.1)
<b>Diluted earnings per share</b>	<b>113</b>	<b>345</b>	<b>32.8</b>

**5. Pensions**

The amounts recognised in respect of the defined benefit section of the Group's Pension Scheme are as follows:

	Unaudited 26 weeks ended 27 December <b>2020</b> £m	Unaudited 26 weeks ended 29 December 2019 £m	Audited 52 weeks ended 28 June 2020 £m
<b>Amounts included within the consolidated income statement</b>			
<b>period operating costs</b>			
Scheme administration expenses	-	-	-
Net interest on defined benefit liability	-	-	-
	-	-	-
<b>Amounts recognised in the consolidated income statement of comprehensive income</b>			
Return on scheme assets excluding interest income	5	1	24
Actuarial movements arising from change in financial assumptions	(3)	(3)	(22)
Actuarial movements arising from change in demographic assumptions	-	(1)	(1)
	<b>2</b>	<b>(3)</b>	<b>1</b>
<b>Amounts recognised in the consolidated balance sheet</b>			
Present value of the defined benefit obligation	(155)	(134)	(151)
Fair value of the Scheme's assets	179	151	173
<b>Surplus in the consolidated balance sheet</b>	<b>24</b>	<b>17</b>	<b>22</b>

## 6. Inventories

	Unaudited As at 27 December 2020	Unaudited As at 29 December 2019	Audited As at 28 June 2020
	£m	£m*	£m
Land for development	1,502	1,510	1,538
Work in progress	878	928	972
Stock of showhomes	74	72	75
	<b>2,454</b>	<b>2,510</b>	<b>2,585</b>

\*Restated – see note 1.

## 7. Land Creditors (included in trade and other payables)

	Unaudited As at 27 December 2020	Unaudited As at 29 December 2019	Audited As at 28 June 2020
	£m	£m*	£m
Due within one year	195	229	186
Due in more than one year	140	125	116
	<b>335</b>	<b>354</b>	<b>302</b>

\*Restated – see note 1.

## 8. Analysis of Net Cash/(Debt)

	Unaudited As at 27 December 2020	Unaudited As at 29 December 2019	Audited As at 28 June 2020
	£m	£m	£m
Cash and cash equivalents	242	89	44
Bank loans	(4)	(75)	(170)
	<b>238</b>	<b>14</b>	<b>(126)</b>

Net cash excludes land creditors and lease liabilities arising under IFRS 16.

## 9. Bank facilities

At 27 December 2020, the Group had total unsecured bank borrowing facilities of £366m (29 December 2019: £253m), representing £363m committed facilities and £3m uncommitted facilities.

The Group's syndicated loan facility matures in December 2022.

## 10. Issued Share capital

Allotted, called up and fully paid.

	£m
At 29 December 2019 – 352,190,420 ordinary shares of 10.5p each (unaudited)	37
At 28 June 2020 – 352,190,420 ordinary shares of 10.5p each (audited)	37
At 27 December 2020 – 352,190,420 ordinary shares of 10.5p each (unaudited)	<b>37</b>



As at 28 June 2020 and 27 December 2020

**352,190,420**

### 11. Contingent Liabilities

The Company has guaranteed the bank borrowings of its subsidiaries. Performance bonds and other building or performance guarantees have been entered into in the normal course of business. Management consider the possibility of a cash outflow in settlement to be remote.

### 12. Related parties

Key management personnel, as defined under IAS 24 'Related Party Disclosures', are identified as the Executive Management Team and the Non-Executive Directors. Summary key management remuneration is as follows:

	Unaudited 26 weeks ended 27 December <b>2020</b> <b>£m</b>	Unaudited 26 weeks ended 29 December 2019 £m	Audited 52 weeks ended 28 June 2020 £m
Short-term employee benefits	2	3	4
Share-based payment charges	1	1	1
	<b>3</b>	4	5

### 13. Alternative performance measures

Redrow uses return on capital employed (ROCE) as one of its financial measures. The Directors consider this to be an important indicator of whether the Group is achieving appropriate returns on its invested capital. As this is not defined or specified by IFRSs, a definition and calculation is provided below:

Capital employed is defined as total equity plus net debt or minus net cash.

ROCE - at half year end, this is calculated as operating profit for the 52 weeks to December before exceptional items as a percentage of the average of current year December and prior year December capital employed.

	December 2020 £m		December 2019 £m
<b>Operating Profit</b>			
26 weeks to December 2020	178	26 weeks to December 2019	159
52 weeks to June 2020	148	52 weeks to June 2019	411
26 weeks to December 2019	(159)	26 weeks to December 2018	(187)
<b>52 weeks to December 2020</b>	<b>167</b>	52 weeks to December 2019	383
<b>Capital Employed</b>			
Total equity December 2020	1,771	Total equity December 2019	1,642
Net cash December 2020	(238)	Net cash December 2019	(14)
<b>Capital employed December 2020</b>	<b>1,533</b>	Capital employed December 2019	1,628
Total equity December 2019	1,642	Total equity December 2018	1,560
Net cash December 2019	(14)	Net debt December 2018	(101)
<b>Capital employed December 2019</b>	<b>1,628</b>	Capital employed December 2018	1,459
<b>Average capital employed</b>	<b>1,581</b>	Average capital employed	1,544
<b>ROCE %</b>	<b>11%</b>	ROCE %	25%

## 14. General information

Redrow plc is a public limited company incorporated and domiciled in the UK and has its primary listing on the London Stock Exchange.

The registered office address is Redrow House, St David's Park, Flintshire, CH5 3RX.

### Financial Calendar

Interim dividend record date	26 February 2021
Interim dividend payment date	9 April 2021
Announcement of results for the 52 weeks to 27 June 2021	15 September 2021
Final dividend record date	24 September 2021
Circulation of Annual Report	4 October 2021
Annual General Meeting	12 November 2021
Final dividend payment date	17 November 2021

## 15. 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

Shareholder helpline: 0370 707 1257

## 16. Risks and Risk Management

<b>Risk</b>	<b>Risk Owners</b>	<b>Key Controls and Mitigating Strategies</b>
<b>Housing Market</b> The UK housing market conditions have a direct impact on our business performance.  This year has seen the added risk of distortions in the housing market due to reaction to a global pandemic together with related economic uncertainty.  The UK's exit from the EU may also lead to increased economic uncertainty.	Group Chief Executive	Close monitoring of Government guidance.  Delegated Crisis Committee established with Executive Board meetings a minimum of twice weekly in times of crisis.  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 Help To Buy (HTB) levels.  Ensuring strong relationships with lenders and valuers to ensure they recognise our premium product.  Ongoing and regular monitoring of Government policy and lobbying as appropriate.  The UK has now left the EU. We currently have not experienced any significant direct impact however it is still early days and there are considerable unknowns.  The Risk of COVID-19 and the effect on the UK economy continues to add uncertainty.
<b>Availability of Mortgage Finance</b>	Group Finance Director	Proactively engage with the Government, Lenders and Insurers to support the housing market.

<p>Availability of mortgage finance is a key factor in the current environment.</p>		<p>Expert New Build Mortgage Specialists provide updates on and monitoring of regulatory change.</p>
<p><b>Liquidity and Funding</b> The Group requires appropriate facilities for its short-term liquidity and long-term funding.</p>	<p>Group Finance Director</p>	<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><b>Customer Service</b> Failure of our customer service could lead to relative under performance of our business. This year has seen the added risk of customer technicians entering occupied homes at a time of a global pandemic.</p>	<p>Group Customer and Marketing Director</p>	<p>Customer and Quality Director appointed.</p> <p>My Redrow website to support our customers purchasing their new home.</p> <p>Increased use of digital and virtual communication tools.</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>Regular review of our marketing and communications policy at both Group and divisional level.</p>
<p><b>Land Procurement</b> 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>	<p>Group Chief Executive</p>	<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>
<p><b>Planning and Regulatory Environment</b> 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 Chief Executive Group Human Resources Director Group Company Secretary</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>

		Proactive approach to managing data protection with multi-functional team meeting regularly.
<p><b>Appropriateness of Product</b></p> <p>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><b>Attracting and Retaining Staff</b></p> <p>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>Personal Development Programmes supported by National training centres at four locations.</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 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>Equality, Diversity and Inclusion working group with membership from across the business.</p>
<p><b>Health and Safety/ Environment</b></p> <p>Non-compliance with regulations could put our people and the environment at risk.</p> <p>Increased levels of scrutiny of the industry heightens the risk environment as does ensuring safe COVID-19 working practices are adhered to.</p>	Group Health and Safety and Environmental Director	<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>Separate focus on Assurance visits to site and proactive management support to develop planning and processes.</p> <p>Monthly Divisional H, S &amp; E Leadership meetings.</p> <p>Bi-annual Group H, S &amp; E Leadership meetings.</p> <p>Internal and external training provided to all employees.</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.</p> <p>CDM competency accreditation requirement as a minimum for contractor selection process.</p>
<p><b>Key Supplier or Subcontractor Failure</b> The failure of a key component of our supply chain to perform due to financial failure or production issues could disrupt our ability to deliver our homes to programme and budgeted cost.</p> <p>Failure to secure required resources as a result of leaving the EU.</p>	Group Commercial Director	<p>Use of reputable supply chain partners with relevant experience and proven track record and maintain regular contact.</p> <p>Monitoring of subcontract supply chain to maintain appropriate number for each trade to identify 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 updated Brexit supply continuity strategies.</p> <p>Collaborate with Supply Chain Partners in development of return to work plans.</p> <p>Group Monthly Product Development meetings to identify and monitor changes in the regulatory environment.</p>
<p><b>Cyber Security</b> 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> <p>The introduction of GDPR has increased the requirements for the control of personal data.</p>	Chief Information Officer	<p>Communication of IT policy and procedures to all employees.</p> <p>Regular systems back up and storage of data offsite.</p> <p>Internal IT security specialists.</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>The systems have proved resilient to increased home working.</p>
<p><b>Fraud/Uninsured Loss</b> 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.</p> <p>Fraud awareness training.</p>

## **Responsibility Statement**

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 interim Financial Reporting adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- the interim management report includes a fair review of the information required by:
  - a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

### **The Directors of Redrow plc as at the date of this statement are:**

John Tutte  
Matthew Pratt  
Barbara Richmond  
Nicholas Hewson  
Sir Michael Lyons  
Nicky Dulieu

### **By order of the Board**

Graham Cope  
Company Secretary

10 February 2021

Redrow plc  
Redrow House  
St David's Park  
Flintshire  
CH5 3RX

# **INDEPENDENT REVIEW REPORT TO REDROW PLC**

## **Conclusion**

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the period ended 27 December 2020 which comprises the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related explanatory notes up to note 15.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the period ended 27 December 2020 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

## **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Directors’ responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The latest annual financial statements of the group were prepared in accordance with International Financial Reporting Standards as adopted by the EU and the next annual financial statements will be prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

## **Our responsibility**

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

## **The purpose of our review work and to whom we owe our responsibilities**

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

**Nick Plumb**

**for and on behalf of KPMG LLP**

*Chartered Accountants*

8 Princes Parade  
Liverpool  
L3 1 QH

10 February 2021