Making sustainable living a reality, building strong communities

Annual Report and Accounts 2024

BARRATT
DEVELOPMENTS PLC

Inside this report

Strategic Report

Governance

Financial Statements

How to use this report

Read more

Discover online

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Page back

Page forward

Contents

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Alternative performance measures

In addition to the Group using a variety of statutory performance measures it also measures performance using alternative performance measures (APMs). Definitions of the APMs and reconciliations to the equivalent statutory measures are detailed on pages 210 and 211. The definition of net cash is included in note 17 to the Financial Statements.

Front cover Kingsbrook, Aylesbury – an award-winning development with 60% green space.

Our purpose

Making sustainable living a reality, building strong communities

We are well positioned to make a positive contribution to society by delivering sustainable homes that are needed across the country. We have proven to be resilient over the past year and will continue to lead the future of housebuilding for customers.

We will continue to achieve our purpose by living by our values that drive day-to-day decision making.

Read more about our values on page 2

Anson Gardens, Fradley

Living our values

Whether we are facing day-to-day challenges or looking to the future, our values guide us on how we behave and how we will continue to achieve our purpose.

Green space at Drovers Court, Micklefield

We do it for our customers

We always put our customers first and do everything we can to help them on their home ownership journey.

93% of our customers said they would recommend us to a friend in the latest annual HBF National New Homes Customer Satisfaction Survey. We have a 5-star rating for customer satisfaction, and are the only major housebuilder to be awarded this accolade for 15 years in a row.

93%

of our customers said they would recommend Barratt to a friend

Ashridge Grange, Wokingham

We do it right

We always act with honesty and integrity, and work hard to get our homes right first time.

The NHBC undertakes independent inspections at five stages of the home building process and we have delivered the lowest rate of Reportable Items out of all the major UK housebuilders for the past five years.

0.13

Reportable Items in FY24, the lowest rate out of all major UK housebuilders

Sales team, Barratt London

We do it together

We are committed to nurturing a diverse workforce that reflects the communities where we operate, which is key to developing the next generation of leaders.

Initiatives such as our dignity and respect training programme and balanced recruitment shortlists aim to give people from all backgrounds the chance to succeed in the industry.

6

employee networks celebrating our diverse identities and collaborating towards our shared success

Site staff at Kingsbrook, Aylesbury

We make it happen

We are proud of the great legacy we are creating and are taking the lead delivering excellence in housebuilding.

Reducing waste drives efficiency and reduces our impact on the environment. By introducing dedicated waste managers and improving our waste monitoring, we are continuing to reduce the construction waste generated by our sites.

45%

reduction in construction waste intensity since FY20

Making a positive contribution to society by delivering sustainable homes

Caroline Silver
Chair

Since taking over as Chair on 30 June 2023, I have met many of our stakeholders, including employees, customers, shareholders, supply chain partners and sub-contractors.

It is evident that we have a strong culture and a desire to ensure colleagues can develop to their full potential within a diverse, safe and inclusive workplace and we are fully committed to delivering high-quality homes to our customers whilst protecting the environment.

Colleagues across the business are passionate and helped in the development and launch, earlier this year, of our new purpose: "Making sustainable living a reality, building strong communities". Our new purpose is also supported by refreshed values which reflect the ever-changing needs of our stakeholders, the environment and our desire to lead the future of housebuilding. Input was also sought from external stakeholders to help shape our new purpose and values.

For more details see pages 1 and 2

Our performance

Barratt has delivered a solid operational performance over the past 12 months, at the upper end of our expectations against a tough trading backdrop encompassing political, economic and interest rate instability. Importantly, we have done so whilst maintaining our industry-leading quality, customer service and sustainability performance.

Our balance sheet remains strong, with net cash of £868.5m, and provides the financial strength and flexibility to ensure we can manage and deliver the optimal integration of the Redrow business, whilst maintaining a positive and proactive approach to organic growth opportunities.

I am incredibly proud of the external recognition we have received over the past 12 months:

- We were awarded the Home Builders Federation (HBF) five-star status for the 15th year in a row, making us the only national housebuilder to have achieved this.
- Our site managers secured 89 NHBC Pride in the Job awards, again more than any other housebuilder for a record 20th year.
- We maintained our position as the only UK housebuilder on the CDP Climate Change A List for Leadership, one of fewer than 365 companies worldwide.

Sustainability

We have continued to deliver against our Building Sustainably framework which is designed to drive positive change for nature, places and people. This is enabling us to drive innovation, reduce costs and enhance our competitiveness.

Please see pages 40 to 44 for further detail

The housebuilding industry's impact on climate change makes it imperative that we continually scrutinise and challenge the ways in which we operate and reduce our environmental impact. The successful opening of our new Oregon Timber Frame manufacturing facility near Derby has significantly expanded our capacity to build more homes using timber frame and will help towards meeting the requirements of the Future Homes Standard and reduce on-site labour requirements. It will also deliver benefits to the environment by reducing the embodied carbon used in build, and through thermal efficiency, reduce emissions generated when the home is occupied.

More information on our new Oregon factory can be found on page 39

Industry collaboration

I am also pleased that Barratt is playing a leading role in the Future Homes Hub with David Thomas, our Chief Executive, chairing the organisation. The Future Homes Hub is enabling collaboration between Government, housebuilders, supply chain partners, mortgage providers, valuers and planners to deliver both the country's legislated targets to 2050 and our own carbon emission reduction targets to 2040.

Chair's Statement continued


Burnmill Grange, Market Harborough

We do it together

Better together

We believe the acquisition of Redrow plc is beneficial to all our stakeholders and enhances our investment case.

Aligned on values

We share the same values, centred on delivering excellent build quality, customer service and leading the industry's sustainability journey.

Addressing a wider market

Through our complementary brands and house type ranges, we will be able to offer greater customer choice and design variety across our developments.

Accelerating delivery

Through our combined land banks and both the depth and strength of our management teams, we will be positioned to accelerate growth in new housing delivery.

Read more on pages 6 and 7

See more about the benefits of the Combination at www.barrattdevelopments.co.uk/investors/barratt-redrow

Board changes

Nigel Webb joined the Board as a Non-Executive Director in October 2023, bringing a wealth of property, construction and land experience to the Board.

Subject to obtaining CMA clearance of the Redrow acquisition, Matthew Pratt, Geeta Nanda and Nicky Dulieu will join the Board in the coming months. Matthew will join as Chief Executive Officer, Redrow and Group Executive Director. Geeta and Nicky will join as independent Non-Executive Directors.

For details on the composition and diversity of the Board, please see page 103

Shareholder returns

The Board paid an interim dividend for FY24 of 4.4 pence per share (FY23: interim dividend 10.2 pence per share) and is pleased to recommend a final FY24 dividend of 11.8 pence per share (FY23: final dividend of 23.5 pence per share) in line with our dividend policy of maintaining cover at 1.75 times adjusted earnings per share. Subject to shareholder approval, the final dividend will be paid on 1 November 2024 to shareholders on the register at the close of business on 27 September 2024. The total proposed dividend for FY24, including the interim dividend, is 16.2 pence per share (FY23: 33.7 pence per share) – lower than last year reflecting the reduction in adjusted basic earnings per share.

The Board regularly reviews its capital allocation approach. With the Redrow acquisition completed, but CMA clearance outstanding, we will assess the capital requirements for the enlarged group taking into account current market conditions, our obligations with respect to building safety and our desire to be active in the land market. We will provide an update on our policy along with our first half results in February 2025.

CMA Market Study and CMA investigation

The CMA completed its Housing Market Study and issued its final report in February 2024. The CMA drew clear and fair conclusions on how the planning system has negatively impacted the housebuilding industry and its detrimental impact on new housing delivery across the country over successive decades.

On 26 February 2024, the CMA also launched an investigation into suspected breaches of competition law, relating to the exchange of competitively sensitive information by eight housebuilders, including Barratt and Redrow. This investigation remains in its early stages and we continue to co-operate with the CMA.

The future

The housing market faces ongoing challenges. The current interest rate environment continues to impact mortgage affordability and the ability of many first-time buyers to unlock mortgage qualification through deposit savings. There also remain uncertainties around the speed and scale of future economic, employment and earnings growth, which will be key determinants on the future direction of consumer confidence and spending. We welcome the policy changes proposed by the new UK Government which suggest a real commitment to unlock the planning system, drive national targets for housebuilding growth and support the industry in delivering the homes across all tenures the country so desperately needs.

The Board recognises that it needs to manage Barratt through what may be another challenging year for the market, whilst delivering a smooth, efficient and effective integration of the Redrow business once CMA clearance has been obtained. We remain focused on managing the risks and challenges within our control, whilst ensuring we are in the best possible position to create long-term value for all our stakeholders. Our operating disciplines, forward order book and strong financial position provide us with the platform to adjust to changes in the operating and political environment in the year ahead.

Finally, on behalf of the Board, I would like to express our thanks to all our colleagues, subcontractors and our supply chain partners for their commitment to the Group, both over the last year and as we look forward to the exciting opportunities ahead bringing together the Barratt and Redrow businesses. I look forward to meeting many more colleagues from across the enlarged Group in the coming year.

Caroline Silver
Chair
3 September 2024

Investment case

The backdrop

The country needs more homes to be built. This is reflected in the ambitious target set by the Government to build 1.5 million homes over the next five years. However, we recognise that we are in a challenging period, which is a reflection of the impact of accumulated inflation on the cost of living, discretionary spending and saving, as well as the ongoing impact on mortgage interest rates.

These factors have impacted the affordability of housing, particularly for first-time buyers, but the critical long-term need for additional housing across the country remains.

We continue to manage these near-term challenges and through our actions and decisions ensure we emerge a stronger business, positioned and ready to deliver more sustainable, high-quality, energy-efficient homes.

Leading in sustainability

We are determined to be the leading national sustainable housebuilder and we drive sustainability through clear plans, delivery, accountability and measurement.

Read more about our Building Sustainably framework from page 40

Nationally diversified

We operate throughout Great Britain, providing geographic diversification and the ability to manage our land buying and development activity relative to changing regional demand.

See our completions by region on page 9

A portfolio of housing brands and distinct house types

Our brands, Barratt Homes, David Wilson Homes and, within the M25, Barratt London have strong customer recognition and distinct house type ranges, creating greater choices for our customers. Dual branding on appropriate sites creates even greater choice and accelerates development.

Read about the choices for our customers more on page 28

Industry-leading build quality

Our build quality is recognised as “industry-leading” by independent inspection of our homes throughout the build process. Our site managers hold a 20-year record of achieving more “Pride in the Job Awards” than any other housebuilder.

Read more on our build performance from page 35

Industry-leading customer service

We strive to deliver exceptional customer service. We are the only major housebuilder to be awarded a five-star rating for customer satisfaction for 15 consecutive years.

Read more about our offer to our customers from page 28

Multi-channel sales strength

Our sales teams promote our reputation for build quality and customer service to our traditional homebuyers, as well as our national scale and financial strength to alternative channels including the private rental sector and registered social housing providers.

Read more about our sales channel delivery on pages 26 and 27

Strong balance sheet and cash generation

With the cyclicality of the housebuilding industry, we maintain clear financial disciplines. We are committed to maintaining a strong balance sheet with an operational focus on cash generation and a clearly defined operating framework.

Read more about our financial performance from page 58

Shorter owned land bank

We run with one of the shortest but most developable land banks in the industry, minimising capital employed and accelerating development returns, thereby creating greater value for our shareholders.

Read more about our land position from page 33

Redrow

We make it happen

Accelerating growth

On 21 August 2024, the Company acquired the full share capital of Redrow plc in an all share transaction. In accordance with standard practice, the Competition and Markets Authority (the CMA) has issued an Initial Enforcement Order requiring the Barratt and Redrow businesses to continue to operate independently until the CMA has formally accepted the undertakings proposed by the parties in response to their limited concerns, or otherwise agrees to integration taking place.

Once approved, the combination of Barratt and Redrow (“the Combination”) will create an exceptional UK homebuilder in terms of quality, service and sustainability. It will bring together three high-quality, complementary brands – Barratt, David Wilson, and Redrow – offering a variety of sustainable homes for customers across the UK, addressing the country’s need for homes.

Barratt and Redrow share a commitment to quality, putting customers firmly at the heart of everything they do. The Combination will use the strengths of both companies to deliver significant benefits to our people, supply chains and customers.

- **People –** employees will benefit from additional opportunities for development and from being part of an industry-leading homebuilder.
- **Supply chain –** supply chain partners will have greater visibility and certainty of delivery and benefit from the acceleration of delivery of homes across the country.
- **Customers –** customers and communities will benefit from our ability to deliver more high-quality homes, across a broader product range, and accelerate the creation of strong, sustainable communities across the UK.

A uniquely compelling opportunity

The creation of Barratt Redrow is a uniquely compelling opportunity to:

- bring together complementary offerings to create an exceptional UK homebuilder;
- create a strong brand portfolio – including Redrow positioned as its premium brand – offering customers a wider range of house types and price points as well as accelerating housing delivery. Barratt has already successfully executed this strategy through the acquisition of David Wilson Homes in 2007;
- realise significant cost synergies from procurement savings and a rationalisation of divisional and central functions, which will drive a lower combined cost base;
- maintain a robust balance sheet, better protected to operate through the cycle, and provide a strong platform from which to deliver improved shareholder returns over the medium term; and
- deliver significant benefits for all stakeholders.

"This is an exciting opportunity to bring together two highly complementary companies, creating an exceptional homebuilder in terms of quality, service and sustainability, able to build more of the high-quality homes this country needs."

David Thomas,
Chief Executive

The deal

The Boards of Barratt and Redrow reached agreement in February 2024 on the terms of a recommended all-share offer for the combination of Barratt and Redrow. Barratt acquired the entire issued and to be issued ordinary share capital of Redrow on 21 August 2024. Each Redrow shareholder received 1.44 Barratt shares for each Redrow share they held.

Immediately following completion, Redrow shareholders held approximately 32.8% of the combined Group and Barratt shareholders approximately 67.2% of the combined Group.

Barratt Redrow plc will be an exceptional homebuilder in terms of quality, service and sustainability that will help deliver the homes this country needs. The new business will build on the excellent reputations for quality, service and sustainability that both Barratt and Redrow have developed.

Key financial information for the combined group

Barratt and Redrow generated aggregate revenue of £7.4bn[1] in FY23, delivering total completions of 22,642[1]. The combined group is expected to benefit from a robust aggregated balance sheet, building on Barratt and Redrow's aggregate net cash position of £874m as at 31 December 2023[2], providing the combined group flexibility to manage the business for the long term, resilience through the cycle and flexibility to respond to changing market conditions.

The combined group will continue Barratt's and Redrow's existing practice of prudently managing a robust balance sheet and maintaining a highly selective approach to land buying, allowing the combined Group to capitalise on future land opportunities.

We believe the combined group will achieve pre-tax cost synergies of at least £90m on an annual run-rate basis by the end of the third year following completion, of which approximately 90% should be delivered by the end of the second year following completion. The one-off costs of delivering these savings should total approximately £73m, with approximately 57% incurred in the first year following completion, approximately 32% incurred in the second year following completion and the remainder by the end of the third year following completion. The Combination should be accretive to Barratt and Redrow's respective adjusted earnings per share in the first year after completion (excluding one-off costs of delivering synergies).

Creating value through acquisitions

We have a strong record of growing and investing in brands that have joined the Group in recent years:

- Since the acquisition of David Wilson Homes In 2007, it has grown into a nationally-recognised brand, with, improved service and quality metrics, and increased its share of Group business from 26% to 34% of Barratt completions.
- We supported Oregon Timber Frame after we acquired the company in 2019. Together, we have doubled Oregon Timber Frame's kit volume while providing new jobs at development sites and supported the opening of a new state-of-the-art factory in Derby last year.

See page 39 for more detail on Oregon

- We acquired Gladman in 2022 and have successfully integrated Gladman's land promotion and planning capabilities into the Barratt Group.

The combined group expects to be able to increase volumes through a three-brand strategy, with the potential to accelerate the delivery of homes from the combined and complementary land pipeline by introducing the Redrow brand on appropriate Barratt sites and vice versa. The combined group will take advantage of the complementary geographical footprints of Barratt and Redrow, with a total land pipeline of 92,345 plots as at 31 December 2023[3].

1 The aggregated revenue of £7.4bn reflects the total revenue of Barratt and Redrow during FY23, being £5.3bn and £2.1bn, respectively, and calculated in accordance with Barratt and Redrow's respective accounting policies. The aggregated completions of 22,642 reflects the total completions of Barratt and Redrow during FY23, being 17,206 and 5,436, respectively.

2 The aggregated net cash position of £874m reflects the total of the net cash positions of Barratt and Redrow as at 31 December 2023, being £753m and £121m, as stated in the Barratt HY24 Results and Redrow HY24 Results, respectively, and calculated in accordance with Barratt and Redrow's respective accounting policies.

3 The total land pipeline of 92,345 plots reflects the total of the land pipeline positions of Barratt and Redrow as at 31 December 2023, being 67,780 plots and 24,565 plots, as stated in the Barratt HY24 Results and Redrow HY24 Results, respectively.

Our business at a glance

Our purpose

Making sustainable living a reality, building strong communities

Read more on page 1

Our strategic priorities

Drive revenue | Optimise land buying | Control build activity | Lead the industry

Read more on page 23

Our values

- We do it for our customers
- We do it right
- We do it together
- We make it happen

Read more on page 2

Our sustainability strategy

To achieve our purpose, we focus on the three key pillars of our environmental and social ambitions that form our sustainability framework:

Read more on pages 40 to 44

Nature

We preserve and enhance the natural world by using resources responsibly, building resilient, low-carbon homes, and by creating places where people and nature can thrive.

Places

We design and build great places that meet the highest standards, and that promote sustainable, healthy and happy living for our customers.

People

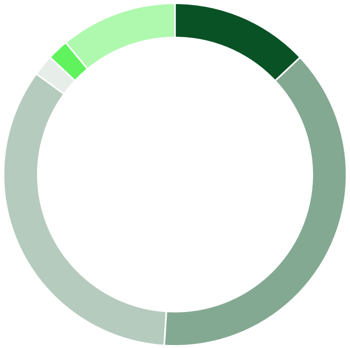
We believe everyone has the right to be respected and treated fairly at work. We do the right thing, nurturing diverse talent and prioritising the health and safety and wellbeing of our people and partners.

Alignment with the UN Sustainable Development Goals

Leading in build quality

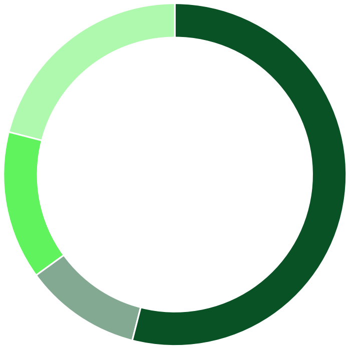
We are determined to be the UK's leading national sustainable housebuilder, delivering the homes the country needs, whilst leading the industry in build quality and customer service.

Completions by unit type



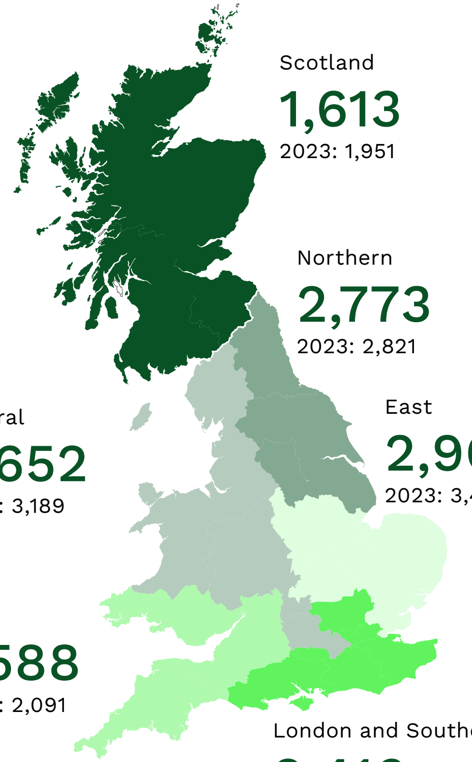
1 and 2-bedroom homes	13%
3-bedroom homes	38%
4-bedroom homes	34%
5 and 6-bedroom homes	2%
Apartments London	2%
Apartments non-London	11%

Completions by deal type



Traditional private	54%
Part-exchange	11%
Investor	14%
Affordable	21%

Completions by region



Awards and recognition in 2024

Five-star customer satisfaction

89 NHBC pride in the job awards

Climate – A
Water – B
Forests – B

Our brands

BARRATT HOMES · DAVID WILSON HOMES WHERE QUALITY LIVES · BARRATT LONDON · Wilson Bowden Developments · GLADMAN

How we build value

What we do

We build a high-quality product which our customers love.
We develop homes which minimise our environmental footprint and lower ongoing costs for our customers.
We deliver returns, operating a short owned land bank to convert investments rapidly to cash.

Our resources

People

We recruit, train and retain a skilled and committed workforce. Our people's experience supports delivery of a high-quality product. Our team does things together and we do it right.

Read more from page 30

Expertise

Barratt was founded over 60 years ago and has deep knowledge and experience of both the different housing markets in Great Britain and the different products that work in those markets.

Read more on page 30

Stakeholder relationships

We build great places to live, supported through partnerships with our stakeholders.

Our strong relationships with our stakeholders are critical in developing the products that our customers want.

Read more on pages 50 to 57

Land and planning

We operate a short owned land bank, minimising the amount of capital locked up on the balance sheet in advance of land development. This is complemented by investment into strategic land and promotional agreements to enhance margin.

Read more on pages 33 and 34

Finances

We hold a robust balance sheet. This gives us confidence, irrespective of market conditions, to deliver homes into the market at the right price and to engage in the land market with value-accretive bids.

Read more on pages 58 to 62

Brands

We invest in developing and maintaining a portfolio of complementary brands, offering a wider choice of designs and customer price points to better serve our customers' needs. Offering multi-brand developments, we can accelerate delivery of high-quality homes.

Read more on page 28

Our competitive edge

Sustainability
We see sustainability as a differentiator and a way to create value.

Customer focus
Our experienced sales teams deliver exceptional customer service, resulting in us being the only major housebuilder to be awarded a HBF 5 star rating for customer satisfaction for 15 consecutive years.

Products
We build the homes and communities that our customers want to live in.

People
We have an experienced team that understands housebuilding.
We deliver the best homes on the market.

Portfolio of brands
We offer through our brand portfolio, homes to first-time buyers and mover-uppers. With the Redrow acquisition, this will extend to premium purchasers.

Locations
We operate nationally, and at scale, rapidly converting our land bank to cash. Our national footprint means we can optimally deploy our brands throughout Great Britain.

BARRATT
DEVELOPMENTS PLC

Stakeholder value

14,004
new home completions (including joint ventures) with a total market value of £4.1bn

£3.0bn
of gross value added (GVA), the Group's contribution to UK economic output

£385.0m
Adjusted profit before tax

1.26
tonnes of market-based CO_2e emissions per $100m^2$ completed build area (scope 1 and 2). A reduction of 34% from our 2018 benchmark

11,014
supplier and subcontractor companies supported (including through joint ventures)

£318.7m
tax generated by our activities

14,515
hours of employee volunteering

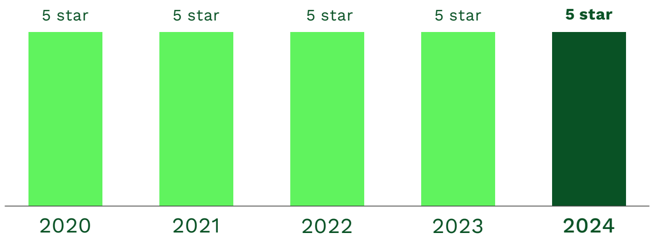
For further detail on the value we create for stakeholders, please see our socio-economic footprint: www.barrattdevelopments.co.uk/~/media/Files/B/Barratt-Developments/sustainability/fy24-group-socio-economic-footprint.pdf

Measuring our progress

Non-financial

1 HBF five-star customer satisfaction

5 star
2023: 5 star



Target
HBF 5 star customer satisfaction.

Status
Achieved

Definition
The percentage of homebuyers who would recommend us to family and friends taken from the HBF Homebuilder Survey.

Why it's a KPI
Customer satisfaction is a strategic priority and is fundamental to our business.

The HBF Homebuilder Survey is an industry recognised independently measured indicator of our customer service and build quality.

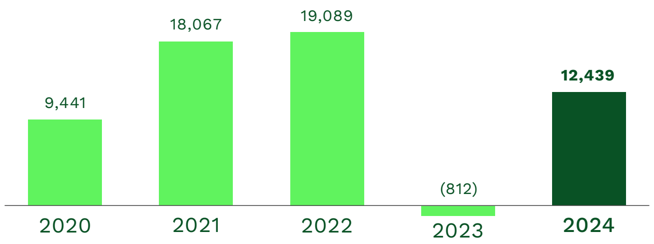
Key metric for assessing performance for Executive Directors' remuneration.

Link to strategy
Drive revenue
Lead the industry

See more about our performance on page 28
See more about our strategic priorities on page 23

2 Land approvals

12,439
2023: (812)



Target
Replace plots utilised in year.

Status
Monitor

Definition
The number of plots approved for purchase, less the number of approvals withdrawn.

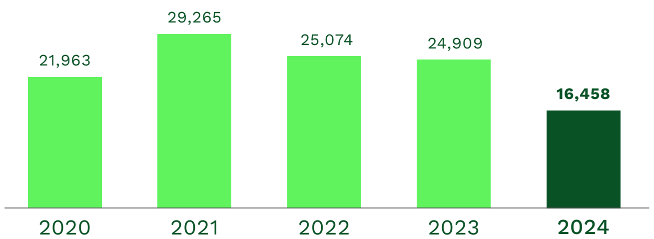
Why it's a KPI
Monitors whether the Group is approving the appropriate amount of land for purchase to support future business activity.

Link to strategy
Optimise land buying

See more about our performance on pages 33 to 34

3 Scope 1 and 2 carbon emissions (tCO_2e)

16,458
2023: 24,909



Target
Reduce absolute scope 1 and 2 greenhouse gas emissions by 29.0% by 2025 and 54.7% by 2030 from 2018 levels (2018: 32,657 tCO_2e).

Status
On track

Definition
Tonnes of greenhouse gas emissions associated with our scope 1 and market-based scope 2 emissions, which includes energy and fuel use on our sites, in our offices and in our company vehicles.

Why it's a KPI
Monitors the environmental impact of our business activities and our exposure to climate-related transition risk.

Scope 1 and 2 carbon emissions intensity is a key metric for assessing performance for Executive Directors' remuneration.

Link to strategy
Lead the industry

See more about our performance on page 80

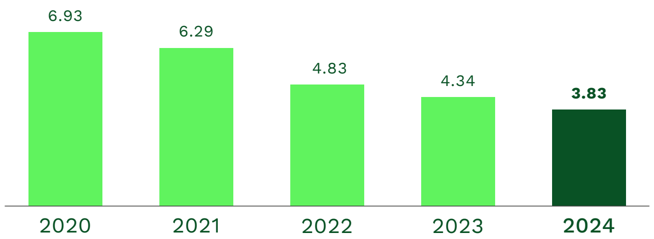
Key performance indicators continued

Non-financial continued

4 Waste intensity (tonnes per 100m²)

3.83

2023: 4.34



Target
Reduce construction waste intensity (tonnes per 100m² of housebuild equivalent build area) to 4.54 by 2025.

Status
On track

Definition
Tonnes of waste generated from above ground construction for every 100m² of housebuild equivalent build area.

Why it's a KPI
Monitors the efficiency of operations and the use of materials in the construction process.

Key metric for assessing performance for Executive Directors' remuneration.

This KPI has been changed from legally completed build area to housebuild equivalent build area to align with remuneration targets.

Link to strategy
Control build activity

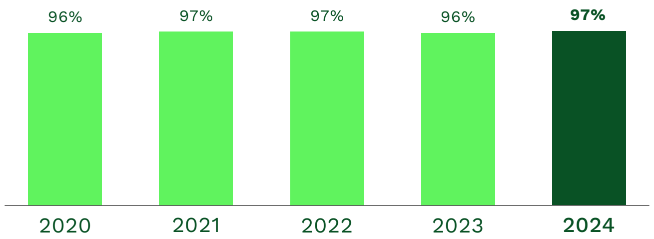
See more about our performance on page 37

See more about our strategic priorities on page 23

5 SHE audit compliance

97%

2023: 96%



Target
Over 94% SHE audit compliance.

Status
Achieved

Definition
The percentage of internal inspections which are compliant with SHE guidelines.

Why it's a KPI
Demonstrates compliance with safety standards on our sites. Lead indicator highlighting areas of SHE focus.

Used as a gateway for assessing performance for Executive Directors' remuneration.

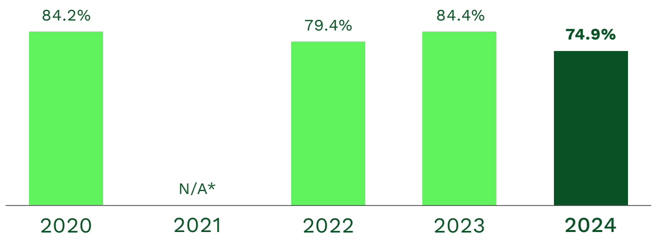
Link to strategy
Control build activity

See more about our performance on page 24

6 Employee engagement score

74.9%

2023: 84.4%



Target
Exceed 75th percentile score in the engagement survey.

Status
Below target

Definition
The percentage level of satisfaction of our people measured using an annual independently conducted survey.

Why it's a KPI
Monitors employee engagement and satisfaction, whilst also providing a forum for view sharing, to ensure we retain and invest in the best people and focus on their development and success.

Link to strategy
Lead the industry

* No survey completed for 2021.

See more about our response to employee feedback and improvement in employee engagement to 78.9% in a follow-up survey, on page 30

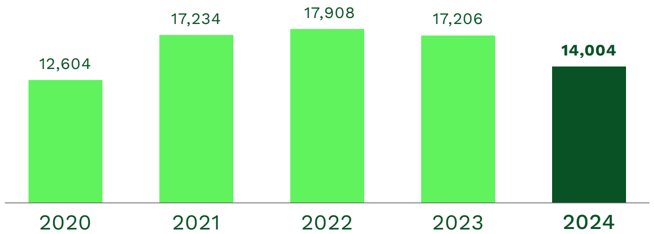
Key performance indicators continued

Financial[1]

1 Total home completions

14,004

2023: 17,206



Target

Growth to 21,500 in the medium term.

Status

Monitor

Definition

Legally completed homes during the year, including JV homes legally completed in which the Group has an interest.

Why it's a KPI

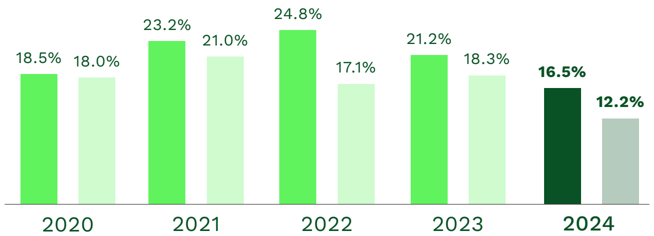
Reflects activity and growth.

Monitors business capacity.

2 Adjusted gross margin/Gross margin

16.5%/12.2%

2023: 21.2%/18.3%



Target

Achieve minimum 23% adjusted gross margin.

Status

Below target

Definition

Adjusted gross profit/gross profit divided by total revenue, expressed as a percentage.

Why it's a KPI

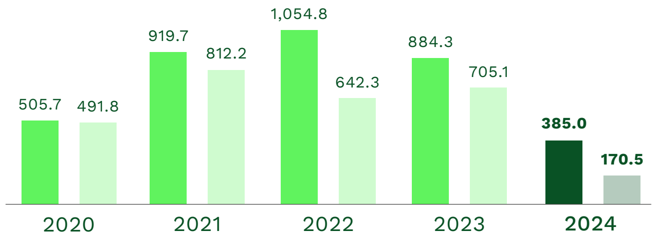
Key internal metric for assessing site profitability.

Enables consistent comparison of land acquisitions.

3 Adjusted profit before tax (£m)/Profit before tax (£m)

385.0/170.5

2023: 884.3/705.1



Target

Informed by consensus at the start of the financial year.

Status

Achieved

Definition

Adjusted profit before tax/profit before tax, including the applicable share of profits from JVs and associates.

Why it's a KPI

Shows the profitability of the Group relative to market expectations.

Key metric for assessing performance for Executive Directors' remuneration.

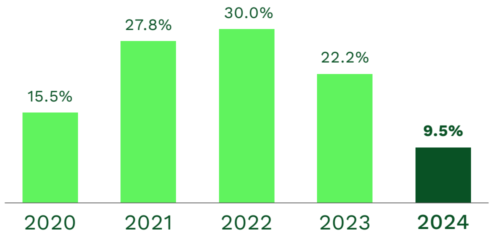
1 In addition to the Group using a variety of statutory performance measures, it also measures performance using alternative performance measures (APMs). Definitions of the APMs and reconciliations to the equivalent statutory measures are detailed on pages 210 and 211.

Key performance indicators continued

Financial[1] continued

4 Return on capital employed

9.5%
2023: 22.2%



Target
Minimum 25%.

Status
Below target

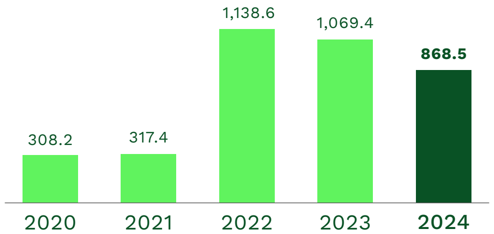
Definition
Earnings before amortisation, interest, tax, and operating adjusting items for the year, divided by average net assets adjusted for goodwill and intangibles, tax, net cash, derivative financial instruments and provisions in relation to legacy properties.

Why it's a KPI
Ensures efficient and effective use of capital.

Key metric for assessing performance for Executive Directors' remuneration.

5 Net cash (£m)

868.5
2023: 1,069.4



Target
Year-end net cash.

Status
Achieved

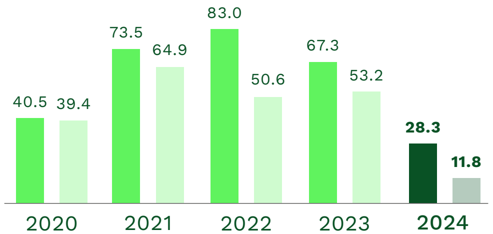
Definition
Cash and cash equivalents, bank overdrafts, interest-bearing borrowings and prepaid fees.

Why it's a KPI
Monitors business liquidity, resilience to risk and ability to take advantage of opportunities, including investments and land acquisition.

Allows for distributions to shareholders.

6 Adjusted basic EPS (p)/Basic EPS (p)

28.3/11.8
2023: 67.3/53.2



Target
Informed by consensus at the start of the financial year.

Status
Achieved

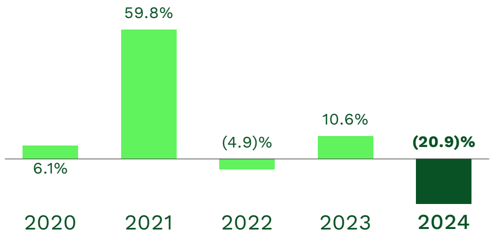
Definition
Adjusted profit/profit for the year attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year, excluding those held by the EBT on which no dividend is paid.

Why it's a KPI
Shows profit attributable to each share.

Key metric for assessing performance for Executive Directors' remuneration.

7 Total shareholder return

(20.9)%
2023: 10.6%



Target
To grow total shareholder return against FTSE companies (those within 50 above and 50 below the Company in the index) and the housebuilding sector.

Status
Below target

Definition
Measure of the performance of the Group's share price over a period of three financial years. It combines share price appreciation and dividends paid to show the total return to the shareholders expressed as a percentage.

Why it's a KPI
Shows the appreciation and income a shareholder receives from holding each share.

Key metric for assessing performance for Executive Directors' remuneration.

1 In addition to the Group using a variety of statutory performance measures, it also measures performance using alternative performance measures (APMs). Definitions of the APMs and reconciliations to the equivalent statutory measures are detailed on pages 210 and 211.

The future landscape

The UK economy

The UK slipped back into a technical recession during the second half of 2023, reflecting the impact of the cost-of-living crisis and higher borrowing costs for both businesses and consumers.

Activity during the first half of 2024 showed a slight improvement, with GDP growth estimated at 0.2% in the first quarter[1] and GDP up 0.7% and 1.4% respectively, year on year, in April and May 2024[2]. Notwithstanding an improving second half of FY24, UK economic growth remains stubbornly anaemic, reflecting in part the uncertainty generated by the previous Government's policy, limited business confidence and the crimped state of both consumers' confidence and real household disposable income.

The projected pace of any future acceleration in the economy remains lacklustre, with the Office for Budget Responsibility forecasting GDP growth of just 0.8% in 2024 and 1.9% in 2025 in its Economic and fiscal outlook in March 2024[3]. HM Treasury's July Bank of England consensus of economic forecasts[4] implies GDP growth of 0.9% in 2024 and 1.3% in 2025.

Land supply, the planning system and housing delivery

The delivery of new homes and growth in housebuilding are linked to the land market and, crucially, the planning system, which delivers the permissioned land upon which housebuilding activity relies.

In February 2024, following an extensive study of the housebuilding industry, the Competition and Markets Authority (CMA) published its final report[5], which concluded that: "Over the long term, the number of permissions being given has been insufficient to support housebuilding at the level required to meet Government targets and measures of assessed need."

The CMA Report highlighted three key concerns with the planning system that limit its ability to support the level of housebuilding needed:

- a lack of predictability;
- the length, cost and complexity of the planning process; and
- insufficient clarity, consistency and strength of local planning authority targets, objectives and incentives to meet housing demand.

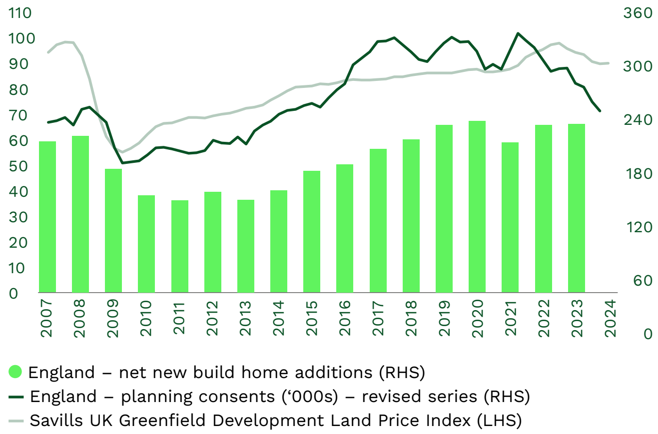
The CMA concluded that "the nature and operation of the planning systems is a key driver of the under-delivery of new housing." These findings align with the conclusions of numerous industry reviews and reports commissioned over the past 20 years, dating from the Barker Review in 2004.

The housebuilding industry's past success, and current challenges, with respect to planning and land supply, are highlighted in the chart to the right.

- the industry's past recovery in housing output from a low point of 117,700 homes in 2011 to 219,100 new homes in 2020, expanding output by more than 86% over this period[6];
- growth in annual planning consents, which began to expand ahead of the plots consumed on new homes, under planning policies adopted with the National Planning Policy Framework (NPPF) from 2012;
- the decline in planning consents from the middle of 2021, following the publication in August 2020 of the "Planning for the Future" white paper, which created significant planning policy uncertainty;
- constraints in the supply of consented land have limited adjustments to broader market land values, despite a decline in house prices and a significant step up in housebuilding costs since 2022; and
- this has dramatically reduced the opportunities for the industry to reinvest back into land at acceptable returns relative to risk, to support a rapid housebuilding recovery.

The chart highlights the developing crisis in permissioned land supply and the critical need for the UK Government to address the sharp decline in planning consents over the past three years. Early indications from the new Government on planning are encouraging, but time will tell if this converts to planning consents.

Planning and the UK land market



Land supply, the planning system and housing delivery continued

The steady and consistent supply of land within a predictable planning framework is critical to the housebuilding industry's ability to deliver growth in housing output. This planning framework must deliver the quantity of permissioned land required to support build activity given:

- the typical timeframe of development sites, which may be three to five years or more;
- uncertainty on when construction activity can commence on a site, as pre-development clearances are required from multiple stakeholders after planning permission has been granted;
- availability of both local labour and building materials, and the scheduling thereof, to allow site development to begin;
- the frequent delays and extended periods of time taken by key utility providers to deliver connections of electricity, gas and water supply as well as sewerage system access;
- the need to develop a consistent ongoing workload, at a local level, to support both employees and the sub-contractor labour resources required to sustain the local industry over the short, medium and long term; and
- the need to ensure build activity is delivered to demanding quality standards, whilst never compromising the health and safety of the workforce, customers and new homeowners, on housing development sites.

Relative to a peak of 335,802[7] planning consents in the year to 30 June 2021, a level in line with the previous Government's target to deliver more than 300,000 homes annually by the mid-2020s, just 236,644[7] new build planning permissions were approved in England in the year to 31 March 2024, 29.5% below the mid-2021 peak.

Log-jams in the planning system have become increasingly acute, reflecting differing proposals for national planning policy reform since August 2020, as well as a lack of consensus within the previous Government. This stalemate has resulted in uncertainty for local authorities, housebuilders and other stakeholders.

The former Government's decision in December 2023 to make local housing targets "advisory" rather than "mandatory", as well as ending the obligation on local authorities to maintain a rolling five-year land supply, if they have an up-to-date Local Plan, has compounded the challenging planning system, allowing 60 local authorities to stall their local housing delivery plans through FY24[8].

Interventions, with respect to nutrient neutrality, by Natural England have also created moratoria on housebuilding across significant areas of the country. In June 2024, more than 160,000[9] planning consents have been halted across the 74 local authority areas impacted by Natural England's position on nutrient neutrality, with new housebuilding effectively blocked and smaller housebuilders facing business closure unless they can demonstrate adequate mitigation for recreational, nutrient, or water impacts.

Despite the increasing complexity of planning applications, the resourcing of both local authority planning departments and other regulatory bodies with a role in planning remains an issue and has failed to match growing planning demands. Whilst the Government has introduced increases in planning fees, these changes are not delivering additional planning capacity and capabilities.

These issues have perpetuated a continuing decline in planning consents which, in the first quarter of calendar 2024, declined by 13.3% to 53,862 compared with the 62,137[7] consents granted in the first quarter of 2023.

The recent announcements by the Secretary of State for Housing, Communities and Local Government are encouraging, not least the reintroduction of mandatory housing targets. We will continue to watch the new Government's housing policy with interest.

Our solutions to unlock the poor state of the planning system centre on five key changes, looking to the future:

- the re-introduction of centrally set, mandated housing targets;
- the re-introduction and strengthening of the five-year housing land supply requirements for local planning authorities;
- the re-introduction of mandatory Local Plan requirement and faster creation of Local Plans;
- the ring-fencing of planning fees for planning departments to drive greater levels of financial resourcing; and
- a full review of the involvement, role and remit of statutory consultees.

Read about our land position on pages 33 and 34

Marketplace continued

Housing delivery

New build housing additions in England were 212,570 during the year to 31 March 2023, growth of 0.4% on the 211,670 added in the year to 31 March 2022. As a result, new home additions remained 3% below the 219,120 homes completed in the year to 31 March 2020[6]. Net new build additions for the year to 31 March 2024 are likely to register a decline when data is released in late 2024. This decline will reflect the material changes in mortgage affordability for all homebuyers requiring a mortgage, as well as the absence of homebuyer support since the end of Help to Buy, which has compounded affordability challenges for first-time buyers. After peaking in summer 2022, house prices reduced through FY23 and firmed slightly in FY24 (in nominal if not real terms). Over the 12 months to 30 June 2024, the average UK house price increased by 1.5% according to the Nationwide Building Society and by 1.6% according to Halifax.

The housing shortage is a critical issue for the UK economy, its competitiveness and the economic health and wellbeing of a growing proportion of the UK population.

The combination of new household formation, a sharp increase in inward migration and existing rental households being stymied from moves into home ownership through mortgage affordability and qualification constraints, is funnelling a greater proportion of incremental housing demand to the rental sector, creating continued inflationary pressure on rental costs.

According to the HomeLet Rental Index, the average household rent increased by 5.7% over the year to 30 June 2024, with all regions of the UK experiencing continuing rent cost increases. Based on HomeLet Rental Index data, rents have increased by 29.0% over the past three years to June 2024 and, without a significant and sustained reduction in mortgage interest rates, rental demand looks set to outstrip supply, as potential homebuyers remain locked out of moving into home ownership.

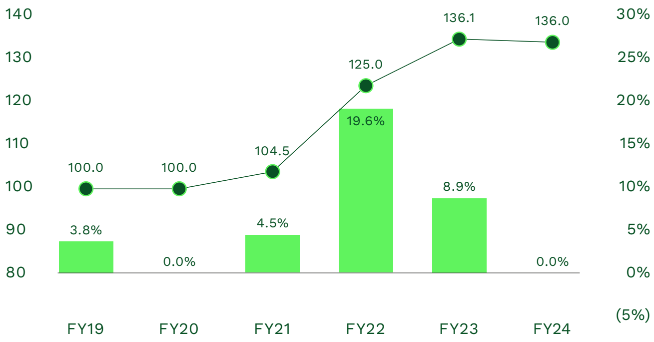
Building materials

Over the past five years, the housebuilding industry has experienced very significant inflation in the cost of materials. The next chart highlights the significant escalation in housebuilding materials costs since FY19, with a cumulative increase of around 36%[10] over the five years through FY24 and almost 30% over the past three years to FY24. Commodity cost inflation was driven initially by COVID-19 dislocations in the supply chain, and then a dramatic increase in energy costs, a significant cost component in the manufacture and transportation of many building materials, triggered by the conflict in Ukraine.

The inflationary impact of these "spot" costs for housebuilding materials is reflected in our income statement on a lagging basis, as the homes we build move through to completion and sale to our customers (see page 58 in the CFO Review for our cost inflation experienced in FY24).

But, as can be seen from the chart, building material cost inflation slowed dramatically during FY24, with building materials costs deflating during the first half of the year, before showing slight inflation during the second half. Reflecting our work in progress and current supply terms, we anticipate building material costs will be slightly deflationary in FY25.

Building materials for housing



What this means and how we are prepared

Key determinants of future housebuilding materials pricing will be movements in energy costs, global commodity demand and housebuilding activity levels, as well as the supply chain's capacity and willingness to either re-open capacity or invest in new production.

We engage with our supply chain partners to understand their costs and supply chain sensitivities, and to drive efficiencies and negotiate supply terms that recognise the economic impacts across the value chain. We also engage with our suppliers around our future plans in support of housebuilding growth and the innovation required to meet future regulatory requirements.

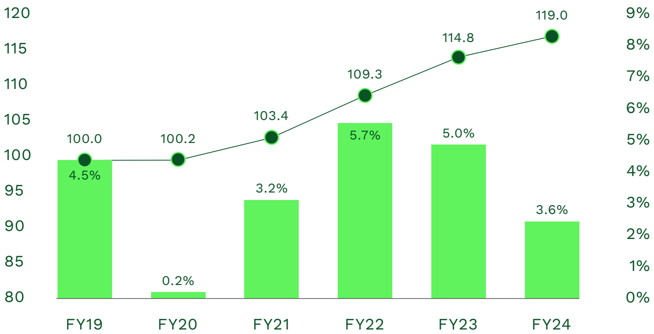
Read more about supplier engagement on page 56

Workforce challenges

The construction of our homes relies on our direct and sub-contractor workforce. However, an ageing workforce and alternative, less physically demanding, career opportunities are limiting new entrants. As a result, the industry faces labour cost pressures and people employed in construction have seen significant wage growth. Average wage growth has equated to 19.0%[11] over the last five years to May 2024 and 15.1% over the last three years from FY21 to May 2024 (see graph below).

Labour cost inflation has been driven by both the wider cost-of-living crisis, limitations on access to construction workers from outside the UK, the ability of certain tradespeople to move between the new build and home repair and improvement market to meet the post-COVID-19 uptick in homeowner spending, and the limited number of people entering the wider construction and housebuilding industry.

Labour costs



- Annual change in average weekly construction index earnings (%) (RHS)
- Construction average earnings index (FY19 = 100) (LHS)

What this means and how we are prepared

Reflecting labour costs capitalised into work in progress and ongoing trade-related inflationary pressures, we anticipate labour build cost inflation will be a continuing feature in FY25.

In the future, labour cost inflation will be determined by the speed and scale of recovery in housebuilding activity, the industry's success in attracting a larger workforce and the wider economic inflationary backdrop.

We are placing increasing emphasis on promoting the career advantages and opportunities in housebuilding to attract young people to the industry. We are also increasingly adopting modern methods of construction (MMC), most notably through our increasing adoption of timber frame for the homes we build, reducing the demand for on-site construction labour.

Read more about our new Oregon factory on page 39

Jamie Fox, Senior Site Manager for David Wilson Homes

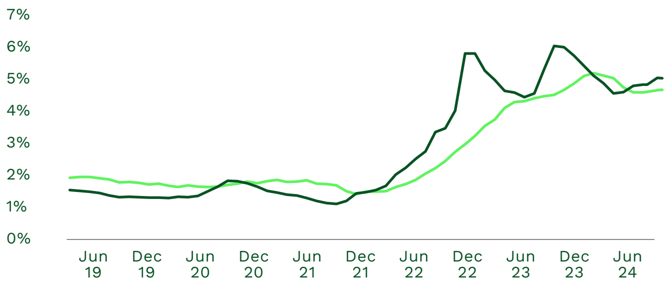
Marketplace continued

The mortgage market and housing affordability

Movements in mortgage interest rates over the last five years, specifically two-year fixed rates at 75% loan to value[12], and the average actual mortgage rate on all new monthly mortgage advances[13] are included in the following chart.

Visible from the chart is the benign interest rate backdrop through to November 2021, with the actual interest rate on mortgage advances drawn at between 1.5% and 2.0% over this period. There then followed the period of steep mortgage rates increases which, despite the volatility in two-year rates available from November 2022, saw the average interest rate on UK mortgage advances continue rising through to November 2023. Only since December 2023 has the average rate on new advances eased lower, to 4.84% in June 2024.

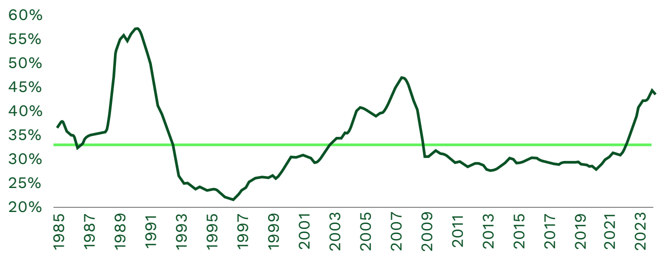
Mortgage rates



- Average mortgage interest rate – all new mortgages
- Two-year fixed mortgage interest rate at 75% LTV

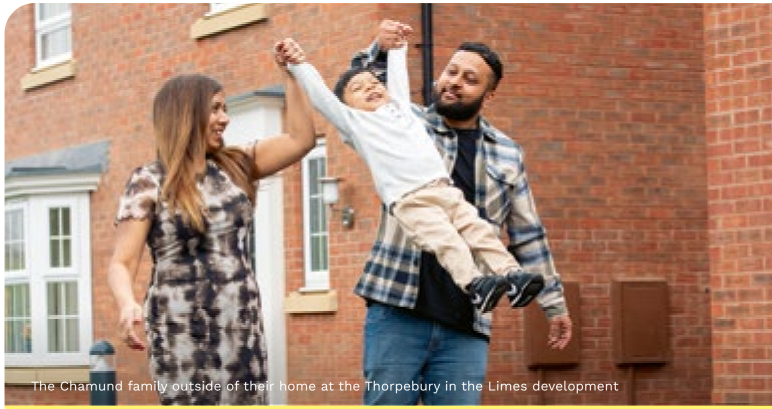
The Halifax Mortgage Affordability Index combines the prevailing available mortgage interest rate on new advances with the Halifax House Price Index and monthly average take home pay. Notably, the purchase of a new home in the first quarter of 2024 equated to 43.1% of average after tax income, still significantly above the long-term average at 33.1% (see chart below).

Affordability



- Halifax Affordability Index
- Average Affordability Index (1985–2023)

Nominal wage growth remains positive and ahead of inflation, which should impact positively on house price affordability. With inflation returning to 2% in June 2024 and base rates being lowered by 25 basis points to 5% in August, the mortgage market is starting to respond positively, giving customers some respite from high borrowing costs.


The Chamund family outside of their home at the Thorpebury in the Limes development

We do it for our customers

5 star for fifteen years in a row

93% of our customers said they would recommend us to a friend in the latest annual Home Builders Federation (HBF) National New Homes Customer Satisfaction Survey. We have a 5-star rating for customer satisfaction, and are the only major housebuilder to be awarded this accolade for fifteen years in a row.

The HBF New Homes Survey is completed by around 50,000 people who have recently bought a new build home. The simple 1 to 5 star rating system was developed to give customers an easy-to-view ranking of which housebuilders have the most satisfied customers.

Read about the HBF New Homes survey online:
www.hbf.co.uk/policy/customer-satisfaction-survey/results

Regulatory changes in the year

Biodiversity net gain

Biodiversity net gain (BNG) legislation, introduced in the Environment Act 2021, came into legislative effect on 12 February 2024. This requires all new planning permissions to deliver at least 10% biodiversity net gain in England, excepting selected smaller sites for which the requirement was delayed until April 2024.

Pollination education station at Ersham Park, Hailsham

What this means and how we are prepared

Inherent in the legislation is an approach to development whereby biodiversity should be left in a measurably better state than if the development had not taken place, with this improvement set at a minimum 10%.

We consider BNG at each stage of our land buying and planning process, from the best design configuration for a development, to the integration of open green and blue space, along with the positioning of site infrastructure, so as to achieve optimal planning, biodiversity and land viability outcomes.

Reflecting our commitment to sustainable development and to ensure we had the necessary skills and disciplines in place, we committed to ensuring all new development designs submitted for planning from January 2023 would identify a minimum BNG of 10%, 12 months ahead of the legislation coming into force.

All of our sites submitting their first principle planning application since January 2023 have biodiversity plans in place, demonstrating a minimum BNG of at least 10%. We have achieved this through:

- avoiding development impact on the areas of greatest biodiversity value;
- minimising the environmental impacts of our development operations; and
- both enhancing existing and creating new habitats on our developments.

When Barratt secures planning approval on a site, the landowner and local planning authority can be assured that the ecological value of the land will be increased, creating a legacy of which all stakeholders can be proud.

Future regulatory changes

Future Homes Standard

The Future Homes Standard (FHS) encompasses new regulations around the energy efficiency and the emissions created by new homes. The government has completed a consultation in which we were an active participant, on 24 March 2024.

The FHS requires new homes to produce between 75% and 80% less carbon emissions than homes built to standards applicable through to June 2022. Homes built under FHS will be essentially “zero carbon ready” meaning no further work is needed to ensure these homes are net zero once the electricity grid has fully decarbonised.

The Future Homes and Building Standards legislation is expected to be laid before Parliament during 2024, with either a six-month or twelve-month period before the legislation will come in to force, followed by a twelve-month transitional period.

What this means and how we are prepared

The FHS involves changes in building fabric, the adoption of low-carbon heating and the use of additional technologies including photovoltaics, smart meters and other developing technologies. Our Group Design and Technical team is leading the development and testing of materials and products that we will use to deliver the house types and build solutions to meet the FHS requirements. Through a combination of research projects encompassing the Zed House, eHome2 and live development trials, the team is creating optimal solutions to meet this new standard.

Sources and references

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Building for the future

David Thomas
Chief Executive

We delivered a solid operating performance in FY24, supported by the commitment, flexibility and determination of our employees, sub-contractors and supply chain partners.

In this section

Introduction

The past year has proved challenging for both the housebuilding industry and homebuyers, with cost-of-living pressures, much higher mortgage rates and limited consumer confidence having a negative impact on housing market activity. Against this backdrop, we have remained focused on delivering high-quality, energy-efficient and sustainable homes across the country. We have driven revenue to support our business as well as our supply chain partners to position us to meet the growing shortfall in new homes supply. We have been rigorous in controlling our build activity, managing our cost base and being highly selective in our land buying, whilst ensuring we continue to lead the industry through our unwavering commitment to build quality, customer service, social responsibility and sustainability.

We also launched our new purpose during the year which is anchored around sustainability and building strong communities. Our new values are focused on our customers, on doing it right and doing it together, and making things happen. This framework formalises the culture and principles which have driven our success to date.

The acquisition of Redrow

Against this challenging backdrop, we have proactively considered opportunities to strengthen our business and give us an even stronger platform from which to deliver sustainable growth and meet housing needs throughout Great Britain. This process culminated in the announcement in February 2024 of the proposed acquisition of Redrow plc, which completed on 21 August 2024. We are working with the CMA to address the findings of its Phase 1 competition review which is expected to be complete by mid-October 2024. We are excited about the opportunities for the combined group, which creates an exceptional UK housebuilder with strong quality, customer service and sustainability credentials.

More details on the Redrow acquisition and the benefits of the new entity are on pages 6 and 7

Strategic priorities

Anticipating a challenging backdrop, we set four strategic priorities in summer 2023, which supported our performance through FY24.

Drive revenue

Driving revenue through the targeted use of incentives for private purchasers and increased sales into the private rented and social housing sectors

FY24 progress

- Price deflation slowed on our underlying private home reservations, from 5.6% in H1 to 2.7% in H2.
- Private rented sector home completions increased by 306.2% to 1,048 homes (FY23: 258 homes).
- Multi-unit sales, including those to registered providers, increased by 46.9% to 767 homes (FY23: 522 homes).

Optimise land buying

Maintaining our highly selective approach to land buying

FY24 progress

- We approved 58 net site additions, equating to 12,439 plots in the year with activity weighted to the second half of the year.
- We continued to rigorously apply our long-standing hurdle requirements for new land investment, at a minimum gross margin of 23% and ROCE of 25%.
- Through our long-standing relationships, and industry-leading reputation, we have concluded important deals with both public and private landowners, which will deliver significant development pipelines over the coming years.

Control build activity

Controlling build activity and managing our costs

FY24 progress

- We aligned our site-based construction activity to lower reservations, with an average of 257 equivalent homes (including JVs) constructed each week in FY24, 20.2% below the 322 average equivalent homes, built weekly, in FY23.
- We reduced our headcount by a cumulative 12% through to 30 June 2024 from 30 September 2022, delivered through our ongoing recruitment freeze. This compared with a 6% cumulative reduction from 30 September 2022 through to 30 June 2023.

Lead the industry

Leading the industry around customer service, build quality, social responsibility and sustainability

FY24 progress

- We maintained our five-star HBF customer satisfaction status with the latest rolling annual recommend score of 93%, the highest score for UK national housebuilders.
- We also maintained our industry leadership position among the major UK housebuilders, registering the lowest NHBC Reportable Items per inspection at 0.13 through FY24 (FY23: 0.16).
- The Barratt Foundation reached a significant milestone, delivering more than £10m of funding for local and national charities since its launch in 2021.
- We were recognised, once again, as the leading national sustainable housebuilder by NextGeneration and received their Gold Award for the eighth consecutive year.

Performance summary

Our strategic priorities supported our solid operational and financial performance during FY24, protected our balance sheet and our strong financial position, and strengthened our credentials with our customers, building materials suppliers, landowners and wider stakeholders.

We delivered a solid operating performance in FY24, at the upper end of our expectations, supported by the commitment, flexibility and determination of our employees, sub-contractors and supply chain partners, including:

- Total home completions of 14,004 (FY23: 17,206).
- 16.5% adjusted gross margin (FY23: 21.2%) and adjusted gross profit of £689.0m (FY23: £1,130.4m). The reduction in adjusted gross profit reflected:
  - stabilisation of customer demand at lower levels;
  - softening house prices;
  - ongoing, but moderating, build cost inflation; and
  - the operational gearing impact of lower home completions.
- The impact of adjusting items, which reflected legacy property costs associated with building safety-related remediation activities resulted in a reported gross profit of £509.5m (FY23: £974.9m) and a reported gross margin of 12.2% (FY23: 18.3%).
- Adjusted profit before tax of £385.0m (FY23: £884.3m).
- Reported profit before tax, after deducting adjusting items, of £170.5m (FY23: £705.1m).
- Maintained balance sheet strength with year-end net cash of £868.5m (FY23: £1,069.4m) after dividend payments of £270.6m (FY23: £360.0m), legacy property related cash expenditure of £91.5m (FY23: £32.9m) and a £33.9m reduction in land creditors (FY23: £226.9m reduction).
- ROCE reduced to 9.5% (FY23: 22.2%), reflecting reduced profitability.

Chief Executive's Statement continued

Responsible development

Keeping people safe

Our first priority is always to provide a safe working environment for all of our employees and sub-contractors, and we are committed to achieving the highest industry health and safety standards.

We were deeply saddened by the tragic accidental death of a sub-contractor at one of our sites in November 2023. Further details can be found in the Safety, Health and Environment Committee Report on page 121.

During FY24, despite concerted campaigns to raise health and safety issues, our injury incidence rate increased to 302 (FY23: 289) per 100,000 workers whilst we improved our SHE audit compliance to 97% (FY23: 96%).

We remain focused on improving our site-based processes and procedures, challenging unsafe behaviours and building on our health and safety performance through on-site induction training, safety awareness for all personnel and developing our site managers' vigilance to health and safety risks on site.

Wigmore Park, New Waltham

Fire safety and external wall systems

We continue to make progress with the assessment and remediation of buildings covered under the Building Safety Self-Remediation Terms and Contract, to which the Group became a signatory on 13 March 2023.

Around 53% of our portfolio under review has been assessed under the Fire Risk Assessment of External Walls (FRAEW) and has an appropriate PAS 9980 assessment in place. Through inspections and testing in FY24, we identified a further 26 buildings requiring potential remedial works (FY23: 65 buildings) and 42 buildings were either successfully remediated or were assessed as not requiring remediation (FY23: 10 buildings). As a result, at 30 June 2024, we have an ongoing portfolio of 262 buildings across 92 developments under review (30 June 2023: 278 buildings across 89 developments).

Reflecting our commitment to dealing with these buildings as quickly and efficiently as possible, of the 262 buildings under review at 30 June 2024, 137 were in progress at tender, site mobilisation or remediation stage.

In the first half of the year, we recognised a charge of £56.4m to reflect higher than expected tender returns and cost increases on buildings being remediated by the Building Safety Fund. These generally related to buildings with atypical features and costs in relation to the remaining buildings are broadly in line with our initial estimates.

During the second half of the year, we recognised a charge of £64.5m, following an initial £5.0m for fire testing recognised in the first half, in relation to a development of three buildings which we had previously disclosed as a contingent liability. We have been unable to develop a testing methodology under the FRAEW for these buildings due to the unique unitised wall system in place, which we now assess will need to be replaced. The provision is based on the current expected method of remediation, designed to minimise disruption to residents, though due to the unique nature of the buildings, this estimate may vary as the process is further developed.

After incorporating the additional adjusted item charges for fire safety and external wall systems of £125.9m, as well as with remediation costs incurred during FY24 and time discounting adjustments, the provision in relation to fire safety and external wall systems totalled £628.1m at 30 June 2024 (30 June 2023: £535.9m). This reflects our current best estimate of the extent and future costs of remediation work required and we will continue to review these estimates as we gather data and complete the remediation of buildings within our portfolio.

We signed the Scottish Government's Safer Building Accord on 31 May 2023. The process to agree a legally binding, long-form contract to give effect to the Principles of the Accord remains in progress with Homes for Scotland and the Scottish Government. As a result of this uncertainty, our existing provisions for Scottish buildings have been made on a consistent basis with England and Wales but are subject to change depending on the outcome of the contract negotiations.

Reinforced concrete frames

We continued our remediation activities for concrete frame design and construction during FY24. Work on our developments proceeded in line with our plans and remediation is well advanced.

During FY23, structural issues were identified at two developments where reinforced concrete frames were designed for us by a different engineering firm to that employed at Citiscape. Having initially disclosed these as contingent liabilities, following further analysis during the second half of FY24, we now expect that remediation work will be required. Based on our current assessment of the required work, a further £56.6m has been provided for and an additional £7.6m recognised as our share of the costs within joint ventures in respect of these two developments.

After the additional charge of £56.6m, as well as the costs incurred on concrete frame remediation during FY24 and time discounting adjustments, the provision for reinforced concrete frames totalled £102.2m at 30 June 2024 (30 June 2023: £76.4m) and reflects our current best estimate of the scope and future costs of remediation work required.

Building safety considerations are paramount in prioritising and scheduling remediation works. Our dedicated Building Safety Unit manages our ongoing building safety remediation programme, which we expect to deliver over the next five years.

Further details on our approach to building safety are on our website at: www.barrattdevelopments.co.uk/about-us/our-approach-to-building-safety

Charitable giving and the Barratt Foundation

As part of our purpose, building strong communities, we recognise we have a role to play both as a business and through the efforts of our employees in the communities in which they live and work across the country. We work with the Barratt Foundation to focus our charitable work on improving our impact across the communities we support. Thanks to Barratt Developments' core funding, every pound raised by the Foundation is available for charitable purposes.

The year has been an exceptional one for charitable giving, thanks to the Barratt Foundation and the fundraising and volunteering efforts of individuals and teams across the Group.

In November 2023, the Barratt Foundation celebrated a significant milestone: it has now delivered more than £10m of funding to more than 1,000 local and national charities since it launched in January 2021. In FY24, we donated £6.4m (FY23: £6.3m) to charitable causes through the Barratt Foundation and employee fundraising.

Our impact and reach

In FY24, the Foundation has:

- supported over 500 charities, with more than £4m funds donated;
- supported around 400 local communities through funding and employee volunteering; and
- positively changed the lives of over 90,000 children and young people through national partnerships and grants.

The Barratt Foundation's activities – three areas of charity support:

1. Our national charity partners

The Foundation supports national charities that positively affect the lives of children, young people and those most disadvantaged in communities across the UK. During FY24, the Foundation donated over £2.5m to national partnerships and grants, including our six national charity partners: Whizz Kidz, Place2Be, The Outward Bound Trust, Bookmark Reading, Magic Breakfast and Street League.

2. The Barratt and David Wilson Community Fund

Through this fund, our divisions and Group offices can donate £1,500 each month to different local charities and organisations that really matter to them and which enhance the lives of people living in their area. Reflecting the additional challenges that communities face in the winter, we also provided a Winter Support Fund in FY24. Our divisions and teams supported 66 selected small and local charities such as hospices, homeless charities and food banks, which each received a donation of £3,000.

3. Match funding for our employees fundraising activities

In FY24, our employees and divisions raised a record £1.4m (FY23: £1.3m) to support local or national charities and good causes, with an additional £0.6m (FY23: £0.8m) from the Barratt Foundation, which provides matched funding of up to £12,000 per division and up to £1,000 per employee. We also partner with Payroll Giving in Action so our employees can make regular, tax-free donations to their chosen charities – UK or international.

For further details on the value we create in the communities in which we operate please see our socio-economic footprint at: www.barrattdevelopments.co.uk/~/media/Files/B/Barratt-Developments/sustainability/fy24-group-socio-economic-footprint.pdf

Our new national charity partner

We make it happen

Street League

Street League, our new national charity partner, uses the power of sport to support young people into employment. With operations in 35 locations spanning London to Edinburgh, the charity works with unemployed 16 to 24 year olds who face tough life challenges and personal barriers. Many of the deprived areas where Street League operates are the most disadvantaged communities in the UK, where youth unemployment is three times the national average and can exceed 20%.

The Foundation's initial donation of £300,000 in FY24 is targeted to fund at least 700 young people into employment, and is vital to enhancing their life chances, social inclusion and sense of worth and wellbeing.

Barratt beach clean up in Aberdeen

We do it together

Getting involved

"Barratt Developments' employees have made a significant impact, creating cleaner, safer, and healthier spaces in their local communities across the UK, from Aberdeen to Exeter – we could not be more delighted. We are very proud of the partnership we have with the Barratt Foundation. It has been transformational and has enabled us to expand our CleanupUK Community Partners initiative by setting up community cleanup hubs in some of the most disadvantaged wards across the UK. Together, we are making a tangible difference in communities nationwide."

George Monck,
CleanupUK Chief Executive

Charitable giving and the Barratt Foundation continued

Employee volunteering

A key component to our charitable activities is our employee volunteering, where we made significant strides in FY24, notwithstanding a 100% increase in volunteering days during FY23. In FY24, our employees gave up 1,935 days to volunteer with projects in their local communities, an advance of 73% on FY23. The Big Barratt Cleanup in April 2024 was our first national volunteering campaign with CleanupUK. It gave our employees the opportunity to take part in a local litter pick to help transform their local community. More than 430 volunteered their time to take part in 25 Big Barratt Cleanup events, removing more than 500 bags of rubbish and litter from local landscapes – equivalent to 2.7 tonnes.

Working together with our charity partners to help the Group deliver for our customers

As part of our drive to create inclusivity and build stronger communities, we aim to improve and enhance the play areas in our developments for children and young people with physical disabilities and neurodiverse conditions.

Through Whizz Kidz and the generous help of families supported by the charity, our designers were able to research, develop and test our newly enhanced play area designs for children with different needs. Specifically designed play areas and tailored play area equipment are set for roll-out at various Barratt developments around the UK in FY25.

More details on the Barratt Foundation and its activities are at: barrattfoundation.org.uk/

Operational review

Reservation activity

Our net private reservation rate in FY24 was 0.58 (FY23: 0.55). The 5.5% improvement across FY24 reflected a pick-up in activity as mortgage interest rates moved lower from August 2023. Month-to-month reservation rates thereafter showed relative stability, but with a greater degree of sensitivity to mortgage interest rate movements. This sensitivity reflected the mortgage affordability and qualification challenges faced by prospective homebuyers, the majority of whom depended on access to mortgages.

Net private reservation rate	H1	H2	FY
FY24 – reported private reservation rate	**0.48**	**0.69**	**0.58**
Of which: PRS and other multi-unit sales	**0.06**	**0.10**	**0.08**
Private reservation rate excluding PRS and other multi-unit sales	**0.42**	**0.59**	**0.50**
FY23 – reported private reservation rate	0.44	0.65	0.55
Of which: PRS and other multi-unit sales	0.05	0.13	0.10
Private reservation rate excluding PRS and other multi-unit sales	0.39	0.52	0.45
Change FY24 vs FY23			
Reported private reservation rate	9.1%	6.2%	5.5%
Of which: PRS and other multi-unit sales	20.0%	(23.1)%	(20.0)%
Private reservation rate excluding PRS and other multi-unit sales	7.7%	13.5%	11.1%

Operational review continued

Reservation activity continued

Reservation activity during the year reflected stabilising demand from first-time buyers. This, despite many first-time buyers finding it hard to both raise deposits, given cost-of-living pressures, and secure income and affordability qualification, given the higher mortgage rates available. Rental cost inflation has, however, also been a continuing challenge for first-time buyers and a key driver for those in rental accommodation looking to move into home ownership as and when mortgage qualification metrics are met.

There was resilient demand from existing homeowners with accrued equity in their current homes. Reservation activity from existing homeowners did, however, require additional sales support with 16% (FY23: 11%) of the Group's reservations in the year utilising part-exchange. At the end of the year we held 120 unsold part-exchange homes, lower than the 146 held at the end of the prior year.

Increased sales into the private rented sector, along with additional multi-unit sales to registered providers of social housing and others, partly mitigated the weakness in traditional private reservations, supported our construction activity and ensured more of our homes were made available for both the private rented and affordable homes markets. The net private reservation rate into the private rented sector, along with additional multi-unit sales contributed 0.08 (FY23: 0.10) to the reservation rate in the year.

Sales outlets

During the year, we operated from an average of 346 active sales outlets (FY23: 367), including 9 active JV sales outlets (FY23: 8). Whilst average sales outlets were ahead in the first half, the decline in active outlets through the second half reflected two factors:

- A conscious decision within the Group to slow site openings to ensure our new sales outlets were launched to create maximum market impact. Notwithstanding this decision, as well as ongoing planning delays, we launched a total of 57 new sales outlets (including JVs) in the year (FY23: 104).
- Whilst the average life of our sales outlets has been extended by the lower private sales rate experienced since Autumn 2022, we saw a significant proportion of these "extended" outlets close, as they sold through from late 2023 through to June 2024.

At 30 June 2024 we were operating from 326 active sales outlets (FY23: 389), including 10 JV outlets (FY23: 9).

As previously announced, in FY25 we expect average active sales outlets will reduce by approximately 9% due to lower land buying activity in 2022 and 2023 and the annualised impact of sales outlets closing in the second half of FY24. We expect this reduction to be temporary with significant net sales outlet growth in Q4 FY25 and throughout FY26 supporting average sales outlets for FY26 above FY24 levels.

Home completions

Total home completions including JVs reduced by 18.6% in FY24 to 14,004 (FY23: 17,206). Our reduced private forward order book at the start of FY24, in combination with the ongoing rate of weekly reservation activity, crystallised a 24.2% decline in our private wholly owned home completions (excluding homes for PRS and other multi-unit sales). Our deliberate decision to seek growth through PRS and other multi-unit sales limited the decline in total home completions, with PRS home sales advancing 306.2% and other multi-unit sales completions increasing by 46.9%.

The affordable housing share of wholly owned home completions reduced to 20.8% (FY23: 23.9%). Many registered providers are facing operational and financial constraints due to the higher interest environment, as well as increased scrutiny on maintenance, repair and improvement of their existing housing portfolios. As a result, registered providers are less eager to secure additional affordable housing through the homes we deliver through Section 106 arrangements. In FY25, we anticipate the affordable housing share of wholly owned completions will be in the high teens.

Completions (homes)[1]	FY24	FY23	Change
Private excluding PRS and other multi-unit sales	8,851	11,676	(24.2)%
PRS	1,048	258	306.2%
Other multi-unit sales	767	522	46.9%
Total private	**10,666**	**12,456**	**(14.4)%**
Affordable	2,802	3,922	(28.6)%
Wholly owned	**13,468**	**16,378**	(17.8)%
JV	536	828	(35.3)%
Total[2] (including JVs)	**14,004**	**17,206**	(18.6)%

The average selling price (ASP) of wholly owned completions reduced by 4.0% to £306.8k (FY23: £319.6k). The total private ASP reduced by 6.4% to £343.9k (FY23: £367.6k).

Within our total private completions, we completed 1,048 PRS homes (FY23: 258). The ASP of these PRS completions was £285.1k (FY23: £280.9k), with the ASP movement reflecting the diverse geographic spread of the homes completed in the period.

We also completed 767 other multi-unit home sales (FY23: 522) including home completions for registered providers, meeting their demand for additional homes using Government grant funding, and incremental to affordable homes provided under Section 106 requirements. The ASP of other multi-unit sales completions was £292.3k (FY23: £284.7k), with geographic mix accounting for the larger part of the ASP movement.

The ASP of our affordable home completions reduced by 1.1% to £165.3k (FY23: £167.2k), reflecting a reduced proportion of completions from our London operations, offset by site mix.

We expect the affordable ASP in FY25 will be similar to that reported in FY24.

1 Unless otherwise stated, all numbers quoted exclude JVs.
2 Including JVs in which the Group has an interest.

Our customers

Back in 2014, we first introduced Barratt Developments' vision. It cemented our commitment to our customers by setting down our aims and ambitions: "To lead the future of housebuilding by putting customers at the heart of everything we do". Over the past decade, this vision has been a constant: driving our actions and behaviours, our culture and our decision making – but first and foremost, it prioritised our unwavering commitment to our customers.

Yet, we recognise that the needs of our many customers are constantly changing, as well as the communities in which we operate and play a key role in creating, and that we have an increasing responsibility to protect our environment. Through engagement with customers, our employees and teams, as well as our wider stakeholders, we have formulated our new purpose: "Making sustainable living a reality, building strong communities."

This evolution in our purpose is supported by our new values centred on "We do it for our customers" and "We do it right". These values reflect not only the unwavering focus we have on our customers, but also a broadening of the expectations set by our customers and upon which we ourselves should aspire to meet and exceed. We put our customers and their new homes, as well as their communities and local environment, at the heart of everything we do.

Great choice for potential customers

Through our existing housebuilding brands, we offer a wide range of homes for our customers: from one-bedroom apartments to five and six-bedroom homes. Barratt London is our award-winning operation within the M25. Barratt Homes and David Wilson Homes operate across Great Britain outside London. Depending on the size of the development and local market dynamics, they operate single-branded sites or as dual-branded locations, creating greater variety and choice for potential homebuyers through development design, street scenes, house types and price points. As a result, dual-branded developments generate higher sales rates than those offering a single brand.

During FY24, we operated with 252 developments on average across Great Britain: 97 developments under the Barratt Homes brand; 54 under the David Wilson Homes brand; and 101 dual-branded developments with both Barratt and David Wilson Homes. We are continually looking to enhance choices for our customers and increase the variety and diversity of our developments through our branded house types.

The acquisition of Redrow, along with CMA approval, will support the further development of our portfolio of strong brands, with recognisable house types and reputations for great quality and customer service. It will also create greater choice for both Redrow and Barratt customers, accelerate the pace of housebuilding across our developments and is a key ingredient in making our land banks work efficiently for all stakeholders.

Great service through the buying process and beyond

We believe our industry leadership in customer service is fundamental to our success. We are the only major housebuilder to have been awarded the maximum five-star rating by our customers in the HBF Customer Satisfaction Survey for 15 consecutive years, with our latest customer satisfaction rating at 93%.

We want our customers to receive the best possible service, not only throughout their home buying journey but also post-completion. We invest in training and workshops to enhance our service and our customers' experience beyond the handover of their new home.


First home buyers, George, Hayley and Digby

Our customers continued

New Homes Quality Code

We operate under the New Homes Quality Code (the Code) as a registered developer with the New Homes Quality Board. Introduced in 2022, the Code covers the period from initial homebuyer enquiry through to completion and then two years post-occupation of the new home. It centres on fairness throughout the customer journey, and not simply the achievement of technical standards around build quality and defects.

New build advantages for our customers

We are continually seeking to improve the energy and water efficiency, as well as the sustainability of our homes and adapting our home designs to respond to both changing homebuyer demands, as well as the Future Homes Standard and other changes to building regulations. We aim to build high-quality homes that optimise internal space, deliver excellent energy and water efficiency and, as a result, unlock lower lifetime costs for our customers.

We actively promote the lower running costs and wider environmental benefits such as biodiversity features and transport connections of our homes across all our communication channels and in our sales centres. This is an increasingly important purchasing consideration for our customers. A typical Barratt or David Wilson house, built from June 2023 under latest Building Regulations, can unlock annual energy bill savings estimated at more than £2,570[1] annually when compared to an average existing house. In FY24 more than 99% of our home completions were EPC rated "B" or above, a level of energy efficiency shared by just 3.3%[2] of the existing housing stock.

In addition, all of our homes are designed to a water use standard of 105 litres per person per day, creating the potential to reduce consumption by 25% when compared to the national average[3] and creating further cost savings for our homeowners.

1 Data based on HBF "Watt a Save" report updated and published 19 August 2024, available at: www.hbf.co.uk/policy/wattasave/

2 Based on EPC registrations to 30 June 2024, published 30 July 2024.

3 Statista data at: www.statista.com/statistics/1211708/liters-per-day-per-person-water-usage-united-kingdom-uk/

Green mortgage development reflecting new build advantages

The financial and environmental advantages of new build homes have never been as significant as they are today, and we are committed to enhancing both the access and affordability of our new homes in partnership with both mortgage lenders and surveyors.

Mortgage lenders, driven by their own sustainability initiatives, the growing recognition of future retrofit costs in relation to energy efficiency for existing homes, and the scale of annual savings from new build home ownership are increasingly engaging with the housebuilding industry around green mortgages.

The surveying industry is critical in developing a consistent and enduring valuation framework that will allow the recognition of the financial and environmental advantages of high-quality, new build homes.

As the leading national sustainable housebuilder, we have a dual approach to green mortgage development.

- We work directly with mortgage lenders to develop enhanced mortgage products that recognise the advantages of our new build, energy-efficient homes. During FY24, Accord (The Yorkshire Building Society) joined The Leeds Building Society with the launch of a new green mortgage product. Both mortgage lenders recognise the advantages inherent in new energy-efficient homes, and their mortgage products have the potential to unlock up to a 10% uplift in lending.
- We collaborate with the wider industry and the Government, notably through the Future Homes Hub. Barratt's Head of Mortgage Lender Relations also chairs the "Valuation Group", which is considering how the value of sustainable benefits of new homes can be recognised in the mortgage valuation process.


A balancing pond enjoyed by local wildlife

We do it right

Water resilience

We recognise that water is at the core of adaptation to climate change, and is a crucial link between society and environment. We have responded to this by designing water-efficient homes ahead of regulation and we are increasing the resilience of our sites to water scarcity and flooding through careful design and development of landscaping. We are underway with the Group's first water value chain assessment to identify risks and opportunities and how we can manage and reduce our water footprint.

Read more about our sustainability roadmap on pages 43 and 44

Our people

We are seeking to build a diverse and inclusive workforce that reflects the communities in which we operate, delivering excellence for our customers by drawing on a broad range of life experience, talents and skills. This approach is embedded within our new purpose and values, our Building Sustainably Framework and in our Diversity and Inclusion Strategy, through which we aim to improve the representation of all groups across the business and drive an inclusive culture, where difference is valued.

Engaging with our employees

Our annual employee engagement survey was completed in October 2023. It delivered an engagement score of 74.9% (2022: 84.4%), reflecting:

- our ongoing recruitment freeze, which has created additional workload and responsibilities;
- the lower FY23 bonus compared to previous years; and
- a return to more normal engagement levels following a strong score in 2022 which was supported by two cost-of-living support payments that ended in July 2023.

Following the 2023 engagement survey, we conducted workshops and consultations, reflecting our desire to respond positively and engage with our workforce to improve engagement. A follow-up shorter 'pulse' survey conducted in April 2024 showed a positive impact on engagement, which improved to 78.9%.

Investing in development and training

Against a skills shortage backdrop in the industry, it is important we not only attract and retain the best people with a diverse range of skills and experience but also play a leading role in tackling industry recruitment and retention challenges.

More information on our career and apprenticeship opportunities are available to view on our website: www.barrattcareers.co.uk

We invest for the future through our numerous award-winning schemes including those for graduates, apprentices and former Armed Forces personnel. We have four Degree Apprenticeships delivered in partnership with Sheffield Hallam University, encompassing Construction, Quantity Surveying, Technical Design and Real Estate. Our development programmes included 353 participants at 30 June 2024 (FY23: 483), around 6% (FY23: 7%) of our workforce, highlighting our commitment to future talent development.

Retaining the best talent

It is vital for us to retain the most talented people within our business to ensure we have the necessary skills for continued operational delivery and future growth. Identifying and supporting our leaders of the future, along with effective succession planning, are important elements in our long-term success. Our "Rising Stars" programme seeks to identify, motivate and develop our high-potential employees and in total 344 employees have attended our "Rising Stars" programme.

With the ongoing pause in recruitment, we continue to work to improve the visibility of our employees' career paths across all functions, through individual development plans, line manager development, developing over 500 managers through our management development programme to date, and the prioritising and tracking of internal promotions. Remuneration and benefits are an important element of employee retention. We continue to review our employee packages to ensure they are effective and industry competitive.

Expanding share ownership for our employees

In April 2024, we invited all eligible employees to participate in the 16th grant under the Group's Sharesave scheme, which allows eligible employees to contribute a maximum of £500 per month in one or more Sharesave schemes. As at 30 June 2024, approximately 52.1% (FY23: 51.4%) of our employees participated in one or more of the active schemes.

In recognition of the continued dedication and commitment of our employees, in FY24 the Board agreed that an annual share award would be made to all employees below Managing Director level. Accordingly, in July 2024, an award of shares equating to £750 (FY23: £1,250) was made to all qualifying employees. This award will vest in July 2026.

Reflecting the challenges faced by our industry and as well as our recruitment freeze throughout FY24, our total employee turnover reduced to 13% for the year to 30 June 2024 (FY23: 15%). Our target over the medium term remains at 15%.

Accredited Living Wage Employer

We continue to operate as an accredited Living Wage Employer and we promote the payment of the real Living Wage within our UK supply chain through our standard sub-contractor terms and conditions.

Our standard sub-contractor terms and conditions also mandate the payment of the real Living Wage within our supply chain. To ensure this real Living Wage commitment is adhered to, we implement spot checks on higher risk trades and operate internal remediation feedback reporting. Where we find instances of non-compliance, we require this to be rectified, with follow-up audits conducted to ensure full compliance. For those working in jurisdictions other than the UK, our expectation, included within our contract requirements, is that local statutory minimum wage terms are met.

Employee networking

Our employee networks remain a key element of the wider work to listen to our people, helping us create a truly inclusive culture through peer-to-peer support, learning and feedback. We have six employee network groups: Gender; Women on sites; Ethnicity, Culture and Religion; Disability; Families (including carers); and LGBTQ+, offering a range of activities from webinars, face-to-face events, leading discussions, marking of key calendar events, religious festivals and signposting support.

All our networks are open to allies, and we have seen a strong increase in membership over the year. A member of the Executive Committee sponsors each network.

We recognise that our employees are all a unique blend of different identities. We encourage our networks to combine on actions in support of this.

Our people continued

Gender and ethnicity pay gap reporting

In December 2023, we published our annual Gender Pay Gap Report and, for the second year, our Ethnicity Pay Gap Report, as part of our commitment to transparency and to support our Diversity and Inclusion Strategy to improve the representation of all groups across the business.

Despite our ongoing commitment to gender pay equality both our mean and median gender pay gaps increased compared to 2022, rising to 9.6% (from 8.8%) and 7.4% (from 6.3%), respectively. Challenging conditions in the wider housing market led to a 17% reduction in sales commissions, predominantly affecting our sales teams, where the majority of colleagues are female. The construction skills shortage also continues to impact the industry as a whole, with increasing demand for, and scarcity of, skilled site-based tradespeople, triggering a wage increase in the UK. This prompted us to raise hourly rates for trade roles in some of our regions, primarily occupied by male site-based colleagues. This helped to address external economic pressures but contributed to the pay gap increase.

Although our mean gender pay gap is smaller than the average for UK businesses in 2023 at 13.2%, as we navigate changes in the market, we remain committed to continuous improvement, implementing proactive measures to address any pay disparities and delivering against our 2025 Diversity and Inclusion Strategy.

Although we are not statutorily required to disclose our ethnicity pay gap data, we are committed to diversity and inclusion, as well as being transparent with our people and ensuring we measure our impact.

In 2023 the mean ethnicity pay gap decreased to 6.6% from 7.7%, and the median gap decreased to 3.6% from 5.9%. This shift was partly attributed to an increased willingness from colleagues to identify their self-declared ethnicity, notably a change in declaration from "Do not wish to state" to identifying with an Ethnic Minority Community (EMC). The median ethnicity pay gap has also reduced due to comparatively larger salary increases for middle managers within the EMC community compared to white colleagues.

To deliver change in both areas, we will continue to build on the work in place to support our teams through our recruitment processes, talent programmes, employee networks, succession planning and early careers development. We also remain committed to implementing proactive measures to address any pay disparities based on either gender or ethnicity.

The latest Gender and Ethnicity Pay Gap Report can be viewed at: www.barrattdevelopments.co.uk/~/media/Files/B/Barratt-Developments/documents/Publications/barratt-developments-plc-gender-and-ethnicity-pay-gap-report-2023.pdf

Physical health and mental wellbeing

As a market leader and responsible employer, we are continually exploring how we can best support our employees whilst positively influencing the construction industry and beyond. We have delivered programmes and services for a number of years to support and enhance the health and wellbeing of our people, including mental health. We have been signatories of the Building Mental Health Charter since 2022, a member of the Zero Suicide Alliance since 2023 and we are active members of the Home Building Skills Partnership Mental Health Awareness Group.

We also support our employees through a sector-leading benefits package, including pension with death in service benefit, access to discounts on fitness memberships, high street savings, the ability to purchase additional holiday, financial education, access to savings and loans through payroll and a suite of family-friendly policies.

Our new purpose and, in particular, the new values we seek to extol, emphasise a supportive culture based on positive behaviours, inclusion and respect.

Diversity and inclusion

We are committed to developing an environment that is inclusive for everyone. We want everyone who works with us or for us to feel valued, that they are treated equally and fairly, and that they can succeed in their role – regardless of their background. We believe there are two elements that create a workplace where everyone feels valued and that they belong:

- Diversity is the representation of all of our differences, and how we differentiate ourselves as individuals and as groups. Striving for diversity provides the widest access to talent and reflects our customers and the communities we serve. We know our people want to see role models that reflect them across the organisation.
- Inclusion is about building a culture of belonging by actively inviting colleagues to contribute and participate, which is proven to increase business performance. We believe every person's voice adds value and it is vital that all our current colleagues, and any prospective colleagues, feel respected and valued.
- We are committed to giving full, fair and transparent consideration to applications for employment made by those with disabilities and ensuring continued employment of those who may become disabled during their employment. As an organisation we seek to ensure that training, career development and promotion is fair in all circumstances.

Our Diversity and Inclusion Policy can be viewed at: www.barrattdevelopments.co.uk/~/media/Files/B/Barratt-Developments/policies/2023/diversity-inclusion-policy-summary.pdf

Our people continued

Diversity and inclusion continued

Our Diversity and Inclusion Strategy

Our Diversity and Inclusion Strategy aims to improve both the representation of all groups across the business, as well as our ability to listen and communicate to them all, and is focused on three key areas:

- **Talent:** increasing our representation through the attraction, recruitment and development of diverse skills and experience at all levels.
- **Leadership:** taking accountability for change and creating an inclusive environment where everyone can thrive.
- **Attitudes:** supporting our people to understand and value difference, with respect and kindness.

Gender and ethnic diversity

Improving our gender and ethnic diversity is a key focus and we continue to ensure we have gender balanced and diverse recruitment shortlists, and provide inclusive hiring training for all recruiting managers. Additionally, to drive improvement, we:

- are measuring gender and ethnic representation in each function and level within the Group on a quarterly tracking basis;
- are operating with a specified group of preferred recruiters, who have all committed to provide balanced and diverse short-lists; and
- have increased the female and ethnic minority background cohorts on our Accelerated Leadership Programme, which is designed to identify our future Managing Directors.

Catalyst

"Catalyst", our long-standing development and support programme, designed to help high-potential female employees develop their careers within the Group, is a key part of our gender diversity strategy. This programme continues to show positive results with eight divisional directors who are alumni from the programme and 18% of the last cohort, in FY23, already promoted or having their roles extended. Our Catalyst programme in FY24 has been our largest, since inception, with 110 participants.

As at 30 June 2024, women held 20% (FY23: 18%) of senior manager roles within the Group. The gender diversity statistics for our employees as a whole, our senior managers and the direct reports to the Executive Committee and PLC Directors are shown on page 32. Further information regarding the diversity (including ethnicity) of our PLC Directors and Executive Committee members can be found in the Nomination Report on page 103.

Increasing the ethnic diversity of our organisation remains a clear target for the Group's leadership teams and as at 30 June 2024, 8% (FY23: 7%) of employees were from ethnic minority backgrounds and 3% (FY23: 3%) of senior leadership positions were held by ethnic minority employees.

Human rights and anti-bribery

Our respect for human rights is embedded within our new purpose and values. Our policies and procedures support the core values of the UN Universal Declaration of Human Rights and the UN Guiding Principles of Business and Human Rights, and we act in accordance with our principles regarding diversity and the Modern Slavery Act 2015.

Our non-financial KPIs for health and safety and employee engagement reflect our belief that it is a fundamental human right to work in a safe and supportive environment. Our employees undertake training on modern slavery, which was updated this year ready for launch in FY25. Concerns can be raised anonymously via our externally managed whistleblowing process which is available to agency staff and sub-contractors as well as our employees and promoted in site welfare cabins.

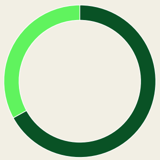
This year we began to develop a framework for risk assessing and managing our supply chain human rights risks.

We have a strict Anti-Bribery and Corruption Policy and conduct our business in a fair, open and transparent manner. All our employees are required to undertake regular training on our Anti-Bribery and Corruption Policy, and it is a condition of all our supplier and subcontractor contracts that they comply with the Bribery Act and this policy.

Our Anti-Bribery and Corruption Policy can be viewed at: www.barrattdevelopments.co.uk/~/media/Files/B/Barratt-Developments/policies/2023/anti-bribery-and-corruption-policy.pdf

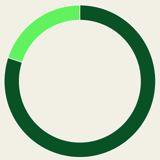
Male and female employees

PLC Directors



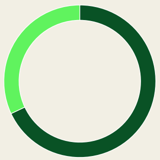
		2024	2023
Male		67%	63%
	Total	6	5
Female		33%	37%
	Total	3	3

Senior Managers



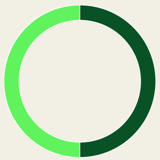
		2024	2023
Male		80%	82%
	Total	265	272
Female		20%	18%
	Total	67	59

Employees



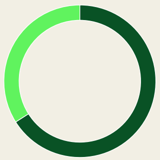
		2024	2023
Male		68%	68%
	Total	4,007	4,345
Female		32%	32%
	Total	1,922	2,044

Executive Committee



		2024	2023
Male		50%	71%
	Total	4	5
Female		50%	29%
	Total	4	2

Reports to Executive Committee



		2024	2023
Male		66%	69%
	Total	25	27
Female		34%	31%
	Total	13	12

Chief Executive's Statement continued

Our land position

Since stepping back from the land market in September 2022, we have adopted a highly selective approach to incremental investment in land. Our stance reflects our strong land bank position, uncertainty on house prices, build cost inflationary pressures and limited movement in wider market reported land prices to reflect these changed market dynamics. However, since the start of 2024, we have seen an uptick in the quantity of land made available that meets our rigorous land buying requirements and is centred on a minimum gross margin of 23% and 25% ROCE.

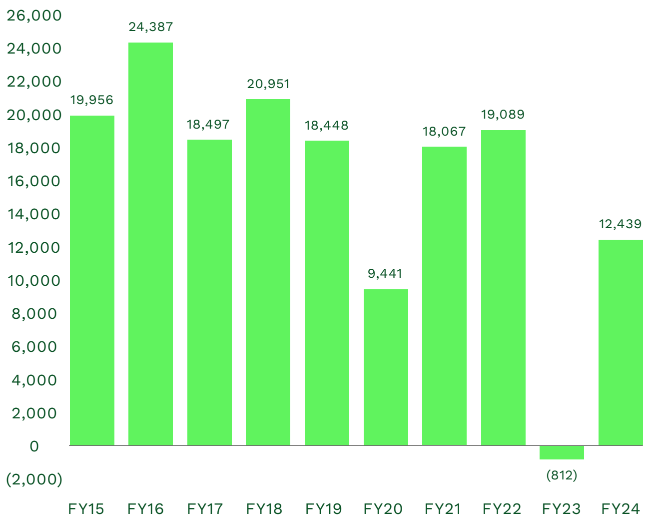
Gross and net land approvals

As a result, gross site approvals have increased to 69 new sites during the year. These were partially offset by 11 previously approved sites no longer proceeding to purchase, resulting in a net increase of 58 site approvals in FY24 (FY23: net cancellation of two sites).

Approved sites along with planning amendments added 15,233 plots (FY23: 4,821), at a cost of £771.7m (FY23: £345.2m), with 2,794 plots (FY23: 5,633) removed for sites no longer proceeding at an agreed cost of £124.8m (FY23: £360.1m). This resulted in a net increase of 12,439 plots in FY24 (FY23: net reduction of 812 plots) and a net increase in our land approval commitments of £646.9m (FY23: net decrease of £14.9m).

Given the subdued but more stable market backdrop and the growing number of land opportunities available we expect to increase our land approvals significantly in FY25 whilst maintaining our rigorous land investment requirements.

Net land approvals (plots)



Land investment

We invested £674.3m (FY23: £822.8m) on land acquisitions and the settlement of land creditors during FY24, and we currently expect to spend c. £800m on land in FY25.

We continue to target a regionally balanced land portfolio in the medium term with a supply of owned land of c. 3.5 years and a further c. 1.0 year of controlled land. We are broadly in line with this target, with our land bank comprising 4.3 years of owned land (30 June 2023: 3.6 years) and 0.6 years of controlled land at 30 June 2024 (30 June 2023: 0.7 years).

Planning and ownership or control status	30 June 2024	30 June 2023
Plots with detailed planning consent	40,030	48,270
Plots with outline planning consent	15,239	9,658
Plots with resolution to grant and other	2,363	1,320
Owned and unconditional land bank (plots)	57,632	59,248
Conditionally contracted land bank (plots)	8,607	11,142
Total owned and controlled land bank (plots)	66,239	70,390
Number of years' supply	4.9	4.3
JVs owned and controlled land bank (plots)	4,631	4,356
Strategic land bank (acres)	16,865	16,431
Strategic land bank (plots)	106,516	101,784
Promotional land bank (plots)	105,359	96,844
Land bank carrying value (£m)	3,233.6	3,139.9

At 30 June 2024, the estimated ASP of plots in our owned land bank was £328k (30 June 2023: £331k) and the estimated gross margin in our land bank, based on current estimated sales prices and build costs at 30 June 2024 was 18.6% (30 June 2023: 19.7%).

Land market activity

Notable development transactions in FY24:

- **ASDA Park Royal, London:** a major regeneration scheme in Ealing which, over a number of years, will see the development of 1,505 mixed tenure homes as well as a new ASDA superstore.
- **Fort Halstead, Kent:** a significant redevelopment of former MOD research facility to deliver 635 homes near Sevenoaks.
- **Durieshill village, Stirling:** a major new village development on the outskirts of Stirling to develop more than 1,500 homes in a 50:50 partnership with Springfield Properties.

Kingsbrook, Aylesbury

Our land position continued

Planning permission activity

Despite the challenging planning backdrop across the country, we secured planning consents on 9,026 plots across 54 developments during the year (FY23: 12,969 plots on 81 developments). As well as standard applications, which received planning approval at a local level, we took three planning refusals to appeal and were successful in overturning them.

Whilst our business and the wider industry continue to experience significant challenges with the ineffective and highly unpredictable state of the planning system, more than 69% (30 June 2023: 81%) of our owned and unconditional land bank plots have detailed planning consent, supporting our sales outlets position and future home completions. We are also well positioned for the coming financial year with almost all budgeted FY25 home completions (FY24: all budgeted FY24 home completions) having outline or detailed planning consent.

Strategic land

Our strategic land teams were focused on securing additional strategic land to support future growth and 4,477 plots across 30 strategic sites were approved during FY24 (FY23: 21,802 plots and 70 sites). Plots secured through our strategic land bank delivered 3,290 (FY23: 3,938) or 24% (FY23: 24%) of our wholly owned home completions in FY24. We converted 3,723 plots (FY23: 777) of strategic land into our owned and controlled land bank during FY24. After significantly expanding our strategic land bank over the past few years, our strategic land and planning teams (with input from Gladman) will now increasingly focus on securing planning consent by promoting strategic land through Local Plan reviews, as well as speculative planning applications.

At 30 June 2024, around 20% (30 June 2023: around 23%) of our strategic land is allocated or included in draft Local Plans.

We target around 30% of wholly owned completions from strategic and promotional land in the medium term. This reflects the development and planning prospects in our strategic land portfolio, our business model and our targeted land bank length and focus on ROCE.

Land promotion

Our promotional land portfolio is held through Gladman Developments Limited (Gladman) and consists of 105,359 plots (30 June 2023: 96,844 plots), with Gladman operating at arm's length and as a standalone business within the Group.

Over FY24, Gladman secured an estimated 9,239 plots, (FY23: 9,453 plots) through new promotional agreements with landowners. Following several successful planning applications, Gladman received planning consents on 2,804 plots during the year (FY23: 2,437 plots). Whilst wider market demand for land remained weak in FY24, Gladman secured land sales equating to 773 plots (FY23: 1,813 plots), dominated by demand from smaller developers.

Gladman generated revenue of £13.1m and an operating profit, before amortisation of intangible assets, of £0.2m during FY24 (FY23: sales of £20.4m and operating profit, before amortisation of intangible assets, of £3.8m). The reduction in revenue and profitability reflected the low level of land market activity across the year as many housebuilders limited or paused their land buying plans. We expect Gladman's performance to recover as land market activity increases over the coming months.

Gladman, with the benefit of the Group's financial, legal and development resources, continues to engage with new and existing land promotion partners around the most attractive routes to unlock value from their land positions. Gladman also offers the ability to convert promotional agreements into option, hybrid or freehold sale arrangements for all, or part, of their land promotion partners' holdings, to meet their changing needs and aspirations.

Our build performance

Maintaining the efficiency of our operations and controlling costs, whilst also retaining our capacity to deliver the homes that the country needs, has remained a key area of consideration throughout the year.

Managing site-based construction

Coming into FY24, our reduced order book and limited improvement in the reservation rates necessitated further adjustments to construction activity. We also sought to manage customer commitments for home completions, our finished homes inventory and the investment in new site infrastructure to support future sales outlet openings. As a result, our annual build activity reduced by 20.2% to an average 257 (FY23: 322) equivalent homes (including JVs) built per week.

In FY25, we will seek to balance construction activity between the expansion in sales outlets for FY26 and the anticipated reduction in completion volumes.

Controlling our cost base

We proactively managed our operating cost base throughout FY24, particularly in areas where activity levels have stepped materially lower. Our site-based teams have inherent flexibility through the use of our sub-contractor workforce. With respect to our directly employed team members, we began a headcount freeze in September 2022, which has reduced our number of employees by 12.2% cumulatively through to the year end (30 June 2023: 6.0% cumulatively).

Headcount reductions have been most significant across our divisional network of offices, where reduced activity has not warranted recruitment as team members have moved either to new opportunities or reached retirement. We have continued to invest in priority areas, including sustainability, building safety and our IT infrastructure. However, we are only recruiting where we need additional skills. We continue to scrutinise and limit discretionary spend in all areas.

Build quality

Throughout FY24, we maintained our unwavering attention to build quality throughout our divisions. Once again – and for a fifth consecutive year – we were rated industry leader among the major housebuilders by the NHBC, registering the lowest Reportable Items (RIs) per NHBC inspection at 0.13 (FY23: 0.16)[1].

The NHBC has also introduced a new Construction Quality Index (CQI), which takes into consideration the Reportable Items index, based on the five-stage inspection of our new homes as well as Construction Quality Reviews, which are an in-depth review of quality across a site and focus only on build stages available at the time of the review. NHBC views this new CQI measure as a valuable tool in managing quality across housebuilders' operations. On this additional metric, we have ranked a clear industry leader among the major housebuilders throughout FY24.

Our build quality was also recognised through the NHBC Pride in the Job Awards for site management. At the 2023 Regional NHBC Pride in the Job Awards, 30 of our site managers won "Seals of Excellence". At the NHBC Pride in the Job Supreme Awards in January 2024, Sean O'Regan, Site Manager at Waldmers Wood in our Manchester division, was named "Supreme Runner Up" in the "Large Builder" category.

At the 2024 National NHBC Pride in the Job Awards, 89 of our site managers secured awards, more than any other housebuilder for the 20th consecutive year. No other major housebuilder has achieved this level of consistent success, recognising our management of excellent site standards and build quality. All our sites operate under our certification to the Environmental Management System standard ISO 14001, and Health and Safety standard, OHSAS 18001.

1 Measured by the NHBC amongst the 14 major housebuilders constructing more than 1,000 homes annually over the year to 30 June 2024.

Anson Gardens, Fradley

We do it right

Benefits of MMC

Embodied carbon emissions

5 tonnes less

Timber frame homes produce up to five less tonnes of carbon over their life (compared with masonry homes)[1], which is projected to reduce our carbon footprint by 6% by FY40. This is a key component in achieving our net zero goal (see page 82). We are also working to capture our suppliers' carbon emissions data and transition plans and have identified that 53% of our timber frame suppliers have carbon targets in place.

Build speed

c.40% faster

Time taken to progress from foundation to build completion reduced by up to 40%, reducing overhead costs on site and decreasing the risks of delivery.

Off-site construction

Manufacturing components offsite is less labour intensive and allows us to recruit from a more diverse labour pool. Limiting time on site also reduces exposure to weather disruption, increasing the resilience of our build programmes as severe weather becomes more frequent (see page 77).

Waste

27% less

Studies show that MMC approaches result in up to 27% less waste compared to traditional construction, especially in concrete, cement and ceramics[2]. This is due to consistent factory-based processes leading to efficiencies in materials use and the avoidance of sometimes unavoidable weather-related damage to building materials on site.

Our build performance continued

MMC expansion through timber frame

We are looking to drive construction efficiency through standardising our house types and increased use of modern methods of construction (MMC). The adoption of MMC, particularly timber frame construction, helps to mitigate the long-term challenges posed by the shortage of skilled workers within the industry, as well as increasing build efficiency, reducing embodied carbon and on-site construction waste. Our new timber frame facility, near Derby, continued to grow its timber frame production to support our growing migration to timber frame construction.

MMC	FY24	FY23
Timber frame	4,107	4,564
Roof cassettes	199	224
Offsite ground floors	268	560
Large format block	94	230
Total[A]	4,668	5,578
Percentage of completions[A]	33%	32%

A Total and percentage of completions includes JVs and has been adjusted for homes where more than one technology has been used.

Our supply chain and cost inflation

Our supply chain, on which our build activity relies, is robust and carefully managed. Approximately 95% of our building materials are sourced by our centralised procurement function and approximately 90% of our building materials are either manufactured or assembled in the UK. We are committed to our supply chain partners and seek to secure not only sustainable but also competitive pricing, whilst maintaining security of supply to support our site-based operations.

During FY24, overall building material cost inflation slowed sharply on a spot purchasing basis, moving to a relatively flat to slightly deflationary position at the half year with this position being broadly maintained through to year end. This recent purchasing position is complemented by our future supply agreements which cover 85% of our material requirements to 31 December 2024 (FY24: 73% to 31 December 2023) and 19% of our requirements until 30 June 2025 (FY24: 14% to 30 June 2024).

Whilst we saw the inflationary pressures around skilled labour recede during the year, the industry still has a long-standing need for skilled tradespeople, combined with limited access to overseas labour and more opportunities for workers to either shift to alternative sectors or to leave the industry. These factors, along with the broader cost-of-living backdrop, meant wage inflation proved stickier and we anticipate labour inflation will remain the more inflationary component of our total costs in FY25.

During FY24, total build cost inflation (including infrastructure costs, materials and labour) reported through our income statement was approximately 5%, with the rate of inflation moving sequentially lower throughout the year. Reflecting the current market backdrop, and assuming no further significant changes in the costs of key commodities or energy, we anticipate total costs will be broadly flat in FY25.

1 www.aimch.co.uk/outputs/whole-life-carbon-assessment#:~:text=Timber%20frame%20outperforms%20masonry%20construction%20on%20a%20whole,sequestration%20during%20the%20life%20cycle%20of%20the%20building

2 WRAP case study: Benefits of off site manufacture

Our build performance continued

Further improvement in our waste performance

Waste reduction and resource efficiency remain clear priorities within the Group targets. In FY24 we delivered a further improvement in our waste intensity with a 12% reduction to 3.83 tonnes per 100m² of housebuild equivalent build area (FY23: 4.34 tonnes per 100m² of housebuild equivalent build area). Over FY24, our absolute waste tonnage decreased by 29.1% (FY23: decreased by 17.1%).

We promote the segregation of waste and the efficient use of skips across our sites; our diversion of waste from landfill increased during the year to 97% (FY23: 96%).

Future homes for our customers

Our Group Design and Technical team continues to develop plans to meet the requirements of the Future Homes Standard in 2025/2026. The team is developing and evolving our house types to meet a step change in the materials used in the homes we build, as well as the design of them, as a result of the new standard.

Our eHome2 project continues to provide invaluable insights and solutions. It is now providing data on how it is performing across various external temperatures and weather conditions, controlled within the Energy House 2.0 chamber at the University of Salford.

Read our summary of key findings on our website: www.barrattdevelopments.co.uk/~/media/Files/B/Barratt-Developments/documents/ehome2-phase-1-research-report.pdf

We make it happen

eHome2

In January 2023, Barratt Developments launched eHome2 within the world-leading Energy House 2.0, one of the most significant research and development projects ever undertaken by the Group.

Energy House 2.0 is a climate chamber that can recreate temperatures ranging from -20˚C to +40˚C, as well as simulating wind, rain, snow and solar radiation. The climate chamber is the largest of its kind in the world.

Inside Energy House 2.0, we worked with Saint-Gobain, a leading building materials manufacturer, to build a three-bedroom family home, known as eHome2, to test innovative building products designed to meet the Future Homes Standard. The house is also testing zero carbon performance in different temperatures and weather conditions to replicate extreme changes in the climate.

The data will help to inform how we, and the housebuilding sector, can design homes that are future-proof, whilst cutting bills for consumers.

Read more about our sustainability roadmap on pages 43 and 44

eHome2 launched within Energy House 2.0 in January 2023

Current trading and outlook[1]

Long-term housing market fundamentals reflect a significant imbalance between housing supply and demand. Despite this imbalance, the market in FY24 remained constrained by significant macroeconomic headwinds, most notably higher interest rates and inflation. The higher interest rate environment is impacting mortgage affordability and qualification, as well as the cumulative cost-of-living squeeze, which has depressed real disposable incomes and constrained economic growth, employment, consumer confidence and discretionary spending.

Whilst the new Government has only been in place for two months, we are encouraged by early activity on housing and the focus on improving the planning system, as well as tackling the funding challenges in the affordable housing sector. They will create greater permissioned land supply, mortgage access, predictability and confidence for homebuyers. However, these supply-side changes will take time to be implemented effectively.

We entered FY25 with a solid forward sales position, and at 25 August 2024 we are 42% forward sold with respect to private wholly owned home completions for FY25 (27 August 2023 for FY24: 45%), with 52% of the private order book exchanged (27 August 2023: 51%).

Since the start of FY25, our net private reservation rate per active outlet per week through to 25 August 2024 has been 0.58 (FY24: 0.42). Whilst the prior year period was particularly impacted by available mortgage rates, the current year reservation rate reflects the continuing affordability challenges faced by potential homebuyers.

During the period to 25 August 2024, reservations into the private rented sector and other multi-unit sales contributed 0.03 (FY24: 0.02) to the weekly reservation rate.

Based on trading year to date and current market conditions, we continue to target total home completions of between 13,000 and 13,500 in FY25, including c. 600 completions from our JVs, whilst ensuring we maintain our industry-leading standards of build quality and customer service. We also currently estimate that around 42% of our completions will be delivered in the first half of the financial year.

We were delighted to complete the acquisition of Redrow plc in August 2024 and are working with the CMA to obtain competition clearance. We look forward with confidence; we have created a leading UK housebuilder focused on quality, service and sustainability which will deliver more homes across the UK than the two companies on a stand-alone basis, as well as delivering significant cost synergies from the Combination.

David Thomas
Chief Executive
3 September 2024

	25 August 2024		27 August 2023		Variance %	
Forward order book	£m	Homes	£m	Homes	£m	Homes
Private	1,467.0	4,159	1,527.6	4,440	(4.0)%	(6.3)%
Affordable	579.6	3,519	752.0	4,691	(22.9)%	(25.0)%
Wholly owned	**2,046.6**	**7,678**	**2,279.6**	**9,131**	**(10.2)%**	**(15.9)%**
JVs	151.1	399	157.7	477	(4.2)%	(16.4)%
Total	**2,197.7**	**8,077**	**2,437.3**	**9,608**	(9.8)%	(15.9)%

1 The information presented on this page excludes the newly acquired Redrow group.

Innovation through modern methods of construction

Expansion of Oregon

As we evolve how we build, tackle the skills challenge and move towards zero carbon homes, modern methods of construction (MMC) will play a significant role in the future of housebuilding. We are committed to increasing the number of homes we build using off site construction.

We are the UK's largest timber frame manufacturer through Oregon Timber Frame and have continued to develop our use of timber frame construction as MMC across our sites. In FY24, the Group built 4,107 timber frame units out of its 14,004 completions, supplied from its factories in Burton-upon-Trent and Selkirk.

4,107

timber framed homes delivered to our sites by Oregon in FY24 (FY23: 4,564)

99.9%

of the timber sourced by Oregon is sustainability certified

This equated to 29.3% (FY23: 26.5%) of total homes delivered in the year, contributing to us already exceeding our target for 30% of homes to be built using modern methods of construction by FY25 (see page 36).

Our accelerated delivery of timber frame homes has been facilitated by the expansion of our new energy-efficient Oregon timber frame production facility at Infinity Park, Derby, which opened in 2023 and can produce a timber frame kit for one home every hour.

Our timber frames are carefully designed and tested through detailed 3D modelling, produced in our factories and then transported to sites for assembly.

A factory for the future

Built through Wilson Bowden Developments, our 186,000 sq. ft. Oregon facility has a BREEAM "Very Good" rating and an EPC "A" rating. It uses air source heat pumps, photovoltaic cells and LED lighting to minimise its environmental impact, and electric vehicle charging points in 10% of car park spaces to encourage colleagues to adopt electric vehicles.

As well as enabling new lower-carbon timber frame homes, the facility has a positive impact in the local community and has provided new local employment opportunities, creating c. 200 jobs and we expect further expansion to create an additional 60 jobs.

"Increasing our use of modern methods of construction, including timber frames, is a key part of Barratt's road to net zero carbon. Our industry-leading innovation and sustainability teams are working with our suppliers to challenge every aspect of construction to reduce carbon in the manufacture, transportation and build process."

David Thomas,
Chief Executive

The new Oregon Timber Frame factory in Derby

Continuing to deliver

Our purpose is to make sustainable living a reality, building strong communities.

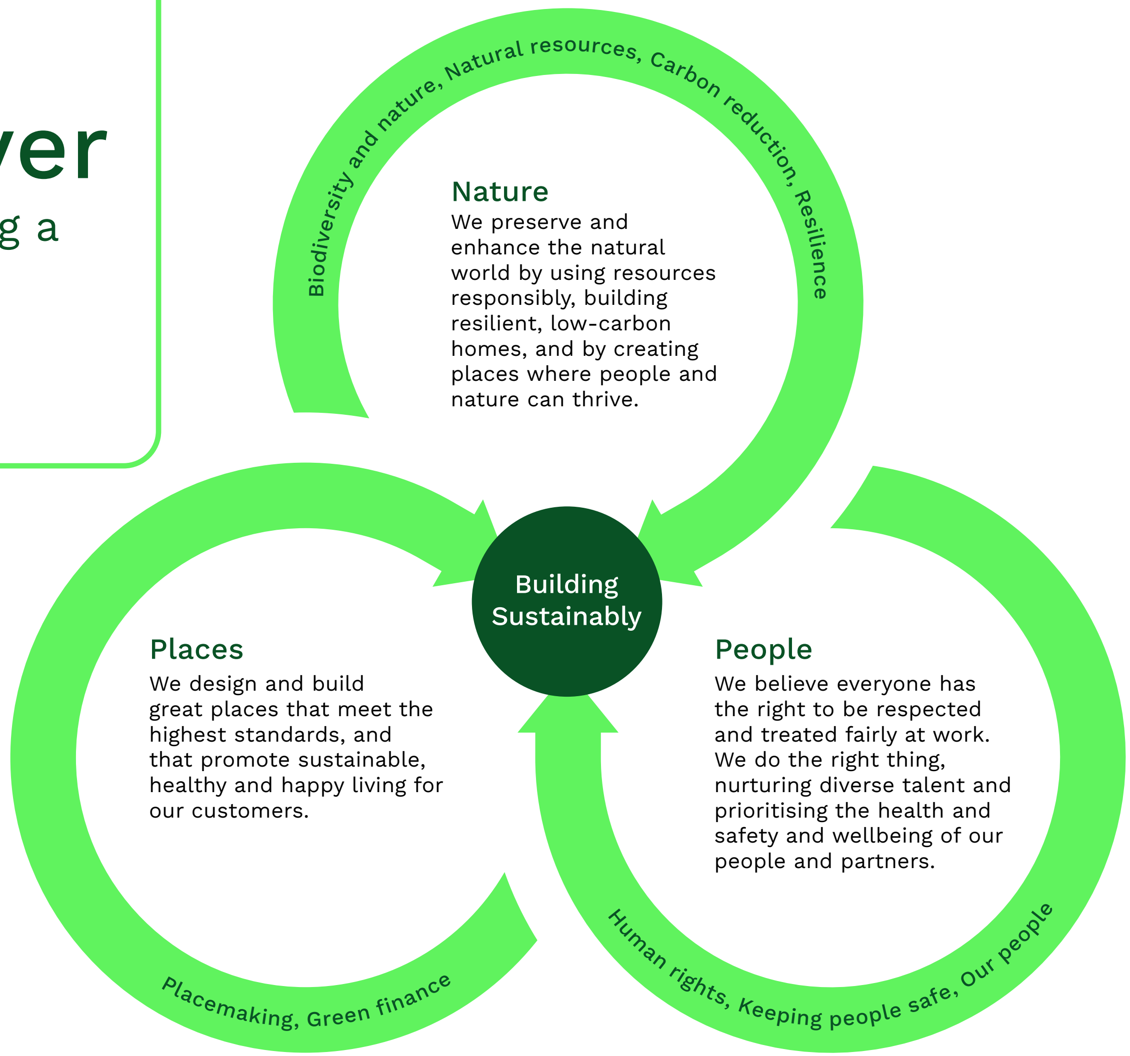
As the leading national sustainable housebuilder, we strive to design and build resilient, low-impact homes and communities for better living.

We were the first national housebuilder to set science-based carbon emissions targets and are proud to create a legacy for the industry. Our strong reputation in the sector is highlighted by our award-winning developments, our national and local socio-economic contributions, our collaboration with our supply chain and across the industry, our research and innovation and our investment in skills. All information on our strategy, targets and performance is publicly available through our website and other publications to allow our stakeholders to track our progress consistently and in order to share knowledge and data to benefit the wider industry.

Our Building Sustainably Framework

Our Building Sustainably Framework is our integrated response to rapidly changing political and environmental events which have continued to shape how we think about sustainability. It is built around three pillars: nature, places and people. It brings together our sustainability ambitions, targets, activities and metrics to ensure that important issues and solutions are deeply rooted in every business decision and day-to-day action we take. Creating a positive environmental, social and economic legacy for future generations supports our purpose and values.

We launched our sustainability strategy in 2021, with clear targets for nature, places and people, and against which we are continuing to deliver. Our carbon and waste targets are embedded in executive remuneration and bonuses; governance and working practices are driving operational improvements; and we are working with our value chain partners to meet our commitments.



For more information on our sustainability targets and our performance against our framework under each pillar, visit: www.barrattdevelopments.co.uk/building-sustainably

For further data regarding our sustainability performance, visit: www.barrattdevelopments.co.uk/building-sustainably/performance-data/data

Building sustainably continued

Leadership and collaboration

- We have established relationships with leading organisations including NGOs, landowners, financial institutions and lenders, as well as our supply chain. We are also actively engaging Government via the Net Zero Council, UK Business Council, Net Zero APPG, the Missions Network and one-to-one meetings.
- The years ahead will be turbulent and it is important that we navigate political and societal changes. There is political uncertainty around 'net zero', a shortfall in skills needed to achieve a just transition (a transition to a green economy that is fair and inclusive) and not enough consumer understanding of the benefits of and incentives for purchasing energy-efficient homes.
- We are providing leadership and expertise to the Future Homes Hub, a joint industry and Government initiative, designed to deliver a whole industry transition to net zero. A key focus of the Future Homes Hub this year has been whole life carbon in new homes, species enhancement measures and water efficiency.
- Our Chief Executive chairs the Hub and our Head of Mortgage Lender Relations chairs the Valuation group, whilst our Head of Biodiversity chairs the Biodiversity Net Gain working group.

We do it together

How we do it together

Our supply chain partners are critical to our long-term success, both delivering our growth plans and on our shared journey to net zero. Our Board, Executive team and procurement specialists engage annually with our supply partners, sharing our plans and seeking out sustainable improvements.

SUSTAINALYTICS

As of May 2024, we have, for the first time, received a Negligible ESG Risk rating by Sustainalytics – the only homebuilder to be rated as this. We are first out of 83 homebuilders, and in the third percentile in the "global universe" of all the companies that Sustainalytics assesses (375th out of 16,009).

MSCI

Assessed as AAA by MSCI which categorises us as a 'leader' in the Real Estate Development and diversified activities industry.

ISS

We achieved Prime Status in the 2024 ISS ESG ratings and ranked joint first in the global construction industry.

United Nations Global Compact

In 2024 we submitted our Enhanced Communication on Progress. We are one of only two UK housebuilders to participate in the UN Global Compact and the only one to submit an enhanced disclosure.

Chief Executive, David Thomas speaking at the supplier conference in Birmingham

Leadership and collaboration continued

Sustainability governance

An established and robust governance structure underpins our sustainability strategy. We continue to embed sustainability into our leadership decisions and day-to-day business activities. We have a clear process, from identifying our most material issues to the operational delivery of action plans, across each of the three framework pillars and their corresponding priorities. Our approach allows us to create supporting work streams, which drive our implementation plans and create clear accountability around each priority.

The Board delegates day-to-day delivery of our framework to the Sustainability Committee, which is supported by operational cross-business working groups. In 2024, the Board was updated on human rights risk, our science-based targets review and the activities of the Sustainability Committee. Regular monitoring of targets enables us to continually identify and re-prioritise areas for improvement.

For more detail on sustainability governance see www.barrattdevelopments.co.uk/building-sustainably/managing-sustainability

During FY24, we further developed our internal reporting mechanisms, enabling divisional management teams to benchmark and monitor carbon and energy performance at site level via dashboards to put performance improvements in place where they are most needed. Our Human Rights Steering Committee also met for the first time. Its purpose is to provide ongoing oversight of our Human Rights Implementation Framework.

Materiality

In FY24, we finalised our latest materiality assessment to evaluate the relative importance of key sustainability issues to our stakeholders, ensuring our building sustainability strategy remains relevant and fit for the future. Our review involved comprehensive engagement with a wide range of internal and external stakeholders, including in-depth interviews and online surveys to understand the issues that mattered to them. This was complemented by an independent review of the strengths, weaknesses, opportunities and threats of our sustainability strategy and a review of the regulations that are likely to impact us. The outputs were then further validated using an independent expert. We are integrating the outcome of our materiality assessment into our strategy.

Read our Materiality Report at www.barrattdevelopments.co.uk/building-sustainably/stakeholder-engagement/what-matters-most

Creating wildlife-friendly spaces

Our journey on nature, places and people

Nature

	Journey to date			2025–2030
Biodiversity and nature Creating a legacy of resilient landscapes and communities, delivering net gains for biodiversity and contributing to the conservation of local biodiversity priorities.	• **Over 7,500** swift bricks installed to date ahead of our target for reaching this at the end of FY25. • RSPB wildlife-friendly Show Home Garden Schemes launched.	• All of our sites submitting their first principle planning application since January 2023 have biodiversity plans in place, demonstrating a minimum Biodiversity Net Gain (BNG) of at least 10% – ahead of regulation which came into effect in February 2024.	• In 2024, celebrated **ten-year** partnership with RSPB. • Nature-related supply chain risks and opportunities discovery work underway. • Sponsored RSPB's Nature on Your Doorstep scheme.	• Develop species enhancement plans to provide supportive habitats for priority species on developments. • Install hedgehog highways and bat bricks on sites. • Taskforce on Nature-related Financial Disclosures partial disclosure in 2025.
Natural resources Maximising the value of materials and preserving natural resources at each stage of our value chain through responsible sourcing and efficient management.	• Achieved elimination of single use plastic merchandising products from Group suppliers. • Homes designed to use a maximum of 105 litres of water per person per day – **16%** lower than building regulations.	• Water footprinting programme commenced in 2024. • Construction waste intensity reduced by **46%** since 2015. Construction waste performance incorporated into the Company bonus in 2020.	• **98.8%** of timber certified sustainable. • Timber frame now standard on new Barratt home designs. • Offsite-based products and systems in **33%** of homes.	• Establish a best-in-class water resilience roadmap. • Improve measurement of water consumption on sites and target reductions. • Implement opportunities identified to reduce product and materials packaging.
Carbon reduction Driving carbon emissions reduction across our homes, our own operations and our supply chain through innovation, collaboration and high-quality design.	• First housebuilder to set carbon reduction targets validated by the Science Based Targets initiative in 2020. • Scope 1 and 2 carbon performance is incorporated into the Group LTPP in 2021.	• **94%** of own electricity on renewable tariffs. • Scope 1 and 2 (operational) carbon emissions reduced by **50%** from 2018 levels. • Our flagship zero carbon concept home – Zed House – opens in 2021.	• eHome2 opens in 2022. • **78%** of car fleet are electric or hybrid vehicles.	• **100%** of car fleet diesel and petrol free by 2028. • **100%** of completed homes zero carbon by 2030. • Net zero across our value chain by 2040. See further detail in our transition plan on page 82

Building sustainably continued

Places

Great places

Designing and building great places that meet the highest standards, and that promote sustainable, healthy and happy living for our customers.

Journey to date

- Great Places design manual, which reflects the Building for Life 12 guidance, launched in 2009.
- Landscape handbook launched in 2022 to guide the development process towards creating landscapes that will enhance our developments, and successfully deliver biodiversity net gain.
- Worked to bring the UK's first green mortgage product to the market recognising the advantages inherent in new homes – we continue to promote the advantages of these to policy makers and customers.
- Inclusive Play Guidance developed in partnership with Whizz Kidz launched in 2024. Inclusive show homes launched the same year.

2025–2030

- Update Great Places criteria to be in line with Building for a Healthy Life.
- Launch Social Value Toolkit.

People

Building communities

We commit to our belief that everyone has the right to be respected and treated fairly at work. We do the right thing, nurturing diverse talent and prioritising the health and safety and wellbeing of our people and partners.

Journey to date

- Engaged with **10,000** secondary school and college students in-person, through classroom workshops, assemblies, and careers fairs, in 2023-2024.
- Leading inclusively workshops delivered to all **300** top leaders across the Group.
- Gender pay gap below UK average, ethnicity pay gap also reported.

For further detail on our progress and achievements on our people strategy, see pages 30 to 32

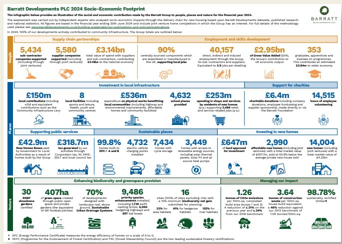
2025–2030

- Publish our Human Rights Policy.
- Focused delivery of our People Promise.
- Target to increase ethnicity representation in the direct reports to the Executive Committee.
- Future/green skills development.

Discover more about our sustainability performance:

Our socio-economic footprint

For further details on the positive impact we have on the communities in which we operate, please see our Socio-economic footprint at: www.barrattdevelopments.co.uk/~/media/Files/B/Barratt-Developments/sustainability/fy24-group-socio-economic-footprint.pdf



Our Sustainability Accounting Standards Board (SASB Disclosure)

Please see our SASB Disclosure for industry-specific sustainability metrics published under SASB guidelines at: www.barrattdevelopments.co.uk/~/media/Files/B/Barratt-Developments/sustainability/fy24-sasb-disclosure.pdf

Non-financial and sustainability information statement

The information below is intended to help stakeholders understand our position on these key non-financial matters. We have considered these non-financial matters and disclosed in the relevant sections, when determining what information should be included in the Annual Report and Accounts, the information needs of different stakeholders and their relative importance as well as the relevant time horizons in each matter. The following complies with the non-financial reporting requirements contained in Sections 414CA and 414CB of the Companies Act 2006.

Our sixth integrated report

We are committed to being a sustainable and responsible business. This is demonstrated in this integrated Annual Report. Our focus is the connection of economic, environmental, social and governance matters to create and preserve long-term value for all our stakeholders.

For a detailed description of our approach to integrated reporting, go to page 217

Notice regarding limitations on Directors' liability under English law

Under the Companies Act 2006, a safe harbour limits the liability of Directors in respect of statements in, and omissions from, the Strategic Report contained on pages 1 to 87 and the Directors' Report contained on pages 88 to 148. Under English Law, the Directors would be liable to the Company (but not to any third party) if the Strategic Report and/or the Directors' Report contains errors as a result of recklessness or knowing misstatement or dishonest concealment of a material fact, but would not otherwise be liable.

Strategic Report and Directors' Report

Pages 1 to 87 inclusive comprise the Strategic Report and pages 88 to 148 inclusive comprise the Directors' Report, both of which have been drawn up and presented in accordance with, and in reliance on, English Company Law. The liabilities of the Directors in connection with the reports shall be subject to the limitations and restrictions provided by such law.

Cautionary statement regarding forward-looking statements

The Group's reports, including this document and written information released, or oral statements made, to the public in the future by, or on behalf of, the Group, may contain forward-looking statements. Although the Group believes that its expectations are based on reasonable assumptions, any statements about future outlook may be influenced by factors that could cause actual outcomes and results to be materially different. Nothing contained in this Annual Report or on the Group's website should be construed as a profit forecast or an invitation to deal in the securities of the Company.

Assurance over non-financial data

Deloitte LLP have provided independent third-party limited assurance in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board (IAASB) over selected non-financial metrics. For Deloitte's full unqualified assurance opinion, which includes details of the selected metrics assured, our full Carbon Reporting Methodology Statement, our ESG Basis of Reporting and a full breakdown of scope 3 GHG emissions, see our website:

www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/publications

Section 172 Statement

Stakeholder relationships are a key source of value that help us to ensure the long-term sustainable success of the Company.

When setting and pursuing our strategy, it is essential that we consider the interests of our key stakeholders and the consequences of our decisions in the long term. Our strong governance framework and robust decision-making process ensure that the interests of our key stakeholders are considered and debated to determine the best course of action to promote the long-term success of the business.

Our stakeholders

Whilst we engage with a wide range of stakeholders in the day-to-day running of our business, we consider our key stakeholders to be those:

- which are significantly affected by our actions and decisions; and/or
- whose actions and decisions significantly affect our business model and strategy.

The Board reviews the Company's key stakeholders on an annual basis to ensure that they remain appropriate and consider whether there are any new stakeholders which should be taken into consideration as part of the Board's decision-making process. The Board conducted this review in May 2024 and confirmed that the key stakeholders continue to be those set out on pages 50 to 57.

We recognise that effective engagement is essential to:

- understand what matters most to our key stakeholders;
- understand the likely impact of key decisions on our key stakeholders; and
- influence their decisions that could affect our business model and strategy.

Details of how we engaged with our key stakeholder groups during the financial year can be found on pages 50 to 57

To ensure that engagement remains effective, the Board reviews key metrics and performance indicators for the various engagement activities throughout the year. In addition to this, in May 2024 the Board considered the overall effectiveness of the engagement activities as part of its key stakeholder review process and as part of the Board evaluation process described on page 109 and, whilst satisfied that engagement remained effective for fostering the Company's business relationships, the Board agreed that it would be useful to strengthen its understanding of stakeholder interests and concerns during uncertain market conditions and the integration period.

Furthermore, as part of the annual Board evaluation process, Board members considered the effectiveness of the Designated Non-Executive Director for workforce engagement mechanism and concluded that, whilst the process remains appropriate, it would be useful for all Non-Executive Directors to have more direct engagement with employees across the organisation.

We appreciate that there may be times when conflicts arise between different stakeholder groups and that it is not always possible to provide positive outcomes for all of them. In such circumstances, we seek to understand the needs and priorities of each stakeholder group and decide from the perspective of the long-term sustainable success of the business. Our engagement activities, as described on pages 50 to 57, enable us to understand what matters most to our key stakeholders so that we carefully consider all relevant factors during our decision-making process.

Most of the day-to-day decision making and stakeholder engagement is carried out at operational level by members of our Executive Committee and senior management team. Our values, as set out on page 2, are closely aligned to the matters set out in Section 172 and are embedded in our culture and all that we do, ensuring that our key stakeholders and the Section 172 principles are considered during the decision-making process at all levels of the business.

Each member of the Board is mindful of:

- their duty to promote the long-term sustainable success of the Company for the benefit of its shareholders; and
- the matters encompassed in Section 172 of the Companies Act 2006, as set out on the following page, to which they must have due regard when making decisions.

Section 172 Statement continued

You can read more on how the Board had regard to each Section 172 principle, during the year, as follows:

Section 172 principles

The likely consequences of any decision in the long term	The interests of the Group's employees	The need to foster the Group's business relationships with suppliers, customers and others	The impact of the Group's operations on the community and the environment	The desirability of the Group maintaining a reputation for high standards of business conduct	The need to act fairly as between shareholders of the Company
How the Board had regard to the principle					
Relevant disclosures • Business model: pages 10 and 11 • Trends in our market: pages 16 to 21 • Building sustainable homes for the future: pages 40 to 45 • Our principal risks and risk management: pages 63 to 70 • Climate-related risks and opportunities: pages 76 to 78 • Viability Statement: pages 85 to 87	**Relevant disclosures** • Investing in our people: page 30 • Employee engagement: pages 50 and 51 • Our purpose and values: pages 1 and 2 • Our culture: page 98 • Whistleblowing: page 118	**Relevant disclosures** • Business model: pages 10 and 11 • Stakeholder engagement: pages 50 to 57 • Our values: page 2 • Non-financial and sustainability information statement: page 45	**Relevant disclosures** • Climate-related risks and opportunities: pages 76 to 78 • Our purpose and values: pages 1 and 2 • Stakeholder engagement: pages 50 to 57 • SHE Committee Report: pages 121 and 122 • Building sustainably: pages 40 to 44	**Relevant disclosures** • Our purpose and values: pages 1 and 2 • Culture: page 98 • Non-financial and sustainability information statement: page 45 • Business model: pages 10 and 11 • Internal controls: pages 117 and 118 • Modern slavery: page 32 • Risk management: pages 63 to 70 • SHE Committee Report: pages 121 and 122 • Audit and Risk Committee Report: pages 112 to 120	**Relevant disclosures** • Resolutions proposed at the AGM: pages 146 and 147 • Dividend Policy: page 61

Decision making in practice

How the Board makes decisions

We adhere to a strong governance framework and follow a robust decision-making process to ensure that the requirements of s172 are met and that the interests of our stakeholder groups are considered.

Governance framework

The Board sets the purpose, values and strategic direction of the Company.

The Board sets key Group policies to mandate how business is conducted at all levels of the organisation and delegates certain responsibilities to Board Committees and management.

The Board sets the matters reserved for the Board to ensure key issues of the utmost importance are considered at Board level.

Board composition

The Directors collectively have a diverse set of skills, knowledge, experience and stakeholder expertise, which assists the Board in making well informed decisions that promote the Company's long-term sustainable success.

The Board comprises five independent Non-Executive Directors to ensure effective challenge of key decisions and safeguard stakeholder interests.

The Board maintains a clear division of responsibilities, with the roles of Chair and Chief Executive exercised by different individuals.

Board information

During their induction, Directors receive a detailed briefing on their duties.

All Directors have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters.

The Board receives regular updates from stakeholder engagement activities which feeds into the decision-making process.

The Board also receives detailed papers from management and external advisers setting out key matters to be considered.

Access to employees and business operations

Board discussion and decision

The Board provides rigorous evaluation and challenge to ensure decisions made promote long-term sustainable success.

The Board continues to receive updates on engagement activities to understand the impact of the decisions on key stakeholders.

The Board receives updates on key decisions, the actions taken to implement them and the impact on key stakeholders.

Significant decisions

The main activities and decisions of the Board are set out on page 97. The following is an example of a significant decision made by the Board during the financial year, including details on how the decision was made and, where applicable, how conflicts between different stakeholders were managed.

The acquisition of Redrow

On 7 February 2024, the Board announced that it had reached an agreement on the terms of a recommended all-share offer for the acquisition of Redrow plc, which completed on 21 August 2024, with integration of the businesses subject to the CMA formally accepting the undertakings proposed in response to its limited concerns.

The key strategic rationale for the combination can be found on pages 6 and 7

Key inputs:

Detailed Board packs including:

- Strategic rationale
- Modelling of the potential structure and characterisation of the Combination
- Synergy assessments
- Legal advice and due diligence reports from external counsel
- Advice from the Company's brokers
- Takeover Code considerations
- The likelihood that the decision will promote the long-term success of the business
- The need to foster business relationships with suppliers, customers and others
- Overview of potential targets
- Valuation considerations
- Analysis from external competition consultants
- Analysis from financial market consultants
- Shareholder analysis
- Directors' duties and obligations under the Takeover Code
- The interests of Barratt and Redrow employees
- The impact of our business on the community and environment

Decision making in practice continued

Decision-making process

In addition to scheduled meetings, the Board (or a Committee of the Board) convened on seven occasions specifically to approve matters relating to the Combination between January 2023 and February 2024. During those meetings, the Board debated the best course of action to promote the long-term success of the Company and amongst other things:

- considered how Barratt could increase the volume of homes built per annum and identified a number of potential targets to drive growth through augmentation of the land bank, broadening access to talent and providing opportunities for brand diversification;
- reviewed the strategic rationale for pursuing M&A opportunities;
- considered potential targets and directed management to focus on maintaining the Company's differentiators in terms of quality, service and sustainability and how these could be evolved to deliver more high-quality homes for customers;
- assessed and scrutinised Redrow's strategic and cultural fit with the Company;
- challenged why the Combination was being pursued in preference to other M&A opportunities;
- questioned the differentiators between Barratt and Redrow products, customer perception of the Redrow brand and the value of adding it to the Company's portfolio;
- considered and sought further assurance on competition law analysis;
- discussed potential structures of the Combination and any dilutive impacts on shareholders' interests;
- considered the value of potential synergies and challenged assumptions made;
- considered and discussed proposed financing arrangements;
- via the Disclosure Committee, determined when the transaction had met the requisite threshold for inside information and the steps to be taken to protect the information from leaks and unlawful disclosure;
- considered the desirability of engaging with key stakeholders balanced against the regulatory restrictions on disclosing details prior to the Combination being announced and requested that an engagement strategy be prepared and actioned post-announcement;
- established a dedicated Committee of the Board comprising at least two Executive Directors and two Non-Executive Directors, one of which must be the Chair or the Senior Independent Director, to make decisions on the transaction as and when required; and
- considered the short and long-term impact of the Combination on the Company's stakeholders.

Key stakeholder considerations

The Board was mindful of the restrictions under the Takeover Code on limiting discussions in respect of the transaction to a limited number of parties and requested management prepares key stakeholder communications for release as soon as practicable after the Combination had been announced to gain feedback and insights from our key stakeholders on the decision.

Suppliers and sub-contractors: The Combination will provide the opportunity to realise the benefits of significant procurement-related cost savings driven by price harmonisation and volume-based pricing savings across the combined group. In the long term, the combined group's supply chains will benefit from greater visibility and certainty of delivery and the acceleration of development through the deployment of the different brands and land pipelines. This should give sub-contractors confidence to invest in developing the skilled labour pool and production facilities needed for the future of the sector.

Customers, local communities and the environment: When reviewing potential targets, the Board focused on bringing together two organisations with like-minded cultures and a shared commitment to customers, quality and sustainability. The combined group will enable the Company to deliver more high-quality homes, across a broader product range, and to accelerate the creation of sustainable, thriving communities across the UK.

Shareholders: When considering the Combination, the Board paid due regard to how it would likely be perceived by shareholders, the dilutive impact on their shareholding and the value added to their investment. The Board also considered the likely impact on the share price and the perception of potential investors.

Employees: Mindful of the uncertainty that our employees are feeling due to the Combination, a comprehensive employee engagement strategy has been implemented to keep them updated on progress and to seek feedback on their concerns. Further details of employee engagement in respect of the Combination can be found on page 51. The Board believes that, in the longer term, employees will benefit from additional opportunities the combined group will provide for development and from being a part of an industry-leading homebuilder with an industry-leading employee reward programme.

Banks: The Board were mindful of the need for the Combination to be approved by the lenders under the terms of the existing RCFs but understood the restrictions on the Company's ability to engage with them prior to the Combination being announced to the market. A tailored engagement programme was established to obtain the necessary consent after the Combination was announced. A financial back-stop facility was put in place to cover the possibility of the RCF lenders withholding consent. This was cancelled following consent from the RCF lenders being received.

Government, opposition and regulators: The Government and opposition's ambition to increase the number of homes built per year was a driver behind the Board's decision to look at M&A opportunities to grow the business. During the decision-making process, the Board was mindful of the CMA's market study into housebuilding. Advice was sought from external counsel and competition consultants as appropriate and the Board was satisfied that the proposed Combination is overall beneficial to customers and does not breach competition restrictions.

The required information was submitted to the CMA as part of the clearance process and the Board was kept updated on progress throughout the transaction.

Outcome

Following careful consideration of all matters relating to the long-term success of the Company, the Combination was approved on 6 February 2024. The Board has continued to receive updates on the transaction and will continue to do so to monitor its progress and the integration of Redrow into the Group.

Employees

It is important that we provide our workforce systemically with information on matters of concern to them. We consult with our workforce or their representatives on a regular basis so that their views can be taken into account during our decision making.

How we engage

Company engagement:

- Workforce Forum provides insight into employee thoughts and opinions
- Emails, newsletters, webinars and video messages
- Townhall meetings with employees and the Board
- Annual engagement survey and pulse surveys, with resulting action plans
- Our Place intranet site
- Our six employee networks (see page 30 for more details)

Board engagement:

- Caroline Silver, as the Designated NED for Workforce Engagement, provides regular updates on workplace matters
- Regular updates from:
  - the CEO on topics discussed and decisions made by the Sustainability Committee;
  - the SHE and Construction Director on health and safety matters; and
  - the Group HR Director on output from employee surveys, the people strategy and diversity and inclusion.
- Site visits (collectively and individually)

Our performance

77%
completion rate for the annual engagement survey

67%
completion rate for the pulse survey

27
reports by whistleblowers

302
injury incidence rate per 100,000 persons

c. 2,000
colleagues joined Town Hall events

Output from engagement

Examples of key interests:

Interest: Clarity and transparency around bonus payments

We now provide explanations of bonus payments and have introduced regular “Where are we?” updates on performance against our targets.

Interest: Open and honest two-way communication

We use Town Halls and the Workforce Forum to facilitate two-way communication. During FY24, we scheduled two additional meetings to discuss key topics including the output from the employee engagement survey and the Redrow combination.

In FY24, we created a Redrow microsite to keep employees updated on the Barratt-Redrow combination with FAQs from our workforce. To date, this site has had over 8,000 views.

Interest: Collaboration

To strengthen collaboration among our employees, we are pulling best practice ways of working into a toolkit to share across our divisions. Divisional Directors now share their teams’ key deliverables and are hosting Regional Managing Director/Managing Director breakfast meetings to facilitate cross-team collaboration.

Key engagement activities throughout the year

- 6 Sept 2023
  Pride in the Job celebration dinner
- 21 Sept 2023
  Annual employee recognition awards
- 25–30 Sept 2023
  Engagement survey
- 25 Oct 2023
  Town Hall event
- 2 Nov 2023
  Workforce Forum
- 6 Nov 2023
  Long service dinner
- 8 Feb 2024
  Workforce Forum
- 13 Feb 2024
  Town Hall event
- 26 Feb 2024
  Workforce Forum
- 14 Mar 2024
  Workforce Forum
- 20 Mar 2024
  Board site visit
- 8 April 2024
  Town Hall event
- 1 May 2024
  Pulse survey
- 22 May 2024
  Board site visit

Employees continued

Designated Non-Executive Director for workforce engagement

Following her appointment as Chair in June 2023, Caroline Silver took on the role as the Designated Non-Executive Director for workforce engagement in July 2023 to facilitate the ongoing communication channels between the Board and our employees. She also ensures that employees' views are communicated to the Board and taken into consideration when making decisions. As part of her role as Designated Non-Executive Director for workforce engagement, she regularly meets with the workforce to gather their views through a variety of formal and informal channels to identify areas of concern and feed them back to the Board to consider.

Employees can directly contact the Designated NED for Workforce Engagement on any matters relating to the workplace on a confidential basis through a dedicated email address.

Keeping our employees updated

After we announced our combination with Redrow, we rolled out a comprehensive employee engagement programme for all our colleagues.

Any period of change can cause feelings of uncertainty, anxiety and confusion, so we wanted to keep them updated throughout the transaction process, as well as answering their questions and concerns. Our Workplace Forum and Townhall meetings were key to keeping open dialogue with employees on the Combination. We reassured them that they would be updated with progress regularly and were open and transparent if we were unable to answer specific queries.

Our proactive approach helped to mitigate the risk of rumour and speculation and avoid undue distress, so our employees could focus on their role and deliver for the business as usual. The timeline below summarises our key employee engagement activities ahead of the combination.

Keeping our employees updated on the Combination with Redrow

- **7 Feb** Redrow combination is announced to the market
- **7 Feb** Townhall with Senior Leadership Team (SLT)

  SLT provided with a toolkit to support ongoing discussions with employees regarding the Combination
- **8 Feb** Specially convened Workforce Forum (WFF)
- **13 Feb** All-employee Townhall to discuss the Combination
- **14 Feb** CFO hosts Townhall in Group head office
- **14 Mar** Update on the Combination given at a scheduled WFF
- **8 April** All-employee Townhall including update on the Combination
- **19 April** Update from CEO confirming the prospectus and circular issued
- **15 May** Update from CEO confirming approval of Combination by Barratt and Redrow shareholders
- **10 June** Update from CEO detailing next steps and new integration team
- **14 June** Update from CEO, with details of Competition and Markets Authority (CMA) starting Phase 1 review and what this means
- **24 July** Update on the Combination given at a scheduled WFF
- **8 August** Update from the CEO on the CMA's Phase 1 review
- **19 August** Update from the CEO on completion of the Combination

We do it together

Workforce Forum

Our Workforce Forum is an important tool for providing insight to what matters most to our employees. We have 23 Forum members including Chief Executive David Thomas, Chief Operating Officer Steven Boyes and Group HR Director Sally Austin. In selecting members of the Forum, we aim for diversity in terms of grade, region, gender and ethnicity. In FY24, we appointed six additional Forum members to strengthen its overall composition. Each member serves for three years before they are replaced.

The Forum agrees an annual agenda, which includes matters raised by employees either through Forum representatives or via a dedicated email account. Caroline Silver, our Designated NED for Workforce Engagement, attends at least one meeting each year. Examples of topics raised recently include communications and how to best reach employees at site level, our health and wellbeing offer, female PPE and the Redrow combination.

The Forum usually holds three scheduled meetings a year; in FY24, we amended the timing to align better with our business timetable, meaning that the third scheduled meeting was rescheduled for July 2024 to tie in with the end of the financial year. During FY24, the Forum held two ad hoc meetings to discuss the Combination and our employee engagement survey outcomes.

Making positive change through the Workforce Forum

Following Forum discussions, in FY24 we have:

Communications

- Piloted giving our site employees without a work email or equipment access to "Our Place" intranet
- Implemented HR roadshows across sites to talk through employee benefits we offer, resulting in an increased uptake of our pension
- Started to summarise Forum meetings, for members to share with their colleagues

Health and wellbeing

- Reviewed the process for our mental health first aiders, and developed support via regional leads to ensure they receive independent support

Female PPE

- HSE and procurement teams have updated PPE provisions, resulting in an updated catalogue for employees, including provisions for women

Customers

It is important that we listen to our customers so that we are able to meet their needs and continue to deliver high standards for quality and service.

How we engage

Company engagement:

- Trustpilot and National New Homes Customer Satisfaction Survey
- Social media community management and listening
- Focus groups to identify design features and benefits that customers value
- Interviews

Board engagement:

- Receives annual updates on the customer journey from the Chief Executive and the Sales and Marketing Director, covering customer engagement and experience
- Receives updates on customer satisfaction ratings, resolutions and insights

How we measure effectiveness

5 star
on the eight-week HBF National New Homes Customer Satisfaction Survey for the 15th consecutive year – meaning at least 90% of our customers are willing to recommend us to a friend

Nine-month
NHBC National New Homes Survey measures the satisfaction of our customers after being in their new home for a period of nine months. This is included as a metric in the annual bonus scheme

Trustpilot

4.4
Trustpilot score (FY23: 4.4)

Over 9,600
interactions with in-market consumers

Output from engagement

Examples of key interests:

Interest: Affordability

We have determined new ways of helping customers to better understand cost savings through purchasing a new build home. We have also introduced new incentives and selling schemes to help customers with affordability challenges, such as the Kickstart Shared Ownership Scheme and the Own New Rate Reducer.

We have upskilled our sales teams and provided them with tools to guide our customers facing a range of financial circumstances through the homebuying process and to explore purchase options available.

Interest: Lower energy bills

We are prioritising lowering energy bills for our customers and maximising energy-efficiency communications at key points in the customer journey.

We have trained our sales advisers and marketing teams so that they are equipped to give high-quality, accurate and consistent information on the sustainability attributes of our homes and developments.

During FY24, we developed an easy-to-use sustainability toolkit for our colleagues, and a customer-facing sustainability brochure which we will launch in FY25.


First-time buyer Louise Kellaway-Moore in her new home

We do it for our customers

Helping customers through the homebuying process

Louise Kellaway-Moore had always dreamed of buying her own home and finally found the perfect place to live with help from our Kickstart scheme.

Louise said:

"I had always wanted to buy a new-build house. I did my research and came across the David Wilson Homes development at Niveus Walk. In discussion with Katrina, the sales manager, I found out about David Wilson Homes' Kickstart scheme, which offers customers the chance to buy a share of the property, meaning that the deposit and mortgage are lower, which makes it more affordable for first-time buyers. The whole process has been amazing. The way in which David Wilson Homes helped me through the paperwork and explained each part of the process couldn't have been better. They have been phenomenal every step of the way."

For more information on Kickstart, David Wilson Homes' shared ownership scheme, visit: www.dwh.co.uk/offers/shared-ownership-kickstart/

Shareholders

Listening to our shareholders is key for retaining long-term investment and attracting new investors to the Company.

How we engage

Company engagement:

- Investor roadshows
- Individual investor meetings
- General meetings
- Shareholder circulars
- Responding to individual shareholder queries
- Development site visits for shareholders and investors

Board engagement:

- The Board receives regular updates from the Investor Relations Director, including feedback from shareholders and analysts
- Board members sought feedback from shareholders following the Redrow combination announcement
- The Chief Executive updates shareholders on our performance at our Annual General Meeting, where the Board is also available to answer questions

Our performance

65.7%
of the share register voted at the AGM

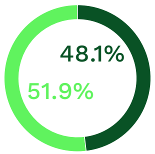
70.4%
of the share register voted at the GM

156
meetings with investors

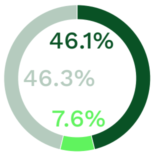
469
individual investors met

53.7%
of our shareholder base engaged in meetings

Investor meetings attended



Shareholder base meeting engagement



- Board members and Group IR Director
- Group IR Director and/or senior management team
- Shareholder base not met including passive and index-related shareholdings

Output from engagement

Examples of key interests:

Interest: Changes in homebuyer demand

We research local market conditions and build in locations with strong customer demand. The Board is focused on growing our land portfolio and securing planning consents to build a portfolio of attractive sites ready to market once demand recovers.

Interest: Dividend strategy and the potential to return surplus capital

The Board believes that excess capital should be returned to shareholders when appropriate and periodically reviews our Dividend Policy and potential surplus capital returns.

The Board approved an interim dividend of 4.4 pence per ordinary share and recommended a final dividend of 11.8 pence per ordinary share.

Interest: Issues related to legacy properties and associated financial impact

Our dedicated Building Safety Unit investigates legacy buildings and reviews ongoing remedial work, investigations and valuations. During FY24, we identified 26 buildings requiring potential remedial works. Provisions held in respect of legacy buildings at 30 June 2024 totalled £730.3m (30 June 2023: £612.3m).

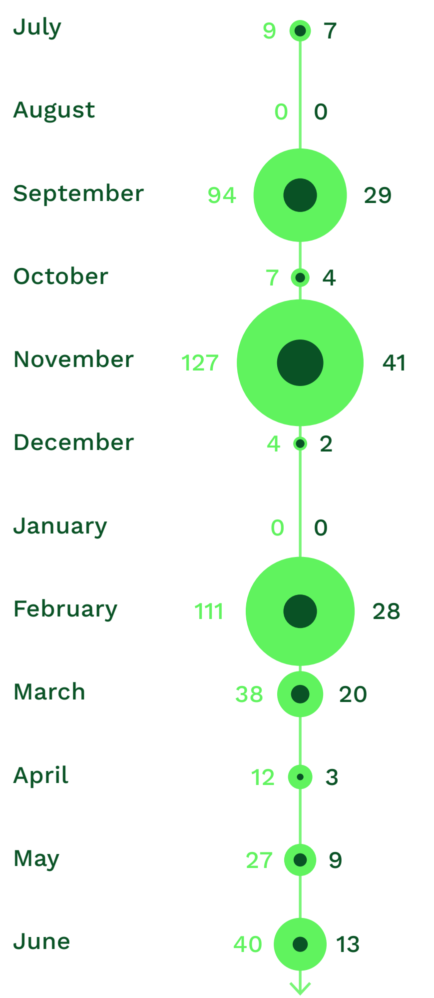
See pages 24 and 116 for further details

Our Audit and Risk Committee tests and challenges assumptions on estimated costs and we keep shareholders updated via regular market announcements.

Interest: Sustainability matters and the potential impact of the Future Homes Standard

During FY24, we responded to the Future Homes Standard consultation to inform future standards, based on our extensive research into different fabric efficiency standards and new technology. We also referred to our industry-leading research and innovation function and the findings from the Zed House and eHome2.

Investor interactions in FY24



- Meetings with investors
- Number of investors attending

Government, opposition parties and regulators

It is essential that we engage with the Government, opposition parties and regulators so that they understand the challenges faced in the construction industry and the likely implications of current and proposed policies.

How we engage

Company engagement:

- Membership of organisations that facilitate engagement with political stakeholders
- Site visits from key political stakeholders
- Writing to political stakeholders
- Participating in policy consultations

Board engagement:

- Meetings between our Chief Executive and senior politicians (Government and opposition parties)
- The Chief Executive provides updates at each Board meeting on engagement activities, including the extent policy and legislative changes accord with our representations

During FY24, our Chief Executive continued to Chair the Future Homes Hub.

Find out more about the Future Homes Hub and how it facilitates collaboration between businesses in the new homes sector and the Government to meet the climate and environmental challenges ahead by visiting its website www.futurehomes.org.uk/

Our performance

20 site visits

7 Government consultations responded to

Output from engagement

Examples of key interests:

Interest: Energy efficiency and reducing carbon emissions

The Board supports more research and development on sustainability in housing to better understand Barratt's appetite and ability to innovate and set its strategic direction. During FY24, the Board approved revised science-based targets for all three scopes of greenhouse gas emissions.

See page 81 for more details

Interest: Construction quality

The Board recognises construction quality and innovation as a principal risk and takes appropriate steps to ensure that Barratt manages and mitigates any quality concerns effectively.

See page 67

Throughout FY24, we maintained our unwavering attention to build quality. For a fifth consecutive year, we were rated industry leader among the major housebuilders by the NHBC, registering the lowest Reportable Items per NHBC inspection at 0.13.

See page 35

We monitor and publicly report on our quality performance, and our Remuneration Committee uses this information to feed into appropriate quality-related metrics for our Executive Annual Bonus Plan.

See page 137

Interest: Competition in the housebuilding market

We are pleased that the Competition and Markets Authority (CMA) study into the housebuilding market recognised that the majority of dysfunction in the sector arises from the planning system and funding difficulties facing local authorities. We are co-operating with the CMA on the Barratt–Redrow combination, and its investigation into the sharing of information within the housebuilding industry.

See page 4

Interest: Supply and planning.

The delivery of new homes is inextricably linked to the planning system.

Our solutions to address the dysfunctional planning system can be found on page 17

Sir Keir Starmer and Angela Rayner on a site visit

We do it together

Helping Government understand the industry

In February 2024, Sir Keir Starmer and Angela Rayner visited our Rose Place and The Lilies in Shrewsbury to showcase their support for the housebuilding industry. During the visit, they spoke about their plans for the economy, the ineffective planning system and how hard it is for many first-time buyers to afford a home. Operations Director Michaela Lancaster and Regional Managing Director David Hesson spoke with both politicians about the support we offer customers through schemes such as the Kickstart Shared Ownership Scheme and the new Own New Rate Reducer Scheme. During the tour, they were shown homes in different stages of the build process and met apprentices working on site. The visit provided a good opportunity to explore what new policies could help boost housebuilding to address the shortage of homes in the UK.

Banks

Engaging with our banking partners is key to ensure that we have sufficient finance and working capital to support the business. It also helps identify ways we can collaborate to support mutual customers.

How we engage

Company engagement:

- The Chief Financial Officer and Group Treasurer regularly engage with each bank in our RCF and USPP investors, including calls after each trading update, financial results announcements, and at least one site visit each year
- Our Head of Mortgage Lender Relations holds regular meetings with the top ten mortgage lenders, supported by the Executive Directors

Board engagement:

- The Chief Financial Officer and the Chief Executive provide regular updates on engagement activities with RCF banks and mortgage lenders, and on resulting actions

Our facilities

£700m
committed RCF

£200m
fixed rate Sterling USPP notes

Output from engagement

Examples of key interests:

Interest: Energy-efficient homes

We work with mortgage lenders to promote the benefits of new, energy-efficient homes by engaging with them and their appointed surveyors through meetings and visits, including visits to Energy House and Oregon Timber Frame factory.

Interest: Viability of green mortgages

As the leading national sustainable housebuilder, we have a dual approach to green mortgage development.

We work with mortgage lenders to develop enhanced mortgage products that recognise the advantages of our new build, energy-efficient homes. Also, through Government engagement and the Future Homes Hub, we are working to understand how the sustainable benefits of new homes can be recognised in the mortgage valuation process.

See page 29 for further details

Currently, approximately 57% of lenders provide green mortgages: two of these lenders take the savings from lower energy bills and energy efficiency into account when assessing mortgage affordability.

Interest: New high loan to value lending products for our customers

Together with lenders we are developing products to expand the options available for customers with a 5% deposit, through expanding unsupported 95% lending and via the Deposit Unlock scheme.

Volunteers at City of Trees

We do it together

Building stronger relationships with our banking partners

On 19 June 2024, the Barratt Treasury team, supported by our Chief Financial Officer, Group Investor Relations Director and five banking partners (lending participants in the Group RCF and USPP) took part in a community day maintaining approximately 200 trees. Working in partnership with City of Trees – Manchester, this event helped contribute to the organisation's overall tree-planting goals. The trees will benefit from the valuable care and effort made on the day. Our contribution made a huge difference by increasing biodiversity, making urban environments more resilient to climate change and helping create green spaces to boost community wellbeing.

Suppliers and sub-contractors

Engaging with our sub-contractors and suppliers helps support our productivity levels, secure continuity of supply materials at appropriate prices and develop shared solutions to key challenges such as carbon reduction, waste management and modern slavery.

How we engage

Company engagement:

- Annual Supply Chain Conference with key Group suppliers
- Divisional sub-contractor and supplier days to discuss Local Plans
- Supplier and sub-contractor workshops, meetings and seminars

Board engagement:

- The Chair spoke at and other Board members attended the Annual Supply Chain Conference
- The Chief Operating Officer provides a supply chain update, including availability of materials and services to support our build delivery programme and sub-contractor performance at each Board meeting
- The Group Procurement Director attends the Board meetings to update on suppliers and supply chain risk
- Reviewed and approved our Modern Slavery Statement, which sets out actions taken to mitigate the risk of modern slavery in our sub-contractors' operations and our supply chain

Our performance

161
attendees at our Annual Supply Chain Conference

147
suppliers with membership of the Supply Chain Sustainability School

Over 53
supplier and sub-contractor divisional events

68%
of invoices paid within 30 days*

* For the period 1 January 2024 to 30 June 2024.

Output from engagement

Examples of key interests:

Interest: Health and safety on our sites

Safety is a key Group priority. The Board receives regular updates on safety performance and during FY24 requested an external effectiveness review of the Group's SHE policies, procedures and processes. The outcome was reported back to the Board, with the reassurance that our SHE processes and practices are appropriate and remain fit for purpose.

Interest: Sustainability and carbon reduction strategies

During FY24, we continued our engagement with suppliers on our sustainability priorities and improved our supply chain carbon emissions data. Twenty suppliers, covering approximately 50% of our emissions from materials (according to a spend-based model) shared their carbon emissions data and reduction strategies so we can better understand how these align with our net zero plans.

See pages 81 to 84 for our net zero transition plan

Our engagement enables the Board to understand the challenges faced in collating data to measure scope 3 emissions and progress against our targets.

Interest: Being paid in a timely manner

We are mindful of the pressures uncertain market conditions place on our suppliers and sub-contractors, and are committed to adhering to the Prompt Payment Code to ease their concerns. From 1 July 2023 to 31 December 2023, the average time taken to pay invoices was 26 days and the average time for the period 1 January 2024 to 30 June 2024 was 27 days.

We do it right

Supporting our sub-contractors

In September 2023, our North East division hosted a seminar attended by 22 sub-contractors. During the seminar, they discussed our Service Level Agreement (SLA) and Code of Conduct for all sub-contractors and held an open forum to encourage feedback. Conversation also focused on addressing customer complaints, doing things right the first time, resolving issues in a timely manner and how the division and our sub-contractors can support each other. Following the seminar, we implemented changes including:

- contractors issuing tool box talks to all operatives to review the SLA and Code of Conduct;
- sending out monthly reports regarding outstanding defects to ensure all contractors are aware of defects; and
- tool box talks with site management teams to stress the importance of weekly sub-contractor meetings to discuss ongoing customer care.

Communities and environment

It is important to engage with the local communities in which we build to ensure that we are responding to local needs.

How we engage

Company engagement:

- Meetings and site-specific consultations to consult and incorporate feedback
- Working closely with local community members including schools and parish councils
- Dedicated websites with information and updates, and site signage around our sites
- Charitable giving through Barratt Foundation, volunteering and fundraising

Board engagement:

- The Chief Executive and the Chief Operating Officer inform the Board of any local issues that could escalate into Group-wide issues
- The Board receives updates from the Group Construction and SHE Director, the Sustainability Committee and the Barratt Foundation
- The Board receives feedback from charities on the impact of our support

Our performance

9,026
planning consents secured (plots)

£6.4m
donated to local charities

14,515
hours volunteered

Our Environmental Policy sets out our overarching commitment to mitigate the adverse impact of our operations on the environment and the communities in which we operate, and includes specific commitments on minimising noise levels and traffic movements during construction, pollutant emissions and disturbance to wildlife habitats and local ecosystems. Our Board reviews and approves our Environmental Policy every year to ensure it remains appropriate.

Output from engagement

Examples of key interests:

Interest: Impact on the environment

We monitor and publicly report on our environmental performance, and our Remuneration Committee uses this information to feed into appropriate environmental-related metrics for our Executive Annual Bonus Plan and Long Term Performance Plan.

See pages 137 and 138

During FY24, the Board approved our revised science-based emission reduction targets for all three scopes of greenhouse gas emissions. These are awaiting validation by the SBTi.

See pages 79 to 84 for details on how we are minimising our environmental impact

Interest: Impact on local area during construction

During FY24, each of our divisions donated £1,500 per month to a different charity that supports the local community within the areas in which we build. In addition, divisions are encouraged to raise funding for local charities and utilise the match funding available from the Barratt Foundation. During FY24, our colleagues raised over £2.25m for local causes.

Interest: Impact on local area post completion

During FY24, we spent £536m on physical improvement works benefiting local communities and provided 4,632 school places.

Over 110 new residents have now moved in at Chiltern Grange

We do it right

Listening to local communities

Chiltern Grange is a site in Oxfordshire where we obtained a Neighbourhood Plan site allocation by engaging with the local parish and understanding what local residents wanted for the village.

A Neighbourhood Plan is a community-led framework for guiding the future development and growth of an area. Local engagement is essential to gain valuable input, understand pertinent issues and identify suitable sites.

The local parish and Neighbourhood Plan group wanted a relief road to the village centre, so together we planned landscaping and a new road. The site is now being delivered and our proportion of the road is near completion with the installation of a new roundabout complete and another due for completion by the end of 2024. Over 110 new residents have now moved in.

Solid performance

Mike Scott
Chief Financial Officer

Find out more

Read more about our strategy on page 23

Read more about our sustainability on pages 40 to 44

Read more about our values on page 2

Despite the UK housing market stabilising at significantly lower activity levels, following the sharp rise in mortgage interest rates in the Autumn of 2022 and the ongoing pressures created by the cost of living, we have delivered a solid financial performance.

Our financial results reflect the Group's clear operational priorities set at the start of the year centred around driving revenue, controlling costs, maintaining land buying discipline and continuing to lead the industry around customer service, build quality and sustainability.

Our disciplined operating framework has ensured that, despite the challenging trading conditions, the Group remains in a strong financial position, well placed to take operational and financial advantage of any market recovery.

Results to 30 June 2024

Income statement

Group revenue was £4,168.2m in FY24 (FY23: £5,321.4m), with Group wholly owned completions 17.8% lower at 13,468 (FY23: 16,378), reflecting our lower order book at the start of the year and ongoing slower rate of reservations throughout the financial year.

The average selling price of our wholly owned completions reduced by 4.0% to £306.8k (FY23: £319.6k), with a reduced proportion of affordable homes, accounting for 20.8% (FY23: 23.9%) of wholly owned completions, diluting the degree of reported ASP decline. Our private average selling price reduced by 6.4% to £343.9k (FY23: £367.6k), due to underlying house price decline, a reduced proportion of completions in London and the dilutive impact of PRS growth, offset by minor changes in product and geographic mix.

Adjusted gross profit reduced by 39.0% to £689.0m (FY23: £1,130.4m) and adjusted gross margin reduced by 470 bps to 16.5% (FY23: 21.2%). This was a result of the combined impact of increased sales incentives, build cost inflation and a decline in completion volumes, which reduced fixed cost efficiencies. In FY24, our contribution margin was c. 29% (FY23: c. 32%) after land and direct build costs.

After adjusted items charged through cost of sales, totalling £179.5m (FY23: £155.5m) and relating to legacy property costs, reported gross profit was £509.5m (FY23: £974.9m) and reported gross margin was 12.2% (FY23: 18.3%).

Administrative expenses before adjusting items were £314.5m (FY23: £270.8m) and included:

- Group-wide inflationary salary increases at an average of c. 5%, effective in FY24;
- A reduction in Building Safety Unit running costs as we insourced support;
- An increase in group-wide performance-related pay compared to FY23;
- Project-related IT and digital investment; and
- Reduced sundry income of £14.8m, when compared with £16.7m in FY23.

After deducting administrative expenses before adjusting items and a modest net gain of £2.1m on part-exchange activities (FY23: £3.3m), the Group delivered an adjusted profit from operations of £376.6m (FY23: £862.9m), with an adjusted operating margin of 9.0% (FY23: 16.2%). The 720 bps decline in the adjusted operating margin reflected:

- **Completion volumes:** a decline in our wholly owned completion volumes of 17.8% or 2,910 homes created a 300 bps negative impact (FY23: 30 bps negative impact).
- **Net inflation:** adverse sales price movements compounded by higher underlying build cost inflation produced a 430 bps negative impact (FY23: 170 bps negative impact).
- **London:** a significant decrease in completions from our London operations to 2% in FY24 (FY23: 8%), where margins are lower than our regional business, resulted in a 60 bps positive margin impact (FY23: 20 bps negative impact).

Results to 30 June 2024 continued

Income statement continued

- **Completed developments provision:** after incurring significantly higher charges in FY23 due to lengthening timescales for local authority adoption of roads and public spaces on completed developments, a more normal movement in this provision created a 20 bps positive margin impact (FY23: 60 bps negative margin impact).
- **Mix and other items:** changes in sales mix, increased selling costs, reduced abortive costs in relation to land transactions no longer proceeding and other smaller items created a 30 bps positive impact (FY23: 70 bps negative impact).
- **Net administrative expenses:** the small decrease in part-exchange income and the increase in administrative expenses deducted 100 bps (FY23: deducted 30 bps) from the adjusted operating margin.

After deducting adjusted items, on a reported basis, profit from operations reduced to £174.7m (FY23: £707.4m), with a reported operating margin of 4.2% (FY23: 13.3%).

Net finance charges were £6.5m (FY23: £11.1m), reflecting increased interest received on cash balances throughout FY24. The cash component of the finance charge was an increased credit of £37.1m (FY23: £13.4m credit) with non-cash charges of £43.6m (FY23: £24.5m). The increase in non-cash finance charges reflected the impact of the increase in legacy property provisions and the higher discount rate applied to these provisions, arising from the movement in the gilt rate. In FY25, we expect finance costs will be c. £25m, reflecting a cash component credit of c. £15m and non-cash charges of c. £40m.

Our JVs delivered lower adjusted profit for the year of £14.9m (FY23: £32.5m). Including adjusted charges for JV legacy properties of £12.6m (FY23: £23.7m), JV reported profits reduced to £2.3m (FY23: £8.8m). Consequently, reported profit before tax for the year declined to £170.5m (FY23: £705.1m).

The Group's tax charge for the year reduced to £56.4m (FY23: £174.8m). This included the full year impact of the increase in the rate of corporation tax from 19% to 25%, effective from 1 April 2023. The tax charge comprised:

- a corporation tax charge on adjusted profit before tax of £104.7m (FY23: £188.1m);
- a residential property developer tax charge of £6.1m (FY23: £26.0m); and
- a tax credit for adjusted items totalling £54.4m (FY23: £39.3m credit).

Adjusted basic earnings per share decreased by 57.9% to 28.3 pence per share (FY23: 67.3 pence) due to a 56.5% decline in adjusted pre-tax profitability and a 6.0% impact from the increased corporate tax rate and was partially offset by a 2.8% benefit from the reduced average share count, reflecting the impact of our share buyback completed in June 2023.

Basic earnings per share reduced by 77.8% to 11.8 pence per share (FY23: 53.2 pence).

Reflecting the decline in adjusted profitability as well as the slowing in asset turn – notwithstanding the disciplined management of capital employed throughout the year – our ROCE declined to 9.5% (FY23: 22.2%).

Adjusted items

Adjusted items recognised in the year related to costs associated with legacy properties of £192.1m (FY23: £179.2m), as well as initial costs in relation to the Redrow transaction of £22.4m, where the balance of transaction costs will be recorded in FY25. Of the total charge related to legacy properties, £125.3m (FY23: £117.7m) related to future fire safety and external wall systems commitments, with a further £66.8m (FY23: £51.5m) relating to remedial works arising from the review of reinforced concrete frames.

Our commitment to addressing fire safety and concrete frame design and construction is clear, and evidenced by further investment in our dedicated Building Safety Unit, which manages our ongoing building safety remediation programme across the country. Whilst the regulatory backdrop and assessment regime remain subject to variability and subjective interpretation, we are focused on the efficient delivery of both suitable and sustainable remediation solutions, which we anticipate will be delivered over the next five years, with building safety considerations paramount in prioritising and scheduling remediation works.

Fire safety and external wall systems

Reflecting our commitment to dealing with these buildings as quickly and efficiently as possible, of the 262 buildings under review at 30 June 2024, 137 were in progress at tender, site mobilisation or remediation stage.

In the first half of the year, we recognised a charge of £56.4m to reflect higher than expected tender returns and cost increases on buildings being remediated by the Building Safety Fund. These generally related to buildings with atypical features and costs in relation to the remaining buildings are broadly in line with our initial estimates.

During the second half of the year we recognised a charge of £64.5m, following an initial £5.0m for fire testing recognised in the first half, in relation to a development of three buildings which we had previously disclosed as a contingent liability. We have been unable to develop a testing methodology under the FRAEW for these buildings due to the unique unitised wall system in place, which we now assess will need to be replaced. The provision is based on the current expected method of remediation, designed to minimise disruption to residents, though due to the unique nature of the building, this estimate may vary as the process is further developed.

After incorporating the additional adjusted item charges for fire safety and external wall systems of £125.9m, as well as with remediation costs incurred during FY24 and time discounting adjustments, the provision in relation to fire safety and external wall systems totalled £628.1m at 30 June 2024 (30 June 2023: £535.9m). We believe this reflects our current best estimate of the extent and future costs of remediation work required and we will continue to review these estimates as we gather data and complete the remediation of buildings within our portfolio.

We signed the Scottish Government's Safer Building Accord on 31 May 2023. The process to agree a legally binding, long-form contract to give effect to the Principles of the Accord remains in progress with Homes for Scotland and the Scottish Government. As a result of this uncertainty, our existing provisions for Scottish buildings have been made on a consistent basis with England and Wales but are subject to change depending on the outcome of the contract negotiations.

Results to 30 June 2024 continued

Adjusted items continued

Reinforced concrete frames

Our remediation activities for concrete frame design and construction continued during FY24 with developments proceeding in line with our plans.

As highlighted earlier, in the Chief Executive's report, during FY23 and separate from the original concrete frame review, structural issues were found at two developments where reinforced concrete frames were designed for us by a different engineering firm to that employed at Citiscape. Following preliminary work on these developments and further analysis, undertaken during the second half of FY24, it is now considered probable that extensive concrete frame remediation will be required. Based on a high-level risk review, an additional £56.6m has been provided for by the Group and £7.6m recognised as a share of loss from joint ventures in respect of the two developments.

Further details on how we build safety are on our website at: www.barrattdevelopments.co.uk/about-us/our-approach-to-building-safety

Whilst charges for legacy properties reflect our current best estimates of the extent and future costs of work required, we may have to update these figures as assessments and work progress.

Cash flow

Net cash decreased to £868.5m at 30 June 2024 (30 June 2023: £1,069.4m). The main components of the change in net cash position were:

- a £96.2m net cash inflow from operating activities (FY23: £465.5m cash inflow);
- a £12.0m net cash inflow from investing activities (FY23: inflow of £55.4m), with the reduction reflecting reduced cash received from joint ventures; and
- a £308.6m net cash outflow from financing activities (FY23: outflow of £590.6m), principally reflecting dividends paid of £270.6m (FY23: £360.0m) and the absence of any share buyback activities in FY24 (FY23: £201.3m share buyback including stamp duty charges of £1.3m).

The major driver of the decline to £96.2m net cash inflow from operating activities in the year was the reduction in our profit from operations, which reduced to £174.7m (FY23: £707.4m). This was partially offset by a reduced net cash outflow from working capital and provisions of £12.0m (FY23: £64.9m outflow) and net interest and tax payments, which reduced to £73.7m (FY23: £196.3m outflow).

The net £12.0m outflow (FY23: £64.9m outflow) with respect to working capital and provisions included:

- A £38.0m outflow (FY23: £48.9m inflow) with respect to inventories where a reduction in construction work in progress of £77.7m was offset by additional net land investment of £93.7m and investment at Gladman and additional part-exchange property costs.
- A £87.2m decrease (FY23: £337.6m decrease) in payables, with land creditor balances reducing by a more modest £33.9m (FY23: £226.9m reduction) and a more modest reduction in trade and other payables of £53.3m (FY23: £110.7m).
- A £132.8m increase in provisions (FY23: £163.4m increase) created in large part by the additional legacy building safety charges incurred in FY24. During FY24, we spent £91.5m (FY23: £32.9m) on the remediation of legacy properties.

Balance sheet

The Group's net assets at 30 June 2024 were £5,439.1m (30 June 2023: £5,596.4m) after the payment of dividends totalling £270.6m (30 June 2023: £360.0m).

Goodwill and intangible assets reduced to £1,037.4m (30 June 2023: £1,047.8m), reflecting amortisation charges in the year.

Our balance sheet assets showed limited movement over the year with:

- The investment in our land bank increasing by £93.7m to £3,233.6m (30 June 2023: £3,139.9m);
- Construction work in progress tightly controlled and reducing by £77.7m to £1,829.4m (30 June 2023: £1,907.1m);
- Increased investment in land promotion activity at Gladman resulting in a £13.8m increase in promotional agreement work in progress to £111.5m (30 June 2023: £97.7m); and
- Part-exchange properties and other inventories tightly controlled at £103.7m (30 June 2023: £93.3m).

Adjusted item charges in relation to legacy properties were the most significant factor impacting our balance sheet liabilities.

Our provisions on the balance sheet increased to £921.2m at 30 June 2024 (30 June 2023: £788.4m) and included £730.3m (30 June 2023: £612.3m) of provisions to cover future costs in connection with the remediation of external wall systems and reinforced concrete frames.

Net tangible assets were £4,401.7m (452 pence per share) at 30 June 2024 (30 June 2023: £4,548.6m; 467 pence per share). Land, net of land creditors, and work in progress totalled £4,590.2m (471 pence per share) at 30 June 2024 (30 June 2023: £4,540.3m; 466 pence per share).

At 30 June 2024, the Group held net cash balances of £868.5m (30 June 2023: £1,069.4m). Whilst we continue to defer payment for some land purchases to optimise ROCE, the pause in land buying has led to a reduction in land creditors. At 30 June 2024, land creditors were £472.8m (30 June 2023: £506.7m) and equated to 14.6% (30 June 2023: 16.1%) of the owned land bank.

Our minimal year-end total net indebtedness target was achieved with a net surplus of £395.7m at 30 June 2024 (30 June 2023: £562.7m net surplus).

During FY25, £307.8m of land creditors will fall due for payment (30 June 2023, during FY24: £321.5m). Land creditors due beyond 30 June 2025 totalled £165.0m at 30 June 2024 (30 June 2023: £185.2m due beyond 30 June 2024).

Capital returns

The Board has reviewed capital allocation as is customary as part of its annual cycle. Having recently completed the Redrow acquisition, we will assess the capital requirements for the enlarged group taking into account current market conditions including the positive supply-side developments, our obligations with respect to building safety and our desire to be proactive in the land market. In principle we continue to believe that when appropriate, that excess capital will be returned to shareholders and the timing of any such returns remains under review.

Results to 30 June 2024 continued

Operating framework and capital structure

Our operating framework and appropriate capital structure continue to deliver a stable and solid foundation for the Group. We target an appropriate capital structure as part of our disciplined operating framework, with shareholders' funds and land creditors funding the longer-term land requirements of our business, and term loans and bank debt funding the shorter-term requirements for working capital.

Our highly selective approach to land buying since the summer of 2022 has limited investment in land and the creation of additional land creditor obligations. Reflecting the calendar-based settlement of previously agreed land creditor obligations, but the limited investment in new land up until the final quarter of FY24, land creditors have reduced to 14.6% of our land bank. This situation is expected to reverse as land buying activity increases over the medium term.

Our operating framework remains unchanged, and our performance against targets at 30 June 2024 and 2023 is summarised below.

In pursuing this clear framework we have ensured that, even through challenging trading conditions, the Group has remained in a strong financial position, ready to take both operational and financial advantage of both market recovery and organic investment opportunities looking forward.

	Operating framework	Position at 30 June 2024	Position at 30 June 2023
Land bank	c. 3.5 years owned and c. 1.0 year controlled	4.3 years owned and 0.6 years controlled	3.6 years owned and 0.7 years controlled
Land creditors	Maintain at 15–25% of the land bank over medium term	14.6%	16.1%
Net cash	Modest average net cash over the financial year	FY24: average net cash of £732.3m	FY23: average net cash of £759.1m
	Year-end net cash	£868.5m	£1,069.4m
Total indebtedness	Minimal year-end total indebtedness in the medium term	Total net surplus of £395.7m	Total net surplus of £562.7m
Treasury	Appropriate financing facilities	£700m Revolving Credit Facility extended to November 2028 and £200m US Private Placing Notes maturing August 2027	£700m Revolving Credit Facility extended to November 2027 and £200m US Private Placing Notes maturing August 2027
Dividend Policy	Dividend cover of 1.75x adjusted earnings per share	FY24: total ordinary dividend of 16.2 pence per share	FY23: total ordinary dividend of 33.7 pence per share

Treasury

The Board sets and approves the Treasury Policy and senior management controls day-to-day operations. The Group's Treasury Policy seeks to maintain an appropriate capital structure and provide the right platform for the business to manage both operating risks and opportunities.

Cash management and relationships with our banking partners are co-ordinated centrally by the Group Head of Treasury. During the year, we extended our £700m Revolving Credit Facility to November 2028 with one further one-year extension period through to November 2029 available, if agreed between the Group and its lenders.

Tax

The Group does not enter into business transactions for the sole purpose of reducing potential tax liabilities. The Group's tax strategy is to only use any available reliefs and exemptions, which have been set out in any current tax legislation, to minimise the Group's tax liabilities.

The rate of corporation tax, including RPDT, for the year ended 30 June 2024 was 33.1% (FY23: 24.8%), which, reflecting the impact of the non-deductible Redrow transaction expenses, was above the standard effective rate of tax of 29% (inclusive of RPDT at 4%) (FY23: 24.5% inclusive of RPDT at 4%).

Looking ahead, the Group's tax charge and underlying effective rate of tax is expected to be approximately 29.0% in FY25.

Results to 30 June 2024 continued

Pensions

Defined contribution pension arrangements are in place for current employees. Defined contribution scheme charges for qualifying employees totalled £21.2m (FY23: £19.2m). Pension contributions are based upon a fixed percentage of each qualifying employee's pay and, once paid, the Group has no further obligations under these schemes.

Guidance for FY25

Looking to FY25, for regulatory reasons we are unable to provide guidance for the combined group at the date of our Annual Report and Accounts. We provide below guidance with respect to Barratt Developments PLC as it would have applied on a standalone basis, before considering the potential impact of the acquisition of Redrow plc:

Completions	c. 13,000 – 13,500 total home completions including c. 600 JV completions Affordable mix expected to be in the high teens
Average sales outlet movement (inc. JVs)	c. 9% decline
Build cost inflation	c. Broadly flat
Adjusted administrative expenses	c. £310m, excluding integration costs (including amortisation of intangible asset charges of c. £10m)
Interest cost	c. £25m charge (c. £15m cash credit, c. £40m non-cash charge)
Land approvals	Return to normal approval activity during the year.
Land cash spend	c. £0.8bn
Year-end net cash	c. £0.5bn
Taxation	Effective underlying tax rate of 29%, reflecting current corporation tax rate at 25% and 4% RPDT
Ordinary dividend cover	1.75x ordinary dividend cover based on adjusted earnings per share

Well placed for FY25, despite continuing economic and political uncertainties

Despite limited economic growth and the ongoing affordability challenges for our customers, the Group is in a strong position. We entered FY25 with an excellent net cash position, our forward sales position is solid albeit reduced and we have maintained a strong land bank. Our operating framework and our strong financial position are the foundations for our divisions to focus on delivering high-quality, sustainable homes and developments throughout the country, as well as giving us the flexibility to react to changing market conditions and opportunities as they evolve.

Mike Scott
Chief Financial Officer
3 September 2024

Our approach to managing our risks

In pursuing our strategic priorities to create value for stakeholders, we are exposed to risk. The Board is responsible for risk management and ensuring the Group maintains the appropriate level of risk exposure to achieve its strategic objectives.

The risks which the Group faces could have a material adverse effect on the implementation of the its strategy, its business operations, its financial performance, shareholder value and returns, and its reputation. Changes in the economic or trading environment including geopolitical events can affect the likelihood and potential impact of risks, and may create new and emerging risks meaning we must continually manage our risk exposure.

Risk management controls are integrated into all levels of our business and across all operations, including at site, divisional, regional and Group level, and are monitored continually to ensure controls are in line with risks as they evolve.

Roles and responsibilities

Board and Audit and Risk Committee

- Corporate strategy, governance, performance, risk management and internal controls.
- Monitoring the effectiveness of the Group's risk management and internal controls systems.
- Ensuring there is an appropriate culture in place to support effective and embedded risk management throughout the Group.
- Setting risk appetite, considering the expectations of stakeholders, and the macroeconomic context.
- Monitoring principal and emerging risks and challenging the executive management team on how these risks are assessed and managed.
- Assessing risks against the Group's strategy and the interests of stakeholders, and gaining assurance on their management.

Executive Risk Committee

A Committee consisting of all members of the executive management team, reporting to the Audit and Risk Committee, is responsible for:

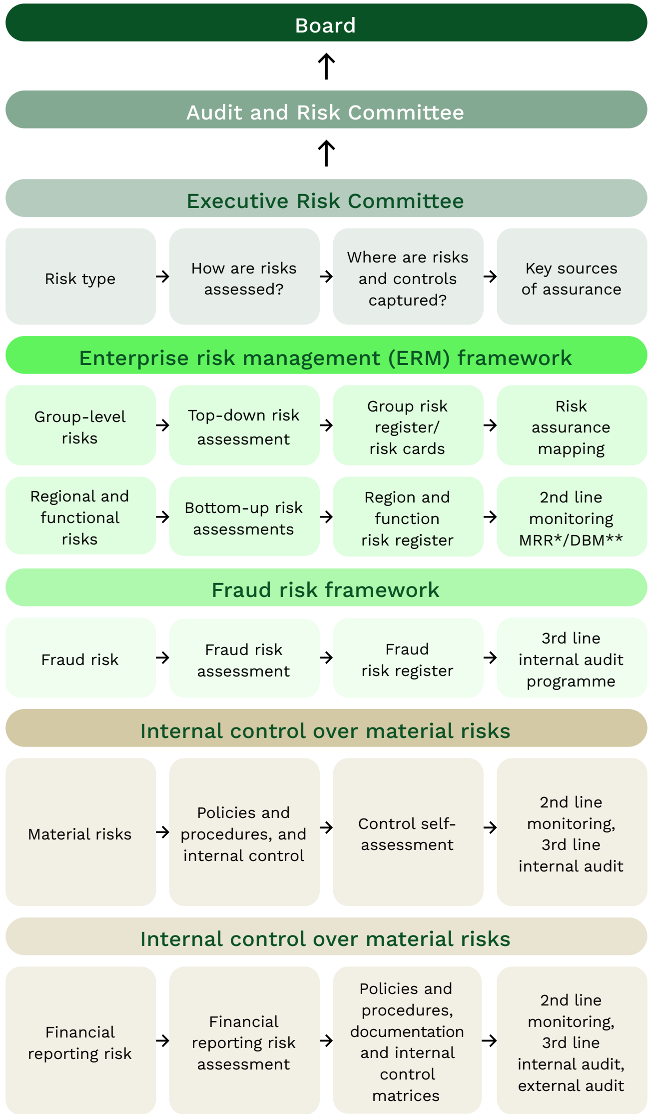
- Monitoring business and operational performance and changes to the key risks.
- Assessing and monitoring identified risks using a scoring system based on the likelihood of the risk materialising, potential impact on the business and the velocity at which the risk may materialise.
- Identifying, reviewing and monitoring emerging risks to assess the potential impact on the Company.
- Implementing mitigation strategies to effectively manage key risks within the Group's risk appetite.
- Ensuring that risk management is embedded within the business and appropriate actions are taken to manage risk.

Group, regional and divisional management

- Applying specialist knowledge to identify new risks and monitor changes to existing operational and strategic risks at a divisional, regional and functional level.
- Risk management and control activities within the relevant divisions, regions or Group disciplines.

Site management, assessments and valuations

- Identifying and assessing operational risks affecting housebuilding activity at site level, including construction, sub-contractor and SHE risk.
- Maintaining an effective system of site-level risk management and internal control.



* Management regional reviews.
** Divisional Board meetings.

Risk activities conducted during the year

Under the Group's enterprise risk management framework, risk workshops are held between regional management and Group functional experts to provide a robust "bottom-up" assessment of the risks being experienced by the business. The outputs inform the determination of the Group level key risks by the Executive Risk Committee, which are then reviewed and challenged by the Board, with support from third-party experts, to arrive at the final principal risks. The Board has also refreshed its risk appetite approach during FY24 to ensure that the Board's appetite for each of the principal risks is clear and can be used to determine appropriate mitigating actions across the Group. The Board now categorises risk appetite for each principal risk using the following methodology:

- **Averse —** Minimise risk as much as possible, limited tolerance of potential exposure to risk consequence in pursuit of related benefits.
- **Cautious —** A balanced and informed approach to risk taking, moderate tolerance of potential exposure to risk consequence in the pursuit of related benefits.
- **Opportunistic —** A more receptive approach to adaptability; taking risk for increased benefits/returns or to achieve strategic goals.

As we continue our continuous improvement over risk management activities in FY25, we will refresh our approach to key risk indicators.

As part of our risk identification processes, emerging risks were identified through external and internal risk processes including the regional and functional risk workshops, discussions with the Executive and external benchmarking. The emerging risks are formally reviewed by the Board and Executive as part of their ongoing activities.

During FY24, executive management has reviewed the policies and methodologies behind our risk management framework to ensure that our procedures suitably allow key risks and the specific events that may cause them to be identified.

The Group continues to assess the potential physical impact of climate change as well as the regulatory and social measures that may be adopted to mitigate it. The Board recognises that sustainability is integral to the delivery of the business strategy and has taken substantial steps to embed sustainability across all our processes and business activities. Therefore, the Board has removed sustainability as a standalone principal risk and will manage sustainability activities as an embedded part of its risk management processes, for example considering sustainability in its supply chain or Government regulation risks. See our assessment of sustainability-related risks and opportunities on pages 71 to 84.

Business continuity has been removed as a principal risk. Due to the nature of our operations covering a large number of sites and our continued operational resilience embedded throughout the Group, for example throughout the pandemic, we do not feel business continuity is high risk. We will continue to monitor operational resilience as part of our management of individual key risks.

The existing legacy properties principal risk has been expanded to reflect both the ongoing risk with quality of build for high-rise and complex structures, as well as the effective remediation of issues already identified in legacy properties. This has also reduced our construction quality and innovation risk on a net basis due to it no longer incorporating build quality over high-rise and complex projects.

A new risk has been added to cover the Redrow integration. The integration offers significant synergies which we are confident in achieving but by recognising the risks associated with the integration early, we will ensure that we implement appropriate activities to safeguard these synergies over the medium to long term.

In July, the new Government published a revised draft of the National Planning Policy Framework (NPPF) which guides local councils on the location, type and amount of new homes required. The policies within the new NPPF reduce Barratt's level of land and planning risk by reason of, (a) increased Government targets for new homes, (b) new requirement to release sites currently within Green Belt, and (c) enforcement of the presumption in favour of approving planning applications in areas without a five-year supply of housing. The new policies should lead to a greater supply of consented land. As these actions materialise, they should help to support a reduction in our risk exposure in the near future.

On 26 February, the CMA launched an investigation into suspected breaches of competition law, relating to the exchange of competitively sensitive information, by eight housebuilders, including Barratt and Redrow. We continue to co-operate with the CMA in its investigation. This is considered within our government regulation and political risk principal risk.

The health, safety and environment risk has also been decreased on a residual basis due to the Board being comfortable with our existing mitigation and the priority that it is given across the Group.

As well as quantitative measures, there are also qualitative measures considered within the risk methodology. Reputational risk could potentially arise from a number of sources including external and internal influences relating to the housebuilding sector that, when combined or over a period of time, could create a new principal risk. The Group actively manages the impact of reputational risk by carefully assessing the potential impact of all the principal risks and implementing mitigation actions to minimise those risks. Reputational risk is therefore covered by the management of each of our individual risks and is not presented as a principal risk in its own right.

Overall assessment

The Board has completed its assessment of the Group's principal and emerging risks, including those that could threaten its business model, future performance, solvency or liquidity.

The current risk profile is within our tolerance range as the Group is willing to accept a moderate level of operational risk to deliver financial returns.

There may be instances where these risks could have a moderate adverse impact on the Group – either financially or operationally. To ensure the Group's business model remains resilient over the medium and long term, the Group has modelled these scenarios alongside achievable mitigating actions. The results are presented in the Viability Statement on pages 85 to 87.

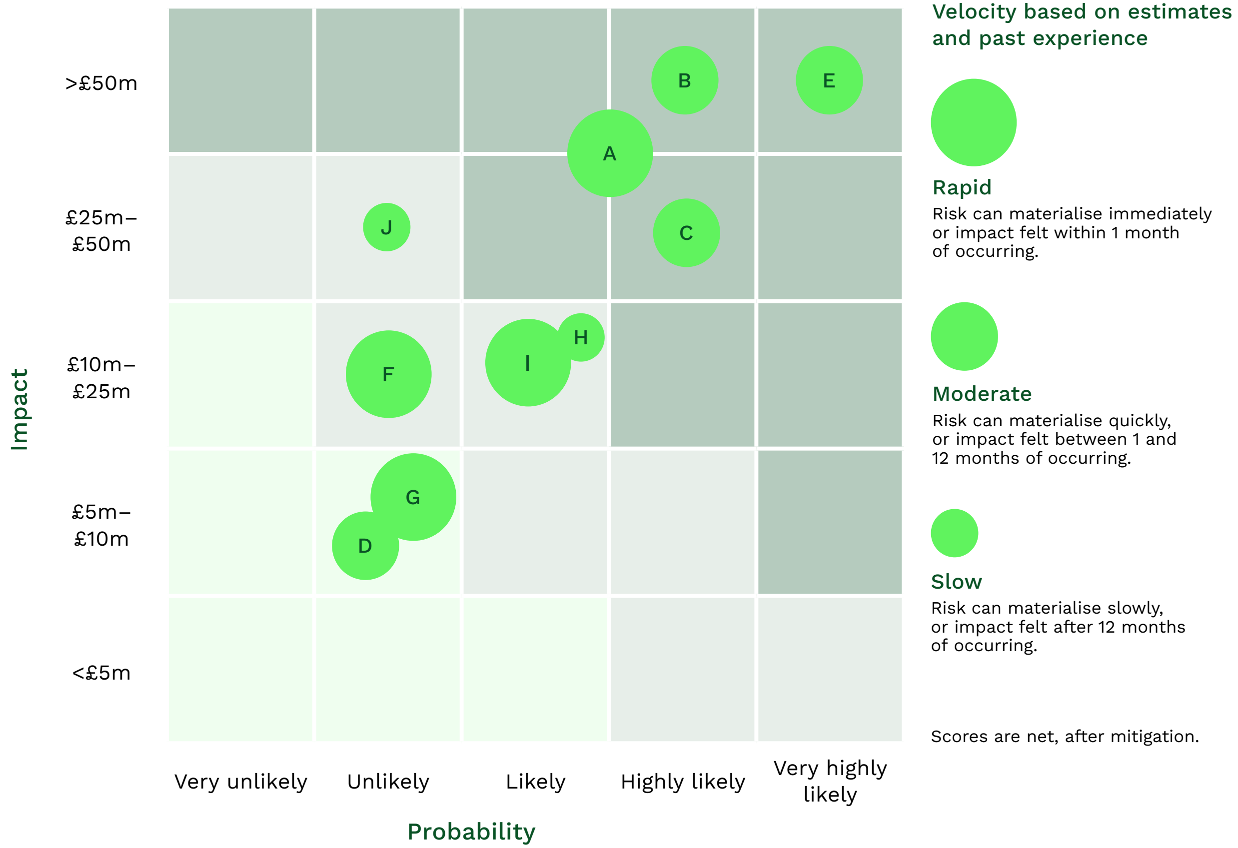
Principal risks

The Group has identified ten principal risks that it considers to be of material impact and likelihood:

- A Economic environment
- B Land and planning
- C Government regulation and political risk
- D Construction quality and innovation
- E High-rise and complex structures
- F Supply chain resilience
- G Safety, health and environment
- H Attracting and retaining high-calibre employees
- I Information technology
- J Redrow integration

The principal risks are detailed on pages 66 to 70, categorised by the strategic priorities to which they relate. Risk levels are presented net of any mitigation that is in place and the risk appetite defines the level of risk that the Board is comfortable with.

Heat map of principal risks net of mitigation



Scores are net, after mitigation.

Principal risks continued

A Economic environment

Risk level: H ↔
Velocity: Rapid

Risk appetite: Cautious

Responsibility:
Executive Committee

Risk description

Significant changes in the UK macroeconomic environment or continuing major geopolitical events and uncertainty may lead to falling demand, tightened mortgage availability, lack of funding for housing associations, or reduced purchaser liquidity, especially in the first-time buyer market. This could reduce the affordability of our homes for private and rental customers, resulting in reduced sales volumes and our ability to provide profitable growth.

Response/mitigation

- Continual monitoring of the market at Board, Executive Committee, regional and divisional levels, leading to amendments in the Group's forecasts and planning as necessary.
- Comprehensive sales policies, regular reviews of pricing in local markets and development of good relationships with mortgage lenders.
- Disciplined operating framework with an appropriate capital structure and strong Balance Sheet.

Key risk indicators

Internal: Gross and operating margins, PBT, ROCE, EPS, TSR, total home completions.

External: GDP growth, CPI inflation, mortgage approvals, mortgage affordability, new housebuilding site starts.

B Land and planning

Risk level: H ↔
Velocity: Moderate

Risk appetite: Cautious

Responsibility:
Land Committee

Risk description

Lack of developable land due to delays in planning approval, failure of a clear and consistent Government policy or insufficient consented land and strategic land options at appropriate cost and quality could affect our ability to grow sales volumes and/or meet our margin and site ROCE hurdle rates.

Response/mitigation

- All land acquisitions are subject to formal appraisal and approval by the Land and Development Leadership Group.
- Group, regional and divisional review of land currently owned, committed and identified against strategic requirements.
- Regular meetings with external stakeholders including land agents, promoters and land owners.
- Review by Land and Development Leadership Group and management on strategic land and sites.
- Robust review of land appeals before resubmission.

Key risk indicators

Land approvals (plots), UK quantum of consented housing units per year, UK quantum of applications decided within statutory periods.

Risk level:

H High risk M Medium risk L Low risk

Change from previous year:

↑ Increase ↓ Decrease ↔ No change

Principal risks continued

C Government regulation and political risk

Risk level: H ↔ **Velocity:** Moderate	**Risk appetite:** Averse	**Responsibility:** Operations Committee
Risk description The housebuilding industry is subject to increasingly complex legislation and regulation, Government intervention and policy changes, for example climate change, building regulation, legal, NHQC, competition law and sustainability regulation. Deviation from current regulations or failure to implement the changes effectively within our processes could lead to financial penalties, damage to the Group's reputation or increased costs due to inefficient processes.	**Response/mitigation** • Robust and rigorous design standards for the homes and places we develop that exceed current and expected statutory requirements. • Policies and technical guidance for employees on regulatory and legal compliance and the standards of business conduct expected. • Dedicated compliance team. • Consultation with Government agencies and membership of industry groups to help monitor, understand and plan for proposed regulation change.	**Key risk indicators** Regulatory violations, audit findings, data breach incidents.

D Construction quality and innovation

Risk level: L ↓ **Velocity:** Moderate	**Risk appetite:** Cautious	**Responsibility:** Operations Committee
Risk description Failure to achieve excellence in housebuilding construction and product quality, through insufficient quality assurance programmes, or inability to develop, evaluate and implement new and innovative construction methods, or to be a market leader with changes in technology advancement, could increase costs, expose the Group to future remediation liabilities, and result in poor product quality and reputational damage.	**Response/mitigation** • Continuous review of design and materials, which are evaluated by technical experts including the NHBC, to ensure compliance with all regulations. • Monitoring and improving the environmental and sustainability impact of construction methods and materials. • Implementation of modern methods of construction by design and technical teams. • Detailed build programmes supported by robust quality assurance.	**Key risk indicators** Customer service, total home completions, gross margin, operating margin, PBT, ROCE, EPS, construction waste intensity and carbon intensity, NHBC Reportable Items and Builder Responsible Items.

Risk level:
H High risk M Medium risk L Low risk

Change from previous year:
↑ Increase ↓ Decrease ↔ No change

Principal risks continued

E High-rise and complex structures

Risk level: H ↔
Velocity: Moderate

Risk appetite: Averse

Responsibility:
Operations Committee

Risk description

Failure to build high-rise and complex structures in line with building regulations or remediate existing legacy quality issues effectively could result in remediation delays, reputational damage, increased provisions or further future remediation liabilities.

Response/mitigation

- Hired senior technical expertise into the business.
- Use of qualified engineers through an approved panel including structural engineer peer review process.
- Third-party liability insurance.
- Detailed build programmes supported by robust quality assurance.
- A dedicated Building Safety Unit (BSU) which undertakes independent reviews and investigations of legacy buildings and, where necessary, conducts remediation work.
- Assumptions on the estimated financial costs for remediation have been tested and challenged robustly.

Key risk indicators

Independent third-party assessor results, NHBC Reportable Items and Builder Responsible Items, EPS, customer satisfaction surveys.

F Supply chain resilience

Risk level: M ↔
Velocity: Moderate

Risk appetite: Cautious

Responsibility:
Operations Committee

Risk description

Not adequately responding to shortages or increased costs of materials and skilled labour including those events caused by geopolitical uncertainty, or the failure of a key supplier in the current economic environment, may lead to increased costs and delays in construction.

Response/mitigation

- Centralised team procures most materials from UK suppliers, ensuring consistent quality and cost.
- Development of multiple supplier relationships for labour and material supplies, with contingency plans should any key supplier fail.
- Clear tendering policies and procedures.
- Robust due diligence procedures to ensure quality of products and ethical suppliers.
- Build and material cost controls throughout build programmes to allow supply chain planning.
- Monitoring of supplier performance.

Key risk indicators

Customer service, gross and operating margin, PBT, ROCE, EPS, TSR, total home completions.

Risk level:
H High risk M Medium risk L Low risk

Change from previous year:
↑ Increase ↓ Decrease ↔ No change

Principal risks continued

G Safety, health and environment

Risk level: L ↓
Velocity: Moderate

Risk appetite: Averse

Responsibility:
Safety, Health and Environment Operations Committee

Risk description

Health and safety or environmental incidents or compliance breaches can impact employees, sub-contractors, customers and site visitors, and undermine the creation of a great place to work and visit.

Response/mitigation

- Clear roles and responsibilities for SHE across the Company.
- SHE management system supports and reinforces documented SHE policies and procedures.
- Employee and sub-contractor relevant and appropriate SHE training.
- Monthly operational Divisional Board reporting on SHE performance.
- Second line team of SHE compliance managers provide support and guidance.
- Board-level SHE Committee and SHE Operations Committee review and monitor.

Key risk indicators

Health and safety (SHE) audit compliance.

H Attracting and retaining high-calibre employees

Risk level: M ↔
Velocity: Slow

Risk appetite: Opportunistic

Responsibility:
Executive Committee

Risk description

Increasing competition for skills may mean we are unable to recruit and/or retain the best people. Having sufficient skilled employees is critical to delivery of the Group's strategy of volume growth whilst maintaining excellence in all of our other strategic priorities.

Response/mitigation

- Company values relaunched and embedded across all areas of the business.
- Comprehensive HR programmes covering apprenticeships, graduate development, succession planning and training academies.
- Personal development plans for all employees.
- Monitoring of employee turnover, absence statistics and independent feedback from exit interviews.
- Annual employee engagement survey to measure employee satisfaction.
- Remuneration benchmarking.

Key risk indicators

Employee engagement score.

Risk level:
H High risk M Medium risk L Low risk

Change from previous year:
↑ Increase ↓ Decrease ↔ No change

Principal risks continued

I Information technology

Risk level: M ↔
Velocity: Rapid

Risk appetite: Cautious

Responsibility:
Executive Risk Committee

Risk description

Failure of any of the Group's key systems, particularly those for financial and customer information, surveying and valuation, through a successful cyber attack or lack of investment leading to outdated systems, could restrict operations and disrupt progress in delivering strategic priorities.

Response/mitigation

- Regular external reviews to reduce the risk of successful cyber attacks, including vulnerability and penetration tests by third parties.
- Adoption of the recognised NIST control framework.
- Group-wide compliance and policies on passwords and transferring data to third parties.
- Mandatory information security training programme for all employees.
- IT disaster recovery plan.
- Continued investment in IT infrastructure.
- Cyber Security Insurance Policy.

Key risk indicators

Customer service, gross and operating margin, PBT, ROCE, EPS.

J *New* Redrow integration

Risk level: M
Velocity: Slow

Risk appetite: Cautious

Responsibility:
Executive Committee

Risk description

Without careful management, there is a risk that synergies that are initially achieved as part of the merger may not be maintained over the medium to long term, leading to higher costs than forecast. There is further risk that revenue opportunities arising from the multi-branded portfolio are not realised.

Response/mitigation

- Tracking, monitoring and reporting of expected and achieved synergies.
- Dedicated Integration Management Office.
- Executive and Board oversight of integration through Integration Steering Committee.

Key risk indicators

EPS and PBT.

Risk level:

H High risk M Medium risk L Low risk

Change from previous year:

↑ Increase ↓ Decrease ↔ No change

Sustainability-related risks and opportunities

Our Sustainability Framework is fundamental to our strategy and is embedded across all aspects of our operations. Issues that may affect the sustainability of our business model or the environments in which we operate are assessed as part of our risk management process and captured within our broader principal risks.

By engaging and collaborating with our stakeholders, we aim to mitigate sustainability-related risks and capitalise on opportunities that create lasting value for nature, places and people. This integrated approach ensures that our commitment to sustainability is reflected throughout our risk management framework, driving long-term value and resilience across the organisation.

Task Force on Climate-related Financial Disclosures (TCFD)

In accordance with Listing Rule 9.8.6 R and the Climate-related Financial Disclosure Regulations (CFD) 2022, this Annual Report and Accounts includes climate-related financial disclosures consistent with all eleven TCFD recommendations and all eight CFD requirements.

Deloitte has provided independent limited assurance in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board (IAASB) over the TCFD disclosures on pages 71 to 84 and selected metrics on page 80.

Deloitte's full unqualified assurance opinion, which includes details of the selected assured metrics, is available on our website.

Find out more

- Read more about our governance on page 72
- Read more about our strategy on pages 74 to 78
- Read more about our risk management on page 73
- Read more about our metrics and targets, including our transition plan, on pages 79 to 84

- www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/publications

Upcoming reporting frameworks

We recognise the importance of major global frameworks in guiding our sustainability strategy and reporting.

Aligned with our commitments to sustainability and transparency, we have initiated a review of the Taskforce on Nature-related Financial Disclosures (TNFD) framework alongside our ongoing TCFD compliance efforts.

FY24 marks the beginning of our journey with TNFD, and we are also considering the implications of the International Sustainability Standards Board (ISSB) standards.

Work is underway to derive comprehensive insights from our TNFD review, but our overarching objective is to transition to a comprehensive sustainability risk assessment, addressing all sustainability-related risks holistically.

As our understanding and implementation of these frameworks evolve, we look forward to sharing more detailed findings in our future reporting.

Anson Gardens, Fradley

Sustainability-related risks and opportunities continued

Governance

The Board is responsible for the oversight of the Group's sustainability strategy, delivery approach and related risks. The Chief Executive is the Board member who holds accountability for the sustainability strategy.

Sustainability Committee

The Sustainability Committee, chaired by the Chief Executive, is the Board sub-committee responsible for debating, reviewing and scrutinising our sustainability strategy; this includes monitoring its implementation and approving plans to mitigate risks and leverage opportunities related to climate change and nature.

The Sustainability Committee also plays a critical role in approving and overseeing initiatives that address sustainability-related risks and opportunities. It assists the wider Board in integrating climate and other sustainability issues into our overall business strategy.

Actions in FY24 included:

- approval of our revised science-based targets, which are awaiting validation from the SBTi (page 81);
- approval of the net zero transition plan (page 81);
- oversight of the climate-related risks and opportunities, and the implications on future strategy (pages 76 to 78);
- oversight of improvements to climate data collection and monitoring (page 83);
- spotlighting on alternatives to reduce reliance on fossil fuels across our operation (page 82);
- approval of the Energy Savings Opportunities Scheme (ESOS) recommendations and compliance timeline, proposed action plan and governance process; and
- overview of the approach and intended content of Sustainability Disclosures in the Annual Report 2024, encompassing the Building Sustainably Framework, climate risk and our transition plan.

Other sustainability-related responsibilities delegated to Board sub-committees are summarised below:

Remuneration Committee

Designs our Remuneration Policy to incentivise performance against sustainability-related targets (see page 128).

Monitors performance against targets and approves remuneration accordingly.

Read more from page 123

SHE Committee

Monitors the effect of climate-related SHE risks (such as the impact of weather patterns on our workforce) and compliance with site-based environmental initiatives (such as waste reduction).

Read more from page 121

Audit and Risk Committee

Monitors the integrity of sustainability-related disclosures (such as climate change and nature) and data reporting through internal and external assurance of the reporting of sustainability-related metrics.

Ensures compliance with external sustainability-related reporting requirements and frameworks, including TCFD and TNFD.

Read more from page 112

Executive Risk Committee

Evaluates our internal control policies and procedures for identifying, assessing and reporting climate and nature-related risks.

Reviews our overall risk profile, examining climate-related risks in the context of our other principal risks and significance to our business strategy.

For our detailed governance structure see page 100

Staying informed

Climate understanding – and the world's response to it – continues to evolve. To ensure our business strategy addresses existing and potential sustainability risks, the Sustainability Committee stays up to date with evolving sustainability developments, including those related to climate change and nature.

In FY24, our Sustainability Committee had the following updates on climate change and nature:

- The Chair of the London Climate Resilience Review presented on nature-based solutions and climate resilience considerations in developments and homes.
- The Ex-Chair of the Carbon Trust presented the key ingredients for a best practice transition programme to ensure we deliver our science-based targets.
- The Group Sustainability team ran through several working sessions, including a detailed net zero transition plan update, revised science-based targets, an annual update on our climate risks and opportunities and our energy savings opportunities compliance update.
- During the climate risk assessment process, and on an ongoing basis through the Sustainable Operations Group, senior management received updates on emerging climate understanding to support us in developing our responses to climate challenges.

Climate-related risk management

The effects of climate change encompass physical risks from new weather patterns, and transition risks associated with moving towards a low-carbon economy. The uncertain outcome of climate change and impact on our Company hinges on global temperature limitations and specific regulatory responses in regions where we operate, and for our supply chain. Opportunities arise as industry leaders drive sustainable development.

We assess region-specific climate risks from the bottom up, including relevant legislation such as the Future Homes Standard. Additionally, we evaluate all climate risks and opportunities at Group level, with annual assessments to ensure alignment with our risk management process.

Climate changes present both opportunities and risks, so we need to adapt what we do, and how we do it, to continue delivering the homes our customers need. Whilst climate change risk is integrated into our detailed risk management process (see page 63), we separately assess the impact of climate change as a whole.

Climate risks and opportunities assessment process

Identify

We assess potential climate change outcomes based on different global response scenarios and resulting weather pattern changes. See page 74 for the different scenarios we have considered.

With assistance from external experts, we uncover emerging risks, potential regulations and new developments that require further investigation.

→

Assess

We share identified climate outcomes with business and local management, which then evaluate their potential impact on our operations. All risks are documented in a climate risk register.

Using public climate models and internal data, we estimate the short, medium and long-term financial impacts of each risk and opportunity under each scenario.

→

Review and respond

Internal subject matter experts, local and Group senior management, and external climate specialists discuss identified risks and opportunities.

We prioritise risks and opportunities with the highest potential impact and report these to the Executive Risk Committee, which manages our response (see pages 63 to 64).

Climate risk assessment criteria

Each risk undergoes assessment using our risk assessment process outlined in the risk assessment criteria table (see page 65).

We evaluate the estimated profit impact of a risk or opportunity within the relevant financial year and climate scenario, with long-term obligations recognised over their respective periods. We define a “substantial” financial impact as one that exceeds £50m, which aligns with our criteria for assessing broader business risks on page 65.

Our risk assessment spans short, medium and long-term timeframes, aligns with our emissions reduction targets and captures both transitional and physical risks. The short-term focus pertains to our owned land bank, while the medium to long-term addresses strategic land options and promotion agreements.

2024 — 2025 — 2030 — 2050

Short term

- Short-term scope 1 and 2 science-based targets (SBT).
- Implementation of the Future Homes Standard.

Medium term

- Medium-term scope 3 science-based targets (SBT).
- Zero carbon homes in use for regulated energy.

Long term

- Our target is to achieve net zero emissions across our value chain by 2040.
- Paris Agreement and UK target for net zero by 2050.

We have four science-based targets which are awaiting validation by the Science Based Targets initiative – see page 81 for detail.

Climate scenario analysis

Climate change could have a profound impact on our operations, as well as on our external stakeholders such as suppliers and customers. We have tested our business resilience against various climate scenarios:

1.5°C sustainable transition

Orderly transition to a low-carbon economy, aligning with regulatory efforts to limit the global temperature rise to the Paris Agreement goal of 1.5°C by 2100.

2.0°C disorderly transition

Minimal additional regulation until 2030, after which stringent policies are hastily implemented to limit warming to 2°C by 2100.

4.0°C adaptation

Global policy shifts away from prevention towards adapting to a new climate, leading to a global temperature rise of 4°C by 2100.

Please see our full Climate-related Risks and Opportunities Analysis on our website further information on these scenarios and the impact on our business model: www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/publications

Modelling methodology

In FY23, we presented the results of our detailed climate scenario analysis. We evaluated a sample of sites from our land bank to identify vulnerabilities and risks inherent in our business model, including our capacity to transfer industry-wide development costs to land vendors.

In FY24, we refined our financial assessment of carbon pricing to reflect decarbonisation pathways planned by our supply chain, summarised on page 81. The unmitigated financial impacts under our “sustainable transition” (transition risks and opportunities) and “adaptation” (physical risks) scenarios are summarised in the risk table on pages 76 to 78.

For more detail on our methodology and findings, see our full Climate-related Risks and Opportunities Analysis: www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/publications

Focus areas for FY24

In line with requirements, we will update our detailed climate-related scenario modelling every three years. As we expand our sustainability risk assessments to cover emerging and priority areas, these will be updated in the intervening years. For FY24, we focused on the potential impact of standing water on our developments.

Standing water flooding

During FY24, we engaged external consultants to assess surface water flooding risk across our developments and supplement our previous analyses of coastal and fluvial flooding.

We examined current surface water flood risk across a sample of our developments and reviewed climate scenario-specific precipitation projections to consider how surface water flooding risk could develop.

Focus for FY25

While we already consider the impact of climate change on our timber supply chain, we will research the impact of physical risks across our broader supply chain beyond our tier 1 suppliers, so we can better understand the potential indirect impacts of climate change on our business.


Water and flood security is a key consideration in our site designs

Strategic impact

Our analysis affirms that our business model remains profitable under the current climate scenarios and timeframes, even without additional mitigating actions and despite associated costs. We will continue to monitor this in ongoing assessments.

A **sustainable transition,** despite its costs, offers opportunities. A **disorderly transition,** though disruptive, would still see us maintain profitability. The **adaptation** scenario has the least financial impact, which is manageable thanks to proactive measures we've already implemented, such as design changes and flood risk assessments.

To thrive in all three climate scenarios, we have highlighted key areas to progress:

- reducing embodied carbon in our supply chain (see pages 81 to 84 for our transition pathway and how we are working with our supply chain partners to achieve net zero);
- updating designs to meet stringent regulations (see page 37 for findings from our research on our concept eHome2); and
- leveraging our sustainability expertise to provide energy-efficient, affordable homes and promote green mortgages.

For more on our metrics and targets to minimise our exposure to climate-related risks and maximise the opportunities this offers, see page 79

Impact on the Financial Statements

Climate change impacts are not solely future oriented: they already shape the financial information we report today and influence our financial planning and forecasts.

We integrate material climate-related impacts into our three-year forecasting cycle, with site-specific climate considerations that influence our site profitability assessments. In our FY24 Financial Statements, we considered the financial impact of climate change on the following areas:

Going concern and long-term viability	We assessed whether there are any material uncertainties regarding our ability to continue operating as a going concern (see note 1 to the Financial Statements on page 165). Additionally, we assessed our long-term prospects for disclosure in our Viability Statement (see page 85). To ensure comprehensive assessment, we stress tested our financial forecasts, considering the impact of principal risks at severe but plausible levels over three years to 30 June 2027. We included climate-related transition risks aligned with the sustainable transition scenario and incorporated the impacts of the Future Homes Standard and carbon pricing. Despite the presence of climate risk alongside other principal risks, our evaluation confirms our capability to meet our obligations and sustain operations throughout the review period.
Land acquisitions	We have integrated fluvial and coastal flood risk assessments into our evaluation of potential land acquisitions and strategic site options. If any of our sites need additional flood mitigation measures, we consider these in our viability assessments, tender offers and forecast margins. Our assessment of flood risk under various climate scenarios indicates there are no sites in our existing portfolio where the expense of enhanced flood defences would lead to an impairment. At year end, we evaluate the carrying value of land and work in progress (see note 15 to the Financial Statements on page 182).
Site profitability	In our estimated costs to complete developments, we have included complying with Parts F and L of the Building Regulations (applicable from 15 June 2022), and design adjustments to address overheating concerns in homes. This aligns with our accounting policy in note 3 to the Financial Statements on page 167. These costs are reflected in the carrying values of inventories and the margins recognised for developments in which we anticipate impacts to future completions.
Goodwill and intangible assets	Annually, we reassess the carrying value of goodwill and intangible assets with indefinite useful lives listed on the balance sheet. We calculate the present value of projected future cash flows (outlined in note 10 to the Financial Statements on page 174). Cash flow projections for years three to five incorporate the anticipated impact of announced policies, as modelled in our climate scenario analysis for FY25. We have extended these projections to perpetuity, reflecting the short to medium-term implications of climate change in our valuation process.

Climate-related risks and opportunities

The maximum unmitigated financial impacts per annum of the material climate-related risks and opportunities and how we are responding to them are presented in the tables below. For transition risks and opportunities, the financial impacts relate to our Paris Agreement-aligned **sustainable transition** scenario. Physical risk impacts are based on our **adaptation** scenario. The estimated financial impacts do not factor in the acquisition of Redrow plc.

Please see our full Climate-related Risks and Opportunities Analysis for the risk and opportunities assessment under each scenario: www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/publications

● Gross risk score — Low / High

Transition risks	Key assumptions in impact calculations	Gross risk score (sustainable transition) 2025	2030	2050	Estimated maximum unmitigated financial impact	Our response
Housing regulations Changes to house specifications due to Government legislation to reduce home carbon emissions, for example the Future Homes Standard, including varying standards across the UK	• Average cost uplifts to meet the Future Homes Standard and zero carbon homes (based on our internal calculations, including current cost of technologies such as air source heat pumps (ASHP) and mechanical ventilation systems). • Costs of ASHP fall by 20% by 2030 and 40% by 2040, due to economies of scale and increased competition.				Increased build cost of sales by up to £155m per annum	We support the Government's climate ambitions, engaging with MPs and industry partners in policy development. We are committed to zero carbon homes, using innovative technologies tested through projects like eHome2. Our CEO chairs the Future Homes Hub and is a member of the DESNZ-led Net Zero Council.
Carbon pricing Increasing materials and sub-contractor costs due to Government legislation to reduce emissions, and subsequent increased demand for low-carbon materials, for example carbon taxation on suppliers	• Carbon prices rise to $250/tCO$_2$ by 2050, in line with the IEA Net Zero Emissions scenario. • Average supply chain emission reductions of 90% by 2050. • 100% of diesel usage by groundworkers substituted with low-carbon alternatives by 2040.				Increased build cost of sales by up to £70m per annum	We manage carbon price exposure by focusing on upstream supply chain emissions and refining scope 3 emissions understanding. In FY24, we collected emissions data from 20 key suppliers, guiding them on carbon reduction. We aim to standardise reporting for a more accurate scope 3 footprint and integrate supplier performance.
New technologies Implementation of new technologies in homes and construction, requiring high capital investment and upskilling of labour	• Additional costs associated with technologies, such as underfloor heating and infrared heating panels, which are demanded by more sustainability-informed customers.				Increased build cost of sales by up to £25m per annum	In FY24, we completed sales on our first gas-free development at Delamare Park, Somerset, with all 82 homes featuring ASHPs. We research low-carbon products through market studies, university partnerships, prototype houses, and grant-supported trials, with projects like eHome2 enhancing energy efficiency.
Planning requirements Increasing planning or site infrastructure requirements from Government and local authorities result in reduced viability of land in certain regions	• The percentage of total Barratt developments subject to increased sustainability requirements increases from 0% in 2020 to up to 30% by 2050. • Estimated cost per site to meet increased sustainability requirements based on design and installation of a previous Community Heat Hub and mains.				Increased build cost of sales by up to £60m per annum	We strategically address planning requirements through collaboration with landowners and expert research. Our Land and Development Leadership Group evaluates land acquisitions for compliance and sustainability, integrating green spaces and renewable energy opportunities. A sustainability toolkit supports our Land and Planning teams with detailed information on standards, zero carbon homes, biodiversity, and socio-economic outcomes.
Water scarcity Increased water scarcity in areas of proposed developments, leading to additional planning requirements to ensure a consistent water supply for new homes	• Local authorities take a greater focus on water neutrality, affecting the ability to gain planning permission. • Installation of rainwater harvesting systems on new developments.				Increased build cost of sales by up to £5m per annum	We design homes to use 105 litres per person per day, 16% lower than regulatory requirements, reducing water withdrawals. Our Group Head of Infrastructure and Utilities chairs the HBF Water Matters Group, collaborating to solve water issues affecting housing schemes.

Climate-related risks and opportunities continued

Low High
● Gross risk score

Physical risks	Key assumptions in impact calculations	Gross risk score (adaptation) 2025	2030	2050	Estimated maximum unmitigated financial impact	Our response
Overheating in homes Changes to house specifications required to mitigate long-term shift in climate patterns, such as prolonged increased temperatures in summer	• London and East regions particularly susceptible to overheating in the medium to long term. • Additional mitigation measures, such as extractor fans or air conditioning units, may be required in worst-affected areas to address safety concerns about overheating.				Increased build cost of sales by up to £10m per annum	We hold forums with consultants, industry experts, academics, and key suppliers to develop innovative overheating solutions for volume housing. We also conduct research on overheating and indoor air quality with Birmingham City University and other housebuilders, and sponsor two PhD students to study overheating mitigation to inform future designs.
Flood mitigation New site infrastructure required to mitigate extreme weather events, for example flood barriers and balancing ponds	• Based on localised climate projections, estimated additional sites in our existing land bank that might require additional flood defence infrastructure. • Identified two sites and estimated cost based on flood defence infrastructure spend at a similar site. • Assessment covered fluvial and coastal flooding, but excluded impacts from standing water flooding, due to a lack of available data.				Increased build cost of sales by up to £5m per annum	We proactively mitigate flood risk through horizon scanning, stakeholder engagement and expert research. Our Land and Development Leadership Group reviews all land purchases for flood risk, and our developments typically exceed the requirement to withstand a 1 in 100-year storm plus 30%. We are conducting a value chain water risk assessment so we can improve our understanding of water risk hotspots, including flooding, across our materials suppliers and across our developments, with findings informing our future water strategy.
Weather disruption Disruption to build activity due to increased frequency of severe weather (heat, cold or precipitation) or damage to construction sites from extreme weather events	• Based on localised climate projections, estimated potential disruption to construction activity due to severe weather. • Consecutive days lost could lead to disruption, increased overhead costs and delays to sales.				Increased build cost of sales and decreased revenue by up to £5m per annum	Our robust construction processes and crisis management protocols help mitigate delays caused by extreme weather. We design schemes with flood protection and sustainable urban drainage systems. Divisional SHE Managers ensure health and safety in adverse weather, with energy-efficient site cabins and adjustable build schedules. Timber frame construction methods minimise on-site build time, enhancing resilience to weather-related delays.
Supply availability Reduced supply availability (such as timber) due to long-term shift in climate patterns and extreme weather events (such as wildfires or flooding) where we source supply	• Supply availability assessment based on timber suppliers primarily in Sweden, Finland and Germany. • Using localised climate projections, considered supply chain shocks as a result of increased likelihood of forest wildfire. • Analysed short-term price impacts of sourcing elsewhere due to disrupted supply, and sustained price rises in the medium to long term.				Increased build cost of sales by up to £5m per annum	Our Timber Sourcing Policy ensures all timber products that we purchase are FSC/PEFC certified, with annual surveys confirming compliance. Group agreements enforce adherence to our Sustainable Procurement and Timber Sourcing Policies. We engage suppliers via our Timber Sourcing Policy and the Supply Chain Sustainability School, providing resources on sustainable timber sourcing. Our supplier maturity matrix assesses performance and identifies collaboration opportunities, with many suppliers meeting targets by July 2024.

Sustainability-related risks and opportunities continued

Climate-related risks and opportunities continued

Gross opportunity score: Low – High

Opportunities	Key assumptions in impact calculations	Gross risk score (sustainable transition) 2025	2030	2050	Estimated maximum unmitigated financial impact	Our response
Demand for and affordability of green homes Eligibility for green mortgages and cost savings from energy efficiency allow for a premium charge on new homes	• House buyers will be able to borrow more and buy a larger home on a green mortgage, due to increased affordability of energy-efficient homes. • Based on existing green mortgage offers, an average private buyer could borrow between 5% and 10% more on a new build Barratt home, compared to an older property (built before 2020).				Increased revenue by up to £320m per annum	Our customer research shows rising interest in sustainable, energy-efficient homes, with more lenders offering green mortgages. We've collaborated with lenders to launch green mortgage products, potentially increasing lending by up to 10% for our energy-efficient homes. Through the Future Homes Hub, we educate valuers on assessing sustainable features, enhancing home affordability and accessibility in line with consumer demand for eco-friendly living.
Green developments Increased land buying and local partnership opportunities through strong low-carbon credentials and offer of low-carbon developments, for instance partnering with councils to deliver low-carbon homes	• Based on the UK Government's Ten Point Plan for a Green Industrial Revolution (November 2020)[1], up to 25% of land will need to be available for low-carbon and climate-resilient homes by 2050. • Access to some land may be restricted to developers offering low-carbon credentials like our own, resulting in lower competition and discounted rates on these developments.				Decreased land cost of sales by up to £65m per annum	Our divisional land teams ensure compliance with planning regulations and achieve local consents through technical and planning expertise. We use tools like the Land Bidding Toolkit to highlight our sustainability credentials in land bids. As a leading sustainable housebuilder, we build strong relationships with landowners, showcasing our innovation and performance through benchmarks such as NextGeneration, and dedicated publications such as land planning brochures.
Cost of capital Our sustainability performance opens green financing opportunities, providing access to lower interest rates	• The potential to reduce finance costs if we switch borrowings to a green finance equivalent.				Decreased finance costs by less than £1m per annum	Within our Building Sustainably Framework, we commit to exploring new green finance products. In FY23, we linked our Revolving Credit Facility (RCF) to sustainability performance via a sustainability-linked loan mechanism (see page 79).
Sustainable practices Adopting low-emissions materials and processes, ahead of regulation, provides a cost advantage and improves reputation	• Using low-carbon materials in the build process may provide cost savings through avoided carbon taxations within the supply chain. • Average embodied carbon savings multiplied by the projected carbon prices (as per IEA's dataset) to determine cost savings associated with switching to a lower-carbon material.				Decreased build cost of sales by up to £5m per annum	Our strategy emphasises investing in innovative products, techniques, and customer insights, aiming for zero carbon homes by 2030. We conduct market research, product testing, and collaborate with universities, using prototype test houses like eHome2. Our Group Design and Technical teams drive incremental carbon reductions with milestones and transitional plans for existing sites.

1 Our Sustainable Procurement and Timber Sourcing Policies are available at www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/policies.

2 www.gov.uk/government/publications/the-ten-point-plan-for-a-green-industrial-revolution.

Sustainability-related risks and opportunities continued

Climate-related metrics and targets

Our primary focus areas are reducing emissions from our homes, enhancing energy efficiency and bolstering resilience to climate change for our customers. Our Sustainable Operations Group monitors key performance metrics in our focus areas.

Our primary exposures to climate change stem from transition risks, building regulations and carbon pricing. Physical risks pose minimal threats, as our land appraisal process already integrates considerations for hazards such as flooding.

Instead of applying a generalised percentage to overall business activities facing physical risks, we monitor our risk exposure through risk-specific metrics, as detailed in the table below.

Industry-specific metrics are in our SASB disclosure on our website

Cross-industry metrics are in our five-year record on pages 212 and 213

For our climate risk exposures, see our climate risk register on pages 76 to 78

Metric and target status	Risk/opportunity	Description	Performance against target[1]	Progress narrative
Scope 1 and 2 (market-based) emissions (tCO_2e) RCF LTPP	Carbon pricing	Scope 1 and 2 emissions are 1% of our total value chain, but we aim for net zero in direct operations by 2040. Read more about our scope 1 and 2 science-based targets on page 81.	Target FY30: 14,794 FY24: 16,458 FY23: 24,909 Baseline FY18: 32,657	Scope 1 and 2 emissions fell 34% this year, 50% below our 2018 baseline, due to lower output drop, reduced fuel use, and 40% diesel substitution with HVO. See pages 82 to 84 for our decarbonisation levers
Scope 3 greenhouse gas intensity ($tCO_2e/100m^2$)	Carbon pricing	We monitor carbon pricing exposure via indirect emissions, using them as indicators of potential future regulatory cost increases. Read more about our scope 3 science-based targets on page 81.	Target FY34: 70.10 FY24: 218.68 FY23: 242.13 Baseline FY18: 222.83	Scope 3 emissions intensity dropped 10% this year, mainly from reduced overheads and grid decarbonisation. In FY25, we'll adopt a quantity-based method to better capture supplier and material impacts. See page 81 for our transition plan
Average dwelling emissions rate (DER) for completed properties ($kgCO_2/m^2/yr$) RCF	Housing regulations; demand for and affordability of green homes	The Future Homes Standard is expected to mandate a 75%-80% reduction in Dwelling Emissions Rate (DER) compared to 2013 building standards for new builds.	Target FY25: 12.91 FY24: 15.78 FY23: 16.02 Baseline FY22: 15.89	Average DER improved by 1.5%, though less than anticipated due to slower 2021 regulation transition and product mix changes. Home emissions will decrease as more energy-efficient house types advance through planning, construction and sales.
Home completions in year achieving an A or B EPC rating (%)	Demand for and affordability of green homes	New Barratt homes can unlock annual energy savings of up to £2,200 compared to older homes. Maintaining top energy ratings ensures we capitalise on opportunities for energy-efficient new homes.	Target Ongoing: 99.0% FY24: 99.8% FY23: 99.2% Baseline FY18: 96.8%	Over 99% of our homes maintained an A or B rating, providing significant energy savings for customers. See page 29 for our work with lenders on mortgage products reflecting our energy-efficient homes
Use of offsite-based products and systems in homes constructed (%)	New technologies; weather disruption; sustainable practices	Offsite production reduces build time and increases resilience to severe weather. In FY22, we accelerated our 2025 target to apply offsite-based products and systems to 30% of homes.	Target FY25: 30% FY24: 33% FY23: 32% Baseline FY18: 19%	We delivered 4,668 plots using MMC, which represented 33% of gross completions, surpassing our FY25 target of 30%. See page 39 for details on accelerating timber frame home delivery with our new Oregon facility at Infinity Park, Derby

1 Performance data for the last five years is included in the five-year record on pages 212 and 213.

On track | Achieved | Monitor | Below target | Target not met | RCF Metric linked to the Revolving Credit Facility | LTPP Metric linked to the Long Term Performance Plan

Climate-related metrics and targets continued

Greenhouse gas (GHG) emissions

Our greenhouse gas emissions are presented below.

For a breakdown of our value chain emissions and our plans to decarbonise in line with our 2040 net zero ambition, see page 81.
More detail on FY24 performance and progress against targets is on page 79.

Greenhouse gas emissions			2024	2023	2022	2021	2020	Baseline 2018
Scope 1		tCO_2e	15,523*	23,580	23,234	26,769	20,323	27,577
Scope 2	Market based	tCO_2e	935*	1,329	1,840	2,496	1,640	5,080
	Location based	tCO_2e	6,332*	5,515	4,802	5,973	4,260	6,716
Total gross scope 1 and 2 emissions	Market based	tCO_2e	**16,458**	24,909	25,074	29,265	21,963	32,657
	Location based	tCO_2e	**21,855**	29,095	28,036	32,742	24,583	34,293
Scope 1 and 2 energy consumption		MWh	**117,687***	139,718	128,189	141,945	102,966	127,496
Carbon intensity (scope 1 and 2 emissions per 100m² of legally completed build area)	Market based	$tCO_2e/100m^2$	**1.26***	1.60	1.53	1.78	1.80	1.90
	Location based	$tCO_2e/100m^2$	**1.67***	1.86	1.71	1.99	2.02	1.99
Scope 3 category 1: purchased goods and services		tCO_2e	**1,701,176**	2,332,213	2,395,642	1,923,397	2,019,509	2,421,559
Scope 3 category 11: use of sold products		tCO_2e	**992,879***	1,217,738	1,244,317	1,352,982	930,797	1,273,346
Other scope 3 emissions		tCO_2e	**170,126**	229,378	241,921	144,890	178,479	160,785
Total gross scope 3 emissions		tCO_2e	**2,864,181**	3,779,329	3,881,879	3,421,269	3,128,785	3,855,690
Scope 3 carbon intensity (scope 3 emissions per 100m² of legally completed build area)		$tCO_2e/100m^2$	**218.68**	242.13	236.67	208.12	256.52	222.83
Total gross scope 1, 2 and 3 emissions	Market based	tCO_2e	**2,880,639**	3,804,238	3,906,953	3,450,534	3,150,748	3,888,347
	Location based	tCO_2e	**2,886,036**	3,808,424	3,909,915	3,454,011	3,153,368	3,889,983
Outside of scopes emissions		tCO_2e	**4,779**	3,698	1,499	909	718	128

Scope 1, 2 and 3 GHG emissions have been measured in accordance with the operational control method of the GHG Protocol. All scope 1 and 2 GHG emissions arise in the UK. Emission factors come from BEIS 'UK Government Conversion Factors for Company Reporting 2023'.

Scope 1 and scope 2 energy consumption comprises scope 1 energy consumption of 87,070 MWh* and scope 2 energy consumption of 30,617 MWh*.

Other scope 3 emissions is comprised of category 2: capital goods; category 3: fuel and energy related activities (4,533 tCO_2e)*; category 4: upstream transportation and distribution; category 6: business travel (5,170 tCO_2e)*; category 7: employee commuting; and category 12: end of life treatment of sold products.

Deloitte LLP ('Deloitte') have provided independent third-party limited assurance in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board (IAASB) over selected metrics in the table and footnotes above identified with an *. For Deloitte's full unqualified assurance opinion, which includes details of the selected metrics assured, our full Carbon Reporting Methodology Statement, our ESG Basis of Reporting and a full breakdown of scope 3 GHG emissions, see our website at www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/publications.

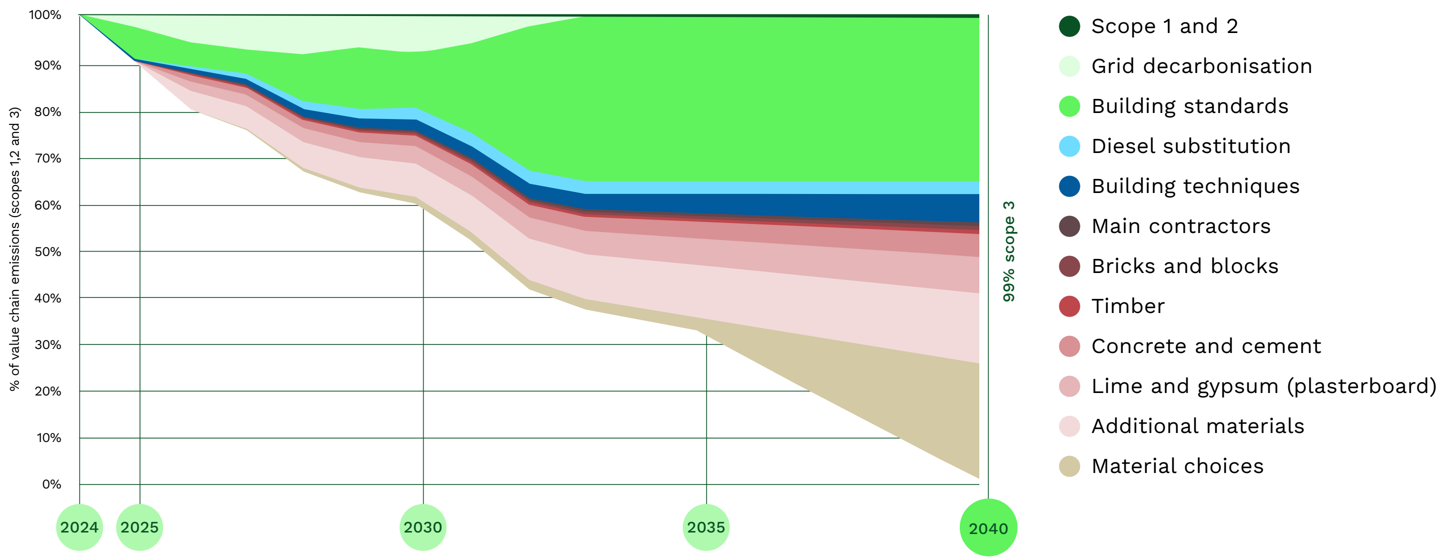
Read more on our sustainability performance on our website: www.barrattdevelopments.co.uk/building-sustainably/performance-data/data

See our website for our data reporting policies and insurance statements: www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/publications

Transition plan

The Group is committed to achieving net zero emissions across our entire value chain by 2040 and we recognise that while we have control of how we reduce emissions from our direct operations, scope 1 and 2, we know we will have to continue to influence areas outside our direct control to reduce our emissions in scope 3. We have been further developing our transition plan and model to allow us to understand where we can drive reductions and the total impact that will have on our value chain emissions.

In FY24, our total carbon footprint across all scopes was estimated to be over 2.8m tCO_2e. Of this, less than 1% was from our direct operational activities. The remainder (99%) came from the transformation of raw materials into products, transport to sites, site preparation and groundworks, and the impact of the homes that we build over their lifetime.



Our greenhouse gas emission reduction targets

	Near term		Long term
Scope 1 and 2	Absolute reduction 29.0% reduction by 2025	54.7% reduction by 2030 (4.6% p.a.)	Net zero by 2040 (4.5% p.a.)
Scope 3	Intensity reduction 68.7% reduction by 2034 (4.3% p.a.)		Net zero by 2040 (4.5% p.a.)

We have four science-based targets, which are awaiting validation by the Science Based Targets initiative.

Sustainability-related risks and opportunities continued

Our decarbonisation levers

We have identified six principal "decarbonisation levers" that we consider have the most material impact on achieving our transition towards net zero operations and supply chain. Within each of these levers we have identified a number of actions we can take – some of these are currently underway, while others require further work with value chain partners to understand when and how they can be deployed. See page 84 for how we are seeking to overcome challenges and barriers to achieve this.

The figure below sets out the broad areas we are prioritising to deliver our carbon reduction ambitions.

Our plans to reduce emissions from completed homes rely heavily on the Future Homes Standard. This is currently delayed, and we await the introduction of this, after which we will review our detailed plans.

More on the challenges we face to deliver the transition plan on page 84

How could the Group achieve net zero by 2040?

Levers	Ambition and action – underway and under investigation
1 Reduce embodied carbon	Move to quantity-based reporting to enable more direct carbon emissions data on products. **40%** reduction; **80%** reduction
2 Reduce emissions from completed homes	Future Homes Standard*; **Zero** carbon pilots*; **100%** zero carbon homes*; **100%** carbon-free grid – Government commitment
3 Diesel reduction/ replacement	Diesel substituted by HVO circa **40%**; **Minimise** diesel generator hire; Hybrid generators; **60%** reduction in diesel. **Electric plant** (where technology feasible); **No diesel** on sites; **Hydrogen investigations** (where technology feasible)
4 Renewable tariffs and plot heating	**100%** renewable electricity; **Continued** investigations and trials e.g. carbon removal
5 Low-emissions business travel	**No diesel** cars offered since June 2022; **No petrol** cars offered since June 2024; **100%** of company car fleet to be electric or hybrid; **100%** of company vans diesel/petrol free
6 Low-emissions business premises and facilities	Continued energy reduction programme

2025 2030 2035 2040

* Subject to Future Homes Standard being introduced.

Our decarbonisation levers continued

1

Reducing embodied carbon of materials

For scope 3, reducing the embodied carbon of construction materials is our priority, which we influence by specifying low-carbon materials in design and construction of homes.

Approximately 50% of the emissions relating to materials arises from our interaction with 20 of our suppliers. This year, we directly engaged with these suppliers to examine their emission reduction plans and how they would be achieved. We sought to understand how they tracked reductions in embodied carbon, and the extent to which materials are backed by Environmental Product Declarations (EPDs). Emissions data from EPDs is critical in selecting suppliers and lower embodied carbon materials over time.

To track the impact of supplier and material selection on our transition pathway over the next three years, we aim to start the move from a spend-based Environmentally Extended Input Output (EEIO) approach to using quantity-based data. This will inform the actions needed over time and investments required to lower embodied carbon products.

2

Reduce emissions in-use from completed homes

The Group is committed to zero carbon ready homes by 2030 (regulated energy). The Future Homes Standard will phase out gas boilers, reducing the lifetime in-use emissions of our sold homes. Our plans rely heavily on the delayed standard. Once introduced, we will review our detailed plans. Should the grid become zero carbon by 2030, then this further reduces potential emissions in use.

3 4

Reduce emissions from construction sites

For scopes 1 and 2, our priority is reducing diesel consumption from telehandlers and generators.

In the short term, diesel is being substituted for alternative fuels such as hydrotreated vegetable oil (HVO). In order to enable us to trial hydrogen plant and understand how quickly this can be adopted, we will monitor the regulations governing hydrogen plant use on public highways. We are also exploring opportunities to pilot innovative electric plant.

Another priority is reducing plot heating from natural gas. Regulatory requirements, such as the Future Homes Standard, will move plot heating to electricity (using air source heat pumps).

From FY24, our new Plant and Machinery Dashboard supplements our Carbon Emissions Dashboard, providing deeper insights into fuel consumption and efficiency opportunities in line with relevant remuneration targets.

Our ESG Data and Controls Working Group has devised a roadmap to automate ESG data collection, fortify internal controls and facilitate prompt decision making across our sites and offices.

In FY25, we will explore automated data capture for scopes 1 and 2 emissions from our operations, and scope 3 emissions from our supply chain, to strengthen timely decision-making processes.

5 6

Low-emissions business travel

Emissions from business travel, premises and facilities make a smaller contribution. We are managing this through the electrification of our company vehicle fleet, and switching supplies for premises to renewable energy.

78% of our company car fleet were either electric or hybrids as of 30 June 2024. As the availability of electric vans increases we will roll these out across our fleet and we are trialling smaller, electric customer service vans to determine the pace of wider adoption. Larger commercial vans are not currently widely available.

6

Reduce emissions from business premises and facilities

In FY24, 87% of electricity consumed within our business premises and facilities was renewable-backed. The remaining 13% supplies offices that are third-party owned or leased, and when leases renew or expire, embedding energy efficiency into new leases will be promoted.

Electric vehicle charging point at Kingsbrook

Our decarbonisation levers continued

Overcoming challenges and barriers

In order to successfully deliver our transition to net zero, there are critical challenges and barriers to overcome. There are multiple interdependencies, which rely on us actively engaging with other businesses, government and wider society, to drive the transition collaboratively. Our ambition rests on the challenges outlined below being overcome at a national level.

Effective regulation

A lack of effective regulation, its practical application and clarity over transition timelines has created uncertainty and delayed implementation of stronger building standards.

The Future Homes Standard implementation and associated calculation tools are key to the delivery of our plans but at the time of writing this has been delayed.

Clear targets with time to deliver

Without a defined and clear roadmap to zero carbon homes the industry is unable to build confidence and unlock investment at scale.

Government should set the direction, with a cross-sector, long-term plan to net zero that sets clear targets and a consistent approach to measurement and reporting.

Confident consumers

Consumers are increasingly demanding energy efficient homes. However, public awareness of options, costs and benefits remains low within both retrofit and new build homes. Consumer awareness and acceptance will stimulate investment and demand for all energy efficient homes.

Simple solutions need to be endorsed, and backed, by clear, independent advice via trusted consumer sources. Accredited products, training and installation standards are needed. Government should support this, for example, by raising public awareness at scale.

Impactful green finance

Who pays for the transition is critical. It requires a collection of measures that appropriately address different tenures of homes.

For home purchasers, green finance will drive and unlock consumer demand with energy efficiency built into affordability statements at the point of consideration.

Net zero ready skills and supply chains

The construction sector already has a skills shortage, and this will be exacerbated by the drive to net zero.

As part of a long-term, interconnected roadmap to net zero, we need a detailed plan of the skills gap and create the necessary pathways and mechanisms to allow time for training, alongside the development of the materials and equipment that reduce embodied carbon and energy use.

Clear standards, consistently measured

There are a number of standards that are currently inconsistent, without a shared baseline, or common approach, which prevent the sector from driving better outcomes. For example, Energy Performance Certificates are recognisable and easy to understand, however, they need to be reformed with the customer in mind. A greater emphasis on carbon emissions would avoid a heat pump negatively impacting a home's rating. Similarly, consistency in methodology of specific environmental data for products would encourage confidence in the move to materials with lower embodied carbon.

A decarbonised grid

Any delay to UK grid decarbonisation plans will impact the Group's transition to Net Zero. Our key materials sectors and our own transition plan are dependent upon the UK decarbonising the grid by 2030 as per the Government's stated ambition.

Technology and policy dependence

For our own direct emissions, we are reliant upon advancements in low-carbon plant and equipment that have the lifting capacity of the current fossil-fuel equipment. For example, we need advancements in electric and hydrogen site plant, supported by the establishment of appropriate policy and infrastructure and safety requirements so that these can be trialled, tested and deployed at scale.

Challenges in the value chain

Approximately 35% of our footprint is dependent upon activities driven by our value chain partners.

Alignment of sectoral commitments

Misalignment of sectoral commitments for our key materials at a national level will undermine delivery of our transition plan.

We have examined sectoral commitments for materials we recognise as key to driving our emissions reduction plans. Not all of these sectors are aligned, however, they set out the ways in which emissions reductions are expected to be delivered and this provides a useful starting point for more direct engagement with our partners.

Reliance on technology

Many key material sectors, particularly those in high-energy manufacturing, are reliant on the deployment of unproven technology such as carbon capture usage and storage (CCUS) from 2030.

There is still no certainty on the timeline for upscaling CCUS, and this therefore puts many of the sectoral transition plans at risk, which could impact our plans.

Supply chain readiness

Our key suppliers require confidence to invest in technology and skills.

Suppliers in our key material sectors often have less ambitious net zero targets than the Group, with most suppliers looking to 2050, capitalising on future technology improvements and emission reduction opportunities in their supply chains.

Viability Statement

Going concern

In determining the appropriate basis of preparation of the Financial Statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

Accordingly, after making enquiries and having considered forecasts and appropriate sensitivities, the Directors have formed a judgement, at the time of approving the Financial Statements, that there is reasonable expectation that the Group has adequate resources to continue to operate for the foreseeable future, being at least 12 months from the date of these Financial Statements. (More information on the going concern judgement can be found in note 1 to the Financial Statements.) Therefore the Directors continue to adopt the going concern basis in the preparation of these Financial Statements.

Viability statement

In accordance with the Code, the Directors have assessed the prospects and financial viability of the Group over the longer term, considering both its current position and circumstances, and the potential impact of its principal risks. The Group's business model is presented on pages 10 and 11 and its future prospects are primarily monitored through the risk management processes detailed on page 63.

On 21 August 2024 the Group acquired the full share capital of Redrow plc in an all share transaction. In accordance with standard practice, the Competition and Markets Authority (the CMA) has issued an Initial Enforcement Order requiring the Barratt and Redrow businesses to continue to operate independently until the CMA has formally accepted the undertakings proposed by the parties in response to the findings of its phase 1 investigation, or otherwise agrees to integration taking place. The sharing of competitively sensitive information between the businesses is prohibited while the Enforcement Order is in place. In recognition of the need for the pre-acquisition business to be able to support itself independently, the Directors have considered the ability to continue trading of both the group of companies that existed prior to the acquisition (the 'Barratt group') and the new group including Redrow plc and its subsidiaries (the 'combined group').

Assessment period

For the long-term viability statement, the Directors consider that a three-year review period is appropriate. This period is aligned to our operating framework of a 3.5 year owned land bank, and the time frame over which the majority of our risks have the potential to manifest. Additionally, the Barratt group's bottom-up planning and forecasting cycle, which considers a wide range of information relating to present and future business conditions, including those impacting on expected profitability, cash flows, and funding requirements, covers three years. As the Redrow business also operates with a strategic three year planning horizon and similar land cycle, this review period is also appropriate for an assessment of the combined group.

As environmental and climate change risks become more significant, the potential for moving towards a five-year review period will be considered for future viability assessments.

The Barratt group's and combined group's business plans reflect the anticipated effects of the current economic environment. The Barratt group and combined group are forecast to remain profitable and in compliance with financial covenants throughout the forecast period.

Principal risks

The Barratt group continues to be subject to its principal risks, which are detailed on pages 65 to 70. The Directors consider the principal risks of the Barratt group to be applicable to the combined group. In addition, the risk that synergies are not achieved from the Redrow combination has been identified as a new principal risk. This Viability Statement considers the impact that these risks might have on the ability of the Barratt group and the combined group to meet their targets in current market conditions over the review period.

Viability Statement continued

Principal risks continued

The current economic environment presents significant macroeconomic uncertainties, most notably around interest rates and their consequent impacts on UK economic growth, housing affordability, as well as consumer confidence and spending. The risks that were considered relevant, for which the impacts were applied in aggregate, were as follows:

	Principal risk	Impact modelled	Group resilience to risk impact modelled	Mitigating actions to risk impact modelled
A, B	Economic environment, Land and planning	A decline in demand, leading to a 5% reduction in private average selling prices compared to FY24 levels throughout FY25 and FY26 followed by a 2% recovery in FY27, and a fall in sales volumes of 15% in FY25 followed by a 5% recovery in FY26 and FY27.	Geographic and product diversity allows for flexibility in response to market conditions whilst the diverse land bank allows for selective development of future sites.	In response to lower volumes, a reduction in uncommitted land investment, lower production and reduction in overhead base. Increased focus on affordable housing contracts and bulk sales to reduce reliance on private sales. Increased levels of sales incentives to maintain volumes in challenging economic environment.
C	Government regulation and political risk	Increased regulations on housebuilding, including early implementation of the Future Homes Standard and increased carbon pricing as part of commitments to limit global temperature rise to 1.5ºC. An additional cost per private plot of £4,500 for compliance with additional regulations has been included, applied to 10% of plots in FY26 and 40% of plots in FY27.	Continuous review of the operational and financial impact of building regulations, including the Future Homes Standard, to adapt and plan for compliance.	For details regarding the Group's engagement with Government, opposition parties and regulators, see page 54. For the transition plan to achieve net zero by 2040 and mitigating exposure to carbon pricing, see page 81.
E	High rise and complex structures	A Building Safety Levy of £1,500 per private plot for potential additional safety costs that could be imposed by the UK Government, applied to 10% of plots in FY26 and 40% of plots in FY27. A £50m increase in the building safety provision in FY25.	Strong balance sheet and net cash position along with good cost control through well monitored build programmes.	As an industry-wide cost, any such levy will likely be factored in to future land bids over the medium term. For further details regarding the building safety provision, see note 19 on pages 186 to 188.
F	Supply chain resilience	A further increase in material and labour costs of 2% arising from shortfalls in supply and inflationary pressures.	Key supplier audit programme, centralised procurement and long-standing relationships ensure continuity of supply. Robust cost control through well monitored build programmes.	Redesign of developments to emphasise cost savings. Development of multiple supplier relationships for labour and material supplies, with contingency plans should any key supplier fail.
J	Redrow integration	No synergies are assumed in the combined forecast.	A dedicated Integration Management Office has been established to oversee the combination.	Expected synergies will be tracked, monitored and reported to the Integration Steering Committee.

Viability Statement continued

Outcome of assessment

To assess the resilience of the Barratt group and combined group to adverse outcomes, their forecast performance over the three-year period was sensitised to reflect a series of scenarios based on the identified principal risks and the downside prospects for the UK economy and housing market presented in the latest external economic forecasts. This assessment included a reasonable worst-case scenario in which the principal risks manifest to a severe but plausible level. For the purposes of this assessment, it was assumed that the financing facilities available to the combined group were those currently available to the Barratt group, and that all associated financial covenants would apply.

The Barratt group and combined group would undertake mitigating actions in response to the challenging circumstances modelled. This would primarily involve a reduction in investment in land and work in progress in line with the fall in expected sales, and would not prevent the ability of the Barratt group or the combined group to grow over the long term.

Under the described scenario, the Barratt group and the combined group are able to operate within current facilities, meet liabilities as they fall due, and remain in compliance with financial covenants in the assessed period. The Group has a policy of maintaining a £150m headroom on its available facilities and both the Barratt group and the combined group would remain in compliance with this policy throughout the viability review period.

Mitigations

In such challenging economic circumstances, additional options would be available to ensure that the Group would retain the flexibility to react to further risks or opportunities, including:

i. Further reductions in uncommitted land spend;

ii. Redesign of developments to emphasise cost savings;

iii. Disposal of interests in joint ventures to partners; and

iv. Sale of land or unsold stock at discounted value.

As these actions could affect the long-term solvency and growth prospects of the Group, they would only be used to meet immediate requirements. Nonetheless, their availability in addition to the actions modelled demonstrates that the Barratt group has further flexibility to respond to challenges as they arise.

Conclusion

Based on this review, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

Over the longer term, climate change will present an increasing risk to the Group. In response to this, and in line with the recommendations of the Task Force for Climate-related Financial Disclosures, the Board has undertaken a review of the climate-related risks and opportunities that may affect the business out to 2050, including the modelling of the Barratt group's resilience under several climate-related scenarios. The results of this review, as well as the action being undertaken to ensure the business is well positioned to thrive in the new physical, socio-economic and regulatory environment, are set out on pages 71 to 84.

Looking forward, significant macroeconomic challenges, most a prolonged higher interest rate environment, will impact the housebuilding sector going in the medium term. The Directors consider that the Group can demonstrate its resilience to these challenges with its well-capitalised balance sheet, strong net cash balance and a solid forward sales position going into FY25.

Approval of the Strategic Report

The Strategic Report on pages 1 to 87 was approved by the Board and signed on its behalf by

David Thomas
Chief Executive
3 September 2024

Governance

Anson Gardens, Fradley

Board of Directors and Company Secretary

A collaborative Board

Read more about
Chris on page 92

Read more about
Katie on page 91

Read more about
Tina on page 92

Read more about
Steven on page 90

Read more about
Jock on page 91

Read more about
David on page 90

Read more about
Caroline on page 90

Read more about
Mike on page 91

Read more about
Jasi on page 91

Read more about
Nigel on page 92

Read more about our Board on pages 90 to 92

Board of Directors and Company Secretary continued

Committee membership key

- Audit and Risk Committee
- Nomination Committee
- Remuneration Committee
- Disclosure Committee
- Safety, Health and Environment Committee
- Sustainability Committee
- Workforce Forum
- Chair of Committee

Caroline Silver

Chair

Appointed:

Caroline joined the Board on 1 June 2023, and was appointed Non-Executive Chair on 30 June 2023. She became Designated Non-Executive Director for Workforce Engagement in July 2023.

Skills and qualifications:

Caroline brings a wealth of knowledge and experience to the Board across a number of commercial, financial, investment banking, governance and board leadership roles. Caroline was Chair of PZ Cussons PLC until 31 March 2023 and was Non-Executive Director of Meggitt PLC and M&G PLC. She served on the boards of BUPA and the London Ambulance Service NHS Trust and as a trustee of the Victoria and Albert Museum. She spent over 30 years in the investment banking sector, holding senior corporate finance and M&A positions at Morgan Stanley and Merrill Lynch, and until 2020, was a partner and Managing Director at Moelis & Company. Caroline started her career as a Chartered Accountant at PwC.

External appointments:

Caroline is currently a Non-Executive Director at Tesco PLC and Intercontinental Exchange, Inc. She is also a member of the International Advisory Board of Adobe Inc, a member of the V&A Foundation, a Senior Adviser to Moelis & Company and Chair of the Audit Committee of the National Film and Television School.

David Thomas

Chief Executive

Appointed:

David joined the Board as an Executive Director and Group Finance Director in July 2009, and was appointed Chief Executive in July 2015.

Skills and qualifications:

David brings significant leadership and finance experience acquired over several years in senior positions, and is an Associate of the Institute of Chartered Accountants in England and Wales. He was previously Group Finance Director and Deputy Chief Executive of The GAME Group plc, and Group Finance Director at Millennium and Copthorne Hotels plc. He has also held senior financial roles with House of Fraser plc and Forte plc. David is also a former trustee of the Barratt Developments PLC Charitable Foundation.

External appointments:

David is a Non-Executive Director of the HBF, Chair of the Future Homes Hub, a member of the Net Zero Council and a Trustee at CentrePoint, the UK's leading youth homelessness charity.

Steven Boyes

Chief Operating Officer and Deputy Chief Executive

Appointed:

Steven joined the Board as an Executive Director in July 2001, became Chief Operating Officer in July 2012 and Deputy Chief Executive in February 2016. He is responsible for the Group's housebuilding operations and the land promotion business, Gladman Developments Limited.

Skills and qualifications:

Steven has over 40 years' experience in the housebuilding industry, having joined as a junior quantity surveyor in 1978. He progressed through the business to assume the roles of Technical Director and Managing Director of Barratt York, before being appointed Regional Director for Barratt Northern in 1999. Steven was previously a Trustee of the UK Green Building Council.

External appointments:

Steven holds no external appointments.

Board of Directors and Company Secretary continued

Mike Scott
Chief Financial Officer

Appointed:

Mike joined the Board as an Executive Director and Chief Financial Officer in December 2021.

Skills and qualifications:

Mike has extensive experience in the housebuilding sector and is a Fellow of the Institute of Chartered Accountants in England and Wales. He was previously Chief Financial Officer of Countryside Properties PLC, having joined as Group Financial Controller in 2014. Prior to this, Mike held a number of senior finance roles at J. Sainsbury plc, including latterly as Head of Investor Relations, and spent 11 years at PwC.

External appointments:

Mike holds no external appointments.

Katie Bickerstaffe
Non-Executive Director

Appointed:

Katie joined the Board as a Non-Executive Director on 1 March 2021 and took over as Chair of the Remuneration Committee on 4 May 2021.

Skills and qualifications:

Katie brings extensive business transformation experience together with considerable digital expertise. She was Co-Chief Executive of Marks and Spencer Group PLC from May 2022 to July 2024. She was also a former Non-Executive Director of Marks and Spencer Group PLC, and was previously Executive Chair of SSE Energy Services, where she led its separation from SSE plc and subsequent sale to OVO Group Ltd. She was also a Non-Executive Director of SSE plc and Chair of its Remuneration Committee until 2018. Prior to this, she worked in a variety of general management roles in retail and manufacturing businesses.

External appointments:

Katie is a Non-Executive Director of the England and Wales Cricket Board, where she was appointed the Senior Independent Director in May 2023.

Jasi Halai
Non-Executive Director

Appointed:

Jasi joined the Board on 1 January 2023.

Skills and qualifications:

Jasi brings considerable financial and business skills and experience which complement those of other Board members. She is a Chartered Management Accountant and holds an MSc in investment management from the CASS Business School. Before being appointed to the Board of 3i Group plc, she held a variety of posts there, most recently as Group Financial Controller. She was also a Non-Executive Director and Chair of the Audit Committee at Porvair Plc until January 2023.

External appointments:

Jasi is currently Chief Operating Officer and an Executive Director of 3i Group plc, and is also a member of the 3i Executive, Investment, Group Risk and ESG Committees.

Jock Lennox
Senior Independent Director

Appointed:

Jock joined the Board as a Non-Executive Director in July 2016 and became Senior Independent Director on 4 May 2021.

Skills and qualifications:

Jock, a Chartered Accountant, brings significant business and finance experience to the Board. He was Chair of Hill and Smith Holdings plc and Enquest plc. Jock was previously Senior Independent Director of Oxford Instruments plc and Non-Executive Director and Chairman of the Audit Committees of Dixons Carphone plc and A&J Mucklow Group plc. He was also the Chair of the Audit Committee Chairs' Independent Forum. Jock spent 30 years with Ernst & Young LLP, holding several leadership positions in the UK and globally, including 20 years as a partner.

External appointments:

Jock is Chair of Johnson Service Group plc and of Clarion Housing Group (appointed August 2024).

Board of Directors and Company Secretary continued

Chris Weston

Non-Executive Director

Appointed:

Chris joined the Board as a Non-Executive Director on 1 March 2021 and took over as Chair of the Safety, Health and Environment Committee on 4 May 2021.

Skills and qualifications:

Chris brings to the Board considerable commercial experience, driving performance and growth, including as former Chief Executive Officer at Aggreko Limited and as Managing Director, International Downstream at Centrica plc. Chris joined Centrica after a successful career in the telecoms industry working for Cable & Wireless Plc and One.Tel. Until June 2023, Chris was also a Non-Executive Director on the board of the Royal Navy.

External appointments:

Chris was appointed as Chief Executive Officer of Thames Water Utilities in January 2024 and as a Non-Executive Director of Sportquest Holidays Ltd in August 2023.

Nigel Webb

Non-Executive Director

Appointed:

Nigel joined the Board as a Non-Executive Director on 1 October 2023.

Skills and qualifications:

Nigel Webb brings over 38 years of experience in property investment and development to the Barratt Board. Up until June 2023, Nigel was the Head of Development and a member of the Executive Committee at British Land Company plc, where he had worked since 1992. His responsibilities included leadership of British Land's property development activities throughout the UK and across all sectors, primarily office, retail, residential and urban logistics. He was also responsible for delivery of the group's industry-leading Environment, Social and Governance (ESG) strategy, including developing all new buildings to net zero embodied carbon.

External appointments:

Nigel is currently a Non-Executive Director of Precede Capital Partners, non-executive Board Adviser to Sir Robert McAlpine and Interim Chair & Trustee of the Victoria and Albert Museum.

Tina Bains

Company Secretary

Appointed:

Tina was appointed to the role of Company Secretary in January 2016.

Skills and qualifications:

Tina joined the Group in 2008 as Assistant Company Secretary, and was promoted to the role of Deputy Company Secretary in 2011. Prior to this, Tina held various Company Secretarial positions within the private and professional services sectors including TMF Corporate Secretarial Services Limited and Ernst & Young LLP. Tina is a Fellow of the Corporate Governance Institute.

External appointments:

Tina is a Trustee of the Barratt Developments PLC Charitable Foundation.

Board skills and experience

All Directors are expected to devote the necessary time to fulfil their responsibilities and duties to the Company, with the highest standards of integrity. Each Director has demonstrable experience, skills and knowledge which complement those of other Board members and enhance Board effectiveness.

The skills held by the Directors are summarised below.

Skill	Total
Housebuilding	👤👤👤
Property	👤👤👤👤👤
Retail	👤👤👤👤👤👤
Public policy	👤👤👤👤👤
Marketing	👤👤👤
Governance	👤👤👤👤👤👤👤👤
Finance/accounting	👤👤👤👤👤👤👤
Legal	👤
Employment/HR	👤👤👤
Sustainability	👤👤👤👤👤👤👤
Digital	👤👤👤👤👤
Financial services	👤👤👤
Land/construction	👤👤
People/talent/ succession/ diversity, etc	👤👤👤👤👤

Executive Committee

Members

The Executive Committee currently comprises of:

1. **David Thomas**
   Chief Executive
2. **Steven Boyes**
   Chief Operating Officer and Deputy Chief Executive
3. **Mike Scott**
   Chief Financial Officer
4. **Tina Bains**
   Company Secretary
5. **Bukky Bird**
   Group Sustainability Director
6. **Tim Collins**
   Group Corporate Affairs Director
7. **Sally Austin**
   Group HR Director
8. **Louise Ruppel**
   General Counsel

Biographies can be found on pages 90 to 93

5

Bukky Bird

Group Sustainability Director

Bukky is responsible for the Group's sustainability strategy and its delivery. She is a member of the Sustainability Committee.

Career and experience:

Bukky joined the Group in 2020 and was appointed to the Executive Committee in September 2022. She brings a breadth of experience acquired from leadership roles in strategy, sustainability, business transformation, engineering, construction and retail operations. She was previously at Tesco PLC, and before that at WSP Group PLC. Bukky is a qualified Mechanical Engineer and also holds a Master's degree in Environmental Design and Engineering, both from UCL.

6

Tim Collins

Group Corporate Affairs Director

Tim is responsible for the Group's internal and external communications and public affairs. He is also a Trustee of the Barratt Developments PLC Charitable Foundation.

Career and experience:

Tim joined the Group in 2014 as the regional Head of Communications, before becoming Group Head of Corporate Communications in 2016. He was appointed to his current role and joined the Executive Committee in September 2022. Tim brings significant political and industry experience, having held the roles of Deputy Director of Communications at the Conservative Party, Chief of Staff to the Shadow Housing Minister and Deputy Director External Affairs at the HBF. Tim has a Law degree from University College London.

7

Sally Austin

Group HR Director

Sally joined Barratt in November 2023 as Group HR Director.

Career and experience:

She was previously the Chief People Officer at Wincanton PLC from August 2019 to October 2023. Prior to Wincanton, Sally was the Group HR Director with Costain Group PLC, a British technology-based construction and engineering company where she held a variety of HR roles and became Group HR Director in 2014. Sally began her career in HR at BAE Systems and Eaton Corporation where she held HR roles across Europe, Middle East and Africa. Externally, Sally is Chair of Warwick Schools Foundation.

8

Louise Ruppel

General Counsel

Louise joined Barratt in February 2024 as General Counsel and a member of the Executive Committee.

Career and experience:

Louise trained as a lawyer with Slaughter & May and has over 20 years of Executive Committee experience in industries spanning defence, security, and transport, including at FirstGroup plc and Manchester Airport Group. She most recently held the position of General Counsel and Company Secretary at defence and security company Ultra Electronics for four years.

Caroline Silver
Chair

Governance at a glance

Dear Shareholder

As a Board, we are responsible for the stewardship of the Company and remain accountable to you for the decisions that we make.

Despite the ongoing challenges in our operating environment, we have made good progress during the year towards our purpose of making sustainable living a reality and building strong communities. This report explains how our governance framework contributes to the long-term sustainable success of the Company by ensuring that decisions are made by the right people following appropriate challenge and debate.

Having the right culture is key for ensuring that decisions are made in the right way. As a Board we set and review, at least annually, the Group's core policies and ensure that we have effective systems and processes in place to monitor how we do business. Details on how we monitor culture can be found on page 98.

FY24 highlights

During the year, the Board:

- agreed the combination with Redrow;
- approved the appointment of Nigel Webb as a Non-Executive Director;
- approved the appointment of Matthew Pratt as an Executive Director and Group CEO, Redrow and Nicky Dulieu and Geeta Nanda as Non-Executive Directors subject to CMA clearance and the completion of the Combination;
- agreed updated science-based targets for carbon emissions; and
- joined the Responsible Actors Scheme to improve building standards and remedy defects relating to fire safety.

Fully compliant with the 2018 UK Corporate Governance Code (the Code).

The Company is subject to the Code which can be found on the FRC's website, www.frc.org.uk. The Board confirms that, throughout the year ended 30 June 2024, and as at the date of this report, the Company has complied with all relevant provisions set out in the Code.

This report, together with the reports from the Nomination, Audit and Risk, SHE and Remuneration Committees and the other statutory disclosures, provides details of how the Company has applied the principles of the Code. The Company has also complied with the relevant requirements of the FCA's Disclosure and Transparency Rules and the UK Listing Rules, BEIS's Directors' Remuneration Reporting Regulations and Narrative Reporting Regulations and the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The Company's Board diversity statement and associated data is included in the Nomination Committee Report on pages 106 to 108.

We welcome the FRC's publication of the 2024 Code which will apply to us from 1 July 2025. We are in the process of reviewing our governance framework and arrangements in light of the 2024 Code to ensure that any necessary changes can be implemented in a timely manner.

Board and Committee attendance

Attendance at Board and Board Committee meetings during the year is set out in the table below. During the year, the Board also held two additional meetings through a dedicated sub-Committee convened specifically to consider and agree matters relating to the Combination.

	Board	Nomination Committee	Audit and Risk Committee	Safety, Health and Environment Committee	Sustainability Committee	Remuneration Committee
Caroline Silver – Chair	13/13	2/2	N/A	N/A	N/A	4/4
David Thomas – Chief Executive	13/13	N/A	N/A	N/A	4/4	N/A
Steven Boyes – Chief Operating Officer and Deputy Chief Executive	13/13	N/A	N/A	1/1	3/4	N/A
Mike Scott – Chief Financial Officer	13/13	N/A	N/A	N/A	N/A	N/A
Jock Lennox – Senior Independent Non-Executive Director	13/13	2/2	4/4	N/A	4/4	4/4
Katie Bickerstaffe – Non-Executive Director	13/13	2/2	4/4	N/A	4/4	4/4
Jasi Halai – Non-Executive Director	13/13	2/2	4/4	N/A	4/4	4/4
Nigel Webb[1] – Non-Executive Director	12/12	2/2	3/3	N/A	N/A	4/4
Chris Weston[2] – Non-Executive Director	12/13	2/2	4/4	1/1	N/A	4/4
Bukky Bird – Group Sustainability Director	N/A	N/A	N/A	N/A	4/4	N/A
Jeremy Hipkiss[3]	N/A	N/A	N/A	N/A	1/1	N/A
Tina Bains – Company Secretary	N/A	N/A	N/A	N/A	4/4	N/A

1 Nigel was appointed to the Board on 1 October 2023. His attendance above reflects the meetings he was eligible to attend during FY24.

2 Chris Weston was unable to attend the October Board meeting due to a prior commitment. Prior to the meeting, he provided his views on the items on the agenda which were shared with the other Board members during the meeting. Following the meeting Chris was briefed on the business of the meeting and any decisions taken.

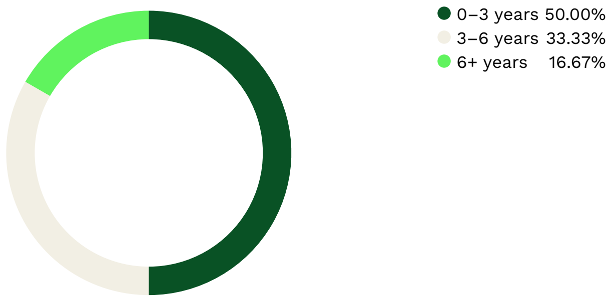
3 Former Group Customer and Change Director.

Read more about our board on pages 90 to 92

Gender diversity

Independence (excluding the Chair)

Non-Executive Director tenure



Implementation of the Code

Board leadership and Company purpose

How we have applied the Code

1. Board of Directors See pages 90 to 92, 95 and 96
2. Purpose, values, strategy and culture See page 98
3. Resource and control framework See pages 96, 97 and 101
4. Stakeholder engagement See pages 50 to 57
5. Workforce policies and practices See page 45

Division of responsibilities

How we have applied the Code

1. Role of the Chair See page 99
2. Division of responsibilities See page 99
3. Role of the NEDs See page 99
4. Policies, processes, information, time and resources See pages 96 and 100

Composition, succession and evaluation

How we have applied the Code

1. Appointments to the Board See page 106
2. Skills, experience and knowledge See pages 90 to 92 and 103
3. Board evaluation See pages 109 to 111

Audit, risk and internal control

How we have applied the Code

1. Independence and effectiveness of internal and external audit See pages 118 to 120
2. Fair, balanced and understandable assessment See pages 116 to 117
3. Risk management and internal control See pages 117 and 118

Remuneration

How we have applied the Code

1. Alignment to purpose, values and long-term success See page 127
2. Remuneration Policy See pages 128 to 131
3. Independent judgement and discretion See page 129

Role of the Board

We are responsible for the stewardship and long-term sustainable success of the Company. Our overarching aim is to create sustainable value for the benefit of our shareholders through:

- setting the strategic objectives and ensuring the right leadership and resources are in place to meet them;
- setting the purpose and values to provide direction as to how the strategic objectives should be met; and
- ensuring that the Company has an effective risk management framework.

Board meetings

We meet formally at least seven times a year. To increase our visibility of the Group's operations and provide further opportunities to meet senior management, at least two Board meetings are combined with visits to the Group's sites. In March 2024 we visited our West Craigs and Cammo sites in Edinburgh, Scotland, and in May 2024 we visited Darwin Green and Franklin Gardens in Cambridgeshire. On both visits we toured the development and met with senior management and site and sales office employees who provided an overview of the regional, divisional and site operations respectively, enabling us to gain a better understanding of how culture is embedded in the business, and the challenges faced on a day-to-day basis.

In addition to our regular Board meetings, we held a strategy day which was devoted to reviewing progress against the Group's strategy and discussing longer-term strategic options. During this meeting we received updates on analyst and investor feedback, the political landscape and the housing market and discussed our construction strategy and roadmap to meet the requirements of the Future Homes Standard. We also held a number of informal meetings during the year to build and maintain strong relations between the Directors, and I met with the Non-Executive Directors without the Executive Directors present prior to each Audit and Risk Committee and Remuneration Committee meeting to discuss their priorities and concerns; eight of these meetings have been held during the financial year.

Key activities and discussions in FY24 and outcomes

Strategy

Approved updated science-based targets to reduce carbon emissions which will help the delivery of our purpose to make sustainable living a reality

Link to risks
C G

See page 81

Stakeholders considered
Government, shareholders, sub-contractors and suppliers, customers, local communities and the environment

Approved the combination with Redrow to create an exceptional homebuilder to drive innovation for customers, employees, sub-contractors and the supply chain and meet the demand for more houses

Link to risks
C H J

See pages 48 to 49

Stakeholders considered
Government, opposition and regulators, banks, shareholders, employees, sub-contractors and suppliers, customers, local communities and the environment

Operations

Approved multiple investments in land

Link to risks
B

Stakeholders considered
Customers, local communities and the environment

Considered the results of the investigation into the fatality at one of our sites in November 2023 and was satisfied that the report from the Health and Safety Executive concluded that suitable safety arrangements were in place

Link to risks
C G

Stakeholders considered
Employees, sub-contractors and local communities

Considered updates on engagement with the CMA in respect of the housebuilding market study and its investigation into information sharing

Link to risks
C

Stakeholders considered
Government, opposition and regulators, and customers

Considered updates on customer service performance

Link to risks
D

Stakeholders considered
Customers

Considered updates on employee survey results

Link to risks
H

Stakeholders considered
Employees

Finance

Approved results announcements and trading statements

Link to risks
A

Stakeholders considered
Shareholders

Approved the 2024 interim dividend payment and recommended the 2024 final dividend payment

Link to risks
A

Stakeholders considered
Shareholders, banks

Approved the annual budget whereby the resources to achieve the agreed strategy are made available

Link to risks
A B D G H I

Stakeholders considered
Employees, suppliers and sub-contractors, shareholders, local communities and the environment

Risk management

Reviewed the Company's principal and emerging risks and agreed a process by which to re-assess the Board's risk appetite

Link to risks
A B C D E F G H I J

See pages 65 to 70

Stakeholders considered
Employees, suppliers and sub-contractors, shareholders, banks, local communities and the environment and customers

Reviewed the effectiveness of the risk management and internal control framework

Link to risks
A B C D E F G H I J

See pages 117 and 118

Stakeholders considered
Shareholders, employees, suppliers and sub-contractors

Governance

Approved the appointment of Nigel Webb to ensure Board composition remains appropriate

Link to risks
B H

See page 106

Stakeholders considered
Shareholders

Received diversity and inclusion updates

Link to risks
C H

Stakeholders considered
Shareholders, employees and government

Approved Board evaluation action plans

Link to risks
C H

See pages 109 to 111

Stakeholders considered
Shareholders

Our values
- We do it for our customers
- We do it right
- We do it together
- We make it happen

Principal risks
- A Economic environment
- B Land and planning
- C Government regulation and political risk
- D Construction quality and innovation
- E High rise and complex structures
- F Supply chain resilience
- G Safety, health and environment
- H Attracting and retaining high-calibre employees
- I Information technology
- J Redrow integration

Culture in the workplace

As a Board we set the culture and tone from the top. We determine the Company's purpose and values and remain responsible for ensuring that the right culture is embedded throughout the business.

We refreshed our purpose and values in FY23 and embedded them throughout the Group during FY24 via a Group-wide training programme comprising interactive face-to-face seminars and training material with clear examples of what living each value means in practice. Our values show our employees how to behave and clarify the standards they can expect from each other and the Company. They help us build better, work better, be better and create places where people, communities and nature can thrive. We all have a part to play and as a Board we lead by example by living and promoting our values every day.

Further details on our purpose and values can be found on pages 1 and 2 and in numerous case studies throughout this report.

How we drive and monitor culture across the business

We undertake a number of actions to support and monitor the Company's culture, including:

- Conducting site visits at which we engage with employees at all levels of the business, seeking their views on the Company and its performance. In addition to the two Board visits, the Executive Directors and many of the Non-Executive Directors made independent visits to some of our sites during the year.
- Reviewing feedback from the employee engagement survey and pulse survey and overseeing action plans to address matters raised. See page 30 for further details.
- Reviewing customer satisfaction scores. Our customer satisfaction KPI is used by the Remuneration Committee as part of the annual bonus performance measure to drive behaviour consistent with our purpose, values and strategy.
- Receiving SHE performance updates together with information on new or ongoing investigations and their outcomes. The SHE audit compliance KPI underpins the quality and service annual bonus performance measure set by the Remuneration Committee to promote the desired culture.
- Monitoring employee leaver numbers and reasons, and the steps being taken to attract, recruit and retain employees.
- Reviewing core governance policies on an annual basis to ensure that they remain appropriate.
- Receiving, via the Audit and Risk Committee, updates on matters raised via the Group's whistleblowing procedure. See page 118.

Purpose

Making sustainable living a reality, building strong communities.

We do it for our customers

We do it right

We do it together

We make it happen

To ensure our culture aligns with our purpose and values we review a number of cultural indicators including:

302 per 100,000 workers IIR	**74.9%** employee engagement index	**32%** of employees are female	**12%** voluntary employee turnover
5 star HBF customer satisfaction score	**97%** SHE audit compliance	**8%** employees are from an ethnic minority background	**27** whistleblowing reports
77% of employees completed the engagement survey	**68%** invoices paid within 30 days	**14,515** hours volunteered	**97%** completion rate for the 6 key mandatory e-learning modules

Board roles and their responsibilities

Chair
Caroline Silver

- Leads the Board in the achievement of its objectives, sets its agenda and chairs its meetings.
- Shapes the culture in the Boardroom.
- Responsible for the effectiveness of the Board and its governance.
- Facilitates the effective contribution of Non-Executive Directors and constructive relations between Executive and Non-Executive Directors.
- Ensures the Board receives accurate, timely and clear information.
- Responsible for arranging inductions and continued development for the Directors.
- Ensures effective communication with shareholders and other stakeholders, and participates in corporate relations activities.

Chief Executive
David Thomas

- Develops the Group's strategy for the enhancement of long-term shareholder return taking into account the needs of the Group's stakeholders.
- Leads the implementation of the Group's strategy approved by the Board.
- Responsible for the day-to-day leadership and management of the operational activities of the Group in accordance with overall strategy and policy as determined by the Board.
- Chairs the Executive Committee through which he carries out his duties.
- Oversees corporate relations with shareholders and other stakeholders.
- Responsible to the Board for sustainability policies and practices of the Group.
- Chairs the Sustainability Committee and co-chairs the Workforce Forum.

Chief Operating Officer and Deputy Chief Executive
Steven Boyes

- Responsible for the Group's operations.
- Day-to-day responsibility for safety, health and environment issues, promoting the wellbeing of employees.
- Responsible for our procurement function and our land promoter business.
- Responsible for ensuring stakeholder requirements are appropriately addressed.
- Chairs the Operations Committee meetings, the other members of which include the Regional Managing Directors.
- Co-chairs the Workforce Forum.

Chief Financial Officer
Mike Scott

- Develops and implements the Group's financial strategy and policies.
- Responsible for the management of the finance, tax, internal audit, treasury and investor relations functions.
- Supports the Chief Executive with his corporate relations responsibilities with shareholders and other stakeholders.
- Manages the Group's relationship with the external auditor.
- Manages the Group's relationships with its lending banks.
- Chairs the Executive Risk Committee.

Senior Independent Director
Jock Lennox

The following are in addition to his role and responsibilities as an Independent Non-Executive Director:

- Available to shareholders, when required, to address any material issues or concerns which the Chair and/or Chief Executive have failed to resolve.
- Available to shareholders, when required, to listen to their views to gain a balanced understanding of their issues and concerns.
- Evaluates the performance of the Chair, at least annually, with the Non-Executive Directors, and leads the process for the Chair's succession.
- Acts as a sounding board for the Chair and, if necessary, an intermediary for the other Directors.

Independent Non-Executive Directors
Katie Bickerstaffe, Jasi Halai, Jock Lennox, Chris Weston and Nigel Webb

- Provide an appropriate level of scrutiny, and constructively challenge the Executive Directors, holding management to account and ensuring the needs of stakeholders are appropriately considered.
- Using the broad range of their experience and external perspective, provide specialist advice and an independent perspective in developing strategy.
- Monitor the implementation of the Group's strategy within its risk and control framework and ensure the integrity of financial reporting.
- Ensure that recruitment and succession planning is appropriate and mindful of diversity and balance.
- Review and refresh the Remuneration Policy in the context of stakeholder interests, and ensure it is implemented appropriately.

Read more about the Board on pages 90 to 92

Company Secretary
Tina Bains

- Supports the Chair and Chief Executive in fulfilling their duties especially in respect of induction, training and Board and Committee effectiveness evaluations.
- Available to all Directors for advice and support.
- Keeps the Board regularly updated on governance matters and best practice.
- Ensures Group policies and procedures are maintained and updated on a regular basis.
- Attends and maintains a record of the matters discussed and approved at Board and Committee meetings, including where Directors have concerns that cannot be resolved.
- Maintains an annual agenda to ensure that all key matters are allocated adequate time for discussion.

Governance framework

The Board makes decisions on strategy and on items set out in the matters reserved for it. It also delegates various operational decisions to several Board and management Committees (see below). The schedule of matters reserved to the Board and the Terms of Reference of the Board Committees are available on the Company's website at www.barrattdevelopments.co.uk/investors/corporate-governance.

Board Committee

Audit and Risk Committee

- Monitors the integrity of the Group's Financial Statements and formal announcements on its financial performance, including reviewing financial reporting judgements contained within them.
- Advises the Board on whether the Group's Annual Report and Accounts are fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.
- Provides oversight of non-financial information, including sustainability and considers the need for external assurance.
- Reviews the Group's internal financial, operational and compliance controls and its systems for risk management and internal controls.
- Monitors and reviews the independence, objectivity and effectiveness of the external auditor and the internal audit function, and reviews and recommends to the Board the reappointment, remuneration and terms of engagement of the external auditor.
- Develops and implements the Group's policy on the engagement of the external auditor to supply non-audit services.

Remuneration Committee

- Designs and implements the Group's overall remuneration strategy and policy, ensuring alignment with purpose and strategy.
- Sets the remuneration and determines the outcomes for the Executive Directors and senior management.
- Monitors performance of long and short-term incentive schemes against both financial and non-financial targets.
- Considers the remuneration and related policies of the wider workforce when determining Executive Directors and senior management's remuneration and incentives.

Nomination Committee

- Monitors the composition of the Board and its Committees to ensure a balance of skills, experience and knowledge, and their progressive refreshment.
- Reviews succession plans for Board and senior management to ensure there is a diverse pipeline.
- Promotes diversity of Board Directors and senior management.
- Undertakes annual effectiveness evaluations of the Board, its Committees and individual Directors.

Disclosure Committee

- Comprising any two of the Chief Executive, Chief Financial Officer and the Company Secretary, meets as required to ensure that the Company remains compliant with the requirements of the UK Market Abuse Regime.

Safety, Health and Environment Committee

- Focuses on the prevention and mitigation of key operational risks relating to SHE.
- Monitors compliance with the SHE management system.
- Oversees direction and implementation of SHE policies and procedures.

Sustainability Committee

- Reviews and scrutinises sustainability strategy and its implementation by the business.
- Reviews and approves plans by the business to mitigate risks and leverage opportunities relating to sustainability and climate changes.
- Develops and implements ESG policies and monitors compliance against these.
- Scrutinises sustainability performance incentives for consideration by the Remuneration Committee.
- Advises the Board on the appetite and tolerance with respect to ESG risks.
- Oversees carbon emission science-based targets and recommends changes where necessary.
- Oversees the development of our sustainability reporting.

Board

Chief Executive

Executive Committee

Chief Operating Officer

Group Management Committee

Executive Risk Committee

- Reviews the effectiveness of the Group's internal control policies and procedures for the identification, assessment and reporting of risks.
- Assesses individual key risks on a rolling basis (including the identification of the Group's principal and emerging risks) together with the appropriateness of any mitigations.

Land Committee

- Reviews and approves all land acquisition and disposal proposals across the Group.
- Refers proposals to the Board for approval depending on the value of the land transaction or its complexity, e.g. joint venture arrangements.

Treasury Operating Committee

- Reviews the Group's treasury arrangements and approval of changes to debt facilities.
- Obtains Board approval for certain types of facility and where the facility is above the levels delegated to the Treasury Operating Committee.

Allotment Committee

- Approves the allotment of shares within dilution limits and within the authorities obtained from shareholders.

Operations Committee

- Manages operational performance.

Safety, Health and Environment Operations Committee

- Develops the SHE strategy for the Group.
- Ensures that SHE policies and procedures are adequately implemented and adhered to.
- Monitors the effectiveness of the Group's SHE systems.
- Keeps up to date with changes in legislation surrounding SHE matters.

Risk management and internal controls

We recognise the importance of maintaining a sound system of internal controls to safeguard shareholders' investment and the Company's assets. As a Board we are responsible for establishing procedures to manage risk and oversee the work of management to ensure that the internal control framework is appropriate to support the Group in achieving its long-term strategic objectives. Our control framework is designed to mitigate business, operational, financial and reporting risks. Management own the risk management process, submit appropriate policies for our approval, implement appropriate procedures and provide relevant information to enable us to fulfil our duties.

As a Board we set the risk appetite and tolerance levels for the Group and in doing so, consider the expectations of our shareholders and other stakeholders. As part of our risk management process, we review and approve our risk appetite and tolerance levels to ensure that they remain appropriate. Approved risk appetite levels for each of our Principal Risks are detailed in the Principal Risk tables on pages 65 to 70.

Details of how we manage risk can be found on pages 63 to 65 and information about how we monitor and review the effectiveness of our risk management and internal control systems can be found in the Audit and Risk Committee report on pages 117 to 118. Our risk management and internal control frameworks define the procedures to manage and mitigate risks facing the business, rather than eliminate risk altogether, and can only provide reasonable and not absolute assurance against material misstatement or loss.

On behalf of the Board

Caroline Silver
Chair
3 September 2024

Helping to create energy efficient homes at Kingsbrook.

Nomination Committee Report

Our approach to appointments, succession and evaluation

Caroline Silver
Chair of the Nomination Committee

Quick facts[1]

- The majority of Committee members are independent
- 3 females on the Board
- 1 female in a senior Board position
- 1 Director from an ethnic minority background

1 As at date of this report.

Committee members


Caroline Silver


Katie Bickerstaffe


Jasi Halai


Jock Lennox


Chris Weston


Nigel Webb

Members biographies and qualifications are shown on pages 90 to 92

See page 95 for Committee meeting attendance

Focus in the reporting year

- Undertook an extensive review of the size and composition of the Board
- Conducted a robust recruitment process for the appointment of Nigel Webb as a Non-Executive Director
- Assessed the skills, experience and knowledge necessary to drive the future strategy of the Company and strengthened the Committee's oversight of the Board's skills, knowledge and experience
- Reviewed the succession plans for the Executive Directors and senior management

Priorities for FY25

- To assess the composition (including size and diversity) of the Board and its Committees following completion of the Redrow combination
- Conduct induction processes for Matthew Pratt, Nicky Dulieu and Geeta Nanda on Barratt's business and induction processes for the current Barratt Directors on Redrow's business
- Map the key skills to drive the future strategy of the business against the skill set of the Directors to identify gaps and inform the role specification of future appointments
- Oversee an effective handover of the Audit and Risk Committee Chair and Senior Independent Director roles should Jock Lennox step down from the Board on completion of his third three year term.

Statement from the Chair of the Nomination Committee

I am pleased to present the Nomination Committee Report for FY24. It has been another busy year for the Committee in terms of appointments to the current Board and considering potential appointments to the combined Board once the two businesses are able to fully integrate.

Board changes and succession planning

Following a thorough recruitment process the Committee recommended that the Board appoint Nigel Webb as a Non-Executive Director and member of the Audit & Risk, Nomination and Remuneration Committees with effect from 1 October 2023. Nigel brings a wealth of property investment and development experience and ESG strategy expertise to the Board which complements the skills of the other Directors. Nigel's skills, knowledge and experience will be of great value to the Company over the coming years.

Statement from the Chair of the Nomination Committee continued

Board changes and succession planning continued

As previously announced, we expect Matthew Pratt, Nicky Dulieu and Geeta Nanda to join the Board once either: (i) undertakings have been agreed with the Competition and Markets Authority (CMA) that address the CMA's limited concerns in connection with the combination of Barratt and Redrow; or (ii) the CMA otherwise agrees to their appointment.

Provided that they are appointed as Directors by the Board prior to the date of the AGM, Matthew, Nicky and Geeta will seek election by shareholders at the 2024 AGM. If they are not appointed prior to the date of the AGM, they will seek election by shareholders at the 2025 AGM.

Matthew, Nicky and Geeta bring a variety of skills, knowledge and experience to the Combined Board and I am pleased that their appointments will strengthen the overall diversity at Board level.

During the year we held a detailed succession session with David Thomas where we considered the talent pipeline for key executive roles at Board and senior management level. Given that integration planning is underway, Committee members now meet with David immediately prior to each Board meeting to understand the discussions taking place about, and the impact on, our employees. We will continue to undertake detailed work on succession planning at Board and senior management levels to ensure we have a sufficiently diverse pipeline and the right skills and experience to drive our strategy forward.

Skills and experience of the Board

During the year, as part of our annual evaluation process, we reviewed the composition, skills, experience and diversity of the Board and its Committees. This identified opportunities to strengthen the skills matrix and the process by which we carry out our skills gap analysis. Board members were asked to identify the key skills needed on the Board to drive the future strategy of the business. The outcomes of this review will be mapped against the current Board's skill set to identify any skill gaps which will help determine the role specification for any future non-executive appointments. When Matthew, Nicky and Geeta, join the Combined Board, we will update our skills matrix and map this against the skills gap analysis to ascertain if any gaps are satisfied.

Diversity and inclusion

We fully understand the importance of having diversity on the Board, not only in terms of skills and experience but also female and ethnic representation. Following my appointment as Chair in June 2023 and Jasi Halai's appointment in January 2023, we meet the recommendations to have a woman in a senior Board position (Chair, CEO, CFO or SID) and to have at least one member on the Board from a minority ethnic background (as defined by the FTSE Women Leaders Review and the Parker Review).

Whilst we were conscious that female representation on the Board fell to 33.33% following Nigel's appointment in October 2023, we were confident that he was the best candidate for the role given his skills, knowledge and experience in property, construction and land. Strengthening diversity on the Board is and remains a key priority for the Committee and the Board. Subject to CMA clearance, the appointments of Matthew, Nicky and Geeta will strengthen the overall diversity of the Board, including diversity of industry skills, knowledge and experience in addition to gender and ethnicity. Female representation on the Combined Board will be 41.67%.

Information on the Board's diversity targets as required by the UK Listing Rules, together with accompanying numerical data, is set out on pages 106 and 107. Further information on the Company's progress on diversity and inclusion initiatives can be found on page 108 and in the Strategic Report on pages 31 and 32.

FY25 priorities

Following completion of the Redrow combination, the composition (including size and diversity) of the Board and its Committees will be a key focus area in FY25 to ensure that we continue to have the right combination of skills and industry experience to provide effective challenge, guidance and support to management and drive the business strategy forward.

The induction of Matthew Pratt, Nicky Dulieu and Geeta Nanda will also be a key focus in the year ahead to ensure that they quickly build key stakeholder relationships. It will also be important for the Combined Board to gain a sound understanding of the enlarged Group so that it can apply its extensive and wide-ranging experience to drive the strategy and achieve synergies.

In July 2025 Jock Lennox will have completed nine years as a Non-Executive Director on the Board. Discussions are underway with Jock to determine if he will be stepping down from the Board and, if required, who will succeed him as Chair of the Audit and Risk Committee and the Senior Independent Director.

Further details of the work undertaken by the Nomination Committee during the year are set out on the following pages.

Caroline Silver
Chair of the Nomination Committee
3 September 2024

Q&A

with Nigel Webb

Caroline Silver asked Nigel about his experience of joining Barratt.

CS What were your first impressions on joining the business?

NW Prior to joining the Board I had some previous experience of Barratt on two joint ventures I had negotiated with my previous employer, British Land. Those relationships gave me a very positive view of the Company and its professionalism, strength of leadership and purpose. Joining the Board has only reinforced those positive opinions. Going around the business I have seen how dedicated and motivated our teams are in delivering first class homes for our customers and striving to maintain our industry leading customer experience. It really is an honour to join the Board.

CS How effective have you found your induction programme in preparing you for the Barratt Board discussions?

NW The induction process has been first class, thorough and enjoyable and has really helped me get a good understanding of the business. It involved over 20 one-to-one meetings with members of the Board and senior management team, key external advisers including legal advisers, corporate brokers, bankers and auditors. It really did help me to hit the ground running and reinforced my positive views on the quality of the people and how well the Company is run.

CS Out of our values, which one do you resonate with the most?

NW Each of our four values are very powerful and what makes us the Company and team we are. However, if I had to single out one that most resonates with me it would be "We do it right". Doing things the right way, treating our customers, our suppliers and our people in the right way is essential. It helps to define us and maintain our market leading position. Doing what is right is important to me personally and aligns very much with my own personal values.

CS In what ways do you think your role will contribute to the Board's overall effectiveness?

NW As someone who has spent a career in property development, acquiring sites, securing planning and delivering complex projects, I believe I bring additional skills to complement the wealth of skills that already exist on the Board to help the Company achieve its strategic goals.

CS How important is a company's culture to you and what are your views on Barratt's culture?

NW Having the right culture within the Company is essential. It is what binds the Company together and provides a sense of belonging and team spirit and a shared sense of purpose. From my limited time on the Board, that positive culture, together with strong values and the sense of pride in what we do, is clearly evident throughout the business.

CS Do you have any other thoughts or ideas you would like to share with colleagues based on your first few months on the Board?

NW As we all know, it has been a very challenging few years battling some severe economic headwinds. Whilst we are not entirely "out of the woods" it feels that we are starting to turn the corner and that better times are ahead. This improving backdrop, coupled with the Combination makes for a really exciting future for the business as THE leading house builder in the country. I very much look forward to getting to know more people in the business and helping in whatever way I can to deliver a successful future for the business.

Nomination Committee role and activity FY24

Role and main activities undertaken by the Committee during the financial year

In addition to its annual tasks, such as the review of its Terms of Reference, effectiveness and approval of this report, the Committee carried out the following work during the year:

Priorities	Work carried out and outcomes
Governance	Reviewed training and development needs for the Board and identified innovation in construction and housebuilding as a key area for development to facilitate the consideration of alternative areas for the business to explore.
Composition and succession	Considered candidates and proposed the appointment of Nigel Webb as an additional Non-Executive Director. Conducted an extensive review of the size and composition of the Board and its Committees, assessed the skills, experience and knowledge necessary to drive the future strategy of the Company, and strengthened oversight of Directors' skills, knowledge and experience. Considered succession plans for Non-Executive Directors, Executive Directors, Executive Committee and Regional Managing Directors, taking into account the need for diversity and the future strategic direction of the Company.

Directors' conflicts of interest

The Board has authorised the Committee to oversee the process for reviewing and making recommendations to the Board concerning any actual or potential conflicts of interest that may arise for any Board member, including details of any terms and conditions that it deems necessary to impose on any authorisation given. Throughout FY24, the Company Secretary maintained a register of Directors' conflicts of interest, a summary of which was reviewed at each Board meeting to ensure it remained accurate and current throughout the year. As a Committee, we review the full register on an annual basis, and recommend any changes to the authorisations that may be required to the Board. The Board, when authorising any conflict or possible conflict of interest, does not count in the quorum the Director whose conflict or possible conflict is being discussed and reserves the right to exclude a Director from a meeting whilst a conflict or possible conflict is being considered. The Board may revoke or vary any authorisation at any time.

During the year we updated the Committee's Terms of Reference to strengthen oversight of the time involved in candidates' other significant commitments prior to recommending their appointment to the Board. The Committee monitored the time commitments and conflicts of interest relating to the external appointments of existing Directors throughout the year.

I am pleased to confirm that these procedures have operated effectively during the year.

Board changes and succession planning

Succession planning is a live topic at Committee meetings. All appointments and succession plans are objective, based on merit and the need to promote diversity.

We annually review the length of service for each Non-Executive Director, to determine if a new appointment needs to be made to replace anyone that may need to retire, taking into account the cyclicality of the business, as lessons gained through one property cycle can be useful during the next.

We discuss the succession plans for the other Executive Directors and senior management below Board level with the Chief Executive as well as his own succession. During the financial year we held four meetings with the Chief Executive to discuss succession plans and identify suitable individuals to fill senior managerial or Board positions in the future as well as determine and address their development needs. As part of their development, senior managers are invited to attend part of a Board meeting to present on their specialist area. This also enables the Board to assess the quality of internal talent, and for the individual to get a greater understanding of the workings of the Board.

During the year we discussed ways for certain Regional Managing Directors and individuals in other key roles to gain increased exposure to Group-wide matters to develop high-potential employees and strengthen the internal talent pipeline.

Succession plans are in place across the business for the wider workforce and our work on developing our employees is set out in the Strategic Report on pages 30 to 31. When considering succession plans, the Board remains cognisant of the need to ensure that there is a diverse range of individuals included in the plan. The business continues to promote diversity and inclusion from within, and further details of the work that has been undertaken in this area can be found on pages 31 to 32 and page 108.

Nomination Committee role and activity FY24 continued

Board appointment process

Stage 1

We review the length of tenure of each Non-Executive Director, determine the gaps in experience and consider the existing balance of gender, ethnicity and social backgrounds on the Board to help identify the need to recruit. Following the early departure of Sharon White in June 2023 we agreed to identify and appoint at least one Non-Executive Director.

Stage 2

We reviewed and approved an outline brief and role specification, and appointed Russell Reynolds[1], to identify suitable candidates from a diverse pool of individuals and delegated authority to a sub-Committee led by Caroline Silver to select candidates for a short-list.

Stage 3

We met with the short-listed candidates and the preferred candidates went on to meet the remaining members of the Board.

Stage 4

We agreed Nigel Webb as the preferred candidate, based on his range of skills, experience and knowledge that complemented those of the existing Board members and recommended his appointment to the Board.

Stage 5

The Board considered the appointment of Nigel on its merits and approved his appointment with effect from 1 October 2023.

Induction

Nigel has been through a detailed induction process designed to give him a good understanding of the business and how it operates to help him fulfil his role effectively. As part of this, he received a comprehensive induction pack, and had meetings with each of:

- the other Board members;
- the Company Secretary;
- members of the Executive Committee;
- the Regional Managing Directors and teams (at the regional offices);
- heads of key Group functions;
- key external corporate advisers; and
- the external auditor.

His induction also included two individual site visits in addition to the Board visit to David Wilson and Barratt sites in Cambridge. During the year Nigel, together with one of our Regional Managing Directors, visited a plot of land the Company was looking to acquire and fed his thoughts back to the Board, which subsequently approved the acquisition. Caroline Silver met with Nigel to listen to his views and feedback on the induction process, which was seen to be comprehensive and well structured.

Nigel's thoughts on his induction process can be found on page 104

Reappointment and re-election of Directors

Non-Executive Directors are appointed by the Board for up to three three-year terms subject to annual shareholder re-election and a particularly rigorous review prior to a third term being agreed. Non-Executive Directors will normally step down from their position on the Board and its Committees at the AGM following their ninth anniversary. The length of tenure of the Non-Executive Directors is shown on page 95.

In July 2025 Jock Lennox will have completed nine years as a Non-Executive Director and the Committee is in discussion with Jock to determine whether he will step down from the Board at the 2025 AGM and not offer himself for re-election.

Each of the Directors has been subject to a formal performance evaluation process during the year, as set out on page 111, and we are satisfied that each Director continues to be effective in, and demonstrates commitment to, their respective roles. All Directors will be standing for re-election at the forthcoming AGM. Subject to CMA clearance and being appointed to the Board prior to the AGM, Matthew Pratt, Nicky Dulieu and Geeta Nanda will stand for election.

Diversity and inclusion

Board diversity

During the year, the Board reviewed its policy on diversity and inclusion. The objective of the policy is to ensure that diversity is reflected within the composition of the Board, its committees and throughout the business in its broadest sense, including gender, ethnicity, age, disability, religious belief, sexuality, social class, education, experience and ways of thinking. The policy aims for continuous improvement at Board and senior management level on all these elements of diversity and to identify the most suitable candidate to join the Board and its Committees having regard to the individual's skills, experience and knowledge. It also seeks to ensure that, in managing any senior appointment and in succession planning more broadly, the Committee has regard to the recommendations of the Parker and the McGregor-Smith Reviews on ethnicity and race and the benefits of diversity, including gender, ethnicity, social background and cognitive and personal strengths. Diversity is addressed as part of the annual evaluation of the Board and its Committees.

Progress on diversity and inclusion can be found on pages 31 and 32. The main objectives of our policy, how they are implemented and progress towards them are set out on page 108

A copy of our Board Diversity Policy can be found at: www.barrattdevelopments.co.uk/sustainability/our-policies

1 Russell Reynolds Associates are occasionally requested to assist the Company with searches for senior management positions. They have no other connection with the individual Directors or the Company. Russell Reynolds Associates is accredited by the Enhanced Voluntary Code of Conduct for Executive Firms for its support to FTSE 350 Boards in increasing gender diversity. It is also a Co-Founder of The 30% Club, an advocate for improved gender balance on boards. Specific guidance was given to Russell Reynolds Associates to ensure diversity within the candidate long and short-lists whilst identifying candidates who had the relevant skills and experience required on the Board.

Diversity and inclusion continued

Board diversity continued

In accordance with the UK Listing Rules, the following tables detail the diversity profile of the Board and the Executive Committee as at 30 June 2024. This data was collated from our HR database which has been populated using information provided by each individual employee, including Non-Executive Directors. Diversity information for employees below the Executive Committee can be found on pages 30 to 32. Subject to Matthew Pratt, Nicky Dulieu and Geeta Nanda joining the Board, we will have five women on the Board (41.67%) and two Directors from an ethnic minority background.

Reporting table on gender representation as at 30 June 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	66.7	3	4	50.0
Women	3	33.3	1	4	50.0

Reporting table on ethnicity representation as at 30 June 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-White groups)	8	88.89	4	6	75.00
Asian/Asian British	1	11.11	0	1	12.50
Black/African/Caribbean/Black British	0	0.00	0	1	12.50

1 A full explanation regarding diversity is provided in the Chief Executive's Statement on pages 31 and 32 of this report.

Ersham Park, Hailsham

Diversity and inclusion continued

Diversity and inclusion throughout the business

The Nomination Committee and the Board recognise the importance of a diverse workforce, at all levels of seniority. Promoting diversity at senior management level, and more generally across the workforce, remains an objective for David Thomas, our Chief Executive. David, together with the new Group HR Director, will continue to support the Group Head of Diversity and Inclusion, to drive the agenda forward in this area and undertake full review of the overall strategy for 2025. The Group's aim is for its employee profile to mirror that of the communities in which it operates and provide an inclusive culture, where everyone can thrive. Further information on the Group's progress on diversity and inclusion can be found on pages 31 and 32. The main objectives, how they are implemented and progress towards them are set out below.

Objectives	Implementation	Progress
Talent: HR processes that support a wide range of skills and backgrounds	Ensure we have a detailed understanding of our people and their needs Review the HR lifecycle activity and ensure it is inclusive Tailored support programmes and early careers	Alongside our continued quarterly scorecard that reports levels of representation by grade, function and team for gender and ethnicity, we asked key demographic questions in an employee engagement survey to help us understand our population in more detail. This included questions relating to caring responsibilities and social mobility markers as recommended by the Social Mobility Commission. Across the HR lifecycle we have made changes to ensure a more inclusive approach; this has included moving to diverse short-lists for all roles, inclusive recruitment training for all hiring managers, support for carers following the launch of our Carers Leave Policy and toolkits for employees and managers to support the menopause. Catalyst, a female support programme, has run for another successful year, with its largest intake so far, and following a successful pilot Spotlight, our support programme for ethnic minority colleagues, is in its second successful year. Employees are encouraged to self-nominate and the sessions are externally facilitated.
Leadership: role models and allies – leading the change	Leading inclusivity workshops Support difference – employee network sponsorship Reverse mentoring	Our dignity and respect training for leaders has been rolled out to all our Divisional Directors and Group Service Centre Heads of function. We have now also begun delivering this to full divisions across the country. Each of our employee networks has an Executive Committee member as their sponsor, who supports the activities and objectives of the respective group. Both our gender and ethnicity support programmes include reciprocal mentoring, which is an opportunity for both our leadership mentors and the programme mentees to share and learn. We have established Regional Diversity and Inclusion Committees across the country, to support open dialogue to the regional senior leadership teams on areas to address and successes. This is also creating collaboration across divisions and ensuring we share best practice.
Shift attitudes: support our people's understanding to create the right experience for all	Hear the employee voice National Inclusion Week Dignity and respect awareness	We have six employee network groups, offering a range of activities from webinars, leading discussions, marking of key events and signposting support – gender (now including a sub-group for Women on Site and Tools), Ethnicity, Culture and Religion, Disability, Families (including Carers) and LGBT+. A member of the Executive Committee sponsors each network. National Inclusion Week in September 2023 saw each network celebrate its role models and offer insightful and educational pieces, from blog posts to podcasts. We have over 3,200 views and all our networks saw an increase in membership. Across a variety of delivery methods, we have continued to embed the importance of treating each other with dignity and respect, valuing difference in each other. Face-to-face training, poster campaigns, including on-site, and a section in our-site induction help support the message right through to sub-contractors. Please refer to page 51 for more information on the Workforce Forum.

Board and Committee evaluation

Each year, the Board undertakes a formal and rigorous annual evaluation of its own performance and that of its Committees and individual Directors. Every three years, the Board undertakes an externally facilitated evaluation. The last one was carried out in 2022. This year's evaluation was carried out internally by the Company Secretary. The next external evaluation is scheduled to be carried out for FY25.

Board and Committee evaluation process for FY24

Stage 1

Online questionnaires issued to Board and Committee members, and also to those who attend Committee meetings on a regular basis.

Stage 2

The Company Secretary reviewed the responses received and prepared a consolidated report for each of the Board and its Committees to consider.

Stage 3

The reports were shared with each of the respective Chairs.

Stage 4

Results were presented and discussed at the June or August Board and Committee meetings.

Stage 5

Actions for improvement were agreed for the next financial year, as set out below.

Progress on FY23 evaluation

Progress made against the outcomes of the internal Board evaluation undertaken in FY23 is set out below:

The Board

	Board composition	Strategy	Diversity and inclusion
FY23 outcomes	To ensure that the Board continues to have the appropriate skills, experience and diversity to help drive the Group's strategy forward.	To review the existing strategy, market evolution and future direction of the business.	Focus on further developing the Group's diversity and inclusion agenda and increasing diversity on the Board and throughout the business.
Progress in FY24	The Nomination Committee identified that the Board required a Non-Executive Director with land and construction experience to complement the existing skills of the incumbent Directors and recommended the appointment of Nigel Webb, which was subsequently approved by the Board.	The Board held a strategy day during the year with presentations from external experts to aid discussion on the appropriateness of the current strategy.	Diversity and inclusion was added as a bonus metric for senior management. The metric will be cascaded to a further 300 employees for FY25. The Board looks forward to enhancing the diversity and skills on the Board post-completion of the combination.

Progress on FY23 evaluation continued

Key areas of improvement for the Committees

	Nomination Committee	Audit and Risk Committee	Remuneration Committee
FY23 outcomes	Continue to focus on Board, Executive Directors and senior management succession.	To hold additional deep-dive and training sessions to support the Committee's understanding of current and emerging topics, including the impact of potential changes to the various governance and audit landscape. To continue to consider the structure of meetings to ensure that there is sufficient time allocated to address changes that may be required to the Committee's remit in response to the implementation of any governance and audit proposals during FY24 or beyond.	Consider ways to streamline the metrics used for short and long-term incentive schemes.
Progress in FY24	During FY24 the Committee held two meetings with the Chief Executive to discuss succession plans for him, the other Executive Directors and senior management. In addition, the Chair held separate meetings with the Executive Directors to get their views on their own succession. Working with the Group HR Director, a clear plan to identify and develop internal candidates to succeed the Executive Directors, at the appropriate time, has been developed.	Having evolved the way in which risk is identified, assessed and monitored across the organisation including by the Committee and the Board, deep-dive sessions into each of the principal risks have started to be scheduled for each Committee meeting. In June 2024, the Committee undertook a deep dive into the risks around our supply chain and the mitigations, controls and assurance around these. Deloitte LLP provided regular updates on the new UK Corporate Governance Code which has enabled the Committee to determine the steps it needs to take to ensure that the Group can meet the new requirements. The annual agenda was reviewed during the year and updated to take into account changes to the Committee's remit that are required as a result of the new UK Corporate Governance Code.	With the appointment of the Group HR Director a full review of the metrics and structure of the annual bonus schemes was commenced during the year. In addition, the Committee considered the metrics for the LTPP award. Given the combination with Redrow, the Remuneration Committee and management will be reviewing the Remuneration Policy, structure and metrics as part of the integration process.

FY24 Board effectiveness evaluation outcomes

Overall, the results of the evaluation were positive and showed that the Board continues to be run effectively. It is seen as being cohesive and comprising the appropriate balance of experience, skills and knowledge to implement the Group's strategy. Board meetings operate in a spirit of openness, fostered by the Chair, in which Directors are able to challenge and discuss openly ideas of importance to the Group, its strategy and risk.

Key areas of improvement for the Board

	Succession	Integration	Interaction with stakeholders
FY24 outcomes	Have greater visibility over the talent pipeline.	Successfully integrate the Redrow business and start to deliver synergies.	Gain a better understanding of stakeholders' interests and concerns during uncertain market conditions and the integration period.
Actions for FY25	Increase the level of interaction between the Board and individuals named in the succession plans.	Monitor progress against the integration and synergies plan.	Identify a range of events and opportunities in which individual Board members can participate and feed back to the Board.

FY24 Board effectiveness evaluation outcomes continued

The Committees

	Nomination Committee	Audit and Risk Committee	Remuneration Committee
FY24 outcomes	Continue to develop the Committee's approach to succession for Executive and Non-Executive Directors and senior management. Continue to seek and develop talent at executive level. Ensure that members of the Board and senior management have the appropriate skills, knowledge and experience to guide the business through the integration with Redrow post CMA clearance and to deliver the synergies identified as part of the Combination.	Continue to evolve the risk management process including the internal control framework and assurance process. Ensure adequate processes and reporting are in place to enable the Committee to monitor progress with the synergies in respect of the combination.	To ensure that the Remuneration Policy, strategy and performance metrics are appropriate to support the Combination and deliver the synergies.
Actions for FY25	Continue with the succession planning meetings with the Chief Executive. Working with the Group HR Director develop a process to identify talent and the support required for their development to create a diverse succession pipeline. Continuously monitor progress with the integration and delivery of synergies and consider with the Chief Executive whether any other skills are required to drive this forward.	Continue to support the work being undertaken by the Director of Risk and Audit in enhancing the risk management process. Work with management and the Director of Audit and Risk to identify and agree the process and reporting required to give full visibility of progress on synergies.	To review the Group's Remuneration Policy to ensure it remains fit for purpose and adequately supports the Combination. To consider how performance metrics for short and long-term incentives may be streamlined and support the Combination. To review and, if required, adjust the metrics of any in-flight, long-term incentives to reflect the Combination.

Evaluation of individual Directors

In May 2024, a questionnaire was issued to all Directors to assess the effectiveness of Caroline Silver, in her capacity as Chair of the Board. The Senior Independent Director discussed the comments and views expressed with the Non-Executive Directors and then provided the feedback to Caroline. Caroline was seen as being supportive but appropriately challenging, managing meetings with professionalism and ensuring each Director had the opportunity to express their views. Despite her other commitments, Caroline was seen to be available and flexible, maintaining a high level of engagement with the Company, management and members of the Board. During FY24, the Chair held one-to-one meetings with each Director to assess the effectiveness of their contributions, the appropriateness of their experience and the effectiveness with which they utilised that experience in furthering the Company's strategy. Any areas of improvement or training and development were agreed. There were no issues of any substance arising from these meetings.

This report forms part of the Corporate Governance Report and is signed on behalf of the Nomination Committee by:

Caroline Silver
3 September 2024
Chair of the Nomination Committee

Audit and Risk Committee Report

Audit, risk and internal control

Our approach to managing risk

Jock Lennox
Chair of the Audit and Risk Committee

Quick facts

- All members of the Committee are independent Non-Executive Directors
- Jock Lennox and Jasi Halai have recent and relevant financial experience
- The Committee as a whole has competence relevant to the sector in which the Group operates

Details of Committee members' skills and experience can be found on pages 90 to 92

Committee members

Jock Lennox

Katie Bickerstaffe

Jasi Halai

Chris Weston

Nigel Webb

Attendance at each meeting is set out on page 95

Focus in the reporting year

- Enhanced our risk management and internal control processes
- Considered the impact of the acquisition of Redrow plc on risk management, internal controls and reporting
- Continued to monitor and assess the accounting for, and control over, provisions for legacy buildings
- Reviewed the Group's reporting of and assurance obtained over sustainability performance
- Continued our oversight of external audit

Priorities for FY25

- Continue to scrutinise control over and provisions for legacy buildings
- Consider integration risk related to the Redrow combination
- Consider the implications of any changes in government policy for the housing market

Statement from the Chair of the Audit and Risk Committee

I am pleased to present the Audit and Risk Committee's Report for the year ended 30 June 2024.

This report sets out our work and how our responsibilities in relation to audit, risk and internal control have been implemented. We work closely with our Finance and Internal Audit teams, and with Deloitte LLP to ensure that:

- our risk and internal control processes remain robust and continue to adapt;
- our financial reporting remains clear; and
- our critical accounting judgements and key sources of estimation uncertainty are appropriate.

Areas of focus FY24

Risk Management and Internal Control

During the year we renamed the Committee to the Audit and Risk Committee and reviewed the annual cycle of work to extend its scope to monitor the Group's risk management processes and activities. This was a natural step given the continued development of the role of risk management alongside internal controls and the oversight by the Committee.

The approach to risk management and internal control is based around the Group's principal risks. In anticipation of the Audit Reform changes we have taken steps to enhance our risk management, internal controls and assurance processes. This has resulted in a more integrated process

Statement from the Chair of the Audit and Risk Committee continued

Areas of focus FY24 continued

Risk Management and Internal Control continued

that is grounded in a debate of our risks (including a Board risk workshop), considers mitigating actions and controls and oversees the assurance, including from Internal Audit, that gives comfort as to their operation. The process includes regular consideration of emerging and changing risk and the related evolution of our principal risks.

The Committee collectively and individually has reviewed this model in the year and was satisfied that it is fit for our purpose and will satisfy our reporting requirements as the recently announced changes to the UK Corporate Governance Code (including the FRC's minimum standard for Audit Committees) are introduced.

A deep dive into each of the Principal Risks is presented to the Committee on rotation. At our meetings in June and August 2024 Supply Chain Resilience (including consideration of modern slavery and human rights) and Government Regulation were debated. In each case presentations were made by members of the management team, actions considered and next steps agreed.

Acquisition of Redrow plc

The Committee has considered the impact of the acquisition on both risk management and internal controls and financial reporting requirements. Various discussions have taken place with management and the external auditor, and the Committee has been satisfied that appropriate resources are being applied to the consequences for risk management and internal controls and that the financial reporting disclosures are appropriate.

Legacy Properties

At each meeting we received updates from management on the Group's exposure to the risks derived from both fire safety relating to external wall systems (EWS) and the remediation required to reinforced concrete frames. Presentations were received from both financial management and the leadership of the Building Safety Unit. As can be seen in the results, further provisions were required in respect of EWS and reinforced concrete frames. In the period, certain additional buildings were brought into scope and risks were determined to require remediation. These buildings and risks had been previously disclosed as contingent liabilities. The risk that further liabilities could arise is still disclosed within contingent liabilities, but the rate of emergence of new buildings has declined. The development of these issues and the assumptions for the remaining provisions have been subject to considerable debate with management and the Committee is satisfied that the conclusions reached and the timing of the provisions being recognised and utilised is appropriate.

Work is expected to continue for the next five years. The Committee has discussed the need to balance the pace of remediation with ensuring that the quality of the work being undertaken remains at satisfactory levels in line with our value of 'We Do It Right', given the demand on the supply chain. The Committee continues to seek comfort from management that the approach being pursued by them is consistent with the overarching objective that leaseholders should not be disadvantaged, and remediation is set at the appropriate level.

CMA investigation into information sharing

As has been commented on publicly and elsewhere in this report, the CMA launched an investigation into suspected breaches of competition law, relating to the exchange of competitively sensitive information, by eight housebuilders, including Barratt and Redrow in February 2024.

This has been an important issue for the Committee to consider, involving discussions with both management and legal advisors. The Committee has received regular updates on the status of the investigation since its inception including the related risks. Regard has been given to the disclosure contained in this Annual Report, including those relating to contingent liabilities. Analysis and papers were received from management and our legal advisers, following review and discussion of which the Committee agreed that the conclusions reached on disclosure are appropriate.

Sustainability

During the year, the Committee reviewed the results of a benchmarking exercise which compared the Group's disclosures and assurance of ESG metrics with those of peer companies. Following this review, we were satisfied that Barratt continues to obtain and disclose assurance on ESG related metrics in line with best practice across its peers. The extent of assurance and reporting is continuing to evolve, including in relation to scope 3, and the Committee continues to have oversight of this.

The Committee debated the extent of the sustainability disclosure, and asked the Sustainability Committee, where I am a member, to do similarly. As a consequence, the structure and extent of sustainability reporting has evolved and can be found on pages 40 to 44 and pages 71 to 84.

Audit oversight

As a Committee, we continue to hold meetings with the external auditor and with the Director of Audit and Risk without the Executive Directors being present to discuss matters within our remit and provide them the opportunity to raise matters in private. I also meet separately with the external auditor and Director of Audit and Risk outside formal meetings. This included a meeting with the wider external audit team to understand their experience.

Key areas of focus for FY25

We will continue to oversee the development of our approach to risk management and internal controls, including further deep dives into each of our principal risks. This will help us to ensure that we are well prepared for the adoption of the changes arising from the 2024 UK Corporate Governance Code and any that emanate from amendments to policy and legal requirements that are implemented by the new Government.

In FY25 we will continue to oversee the provisioning for legacy properties; risk and control topics that emerge from the Redrow integration; the continuing development of our sustainability reporting; and any implications of the CMA investigation into information sharing.

Given that I will be coming up to my nine-year anniversary of joining the Board in July 2025, I will work closely with the Chair to ensure that everything is in place for me to handover the position of Chair of the Audit & Risk Committee to my successor, if I step down from the Board. I look forward to meeting shareholders at the forthcoming AGM.

Jock Lennox
Chair of the Audit and Risk Committee
3 September 2024

Role and activity of the Audit Committee

Membership and attendance at meetings

Members of the Committee are set out on page 112. In addition to Committee members, the Company Secretary, Director of Audit and Risk, Group Director of Finance, Chair of the Board, Chief Executive, Chief Operating Officer, Chief Financial Officer and representatives from our external auditor attended each of the Committee meetings. Other executives and senior managers attended when appropriate for specific agenda items.

After each Committee meeting, it reports to the Board on the matters discussed and make recommendations as appropriate.

Committee effectiveness

The Committee has a carefully planned agenda of items of business to ensure that high standards of financial governance and risk management are maintained. There were four scheduled meetings during the year.

I have an open, constructive and collaborative relationship with management and meet with them and the external and internal auditors outside of meetings to share views and discuss key issues.

The Board evaluation for FY24, which is described more fully on page 109, included an appraisal of the performance of the Committee. The outcome of the appraisal was that the Committee is operating effectively and should continue to evolve the risk management and internal controls framework and ensure adequate processes are in place to monitor progress on the integration of Redrow, including the establishment of consistent financial and operating controls for the combined Group and the achievement of synergies.

Further details can be found on page 109

Role and main activities undertaken by the Committee during the financial year

The main role of the Committee is to assist the Board in fulfilling its governance obligations relating to the Group's financial and non-financial reporting practices and its risk management and internal controls framework.

We review and agree an annual work programme to ensure that our role and responsibilities are completed throughout the year. In agreeing the annual programme, we consider the external environment, internal operation of the business and regulatory changes to ensure that all the main priorities are included. Following the increase to the Committee's scope we conducted an interim review of our annual work programme to ensure additional responsibilities relating to the identification and management of risk would be duly covered during the year.

During the year we carried out the following activities:

Priorities	Work carried out and outcomes
Integrity of Financial Statements and announcements	• Reviewed the Annual Report and Accounts and assessed the processes which ensure it is fair, balanced and understandable. • Reviewed the full year and interim results announcements. • Reviewed the going concern statement. • Considered management's analysis of significant accounting and audit issues, including the costs associated with legacy properties and their presentation in the Financial Statements, concluding that they remain appropriately provided and disclosed. • Received regular updates on the status of the CMA's investigation into suspected breaches of competition law by eight housebuilders, including Barratt and Redrow, and the potential risks and consequences of this. Considered the relevant disclosures in this Annual Report, including those relating to contingent liabilities.
Risk management and internal control systems	• Oversaw improvements to the Group's risk management framework, including the increase in scope of the Committee to cover risk management as the renamed Audit and Risk Committee and the introduction of a quarterly risk review by the Executive Committee. • Received a report from external advisers on the results of an assessment of the Group's design risk controls and oversaw management's plans and progress in implementing more effective design risk controls. • Received regular risk updates from the Director of Audit and Risk. • Performed deep-dive reviews of supply chain resilience risk (including the availability of supply and modern slavery and human rights) and Government regulation risk. • Reviewed the effectiveness of the Group's risk management and internal control processes, concluded that they continued to operate effectively and recommended to the Board that a disclosure to this effect be included in the Annual Report and Accounts. • Reviewed the viability model. • Considered the implications of the 2024 Corporate Governance Code and the potential for more changes from the new Government.

Role and activity of the Audit Committee continued

Role and main activities undertaken by the Committee during the financial year continued

Priorities	Work carried out and outcomes
Internal audit	• Confirmed that an internal quality self-assessment had been carried out by the internal audit function against IA standards for FY24 and concluded that the internal audit function continues to be effective. • Agreed internal audit's programme of work for the year and reviewed progress against the plan. • Approved the annual review and updates to the risk assurance map, setting out the assurance provided by each of the three lines of defence over the effective management of the Group's principal risks. • Reviewed and approved the Audit Charter ensuring that it is appropriate to the current needs of the organisation.
External audit	• Reviewed the outcome of the Group's external audit quality indicator assessment. • Reviewed Deloitte's audit plan for the Annual Report and Accounts, including key audit risks and divisional audit work performed around the business, and the progress of the audit. • Recommended to the Board the reappointment of Deloitte LLP as external auditor. • Reviewed and approved changes to the external auditor Non-Audit Services Policy.
Governance	• Monitored progress of the finance strategy. • Updated the Terms of Reference to align with the FRC's Minimum Audit Standards and enhanced the Committee's oversight of risk management processes and the Company's principal risks. • Worked closely with the Remuneration Committee and the Sustainability Committee to ensure that target setting and performance measurement for the variable elements of the remuneration package were challenging, stretching yet achievable.

FY24 Financial Statements

Significant issues considered during the financial year

The issues considered by the Committee to be the most significant (due to their potential impact on the performance of the Group's activities) in relation to the Financial Statements during the financial year are set out below.

1. Critical accounting judgements and key sources of estimation uncertainty

These are set out in the table on the following page.

2. Going concern

As a Committee, we:

- concurred with management's conclusion, and recommended to the Board, that the Company and the Group continue to be a going concern and that the Financial Statements should be prepared on a going concern basis;
- using the Group's business plan, assessed the Group's available facilities, headroom and banking covenants;
- reviewed management's detailed analysis, which included forecasts, scenarios and sensitivities and the impact of the Combination;
- considered the going concern requirements of the Code to ensure compliance; and
- continued to monitor market conditions to ensure any appropriate adjustments are reflected.

We also reviewed management's viability assessment of the Group and agreed that it was appropriate.

→ Further details on the Group's going concern assessments can be found in note 1 on pages 165 and 166, and the Group's viability statement can be found on pages 85 to 87

3. Financial reporting

We reviewed the integrity of the Financial Statements of the Group and the Company, and all formal announcements relating to the Group and Company's financial performance.

This process included the assessment of the following primary areas of judgement and took into account the views of our external auditor.

Role and activity of the Audit Committee continued

FY24 Financial Statements continued

Significant issues considered during the financial year continued

3. Financial reporting continued

Issue	The Committee's response	External auditor challenge	Outcome
Margin recognition Development costs are allocated, on a site by site basis, between homes built in the current and future years. The Group's site valuation process determines the profit margin for each site. Integral to this is the consideration of the completed development provision. This requires the estimation of future sales prices and costs to complete each site. Further detail is given in note 3 on page 168.	The Committee considered: • Assumptions and estimates as they related to build cost and sales prices in particular. The Committee also reviewed and validated the Group's overall approach to margin recognition. • Internal audit feedback on adherence to the Group's policies and procedures in the divisions. • The adequacy of the Group's control structures around valuation and cost to complete, both from a systems and process standpoint.	Throughout the year, the external auditor has attended valuation meetings, reviewed land acquisition feasibility assessments and challenged cost-to-complete assumptions through analytic procedures and discussion with divisional management. A review of the key estimates in the margin calculation at a Group level was also undertaken to ensure the overall margin is appropriate.	As a result of its review, the Committee was comfortable with the approach taken by the Group on this key area of control, and also on the valuation of the Group's WIP balance (including the assessment of the need for NRV provisions) and margin recognised.
Costs associated with legacy properties The Group has a liability for remedial work on its legacy property portfolio, in two areas: external wall systems (EWS) and reinforced concrete frames. Estimations of those cost provisions are to be sufficiently provided for and appropriately disclosed. The Group has sought to respond appropriately to ongoing evolution in the regulatory environment, and to reflect sufficient provisions during a period of unit cost inflation and ongoing discovery in the known building portfolio. Further detail is given in note 4 on page 169 and note 19 on pages 187 and 188.	Regarding EWS, the Committee has reviewed and challenged the quantum of provisions held against specific buildings under review, considering the assumptions made regarding cost inflation and the number of buildings provided for. The adequacy of the assumed cost per unit has been a particular focus. On reinforced concrete frames, a review of the completeness of the provision held was undertaken during the year. In addition the Committee considered the nature of the Group's liabilities between contingent liabilities and specific provisions, as well as the timing of recognition of those liabilities and potential liabilities. The Committee also considered the adequacy of disclosures concerning the Housing (Cladding Remediation) (Scotland) Act 2024. The Group's COO and Managing Director of the Building Safety Unit also attended the Committee to ensure members were appropriately and sufficiently informed of relevant matters.	The external auditor reviewed the controls implemented by the Group over the recognition and measurement of legacy property costs. For both the reinforced concrete frames and EWS provisions, they validated the balance recognised to supporting evidence and challenged the underlying management assumptions governing valuation and completeness. The external auditor also challenged the appropriateness of the disclosures in the Financial Statements in relation to the provisions and associated contingent liabilities, including the adequacy of the disclosure of estimation uncertainty, and the presentation of legacy property costs as adjusted items.	Based on this, the Committee was comfortable with the process and controls adopted by management around the disclosures, including contingent liabilities, and estimation of costs and provisions associated with legacy properties.

Fair, balanced and understandable considerations and conclusions

We received a draft of the Annual Report and Accounts prior to our August 2024 meeting, together with supporting material from management and the external auditor. At the meeting, we considered and assessed the process undertaken in drafting the 2024 Annual Report and Accounts to determine whether it was fair, balanced and understandable.

Role and activity of the Audit Committee continued

Considerations

- Feedback provided by shareholders on the FY23 Annual Report and Accounts.
- Assurances provided in respect of the financial and non-financial management information.
- The balance between statutory and adjusted performance measures.
- The internal processes underpinning the Group's reporting governance framework and the reviews and findings of the Group's external legal advisers and external auditor.
- A report from the Company Secretary, which confirmed that: i) the process involved collaboration between various parts of the Group, including the Group Finance team, Company Secretariat, Group Communications, Investor Relations and the Sustainability team; ii) the Annual Report and Accounts had been reviewed by the Executive Directors; and iii) the Company had received confirmation from its external advisers that the Annual Report and Accounts adhered to the requirements of the Companies Act, the Code, the UK Listing Rules and other relevant regulations and guidance.

Conclusions

The Committee concluded that the Annual Report and Accounts for the year ended 30 June 2024:

- clearly, comprehensively and accurately reflects the Group and Company's performance in the year under review;
- contains an accurate description of the business model;
- appropriately reflects the Group and Company's purpose, strategy and culture;
- includes consistent messaging and clear linkage between each of its sections; and
- includes KPIs, which are consistent with the business plan and remuneration strategy.

Accordingly, we recommended to the Board that the FY24 Annual Report and Accounts is fair, balanced and understandable. The Board's formal statement on the Annual Report and Accounts being fair, balanced and understandable is contained within the Statement of Directors' Responsibilities on page 148.

Risk management and internal controls

During the year we renamed the Committee the Audit and Risk Committee and reviewed the annual cycle of work to extend its scope to monitor the Group's risk management processes and activities.

We monitor the Group's risk management and internal control systems, including their effectiveness, on behalf of the Board.

The key aspects are as follows:

- a clear organisational structure with defined levels of authority and responsibility at all levels of the business;
- financial and management reporting systems under which financial and operating performance is planned on a three-year basis and budgeted annually. Financial and operating performance is consistently reviewed against budget and forecasts at divisional, regional and Group levels on a monthly basis, variances are explored and, where appropriate, changes made, and the information is used in the preparation of the Annual Report and Accounts;
- regular risk updates from the Director of Audit and Risk to provide greater oversight of risk management activity, including the approach to risk management and risk identification;
- identification and review of principal operational risk areas to ensure they are embedded in the Group's monthly management reporting system as routine aspects of managerial responsibility. Details of the risk management system and the principal risks are set out on pages 63 to 70;
- assessment of compliance with risk management and internal control systems, including a consideration of controls over non-financial risks. This assessment is supported by the Group's internal audit team, which is responsible for undertaking a risk-assessed annual audit plan, ad hoc audits and reporting to the Committee, and, if necessary, the Board, on the operation and effectiveness of those systems and any material failings. During the year we oversaw a detailed review of design risk controls and received regular updates on management's plans and progress in implementing more effective controls in this area;
- mapping of assurance procedures to the Group's principal risks, to ensure that the mitigating controls are sufficiently robust; and
- consideration and approval of the Group's tax position and strategy.

The Group's operations and financing arrangements expose it to a variety of financial risks that include the effects of changes in borrowing and debt profiles, Government policy, market prices, credit risks, liquidity risks and interest rates. There is a regular, detailed system for the reporting of daily cash balances and forecast cash flows from operations to senior management, including Executive Directors, to ensure that risks are promptly identified and appropriate mitigating actions taken. These forecasts are further stress tested at a Group level on a regular basis. In addition, the Group has in place a risk management programme that seeks to limit the adverse effects of the other risks on its financial performance, for example limiting its exposure to institutions with high credit ratings. Financing activities are delegated by the Board to the Treasury Operating Committee. Group Treasury operates according to treasury policies that are approved by the Board and the Treasury Operating Committee.

Our approach to risk management and internal control is based around the Group's principal risks. In anticipation of the Audit Reform changes we have enhanced our risk management and internal control framework and assurance processes, resulting in a more robust process that debates risks (including a board risk workshop), considers mitigating actions and controls and oversees the assurance, including from internal audit, that gives comfort as to their operation. The process includes regular consideration of emerging and changing risk and the related evolution of our principal risks.

The Committee reviewed this model during the year and was satisfied that it is fit for purpose and will satisfy our obligations as the requirements of the 2024 UK Corporate Governance Code and the FRC's minimum standard for Audit Committees are introduced.

Role and activity of the Audit Committee continued

Risk management and internal controls continued

A deep dive into each of the Company's Principal Risks will be presented to the Committee on rotation (being adaptable as necessary). At our meetings in June and August 2024 Supply Chain Resilience (including consideration of modern slavery and human rights) and Government Regulation were debated by the Committee. In each case presentations were made by members of the management team, actions considered and next steps agreed.

During the year, in order to bring greater transparency to the assurance we receive and gain greater comfort over the Group's management of risks and the accuracy of reporting, we reviewed:

- a risk assurance map setting out the assurance already in place, using the three lines of defence model, to identify gaps or areas where improvement in assurance is required;
- assurance mapping over the Group's published financial and non-financial information. The Board made the decision to again appoint Deloitte to provide additional independent assurance over certain aspects of the Group's climate-related disclosures, including TCFD and certain other non-financial information; and
- the completion of the annual detailed fraud risk assessment exercise to identify, consider, and assess fraud risks in place across the Group and the associated controls and assurance in place to mitigate and manage these.

As Chair of the Committee, I have also considered the resource for assurance and the evolution of those resources over the past five years and I am satisfied that the assurance resources in place are appropriate for the size and complexity of the business.

Whistleblowing

The Group has a clear whistleblowing policy and procedure, which is communicated to the workforce. Concerns can be raised by employees with managers, or can be reported anonymously to a confidential and independent hotline. The hotline is available 24 hours a day, and matters raised are notified to internal audit immediately by email. Matters requiring urgent attention (including corruption, human rights abuse and personal safety) are notified to the Director of Audit and Risk by phone immediately, including outside business hours. The internal audit function reviews matters raised, and ensures each matter is investigated or refers them to other relevant functions across the business, such as the Safety, Health and Environment or HR teams, to investigate as appropriate. Any substantive issues are raised with me as Chair of the Committee. The Director of Audit and Risk also updates the Committee on all significant whistleblowing incidents at each of its meetings. The Committee reviews the overall procedure, investigations and outcomes, as well as the availability and frequency of use of the whistleblowing hotline.

As Chair of the Committee, I update the Board on whistleblowing reports and investigations on a regular basis, and the Board reviews the whistleblowing arrangements and discusses the most significant issues as appropriate.

Examples of whistleblowing reports received during the year included allegations of individual improper behaviour and minor theft of materials from site, all of which were thoroughly investigated and actions taken as appropriate.

Internal audit

Internal audit's primary role is to provide independent, objective assurance to the Audit and Risk Committee as well as advisory support to help management make improvements across the business. The function is led by the Director of Audit and Risk who reports directly to the Chair of the Committee to maintain independence.

The internal audit plan is driven by the Group's strategy and principal risks and is approved six monthly by the Committee. In line with the approved audit plan, internal audit reviews the effectiveness and efficiency of the systems of risk management and internal control and monitors the activities of the Group in accomplishing established objectives. Reviews conducted in FY24 covered financial, operational and compliance controls as well as IT reviews. Following each review, a report is provided to management on the control framework in place together with appropriate improvement recommendations and follow-up processes ensure that recommendations are implemented in a timely manner. Progress against the internal audit plan and summaries of audit reviews are provided at each Committee meeting for review and discussion.

The Director of Audit and Risk conducted a self-assessment during the year in order to assess the effectiveness of the function against the required IIA standards, professional practices and governance requirements and reported the results to the Committee, which concluded that the function continued to operate effectively.

The Committee again considered the reporting line of the Director of Audit and Risk, and confirmed that it continued to be comfortable with the existing reporting line to the Chief Financial Officer given that the Director of Audit and Risk had regular formal meetings with the Chief Executive and any issues are reported to the Chief Executive in a timely manner. It was also comfortable with the independent relationship between the Director of Audit and Risk, the Chair of the Committee and the wider Committee. The Committee confirmed that it would continue to keep this reporting line under review.

External audit

Audit performance and effectiveness

We annually review the external audit plan and process and again approved the audit of key risk areas earlier in the year to reduce pressure on the busy financial reporting period after year end.

In FY22 Deloitte was appointed, after a thorough tender and interview process, to provide assurance over our TCFD and certain other non-financial disclosures. The appointment and fees associated with this work are in accordance with our Auditor Independence and Non-Audit Fees Policy.

Role and activity of the Audit Committee continued

External audit continued

Audit performance and effectiveness continued

In forming our conclusion on performance and effectiveness of the external audit, we reviewed amongst other matters:

Feedback from all stakeholders on the external audit.

The external auditor's fulfilment of the agreed audit plan for FY24.

Reports highlighting the material issues and critical accounting judgements and key sources of estimation uncertainty that arose during the conduct of the audit.

The external auditor's objectivity and independence during the process, including its own representation about its internal independence processes.

The challenges raised by the external auditor during the audit.

I met with the leaders of the external audit team to assess their experience and understanding of Barratt. These interactions provided positive input on the effectiveness of the audit.

In assessing the effectiveness and performance of the external auditor, we also approved the Group's approach to assessing audit quality. As in FY23, a questionnaire was circulated covering five significant audit areas. A wide range of internal stakeholders were included across the Group's senior leadership. Four out of five areas were rated 'good', with some opportunity for improvement noted in project management. The Deloitte team expect to address the highlighted areas of focus in FY25.

During the audit, the external auditor challenged management's judgements and assertions on the following matters in particular:

- margin recognition and the related completed development provisions; and
- valuation and completeness of provisions related to external wall systems and reinforced concrete frames on legacy developments.

Our response to these can be found in the relevant section of the table of significant issues on page 116.

We concluded that the external audit process as a whole had been conducted robustly, the external audit team selected to undertake the audit had done so thoroughly and professionally, and the external auditor had applied sufficient experience and understanding of the housebuilding industry, consulted with experts as necessary, and is of sufficient size to conduct the audit. Deloitte's performance as external auditor to the Group during FY24 was therefore considered to be satisfactory.

In addition, we were satisfied that management had provided the external auditor with appropriate access to Barratt's own people, systems, records and supporting information, whilst acting professionally and with appropriate challenge, enabling the audit to be conducted effectively.

Auditor independence and non-audit fees

The Company's policy on auditor independence and non-audit fees is available at www.barrattdevelopments.co.uk/investors/corporate-governance

The Company policy caps non-audit fees at 70% of the average audit fees over the previous three years. We continually monitor the ratio of non-audit to audit fees to ensure that it does not exceed this cap. For FY24, non-audit fees (including audit-related assurance services) for the Company and its subsidiaries were £319k, representing 26.2% of the total audit fee.

Non-audit fees based on the average of the previous three years' audit fees were 29.9%. Further details of the audit and non-audit fees incurred by the Group can be found in note 3 on page 169. Non-audit fees incurred in FY24 were for work undertaken by the external auditor for the review of the half year report and also assurance provided over TCFD and certain financial and non-financial information disclosed in the Strategic Report and the unaudited section of the Remuneration Report.

This policy also sets out our duties as a Committee relating to the protection of the objectivity and independence of the external auditor. The pre-approval levels and conditions required for different non-audit services that might be required from the external auditor, together with prohibited services, are detailed in the Policy. It also sets out restrictions on the recruitment of employees from the external auditor. The policy was reviewed and updated in August 2023 to include a "third-party test", which is the consideration of whether an objective, reasonable and informed third party would conclude that integrity or objectivity (and therefore independence) is not compromised. This analysis includes various factors such as the nature of the service, the level of fees and any other factors that may be relevant for a third party to understand the effectiveness of the safeguards and take into consideration both qualitative and quantitative factors. Following this change, non-audit services can only be provided by Deloitte if the third-party test is passed.

The policy is in line with the auditor independence rules of the FRC's Revised Ethical Standard 2019 and includes the FRC's whitelist of permitted non-audit services. There are no conflicts of interest between the members of the Committee and the external auditor.

The Committee requires written confirmation annually from the external auditor that it remains independent. For FY24, the external auditor provided a comprehensive report to the Committee verifying that it had performed its audit and audit-related services in line with independence requirements and explaining why it believed that it remained independent within the requirements of the applicable regulations and its own professional standards. The report also explained why the ratio of audit to non-audit fees, and the extent and type of non-audit services provided, was appropriate. As a Committee we conducted our own review and endorsed the external auditor's conclusions on compliance with the policy and independence of the external auditor.

Accordingly, we were satisfied that both the work performed by the external auditor, given its knowledge of the Group, and the level of non-audit fees paid to it, were appropriate and did not raise any concerns in terms of our external auditor's independence.

Total audit and non-audit fees

FY24 (£000)

£1,537

FY23 (£000)

£1,311

FY22 (£000)

£1,189

- Company audit
- Subsidiaries audit
- Audit-related services
- Other services

Auditor rotation timeline

2007
Deloitte appointed for FY08 audit

2017
Deloitte reappointed following competitive tender

2026
Competitive tender for FY28 audit, unless particular circumstances require an earlier tender

Role and activity of the Audit Committee continued

External audit continued

External audit tender

Deloitte was first appointed as external auditor to the Group in 2007, and was reappointed following a competitive tender in FY17. The Company has therefore complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 issued by the CMA on 26 September 2014. Jacqueline Holden has completed her second year as lead audit partner. Jacqueline was selected after an interview process involving me, supported by the then acting Chief Financial Officer. The external audit team's second audit partner started for the FY20 audit and will be rotated for FY25. The new second partner has shadowed the team in FY24.

Under current regulations, the Company must appoint a new auditor for the audit of the year ended 30 June 2028. Given the continuing effectiveness of Deloitte in its role as external auditor, we currently believe it is in the best interests of shareholders for Deloitte to remain in role and for a competitive tender process to be completed in time for the FY28 audit. In December 2023 we undertook a review of potential audit firms, both from the Big 4 and challenger firms that we could invite to tender for the Group's audit when Deloitte's tenure expires. The review focused on independence considerations and potential conflicts of interest given the requirement for the selected firm to be "clean" for FY27, a year ahead of their first audit in FY28. This will be kept under review in advance of the required tender.

Whilst we currently intend for Deloitte to remain in role, we will continue to monitor its performance as external auditor and make recommendations accordingly.

The Group appointed UHY Hacker Young LLP as the auditor for certain of its subsidiaries and JVs with effect from the FY23 audits. This appointment followed a rigorous tender process. The timing of this audit work follows completion of the Group audit and therefore has no bearing on the scope of Deloitte's audit. As well as realising some efficiency, this step provides the opportunity for one of the so called challenger audit firms to gain experience.

Assessment of the external auditor

Having considered the external auditor's performance, we recommended to the Board that the external auditor remains independent, objective and effective in its role and therefore should be reappointed for a further year. On our recommendation, the Board is putting forward a resolution at this year's AGM to reappoint Deloitte as external auditor for a further year. The recommendation of reappointment of Deloitte is free from influence by a third party and no contractual term of the kind mentioned in Article 16(6) of the Audit Regulation has been imposed on the Company whereby there would be a restriction on the choice to certain categories or lists of auditors.

This report forms part of the Corporate Governance Report and is signed on behalf of the Audit and Risk Committee by:

Jock Lennox
Chair of the Audit and Risk Committee
3 September 2024

Safety, Health and Environment Committee Report

Chris Weston
Chair of the Safety, Health and Environment Committee

Our approach to safety, health and the environment

Quick facts

- One meeting during the year
- All Committee members attended two SHE Operations Committee meetings during the year to keep updated on key developments and maintain oversight of progress against key actions
- The Committee Chair is invited to attend all SHE Operations Committee meetings

Committee members[1]

Chris Weston

Steven Boyes

1 In addition, Vince Coyle, Group Safety, Health and Environmental Director, is also a member of the Committee.

Attendance at each of meeting is set out on page 95

Focus in the reporting year

- Continued to monitor Injury Incidence Rate (IIR) and oversee the IIR improvement strategy
- Continued to review the requirements of the Building Safety Act and ensure our processes meet the legislation requirements
- Strengthened support around mental wellbeing and occupational health
- Using technological advances to keep people on our sites safe
- Ensuring that we are robust in our approach to protecting watercourses and preventing pollution

Priorities for FY25

- Continue to take action to improve our IIR
- Further enhance activities around mental wellbeing and occupational health
- Keep under review the requirements of the Building Safety Act and adapt accordingly
- Continue to review our impact on the environment and how we mitigate against this

I am pleased to present this report which sets out the work of the SHE Committee throughout the financial year.

The health and safety of our workforce, customers and the public, and the protection of the environment around our developments, has always been and will continue to be of paramount importance. We are therefore deeply saddened by the tragic accidental death of a sub-contractor at one of our sites in November 2023. We fully supported the investigation by the Health and Safety Executive which concluded that suitable safety arrangements were in place and that no action was to be taken against the Company. At the recent coroner's inquest, the cause of death was recorded as "Accidental".

During the year, Lloyd's Register Quality Assurance (LRQA) completed recertification audits against the health, safety and environmental international standards (ISO 45001 and ISO 14001). Following the audit LRQA recommended our certification and noted that as an organisation we demonstrated a highly effective health, safety and environmental management system.

Role and activities of the SHE Committee

Our activities continue to focus on the prevention and mitigation of the key operational risks relating to health and safety, and the protection of the environment. By receiving reports and challenging those tasked with SHE performance where necessary, we help the business to improve its SHE standards. We support and oversee the direction and implementation of SHE Policy and procedures which encourage efficient working practices, and prevention of injury and illness, and support our continuous improvement strategy and ongoing sustainability of the Group.

We continue to work closely with the SHE Operations Committee, which is responsible for the implementation and oversight of the Group's overall SHE improvement strategy on a day-to-day basis.

After each Committee meeting, I report to the Board on the matters discussed and make recommendations as appropriate.

Committee effectiveness

The Committee has a carefully planned agenda of items of business to ensure that all key items are covered during the year. I have an open, constructive and collaborative relationship with management and attend SHE Operations Committee meetings throughout the year to enhance my understanding of the operational issues faced by the workforce, and to discuss them, and ways to improve them, directly with those responsible for day-to-day SHE management. During the year I attended two SHE Operations Committee meetings.

The Board evaluation for FY24 included an appraisal of the Committee's performance. The appraisal concluded that the Committee was performing well with an excellent understanding of significant risk exposures relating to SHE matters and excellent oversight of compliance with the SHE management system. Driving continuous improvement and remaining conscious of the changing operating environment were identified as areas to focus on in FY25.

Further details of the appraisal process can be found on page 109

FY24 areas of focus

Injury and ill health prevention has remained a key area of focus for the business throughout the year. Unfortunately, despite the ongoing action plan for continuous improvement, our Reportable Injury Incidence Rate (IIR) has increased this year, and is 302 per 100,000 persons against 289 in FY23. Our analysis indicates that the primary contributing factor for injuries is slips trips and falls, which are often attributed to inadequate housekeeping. During the year there has been a continued campaign to ensure "good housekeeping" which included awareness posters and briefings with specific emphasis on SHE Managers monitoring on site. This will be continued throughout FY25.

There has been an increased focus on SHE and required standards by our Divisional Leadership teams and site supervisors. We have also invited Groundworkers and Scaffolding contractors to seminars, focusing on performance updates and the standards that are expected from them on our sites.

During FY24 near miss reporting has continued to improve, which is encouraging. In FY23 there were 647 near misses reported, and in FY24 this had increased to 1,480. This will remain an area that we will continue to drive in FY25, as learning about the potential for incidents will enable us to evaluate where we can implement processes to prevent a more serious event from occurring.

Recognising the importance of protecting the environment that we are working in remains fundamental. In July 2022, the Environment Agency (EA) visited our Ladden Garden development and noted silt contamination in the brook adjacent to the development. In March 2024 the EA confirmed it had accepted our offer on an enforcement undertaking for the breach. As a result, £20,150 has been distributed to a number of local organisations that promote improvements in watercourses or the local environment. Following this incident we have conducted a full review of our environmental controls on site and introduced a site permit system to be in place for any dewatering activities. Our teams have also been trialling silt trap products that have shown to be more effective in preventing silt from entering the site drainage systems.

Mental wellbeing and occupational health have been key focus areas throughout the year with the Committee updated on activities to strengthen support for colleagues and sub-contractors in these areas. During the year the Lighthouse Club, visited 55 of our sites and presented to over 1,700 colleagues to raise awareness of the charitable support services available to those in the construction industry.

One of the most significant risks on our sites is managing people and plant interfaces, as we recognise any failures have the potential for a serious injury. This year we have been working with both of our telehandler providers to trial artificial intelligence (AI) technology to highlight to the driver and pedestrian if they are too close to a moving vehicle. The trials have been very successful and since January 2024, all new machines have this technology as standard.

Personal protective equipment (PPE) is essential for keeping people safe. However, the effectiveness of PPE is reliant on how well it fits the individual. In June 2024, we launched our new PPE catalogue. Amongst the new range we now have dedicated female PPE (including maternity wear), a wider range of footwear sizes and modesty tunics that enable colleagues to adhere to religious beliefs, and mental health first aiders (MHFA) can now be identified easily on site as they can have helmets with the MHFA logo.

During FY24 the Committee has reviewed the requirements of the new Building Safety Act. We have enhanced our existing processes and are continuing to work on responding to secondary legislation.

We have also made improvements to our offsite Group induction process, linking this to checking competency cards and site signing in. It is important to us that we ensure that persons working on our site are trained and competent and understand the risks that are present on our developments. We also recognise the potential of modern slavery so in FY24 we ran a campaign highlighting workers' rights and how to raise concerns should someone see something they are unsure about.

I would like to thank the SHE team, our employees and sub-contractors for the great work that they undertake each day to keep our people safe.

This report forms part of the Corporate Governance Report and is signed on behalf of the SHE Committee by:

Chris Weston
Chair of the SHE Committee
3 September 2024

Remuneration Report
Annual Statement from the Chair of the Remuneration Committee

Katie Bickerstaffe
Chair of the Remuneration Committee

Our approach to remuneration

Quick facts

- Determines and agrees the policy for executive and senior management remuneration and ensures it takes account of the Group's risk appetite and aligns to its long-term goals
- Ensures remuneration is appropriate, enhances personal performance and rewards individual contributions towards the success of the Group
- Designs and determines measures and targets for variable pay and approves payouts
- Determines policy and scope of pension arrangements, share ownership and share retention policies, termination payments and compensation commitments

Committee members

Katie Bickerstaffe

Caroline Silver

Jasi Halai

Jock Lennox

Chris Weston

Nigel Webb

Members biographies and qualifications are set out on pages 89 to 92

See page 95 for Committee meeting attendance

Focus in the reporting year

- FY23 annual bonus and 2020 LTPP vesting outcomes
- 2023 LTPP structure, performance conditions, weightings and targets
- FY24 bonus targets and FY25 bonus structure and quantum
- Remuneration implications of the Combination

Priorities for FY25

- Consider adjustments to in-flight performance conditions and targets to reflect the Combination
- Consider if changes are required to the Remuneration Policy in light of the Combination
- Monitor Executive Directors' and senior management's performance against targets, including synergy delivery

Statement from the Chair of the Remuneration Committee

I am pleased to present my report as Chair of the Committee and provide an overview of both Executive Directors and wider workforce remuneration for the financial year ended 30 June 2024 and how our Policy will be applied in FY25.

Remuneration Policy

The current Directors' Remuneration Policy was approved at the Annual General Meeting in October 2023 with over 97% of shareholders voting in favour. In developing the Policy we considered a range of factors, including the Group's purpose and strategic objectives, wider workforce remuneration arrangements and the views of our largest shareholders (with whom we consulted).

FY24 performance and reward

The business has continued to deliver a strong operational performance throughout the year. In particular, we achieved 14,004 total home completions (FY23: 17,206), whilst navigating a continuing challenging macroeconomic backdrop and political uncertainty.

The outcome for the FY24 annual bonus scheme was 89.9% of maximum. The 2021 LTPP award will vest at 15%. Further details can be found on pages 138 and 139. We carefully considered the incentive outcomes within the context of the underlying performance of the business. We ultimately decided that the outcomes were reflective of business performance. As a result, we have not used any discretion to determine these outcomes and have not adjusted any performance targets during the year.

Statement from the Chair of the Remuneration Committee continued

FY24 performance and reward continued

2023 LTPP

In August 2023, we approved the structure, performance conditions and weightings for the 2023 LTPP and agreed the targets for the TSR and GHG emissions reduction performance conditions. However, given the prevailing market conditions at the time, we deferred setting the financial targets relating to the EPS and ROCE performance conditions and therefore deferred the grant of awards until later in the year. Market uncertainty continued throughout the year and in December 2023 we still did not consider it feasible to set realistic challenging but achievable financial targets for FY26. However, given that it would be considered highly unusual to further delay the LTPP, we agreed to grant the awards and determine the financial performance targets at a later date. The targets for Absolute Adjusted EPS and Underlying ROCE were agreed in June 2024 and can be found on page 140 and on our website:

www.barrattdevelopments.co.uk/investors/corporate-governance

FY25 remuneration

FY25 salary and fees

In light of the timing of the proposed Barratt Redrow combination (Combination), we have delayed conducting a benchmarking exercise until we are able to do so for the enlarged Group. For FY25 we have therefore decided to increase Executive Directors' salaries by 3% in line with the increase for the wider workforce. We believe that this increase is justified given the continued strength of our operational performance and the ongoing competitive landscape we face across the sector.

In addition, the Committee agreed a 3% increase in the base fee for the Chair.

During the year, a committee of the Board comprising the Chair and the Executive Directors reviewed the Non-Executive Directors' fees and agreed to increase the base fee by 3% for FY25. Fees for members and Chairs of Committees remain unchanged.

FY25 annual bonus and 2024 LTPP

The performance measures for the FY25 annual bonus scheme are set out on pages 133 and 134 together with the rationale for selecting them. The key changes are the amended weightings of the quality and service measure and the expansion of the diversity and inclusion measure. We consider the actual targets to be commercially sensitive and will therefore disclose them with details of performance against them in the FY25 Remuneration Report, in line with market practice.

The 2024 LTPP will be awarded to all eligible participants, including the Executive Directors, later this year. Within our Remuneration Policy, the Committee can make awards of up to 200% of salary to Executive Directors. The Committee continues to believe that TSR, Absolute Adjusted EPS, Underlying ROCE and GHG emissions reduction remain the most appropriate measures to align the Group's performance with our strategy and the interests of stakeholders. Whilst we have considered standalone financial targets for the 2024 LTPP, we are mindful that targets for our in-flight LTPP awards may need to be adjusted post completion of the Combination. It is our intention therefore that, once we have finalised a three-year plan for the Combined Group, we will share these targets (hopefully in the second quarter of 2025) but for the moment have decided not to disclose these in this report.

Employees and remuneration

In setting our policy and agreeing outcomes for Executive Directors, we are mindful of the pay arrangements of the wider workforce.

The Group's approach to colleague remuneration aims to promote the long-term sustainable success of the Company and attract, retain and motivate employees to support the achievement of the Group's strategic key objectives. Our reward package is known within the housebuilding sector for being market leading, including private medical insurance for all employees and the FY23 salary supplement. Our annual salary review, which was effective from 1 July, saw a 3% increase across our wider workforce.

We continue to seek the views of our Workforce Forum on our approach to pay. Further details on the Workforce Forum and the matters it discussed during FY24 can be found on pages 50 and 51.

We also continue to make an annual share award to colleagues below senior management via the Employee Long Term Incentive Plan (ELTIP) to recognise their dedication, commitment and loyalty. During the year we approved changes to the ELTIP rules and recommended that dividend equivalents be applied to the 2024 award.

Redrow combination

During the financial year we spent considerable time discussing the impact of the Combination on the Group's remuneration arrangements.

As part of these discussions we also agreed the impact of the Combination on Redrow share awards and options, including how this would affect Matthew Pratt, to whom the Company's Remuneration Policy will apply when he joins the Combined Board. Following this review we agreed that the remuneration package for Matthew would remain the same as his Redrow package except that he would be eligible to participate in the LTPP at a level of up to 200% of salary in line with the incumbent Executive Directors (instead of up to 150% of salary under his remuneration arrangements at Redrow). As set out in the Co-operation Agreement in respect of the Combination and in line with other participants in the Redrow long-term incentive plan, Matthew will be granted a "Transition Award" of equivalent value to the portion of his 2023 Redrow long-term, incentive plan award which lapsed as a result of completion of the Combination. Full details of Matthew's share awards will be included in next year's Remuneration Report.

Conclusion

Throughout the year, the Remuneration Policy operated as intended in terms of Company performance and quantum, and in line with the Code.

The Committee believes that the decisions it has taken in respect of FY24 pay outcomes and its proposed approach to remuneration for FY25 are in the best interests of its shareholders, align with the Group's strategy, reflect the wider business and economic environment and are fair, reasonable and appropriate. I therefore hope that you will support this report at the AGM in October 2024.

On behalf of the Committee and the Board, I would like to thank you for your continued support of our remuneration framework.

Katie Bickerstaffe
Chair of the Remuneration Committee
3 September 2024

Remuneration Report continued
Remuneration overview

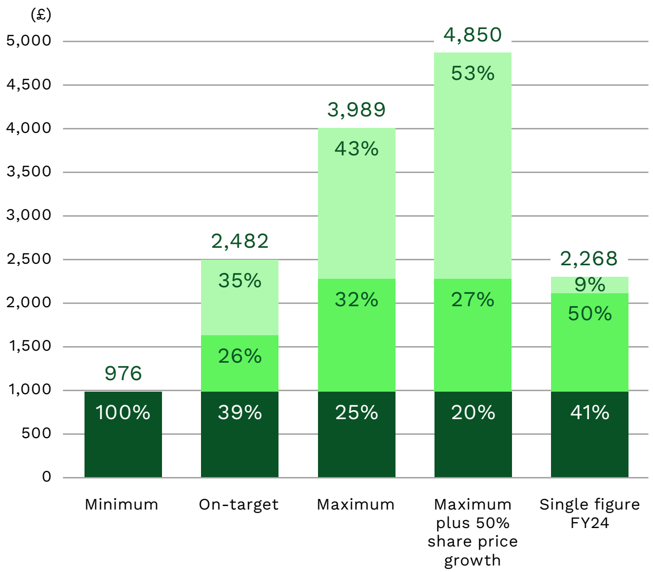
The overview below outlines the remuneration outcomes for Executive Directors for FY24, together with the minimum, on-target and maximum (with and without share price growth) opportunities for FY25, the FY24 targets set for variable remuneration and our performance against them, and the alignment of our FY24 incentive performance measures with strategy.

Full details can be found in the Annual Report on Remuneration on pages 132 to 145

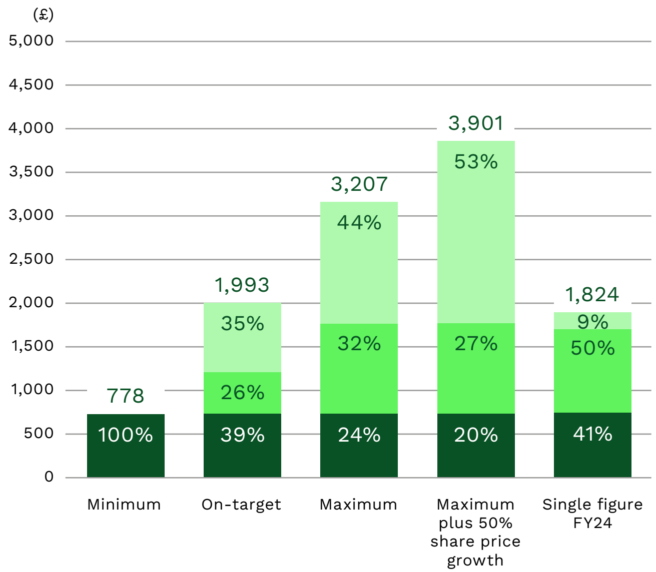
Details of Executive Directors' shareholding requirements and whether they have been met are given in the table on page 141

Executive Directors' Remuneration Policy scenarios for FY25 and FY24 single figure outcomes

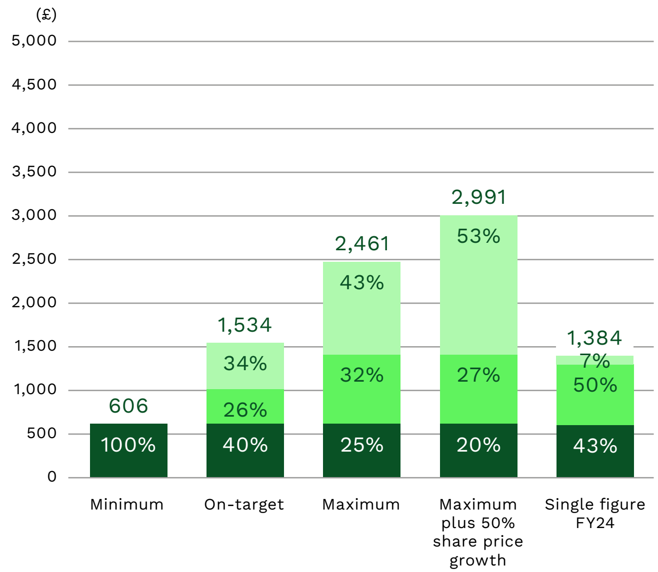
Chief Executive



Chief Operating Officer & Deputy Chief Executive



Chief Financial Officer



Fixed pay Other Annual bonus LTIP

Notes:

- Minimum pay is fixed pay only (i.e. salary + benefits + pension).
- On-target pay includes fixed pay, 50% of the maximum bonus (equal to 75% of salary) and 50% vesting of the LTPP awards (with grant levels of 200% of salary).
- Maximum pay includes fixed pay and assumes 100% vesting of both the annual bonus and the LTPP awards.
- Maximum pay plus 50% share price growth is the same as maximum pay for fixed pay and annual bonus but assumes a 50% increase in the share price over the performance period for the LTPP.
- Matthew Pratt has been omitted from the scenarios above as he is not yet been appointed a Director of the Company.
- All amounts have been rounded to the nearest £1,000. Salary levels (which are the base on which other elements of the package are calculated) are based on those applying at 1 July 2024. The value of taxable benefits is the cost of providing those benefits in the year ended 30 June 2024. The Executive Directors are also permitted to participate in HMRC tax advantaged all-employee share plans, on the same terms as other eligible employees, but they have been excluded from the above graph for simplicity. The LTPP awards allow participants to receive dividend equivalents but these are excluded from the scenario chart, other than for the single figure bar.

Remuneration Report continued
Remuneration overview continued

FY24 performance pay outcomes
Annual bonus outcome
Further details are set out on page 137 in the Annual Report on Remuneration.

Target	Threshold	Target	Maximum	Weighting[1]	Outcome achieved[1]
Adjusted profit before tax	£275m	£350m	£400m	82.5%	70.1%
	Actual £385.0m				
Capital employed	£1,923m	£1,923m	£1,890m	15.0%	15.0%
	Actual £1,805.3m				
Quality and service (with health and safety underpin)[2]	(i) The number of divisions achieving minimum 94% SHE audit monitoring inspections gate on a rolling 12 months' performance basis; (ii) for 67% of this element, the number of divisions achieving minimum 90% for the HBF eight-week National New Homes Customer Satisfaction Survey; and (iii) for the remaining 33% of this element, the number of divisions achieving minimum 82% for NHBC nine-month Customer Satisfaction Survey.			22.5%	19.7%
	Divisions achieving 94% SHE audit monitoring gate: 29/29 Divisions achieving 90% eight-week score: 28/29 Divisions achieving 82% nine-month score: 20/29				
Reduction of total waste generated (waste intensity)	4.31 tonnes	4.22 tonnes	4.15 tonnes	15.0%	15.0%
	Actual 3.83 tonnes per 100m² of housebuild equivalent area				
Diverse (gender and ethnicity) appointments	32%	34%	36%	15.0%	15.0%
	Actual 54%				

1 % of salary.
2 The outcome is based on the proportion of divisions that meet all three performance criteria.

LTPP vesting outcome
Further details, including the share price used to calculate the estimated value, any value of share price increases and the value of dividend equivalents, are set out in Table 10 on page 139 of the Annual Report on Remuneration.

2021 LTPP

		Percentage of award vesting						
	Shares awarded Number	EPS	ROCE	TSR	Reduction of GHG emissions	Total	Shares vesting Number	Estimated value[1] £000
David Thomas	224,370	0%	0%	0%	15%	15%	33,655	162
Steven Boyes	180,987	0%	0%	0%	15%	15%	27,148	131
Mike Scott	117,716[2]	0%	0%	0%	15%	15%	17,657	85

1 Based on a share price of £4.81, being the average share price during the three months to 30 June 2024. There was no share price appreciation from the date the shares were awarded.
2 The number of shares over which the award has been granted has been calculated based on 200% of the participant's salary as at the date of appointment, being £480,000 per annum. In accordance with the participant's final offer letter dated 24 June 2021, the number of shares subject to the award has been pro-rated to reflect the length of the performance period commencing from the date of appointment.

Remuneration Report continued
Remuneration overview continued

Alignment of FY24 incentive performance measures with our strategy and values

Annual bonus

Performance measure (weighting as % of salary)	Reason performance target selected	Alignment with strategic objectives	Alignment with values
Adjusted PBT 82.5%	Rewards performance against stretching targets and is a key measure of our performance.	• Driving revenue • Controlling build activity and managing our costs • Maintaining our highly selective approach to land buying	• We make it happen • We do it right
Capital employed 15.0%	Ensures efficient use of available capital.		• We make it happen • We do it together • We do it right
Quality and service (with a health and safety underpin) 22.5%	Ensures a focus on quality and service to our customers without compromising the health and safety of our employees, customers, suppliers, sub-contractors and members of the public.		• We do it for our customers • We do it right
Reduction of waste 15.0%	Focuses individuals on reducing the amount of construction waste intensity, which is a key element of our overall carbon reduction and sustainability strategy.	• Leading the industry around customer service, build quality, social responsibility and sustainability	• We do it right • We make it happen
Diversity and inclusion 15.0%	Focuses individuals on ensuring that, as part of any recruitment process, they identify a short list of candidates which will help further improve diversity within the business.		• We do it together • We do it right

LTPP

Performance measure (weighting as % of total award)	Reason performance target selected	Alignment with strategic objectives	Alignment with values
ROCE 40.0%	Key performance indicator measuring profitability and efficiency in using capital.	• Driving revenue • Controlling build activity and managing our costs • Maintaining our highly selective approach to land buying	• We make it happen • We do it together • We do it right
Adjusted Absolute EPS 15.0%	A key performance measure to track underlying operational performance over time.		• We do it right • We make it happen
TSR 30.0%	A key measure of value created for our shareholders.		• We make it happen • We do it right
Sustainability 15.0%	Supports our focus on leading the industry in terms of sustainability.	• Leading the industry around customer service, build quality, social responsibility and sustainability	• We do it right • We do it for our customers

Remuneration Report continued
Remuneration Policy

Our remuneration strategy

It is the motivation and engagement of our employees which makes our business operationally strong. It is therefore imperative that our remuneration strategy appropriately rewards our employees for their performance against the Group's key performance indicators, whilst delivering sustainable shareholder value.

In developing our Policy we pay due regard to:

- the Group's purpose and strategic priorities, and ensuring that targets support the achievement of these;
- the performance, roles and responsibilities of each Executive Director and members of senior management;
- arrangements that apply across the wider workforce, including average base salary increases and pension contributions;
- information and surveys from internal and independent sources; and
- the economic environment and underlying financial performance of the Group.

The aims of our Policy and the action taken during the year to achieve these are set out in the table below:

Aims of our Remuneration Policy	Implementation	Progress during the year
Promote the long-term sustainable success of the Company and be fully aligned with the performance and strategic objectives of the Group.	We set bonus and LTPP targets that align with performance and strategic objectives to promote the long-term sustainable success of the Company.	See page 127
Attract, retain, motivate and competitively reward Executive Directors and senior management with the requisite experience, skills and ability to support the achievement of the Group's key strategic objectives in any financial year.	We undertake regular benchmarking exercises to ensure our remuneration package is competitive and set appropriately stretching targets to maintain motivation.	See page 124
Take account of pay and employment conditions of employees across the Group whilst reflecting the interests and expectations of shareholders and other stakeholders.	We annually consider pay and performance conditions of the wider workforce and look to obtain feedback on our remuneration to ensure it reflects the interests of our shareholders and other key stakeholders.	See pages 130 and 131
Reward the delivery of profit and the achievement of the return on capital employed target, whilst ensuring that Executive Directors and senior management adopt a level of risk which is in line with the risk profile of the business as approved by the Board.	We ensure that the Company's variable remuneration rewards the successful implementation of strategy through the alignment of performance targets with strategic KPIs and the Company's risk profile.	See pages 12 to 15
Ensure that there is no reward for failure and that termination payments (if any) are limited to those that the Executive Director (or member of senior management) is legally entitled to.	We apply a performance underpin to the annual bonus outcome. We also have discretion to override formulaic outcomes on the annual bonus and LTPP to ensure that remuneration is in line with Company and individual performance and that poor performance is not rewarded. Malus and clawback provisions also apply to annual bonus payments and to any share awards under the LTPP, DBP and ELTIP.	See page 129

Remuneration Report continued
Directors' Remuneration Policy

Policy

The Company's current Directors' Remuneration Policy (the "Policy"), was approved by shareholders at the 2023 AGM. The full version of the Policy can be found on pages 142 to 154 of the 2023 Annual Report and Accounts, which is available on our website at www.barrattdevelopments.co.uk/investors. A description of how the Company implemented the Policy in FY24 can be found on pages 136 to 145 and details of how the Policy will be applied for FY25 are set out on pages 133 to 135.

Committee discretion

If an event occurs which results in the annual bonus plan or LTPP performance conditions and/or targets being deemed no longer appropriate (e.g. a material acquisition, divestment or wider market or economic circumstances that the Committee deem relevant), then the Committee has the ability to adjust appropriately the measures and/or targets, and/or to alter the weighting of the measures.

The Committee also has the discretion to increase or decrease any annual bonus or LTPP awards (potentially reducing them to nil) in the event that the formulaic outcome is not reflective of overall Company performance or aligned with the underlying financial and/or non-financial performance of the Group, or where environmental incidents, health and safety incidents or other wider economic or market circumstances warrant an adjustment to the final outcome in order to determine a reasonable and appropriate result. The Committee also retains discretion to adjust LTPP vesting outcomes to avoid windfall gains in the event the share price has fallen materially before a given award is made.

The Committee did not exercise its discretion in FY24. The Committee is mindful that it may need to exercise discretion to adjust targets for our in-flight LTPP awards post completion of the Combination with Redrow.

Malus and clawback

Malus and clawback is applicable to any annual bonus paid or deferred for a period of three years beginning on the date of the award and to any share awards granted under the LTPP for a period of five years beginning on the date of the award.

The mechanism applies in certain circumstances set out in the rules of the relevant plans, including material misstatement in the Group's accounts, error, misconduct, material failure of risk management, reputational damage and corporate failure.

Full details of the circumstances under which malus and clawback apply can be found in the full Remuneration Policy set out in the FY23 Annual report and accounts on the Company's website.

Change of Control

The rules of each share scheme operated by the Company contain provisions relating to a change of control. In the event that a change of control does occur any unvested options or awards will become vested on the date of the relevant event. However, the number of options or awards that vest will be prorated depending on the number of weeks completed within the relevant performance period and the level of performance conditions achieved during that period. The Committee has discretion to assess the performance outcome in respect of unvested awards and determine the extent to which unvested awards may vest. Options or awards which have already vested as at the date of the relevant event may still be exercised within the prescribed time scales set out in the rules.

How the Committee has addressed the requirements of the Code in determining Directors' Remuneration Policy and practices

Code requirement	
Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	The main terms applying to variable remuneration for any year is set out clearly in the prior year's Annual Report, together with performance targets (unless they are deemed to be commercially sensitive). Outcomes are aligned with strategic objectives using appropriate performance targets, which align with shareholder interests and the Group's strategy and provide for the long-term success of the Company, in the interests of the workforce and other stakeholders.
Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	The Company operates a UK market standard approach to remuneration which is familiar to stakeholders. Performance targets are readily understandable and published as part of the year-end results.
Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	The Committee has discretion to ensure that variable pay outcomes are in line with Company and individual performance. Share awards are subject to post-vesting holding periods, and malus and clawback as set out on page 129. In line with the IA's Guidelines on Responsible Investment Disclosure, the Committee is satisfied that the incentive structure and targets for Executive Directors do not raise any ESG risks by inadvertently motivating irresponsible or reckless behaviour. The Committee considers that no element of the remuneration package will encourage inappropriate risk taking within the Company.
Predictability – the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.	Minimum, on-target and maximum outcomes for Directors are shown annually in this report. Limits and discretions for each type of reward are explained in the Policy table which can be found on pages 142 to 147 of the 2023 Annual Report.
Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	The Company's incentive plans reward the successful implementation of strategy through the alignment of performance targets with strategic KPIs. The performance underpin which applies to the annual bonus ensures that poor performance is not rewarded. The Committee also has discretion to override formulaic outcomes.
Alignment with culture – incentive schemes should drive behaviours consistent with company purpose, values and strategy.	Our remuneration strategy ensures that performance targets do not encourage inappropriate behaviours. The targets that are selected help align the interests of the workforce with those of the Company's purpose, values and strategy as illustrated on page 127.

Statement of consideration of pay and employment conditions elsewhere across the Group

The level for all employees' salaries is determined with reference to the rate of inflation, salaries for similar positions throughout the industry and general themes and trends in respect of remunerating employees. In determining the Policy for Executive Directors' remuneration, and in determining the annual increase in base salary, the Committee takes into consideration the pay and employment conditions of all employees across the Group. While the Company did not explicitly consult with employees when drawing up the Policy, the Workforce Forum discussed remuneration strategy, including executive reward strategy, and was asked to provide feedback to management.

The Company also operates a Sharesave scheme and makes conditional awards of shares to all eligible employees. This enables our employees to become shareholders in the Company, and to comment on the Group's Policy in the same way as our other shareholders. During the year 1,767 employees signed up to the 2024 sharesave scheme and conditional awards were made to 7,732 employees under the ELTIP and LTPP.

To build the Committee's understanding of reward arrangements applicable to the wider workforce, it is provided with data on the remuneration structure for senior management levels below the Executive Directors and the wider workforce, as well as benchmarking information. In addition, the Group provides several ways in which employees can ask questions and give feedback on such matters should they so wish. This includes the Employee Communications mailbox, personal development reviews, the Workforce Forum, a dedicated Workforce Forum email address and an email address for employees to directly contact the Designated Non-Executive Director for Workforce Engagement.

During the year the Workforce Forum sought clarification on the application of the D&I performance condition for the annual bonus, noting that the Redrow Combination removed an element of hiring discretion from managers. The concern was noted, and Sally Austin, the Group HR Director, provided assurance that targets would be reasonable and realistic based on the level of recruitment expected in the next 12 months. Other feedback from colleagues in relation to remuneration included requests for greater clarity and transparency around bonus payments and better promotion of the benefits available to colleagues. See pages 50 and 51 for actions implemented in response to these requests.

The Committee reviews the feedback from colleagues, which provides further context in relation to pay and conditions throughout the organisation.

Differences between the remuneration for Executive Directors and the wider workforce

The table on page 131 sets out the differences that exist between the Company's Policy for the remuneration of Executive Directors and its approach to the payment of the wider workforce generally. In general, these differences arise from the development of remuneration arrangements that are market competitive for the various categories of individuals. They also reflect the greater emphasis placed on performance-related pay for Executive Directors.

Consideration of stakeholders views

Shareholders	• Compensation outcomes reflect key financial and non-financial performance. • An appropriate portion of remuneration is paid in shares together with a mandated shareholding requirement to align interest with shareholders.
Regulators	• Compensation decisions take into account compliance and conduct considerations. • Pay structures are aligned to regulatory best practice.
Employees	• Consistent remuneration principles apply to executives and employees including consistent benefit and pension provisions. • The Company operates a Sharesave scheme and makes conditional awards of shares to all eligible employees. This enables all employees to become shareholders in the Company. • Compensation outcomes under the annual bonus include a health and safety underpin.
Customers	• Compensation outcomes under the annual bonus consider performance against quality and service measures.
Sub-contractors and suppliers	• Compensation outcomes under the annual bonus include a health and safety underpin.
Local communities and the environment	• Compensation outcomes under the annual bonus and LTPP consider performance against the reduction of waste and greenhouse gas emissions, and diversity and inclusion measures.

Remuneration Report continued
Directors' Remuneration Policy continued

Differences between the remuneration for Executive Directors and the wider workforce continued

Component of remuneration	Wider workforce	Executive Directors
Salary	Base salary of Executive Committee members is determined by the Committee. Salary for other colleagues is determined by management.	Base salary is determined by the Committee.
Bonus	A lower level of maximum annual bonus opportunity may apply to employees other than the Executive Directors. All colleagues, including Executive Directors, are subject to similar performance targets; however, the weightings against the various targets may vary.	Total bonus achievable as a % of salary: 150% All colleagues, including Executive Directors, are subject to similar performance targets; however, the weightings against the various targets may vary.
Benefits	All colleagues are eligible for similar benefits, including private medical insurance, as the Executive Directors though levels may vary.	All colleagues are eligible for similar benefits, including private medical insurance, as the Executive Directors though levels may vary.
Pension	All colleagues who, under the rules of auto-enrolment are eligible, are auto enrolled into a workplace pension. Colleagues can opt out of the workplace pension and can elect to participate in the company's pensions scheme.	Executive Directors are enrolled into a workplace pension. If Executive Directors choose to opt out of the workplace pension they can elect to participate in the Company's money purchase pension plan or receive a salary supplement in line with the wider workforce (currently 10%).
Deferred Bonus	One-third of any bonus earned by members of Senior Management will be deferred into shares for a period of three years and is normally subject to continued employment.	One third of any bonus earned is deferred into shares for a period of three years and is normally subject to a continued employment condition.
LTPP	A number of select employees at Senior Management level may also be invited to participate in the LTPP at the Committee's discretion. Awards are subject to the achievement of stretching performance conditions measured over three financial years. Senior Managers and Executive Directors, are subject to similar performance targets; however, the weightings against the various targets may vary. Awards include the right to receive dividend equivalents.	Executive Directors are granted awards at the discretion of the Committee. Awards are subject to the achievement of stretching performance conditions measured over three financial years with a subsequent two year holding period. Senior Managers and Executive Directors, are subject to similar performance targets; however, the weightings against the various targets may vary. Awards include the right to receive dividend equivalents.
ELTIP	Over the last several years, employees below Senior Management have been awarded a smaller number of shares under the ELTIP. To align with the LTPP, awards accrue dividend equivalents in cash or shares.	This award is not available to Executive Directors.
Sharesave	Colleagues can save up to £500 per month for a three or five year savings period.	Executive Directors can save up to £500 per month for a three or five year savings period.

Statement of consideration of shareholder views

Each year we update our major shareholders on the Committee's application of the Policy and our performance in advance of the publication of our Annual Report and Accounts. The Committee considers shareholder feedback received from this exercise and any additional feedback received during any meetings from time to time, as part of the Company's annual review of the Policy. In addition, the Committee will seek to engage directly with major shareholders and their representative bodies ahead of any material changes being proposed to the Policy.

Remuneration Report continued
Annual Report on Remuneration

In this section, we provide an overview of the Committee and its advisers, as well as how the Policy was applied in FY24 and how it will be applied in FY25, together with the resulting payments to Directors. The Annual Report on Remuneration will be subject to an advisory vote at the 2024 AGM.

Membership and attendance at Committee meetings

Membership of the Committee comprises of all the Independent Non-Executive Directors and the Chair of the Board, and attendance at meetings during the year is set out on page 95. The Committee is chaired by Katie Bickerstaffe. The Executive Directors are not members of the Committee and no Director or senior manager is present at any Committee meeting when their own remuneration is being considered.

Advisers to the Remuneration Committee

In carrying out its principal responsibilities, the Committee has the authority to obtain the advice of external independent remuneration consultants and is solely responsible for their appointment, retention and termination. In line with best practice, the Committee assesses annually whether the appointment remains appropriate or if it should be put out to tender. The last such tender took place in 2017, resulting in PwC being appointed as the advisers to the Committee with effect from 1 January 2018. PwC is a signatory to the Remuneration Consultants Group's Code of Conduct.

In November 2023, PwC temporarily stood down as the Committee's adviser to avoid a conflict of interest given the advice and support it was asked to provide for the Combination. During the period from July 2023 to November 2023, PwC provided advice to management and the Chair of the Committee on Restricted Stock Awards, the FY23 Remuneration Report, the 2023 Policy and market trends in remuneration and corporate governance changes. The fees payable to PwC are based on an annual fixed fee for a specified service with anything outside this scope being charged on a time and disbursement basis. PwC's fees for services provided to the Committee during the year under review were £37,250 (FY23: £189,567).

In addition to remuneration advice, PwC also provides taxation, consultancy, corporate finance and internal audit services to the Group. PwC is a former independent adviser to the Sustainability Committee and our Business Safety Unit and continues to assist our Business Safety Unit with project management matters. PwC has no current connections with the Company (save as described in this section) nor with any individual Director.

Linklaters LLP was appointed as the Company's advisers for the Combination and as part of their remit were asked to advise the Committee on the impact of the Combination on Barratt and Redrow share schemes and other incentives and remuneration disclosures. The fees paid to Linklaters LLP for their services to the Committee during the period under review were £26,226.

Due to PwC's conflict noted above, the Committee sought the services of an alternative adviser to support with market data on integration incentives and setting targets for the 2023 and 2024 awards. Following consideration of various options, Korn Ferry was appointed on the recommendation of the Group HR Director who had worked with them previously. Korn Ferry's fees for services provided during FY24 were £21,607.

The Committee also receives input into its decision making from the Chief Executive, the Company Secretary and the Group HR Director, none of whom were present at any time when their own remuneration was being considered.

Role and main activities undertaken by the Committee during the financial year

The Committee's role is to determine and agree the Policy for Executive Directors and senior management whilst considering the remuneration of the wider workforce. It follows an annual work programme which was fully completed during the year. The Committee's responsibilities, as delegated by the Board, are formally set out in its written Terms of Reference, which are available from our website at www.barrattdevelopments.co.uk/investors/corporate-governance.

Details of the annual evaluation of the Committee's performance can be found on page 111 and key activities undertaken in the year are set out in the table below:

Priorities	Work carried out and outcomes
Executive Directors' remuneration	• Considered salaries of Executive Directors and senior management for FY25 in the context of the remuneration of the wider workforce. The outcome of this review is set out on page 133. • Considered and agreed FY23 annual bonus and 2020 LTPP vesting outcomes. • Considered and agreed the structure, performance conditions, weightings and targets for the 2023 LTPP (see page 139 for further details). • Considered and agreed the structure and performance measures of the bonus scheme for FY24 (see page 137 for more details). • Considered the structure of the 2024 LTPP and determined it remained appropriate. • Considered the effect of the Co-operation Agreement on Redrow share awards and options and how this would apply to Matthew Pratt on joining the Board as an Executive Director. • Discussed future performance measures and targets for both the annual bonus and LTPP plans. • Considered the impact of the Combination on the operation of Barratt share plans.
Governance	• Agreed a 3% increase in fees for the Chair in line with the increase for the wider workforce and the Executive Directors. • Discussed and approved publication of the 2023 gender and ethnicity pay gap reports.

Statement of implementation of the Remuneration Policy for FY25

Executive Directors' remuneration for FY25 will be based on the Policy approved by shareholders at the October 2023 AGM. The Policy is set out on pages 142 to 154 of the 2023 Annual Report and Accounts which is available on our website at www.barrattdevelopments.co.uk/investors/results-reports-and-presentations/rp-2023.

Base salary

The Committee reviewed the salaries of the Executive Directors in June 2024, considering their individual and the Company's performance during the year, the annual salary review for other employees in the Group where average salary increases were at 3%, and the multiplier effect of an increase in base salary on the Directors' package.

Accordingly, the Committee believed that it was justified in awarding a salary increase of 3% for each of the Executive Directors, which is in line with the increase for the wider workforce. The Executive Directors' salaries with effect from 1 July 2024 will therefore be:

Table 1 – Executive Directors' salaries

Executive Director	Salary with effect from 1 July 2024 £000[1]	Salary with effect from 1 July 2023 £000[1]
David Thomas	**861**	836
Steven Boyes	**694**	674
Mike Scott	**530**	514

1 Rounded to the nearest £000.

Pension

Each of the Executive Directors will continue to receive a pension contribution (or cash supplement) which is in line with the wider workforce, currently 10% of base salary.

Annual bonus

Executive Directors and senior management will participate in the Group's annual bonus scheme in accordance with the Policy.

The Committee is of the view that the individual annual bonus performance targets are commercially sensitive. Therefore, in line with market practice, these will be disclosed, with performance against them, in next year's Remuneration Report.

The performance measures, their reasons for selection and the maximum bonus payment that can be earned against each of them expressed as a percentage of salary for FY25 will be:

Table 2 - FY25 annual bonus performance measures

Bonus measure	Definition	Reason for selecting	Weighting (% of salary maximum)
Financial performance measures			
Adjusted Profit before tax - Group	Adjusted operating profit less all finance costs/income and the Group's share of the profits from its joint ventures. Where relevant, exceptional items are not included in adjusted profit before tax. The Remuneration Committee has the discretion to amend adjusted profit before tax should it be deemed necessary.	Rewards outperformance against stretching targets and is a key measure of our performance.	82.5
Average Work in Progress	Site work in progress and part exchange stock calculated over a three-point average which will be June 2024, December 2024 and June 2025.	Ensures efficient use of available capital.	15.0
Non-financial performance measures			
Quality and service (with a health and safety underpin)	To qualify for this element of the bonus, Divisions must achieve or exceed a SHE monitoring inspections gate of 94% on a rolling 12 months' performance basis and then achieve or exceed their customer service targets. A three-stage assessment will be applied to each Division. The criteria for achievement of this element will be as follows: • Initially, the Division needs to achieve a SHE monitoring inspections gate of 94% on a rolling 12 months' performance basis. If this score is achieved, then the Division will be considered for the customer service assessment. • The Division needs to achieve a minimum score of 90% for the HBF 8-week National New Homes Customer Satisfaction survey (60% weighting). • If 90% for 8 weeks is achieved, the Division needs to achieve a minimum score of 83% for the NHBC 9-month Customer Satisfaction survey (40% weighting). This will be reviewed and amended annually to continually improve our performance. 8-week and 9-month 'Recommend' performance will be measured on all valid surveys received during the financial year – 1st July to 30th June.	Ensures a focus on quality and service to our customers without compromising the health and safety of our employees, customers, suppliers, sub-contractors and members of the public.	22.5

Statement of implementation of the Remuneration Policy for FY25 continued

Annual bonus continued

Table 2 – FY25 annual bonus performance measures continued

Bonus measure	Definition	Reason for selecting	Weighting (% of salary maximum)
Non-financial performance measures continued			
Diversity and inclusion	To qualify for this element of the bonus, the Group must achieve an increase in the average rate of diverse appointments (gender and ethnicity). 37% diverse appointments are required to achieve Minimum, 39% diverse appointments are required to achieve On Target, 41% appointments are required to achieve Stretch. For Executive Committee and RMD's only – an additional target of 25% diverse representation of our Grade 4 population is also required.	To focus individuals on ensuring that, as part of any recruitment process, they identify a range of candidates which will help further improve diversity within the business.	15.0
Reduction of waste	Our FY25 sustainability target is site waste reduction (tonnes of waste for every 100m^2 of house build equivalent area). The target number will be set in accordance with Group, Division and site minimum performance levels.	Focus individuals on reducing the amount of construction waste intensity, which is a key element of our overall carbon reduction and sustainability strategy.	15.0
Total bonus achievable as a % of salary			**150.0**[1]

1 One-third of any bonus earned will be deferred into shares and held in the DBP. Dividend equivalents will accrue against any shares deferred into the DBP.

The Committee will continue to have an overriding discretion in respect of any bonus payment in accordance with its Policy.

In addition, any bonus awarded for FY25 will be subject to the malus and clawback provisions set out on page 129.

LTPP

The Committee intends to grant an LTPP award to Executive Directors later this year (2024 LTPP). Under the Remuneration Policy and the rules of the LTPP, the award can be up to 200% of base salary. The Committee remains mindful of the need to avoid windfall gains for Executive Directors, as evidenced by its decision to reduce the quantum of the 2022 LTPP award grant. There has been little movement in the share price since October 2023 and therefore the Committee intends to grant an award of up to 200% of base salary to Executive Directors. The Committee will, however, monitor the share price up until the day before the grant to determine the final quantum of the 2024 LTPP. In addition, the Committee recognises that the 2024 LTPP award should be subject to performance targets which are stretching and challenging whilst aligned with the long-term performance of the Group and its strategy, as well as the interests of shareholders. The performance conditions and their respective weightings for the 2024 LTPP, as agreed by the Committee, are set out in the table on the following page.

The Committee has set targets for each of the financial and non-financial performance conditions for the Barratt Group on a standalone basis. The Committee is however, mindful that these, together with the targets for all in-flight LTPP awards, may need to be adjusted to reflect the Combined Group post Completion. This will be considered by the Committee once the three-year plan for the Combined Group has been finalised. Accordingly, the Committee has agreed not to disclose the Barratt stand alone targets in this report but will communicate the adjusted targets at the appropriate time (currently anticipated to be the second quarter of 2025).

Remuneration Report continued
Annual Report on Remuneration continued

Statement of implementation of the Remuneration Policy for FY25 continued

LTPP continued

Table 3 – 2024 LTPP performance measures

Performance Measure	Definition	Reason Selected	Weighting (of total award)
TSR against 50+/50- comparator group	Company's Total Shareholder Return over the Performance Period measured against two comparator groups (i) the 'FTSE - the Company's Total Shareholder Return over the Performance Period must be at least at the median of a ranking of the Total Shareholder Return of each of the members ranking 50 above and 50 below the Company in the FTSE Index at the start of the Performance Period based on market capitalisation as at the day before the start of the Performance Period; and (ii) the 'Housebuilder Index' - the Company's Total Shareholder Return over the Performance Period must be at least the Index average of the Housebuilder Index over the same period.	Ensures the comparator group remains current and relevant whilst factoring in the continued movement in the Company's market capitalisation.	15%
TSR against a house builder index[1]		Ensures rewards are linked to outperformance of our peers.	15%
Absolute Adjusted EPS for financial year ending 30 June 2027	Calculated by dividing the adjusted profit after tax for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during FY27, excluding those held by the Employee Benefit Trust which are treated as cancelled.	Ensures efficient and effective management of our business and align interests with those of shareholders.	15%
Underlying ROCE for the financial year ending 30 June 2027	Calculated as earnings before amortisation, interest, tax, operating charges relating to the defined benefit pension scheme and adjusted items, divided by average net assets adjusted for goodwill, intangibles and land payables, tax, cash, loans and borrowings, retirement benefit assets/obligations, derivative financial instruments and legacy property provisions.	Ensures efficient and effective management of our business and align interests with those of shareholders.	40%
Reduction in GHG Emissions[2]	Reduction of our absolute Scope 1 and 2 (operational) GHG emissions by 29% by 2025 (from 2018 levels) and to net zero by 2040.	Ensures we focus on reducing our emissions by meeting our science-based target of a 29% reduction in absolute scope 1 and 2 greenhouse gas emissions.	15%

1 The Housebuilder Index to comprise: Bellway, Berkeley Homes, Crest Nicholson, Persimmon, Taylor Wimpey and Vistry Group.

2 Further information on scope 1 and 2 GHG Emissions can be found in the Strategic Report, pages 79 and 80.

The TSR, EPS and Underlying ROCE performance targets, will vest on a straight-line basis between threshold and maximum. For the GHG performance target, vesting will be on a straight-line basis between Below Threshold and Threshold, and on a straight-line basis between Threshold and Maximum. In addition, all LTPP awards are subject to a two-year post-vesting holding period and an overriding Committee discretion, as set out in the Policy table on page 146 of the FY23 Annual Report and Accounts. The Committee retains discretion to adjust the number of shares vesting from the 2024 LTPP award to mitigate against any potential windfall gains. The 2024 LTPP will also be subject to the malus and clawback provisions noted on page 129.

Non-Executive Directors' fees

During the year, a committee of the Board comprising the Chair and the Executive Directors reviewed Non-Executive Directors' fees and concluded that an increase of 3% should apply to the base fee paid to the Non-Executive Directors. Fees for the Chairs and members of Committees remain unchanged. This increase is in line with the salary increase awarded to the Executive Directors and the wider workforce. Caroline Silver, as Chair, also received a 3% increase from 1 July 2024. The annual fees payable to the Chair and Non-Executive Directors with effect from 1 July 2024 are:

Table 4 – Non-Executive Directors' fees

Role	Fee as at 1 July 2024 £000	Fee as at 1 July 2023 £000
Chair	375	364
Non-Executive Director base fee	72	70
Committee membership (per Committee)	3	3
Chair of Audit Committee	18	18
Chair of Remuneration Committee	18	18
Chair of Safety, Health and Environmental Committee	18	18
Senior Independent Director	18	18
Designated NED for Workforce Engagement[1]	0	0

1 As Caroline Silver is currently the Designated NED for Workforce Engagement no additional fees are payable to her for this role.

Directors' remuneration outcomes for the year ended 30 June 2024

Single figure of remuneration

The total remuneration for each of the Directors who served during the financial year ended 30 June 2024 is set out in Tables 5 and 6. The salary for all Directors is the amount received in the year.

Table 5 – Executive Directors' single figure of remuneration (audited)

	Base salary £000		Benefits (taxable)[1] £000		Annual bonus[2] £000		LTPP[3] £000		Sharesave[4] £000		Pension benefits £000		Total[5] remuneration £000		Total[5] fixed remuneration £000		Total[5] variable remuneration £000	
	2023/24	2022/23	**2023/24**	2022/23	**2023/24**	2022/23	**2023/24**	2022/23	**2023/24**	2022/23	**2023/24**	2022/23	**2023/24**	2022/23	**2023/24**	2022/23	**2023/24**	2022/23
David Thomas	**836**	803	**29**	29	**1,126**	483	**194**	269	**—**	—	**84**	141	**2,268**	1,725	**948**	973	**1,321**	752
Steven Boyes	**674**	648	**15**	30	**909**	390	**157**	213	**2**	—	**67**	113	**1,824**	1,394	**756**	791	**1,067**	603
Mike Scott	**514**	494	**23**	18	**693**	297	**102**	62	**—**	—	**51**	49	**1,384**	920	**589**	561	**795**	359
Total	**2,024**	1,945	**67**	77	**2,728**	1,170	**453**	544	**2**	—	**202**	303	**5,476**	4,039	**2,293**	2,325	**3,183**	1,714

1 Benefits (taxable) include the provision of a company car or car allowance, private medical insurance, some telephone costs and contributions towards obtaining independent financial and tax advice, and are provided based on market rates.

2 Annual bonus for 2023/24 includes amounts deferred (see page 138).

3 Performance conditions for the LTPP were tested after 30 June 2024. 15% of the award granted to each of the Executive Directors is due to vest in October 2024 (see pages 138 and 139 for further details). The market price of the shares has been calculated based on an average market value over the three months to 30 June 2024 £4.81 per share). None of the value of the award is attributed to share price growth. The values in the 2022/23 column have been re-calculated using a share price of £3.925 per share being the market value of the shares on the vesting date, 19 October 2023, as opposed to the market price of £4.71 per share calculated based on an average market value over the three months to 30 June 2023 disclosed in last year's Remuneration Report.

4 The Sharesave shares granted in 2020 for Steven Boyes, which matured on 1 July 2023, were subject to a continued employment condition and completion of a savings contract. There are no performance conditions for Sharesave shares. The value calculated using the difference between the option price and the mid-market closing price of a share on the date of maturity is nil (relevant prices £4.56 and £4.14). Steven Boyes exercised these options on 31 December 2023 making a gain of £2,103 calculated using the difference between the option price and the mid-market closing price on 29 December 2023 being the last trading day before the date of exercise (relevant prices being £4.56 and £5.63).

5 The total remuneration figures in the last three columns of the above table may not add up to the sum of the component parts, due to rounding.

Table 6 – Non-Executive Directors' single figure of remuneration (audited)

	Fees £000		Benefits (taxable) £000		Total £000	
	2023/24	2022/23	**2023/24**	2022/23	**2023/24**	2022/23
Caroline Silver[1]	**364**	7	**—**	—	**364**	7
Katie Bickerstaffe	**97**	93	**—**	—	**97**	93
Jasi Halai[1]	**83**	40	**—**	—	**83**	40
Jock Lennox	**115**	110	**—**	—	**115**	110
Chris Weston	**97**	93	**—**	—	**97**	93
Nigel Webb[2]	**60**	—	**—**	—	**60**	—
John Allan	**—**	405	**—**	1	**—**	406
Nina Bibby	**—**	22	**—**	4	**—**	26
Sharon White	**—**	86	**—**	—	**—**	86
Total	**816**	856	**—**	5	**816**	861

1 Caroline Silver and Jasi Halai were appointed to the Board with effect from 1 June and 1 January 2023 respectively. Their 2022/2023 fees therefore reflect a partial year.

2 Nigel Webb was appointed to the Board with effect from 1 October 2023 and his fees therefore reflect a partial year.

Directors' remuneration outcomes for the year ended 30 June 2024 continued

Annual bonus

For FY24, the business continued to focus on managing costs, with a strong emphasis on building sustainably whilst maintaining high customer service levels. The bonus measures were set accordingly. Financial targets were set taking into consideration internal and external consensus forecasts.

As in previous years, Executive Directors had the potential to earn an annual bonus of up to 150% of base salary. Achievement is based on the attainment of Group performance targets which are linked directly to the Group's strategy. One-third of any bonus earned is deferred into shares (see page 138). The Group performance targets and performance against them for FY24 are set out in the table below. The Committee considers that the outcome reflects a fair, reasonable and appropriate level of reward, and the overall performance of the Group during FY24, and therefore no discretion was exercised in relation to the bonus outcomes. It also aligns to the bonus outcomes for the wider workforce below senior management.

Table 7 – Annual bonus (audited)

Bonus target[1]	Reason performance target selected	Targets	Potential bonus weighting % of salary	Actual performance achievement	Bonus achieved % of salary	Bonus outcome % of maximum
Adjusted profit before tax	Rewards outperformance against stretching targets and is a key measure of our performance.	Threshold: £275m Target: £350m Maximum: £400m	16.5% 41.25% 82.5%	£385m	70.1%	46.8%
Capital employed	Ensures efficient use of available capital.	Minimum and target: £1,923m Maximum: £1,890m	7.5% 15.0%	£1,805.3m	15.0%	10.0%
Quality and service (with health and safety underpin)	Ensured a focus on quality and service to our customers without compromising the health and safety of our employees, customers, suppliers, sub-contractors and members of the public.	A three-stage assessment is applied: (i) a division must achieve SHE audit monitoring inspections gate on a rolling 12 months' performance basis of 94% to be considered for the customer service element; (ii) to earn 67% of this bonus element, the division must achieve 90% or higher "recommend" score for the HBF eight-week National New Homes Customer Satisfaction Survey; and (iii) to earn the remaining 33% of this bonus element, the division must also achieve 82% or higher score for the NHBC nine-month Customer Satisfaction Survey.	22.5%	SHE gate: 29/29 divisions Eight-week score: 28/29 divisions Nine-month score: 20/29 divisions	19.7%	13.1%
Construction waste reduction	Focuses individuals on reducing the amount of construction waste intensity, which is a key element of our overall carbon reduction and sustainability strategy.	Threshold: 4.31 tonnes Target: 4.22 tonnes Maximum: 4.15 tonnes	3.0% 7.5% 15.0%	3.83 tonnes	15.0%	10.0%
Diversity and inclusion	Focuses individuals on ensuring that, as part of any recruitment process, they identify candidates which will help further improve diversity within the business.	The Group must achieve an increase in the average rate of diverse appointments (gender and ethnicity) against a baseline of 20%. Threshold: 32% Target: 34% Maximum: 36%	3.0% 7.5% 15.0%	54.0%	15.0%	10.0%
Total outcome					**134.8%**	**89.9%**

1 See definitions on pages 156 and 157 of the 2023 Annual Report and Accounts.

Remuneration Report continued
Annual Report on Remuneration continued

Directors' remuneration outcomes for the year ended 30 June 2024 continued

Executive Directors' deferred bonus

Table 8 sets out the amount of bonus earned by each of the Executive Directors for FY24 and the split between cash (two-thirds of the bonus earned) and shares (one-third of the bonus earned). The number of shares that will be awarded will be calculated based on the average closing share price for the first five dealing days following the date on which the Group publishes its annual results and will be announced via the Regulatory Information Service when the shares are awarded. Deferred shares are held for a period of three years from the date they are awarded, subject normally to continued employment.

Table 8 – Executive Directors' deferred bonus (audited)

	FY24 deferred bonus				FY23 deferred bonus		
	Bonus earned % of salary	Annual bonus £000	Bonus paid in cash (two-thirds) £000	Bonus deferred into shares (one-third) £000	% of salary deferred into shares %	Bonus deferred into shares £000	Number of shares
David Thomas	134.8	1,126	751	375	0	0	0
Steven Boyes	134.8	909	606	303	0	0	0
Mike Scott	134.8	693	462	231	0	0	0

Long-Term Performance Plans

Vesting of 2021 LTPP (included in FY24 single figure of remuneration)

The 2021 LTPP award was based on a three-year performance period to 30 June 2024 and will vest in October 2024. The award is subject to four performance conditions, 15% EPS, 40% ROCE, 30% TSR (half of which is measured against a 50+/50- FTSE comparator group and the other half against a housebuilder index) and 15% for the reduction of GHG emissions. The resulting vesting levels are as follows:

Table 9 – Vesting of 2021 LTPP (audited)

Metric	Performance condition	Below Threshold (0% vesting)	Threshold (25% vesting)	Maximum (100% vesting)	Actual	Portion of award vesting
Absolute EPS for the financial year ended 30 June 2024 (15.0%)	EPS growth for the financial year ended 30 June 2024.	<79 pence	79 pence	87 pence	12.7 pence[1]	0.0%
Underlying ROCE for the financial year ended 30 June 2024 (40.0%)	To increase Underlying ROCE for the financial year ended 30 June 2024.	<19.0%	19.0%	22.0%	8.6%	0.0%
TSR (FTSE) (15.0%)	TSR against the 50 companies above and below the Company in the FTSE index measured over three financial years with a three-month average at the start and end of the performance period.	Below median	Median ranking of 47.0 TSR of 1.0%	Upper quartile ranking of 24.0 TSR of 22.2%	Rank of 63.5 TSR of (20.9%)	0.0%
TSR (housebuilder)[2] (15.0%)	TSR of at least the index average of a housebuilder index measured over three financial years with a three-month average at the start and end of the performance period.	Below unweighted index average	Unweighted index average (TSR of (7.9)%)	Unweighted index average + 8% p.a. (TSR of 18.0%)	Below Threshold (TSR of (20.9)%)	0.0%
Reduction of GHG emissions (15.0%)	Based on the reduction of greenhouse gas emissions (the Greenhouse Gas Emissions Element) compared with 2018 levels.	<20.0% reduction	25.0%	30.0%	49.4%	15.0%
Total level of award vesting						**15.0%**

1 The basic EPS of 11.8 pence has been re-based using the same rate of corporation tax and number of shares as was used in setting the 2021 LTPP targets. The re-based basic EPS used for the purpose of determining vesting, which is directly comparable to the 2021 targets, is 12.7 pence.

2 The housebuilder index comprises: Bellway, Berkeley Homes, Countryside Partnerships, Crest Nicholson, Persimmon, Redrow, Taylor Wimpey and Vistry Group. On 11 November 2022, Countryside Partnerships was acquired by Vistry Group. At the time, both companies were members of the housebuilder index comparator group. The TSR performance for Countryside Partnerships has therefore been calculated based on the performance of Countryside Partnerships up to the date of the merger and then by tracking Vistry Group's performance thereafter.

Remuneration Report continued
Annual Report on Remuneration continued

Directors' remuneration outcomes for the year ended 30 June 2024 continued
Long-Term Performance Plans continued
Table 9 – Vesting of 2021 LTPP (audited)
Notwithstanding the extent to which each of the performance targets are met, the Committee had discretion to reduce the number of shares in respect of the awards if it considered that the Company's underlying financial performance over the performance period did not warrant the level of vesting that would otherwise be achieved by reference to each of the TSR, EPS, Underlying ROCE and the reduction of GHG emissions performance targets. The Committee considered the underlying financial performance of the Group and was satisfied that given the continued strong performance in the Group's financial results, the level of vesting was justified and is fair, reasonable and appropriate. There was no share price appreciation, and no discretion was exercised in relation to the share price. The Committee has therefore not exercised any discretion in relation to the LTPP vesting outcome. The 2021 LTPP has accrued dividend equivalents in accordance with the rules of the scheme. The amount of dividend equivalent to be paid, in cash, on vesting will be pro-rated in line with the number of shares that vest. The gross number of shares to be released to each of the Executive Directors and the gross value of the dividend equivalents are as follows:

Table 10 – 2021 LTPP vesting outcomes (audited)

Executive Director	Number of shares at grant	Number of shares to lapse	Total number of shares to vest[1]	Estimated value of vested shares[2] £000	Value of dividend equivalents earned on vested shares[2] £000	Total estimated value[2,3] £000
David Thomas	224,370	190,715	33,655	162	33	194
Steven Boyes	180,987	153,839	27,148	131	26	157
Mike Scott[4]	117,716	100,059	17,657	85	17	102

1 The relevant number of shares will be released to each participant as soon as is practicable following the vesting date. The awards are subject to a two-year post-vesting holding period commencing 1 July 2024.
2 The estimated values of the vested shares and the dividend equivalents are based on the average share price during the three months to 30 June 2024 (£4.81 per share). There was no share price appreciation from the date the shares were awarded.
3 The total estimated value in the last column may not add up to the sum of component parts due to rounding
4 The number of shares over which the award has been granted has been calculated based on 200% of the participant's salary as at the date of appointment, being £480,000 per annum. In accordance with the participant's final offer letter dated 24 June 2021, the number of shares subject to the award has been pro-rated to reflect the length of the performance period commencing from the date of appointment.

LTPP granted during the year (2023 LTPP)
In December 2023, the Committee granted the 2023 LTPP to Executive Directors. The 2023 LTPP is subject to four performance conditions, 30% TSR (half of which is measured against a 50+/50- FTSE comparator group and the other half against a housebuilder index), 15% Adjusted Absolute EPS, 40% Underlying ROCE and 15% reduction of GHG emissions. Further information on the reduction of GHG emissions and the progress against this target is given on pages 79 and 80. The levels of vesting against TSR and the reduction of GHG emissions will be measured over a three-year period commencing 1 July 2023, and against Absolute Adjusted EPS and Underlying ROCE for the financial year ending 30 June 2026. On completion of the performance period, assuming that shares vest, they will be subject to a further two-year holding period commencing on the vesting date.

Table 11 – 2023 LTPP (audited)

Executive Director	Type of award	Basis of award granted	Share price at date of grant[1] £	Number of shares over which award was granted	Face value of award £000	% of face value that would vest at threshold performance	Vesting determined by performance over
David Thomas	Conditional award	200% of salary of £835,540	4.2748	390,914	1,671	25	Three financial years to 30 June 2026
Steven Boyes	Conditional award	200% of salary of £673,985	4.2748	315,329	1,348	25	
Mike Scott	Conditional award	200% of salary of £514,180	4.2748	240,563	1,028	25	

1 Based on the average of the closing prices, as derived from the London Stock Exchange Daily Official List, for each of the dealing days (excluding days within a prohibited period defined by the Market Abuse Regulation) in the period of three months ending on 20 December 2023, being the day before the date of the awards.

The targets applicable to the 2023 LTPP are as set out in Table 13.

Remuneration Report continued
Annual Report on Remuneration continued

2022 and 2023 LTPP awards

The following tables show the targets set on grant for each of the 2022 and 2023 LTPP awards.

Table 12 – 2022 LTPP award performance targets

Performance target (weighting as % of maximum award)	Below threshold (0% vesting)	Threshold (25% vesting)	Maximum (100% vesting)
TSR FTSE[1] (15.0%)	Below median	Median	Upper quartile
TSR housebuilder[2] (15.0%)	Below unweighted index average	Unweighted index average	Unweighted index average +8% p.a.
Adjusted EPS (15.0%)	<73 pence	73 pence	81 pence
Underlying ROCE (40.0%)	<20.0%	20.0%	23.0%
GHG emissions reduction (15.0%)	<25% reduction	30% reduction	35% reduction

1 The comparator group for TSR FTSE is each of the members ranking 50 above and 50 below the Company in the FTSE index.

2 The housebuilder Index comprises: Bellway, Berkeley Homes, Countryside Partnerships, Crest Nicholson, Persimmon, Redrow, Taylor Wimpey and Vistry Group. On 11 November 2022, Countryside Partnerships was acquired by Vistry Group. At the time, both companies were members of the housebuilder index comparator group. The TSR performance for Countryside Partnerships has therefore been calculated based on the performance of Countryside Partnerships up to the date of the merger and then by tracking Vistry Group's performance thereafter.

Table 13 – 2023 LTPP award performance targets

Performance target (weighting as % of maximum award)	Below threshold (0% vesting)	Threshold (25% vesting)	Maximum (100% vesting)
TSR FTSE[1] (15.0%)	Below median	Median	Upper quartile
TSR housebuilder[2] (15.0%)	Below unweighted index average	Unweighted index average	Unweighted index average +8% p.a.
Absolute Adjusted EPS (15.0%)	<38 pence	38 pence	42 pence
Underlying ROCE (40.0%)	<11.0%	11.0%	13.0%
GHG emissions reduction (15.0%)	<29% reduction	33% reduction	38% reduction

1 The comparator group for TSR FTSE is each of the members ranking 50 above and 50 below the Company in the FTSE index.

2 The housebuilder index comprises: Bellway, Berkeley Homes, Crest Nicholson, Persimmon, Redrow, Taylor Wimpey and Vistry Group.

For the TSR, EPS and Underlying ROCE performance targets, vesting is on a straight-line basis between threshold and maximum. For the reduction of GHG emissions performance target, vesting is on a straight-line basis between 25% and 35% reduction for the 2022 award, and between 29% and 38% for the 2023 award. The LTPP awards will accrue dividend equivalents in accordance with the rules of the scheme. The amount of dividend equivalent to be paid, in cash, on vesting will be pro-rated according to the number of shares that vest.

The Committee has the discretion to adjust the number of shares vesting from each LTPP award if it considers that the vesting outcome is not sufficiently reflective of the underlying performance of the Company and to mitigate against any potential windfall gains for the Executive Directors.

Statement of Directors' shareholdings and share interests

For the financial year ended 30 June 2024, Executive Directors were required to hold shares in the Company equivalent in value to 200% of salary. The Executive Directors are expected to meet this requirement no later than the fifth anniversary of joining the Board, with progress being made towards its achievement throughout the period. The share price used for the purposes of determining the value of the shares is by reference to the higher of the share price paid on acquisition or vesting and the share price at the close of business on the London Stock Exchange on 30 June or the date of leaving, as applicable. Participants who have not built up the required level of shareholding by the fifth anniversary of joining the Board will not be eligible for inclusion in future share-based incentive schemes. In addition, they will not be allowed to sell any of the net of tax shares released from incentive schemes until they reach the levels specified, unless exceptional circumstances exist in the opinion of the Committee.

Remuneration Report continued
Annual Report on Remuneration continued

Statement of Directors’ shareholdings and share interests continued

The Committee retains discretion to adjust the length of time in which the required amount of shareholding needs to be accrued to adjust for events out of the Director’s control. The Committee reserves the right to amend the percentage holding required by the Executive Directors depending on market conditions and best practice guidance. On 30 June 2024, David Thomas and Steven Boyes had met their shareholding requirements and Mike Scott has until 6 December 2026 to meet his.

Executive Directors are also subject to a two-year post-cessation shareholding requirement. They must hold the lower of their shareholding requirement (currently 200% of salary) or their actual shareholding on the date of leaving. The Committee has agreed that to ensure continued enforcement of the post-cessation shareholding requirement, a contractual agreement will be entered into by the Company and the relevant Executive Director at the point of leaving employment, under which the individual concerned will agree not to dispose of the shares prior to the completion of the post-cessation shareholding period.

The interests of the Directors serving during the financial year and their connected persons in the ordinary share capital of the Company at the end of FY24 are shown in the table below.

Table 14 – Directors’ interests in shares as at 30 June 2024 (audited)

		Other share interests		Options	Shareholding requirements		
	Beneficially owned	Interests subject to performance conditions (LTPP)	Interests not subject to performance conditions (DBP)	Interests in Sharesave options[1]	Shareholding requirement % of salary	Current shareholding % of salary[6]	Shareholding requirement met?
Executive Directors							
David Thomas	1,326,830	923,030	140,770	7,807[5]	200%	792%	Yes
Steven Boyes	728,082[2]	744,559	113,333[3]	9,110[4,5]	200%	552%	Yes
Mike Scott	69,832	547,661	—	4,128	200%	64%	No
Non-Executive Directors							
Caroline Silver	10,000	The Chair and Non-Executive Directors are not awarded incentive shares and are not subject to a shareholding requirement.					
Katie Bickerstaffe	8,489						
Jasi Halai	12,581						
Jock Lennox	10,000						
Chris Weston	—						
Nigel Webb	12,660						

1 All of these options were unexercised at 30 June 2024.

2 On 11 July 2024 the interest of Steven Boyes and his connected persons in the ordinary share capital of the Company increased by 153 shares following the vesting of awards made under the Company’s 2022 ELTIP to a person closely associated with Steven Boyes. The 153 increase represents the shares retained following the sale of shares to satisfy tax and National Insurance liabilities. Following this, Steven Boyes, beneficial interest in the Company’s shares was 728,235.

3 Includes 112,758 DBP shares held by Steven Boyes and 575 awards under the Company’s ELTIP made to a person closely associated with Steven Boyes. On 11 July the person closely associated with Steven Boyes' exercised 271 ELTIP awards, following which the interest in shares not subject to performance conditions was 113,062. On 22 July 2024 the person closely associated with Steven Boyes was awarded 150 shares under the ELTIP, following which the interest in shares not subject to performance conditions was 113,212. The ELTIP is an all-employee award made to employees grade 4 and below.

4 Includes options held by a person closely associated with Steven Boyes.

5 During the year, David Thomas and a person closely associated with Steven Boyes were each granted 2,434 Sharesave options, exercisable for six months from 1 July 2027 at an option price of £3.81, representing a 20% discount on the average share price for the five business days immediately before the invitation to participate in the award (£4.753). The number of shares granted was based on the option price and the total savings amount forecast at the end of the respective savings periods. The face value of the options based on the average share price above was £11,569 for David Thomas and for the person closely associated with Steven Boyes. There are no performance targets associated with this Sharesave option.

6 The share price used for the purposes of determining the value of the shares is £4.722, being the mid-market closing price on 30 June 2024. Shares counting towards the shareholding requirement include those beneficially owned and DBP shares. The value of DBP shares used is net of income tax and National Insurance contributions which the Directors would have to pay on exercise.

All conditional awards and share options are subject to an overriding Committee discretion, in that the Committee must be satisfied that the underlying financial performance of the Group over the performance period warrants the level of vesting as determined by applying the relevant targets. If the Committee is not of this view, it has the authority to reduce the level of vesting, including to nil, as it deems appropriate.

Remuneration Report continued
Annual Report on Remuneration continued

Executive Directors' pension arrangements

The Company's pension policy for Executive Directors is that on joining the Group they will be auto-enrolled unless they choose to opt out. On opting out, the Executive Director may choose to receive a cash supplement (which does not count for incentive purposes) and/or participate in the Company's defined contribution money purchase pension plan. Each Executive Director has opted to receive a cash supplement in lieu of pension. From 1 January 2023 all Executive Directors have received an amount equal to 10% of base salary in line with the pension level available to the wider workforce. Only the base salary element of a Director's remuneration is pensionable.

Details of the cash supplements paid to the Executive Directors during the year can be found in Table 5 on page 136.

Defined benefit section (audited)

Steven Boyes is a deferred member of the defined benefit section of the Barratt Group Pension and Life Assurance Scheme (the Scheme), which was bought out by an insurer during FY21. As a result of the buyout, no employee (including Steven Boyes) has any current or prospective defined benefit pension or related benefit payable by the Group.

Payments to former Directors (audited)

Jessica White stepped down as a Director and Chief Financial Officer on 30 June 2021 and left the business on 31 July 2021. The Committee determined that in line with the Policy and the rules of the relevant plans Jessica would be treated as a good leaver.

As set out in the FY21 Remuneration Report, Jessica held 56,462 shares under the 2020 LTPP. 11,066 of these shares vested on 6 October 2023. The awards were valued using a share price of £4.22, being the market price of the shares on the vesting date. The value of the shares and dividend equivalent (paid in cash) was £46,699 and £11,232 respectively, such that the total value of the award on the vesting date was £57,931. No other payments to past directors were made during the year.

Payments for loss of office (audited)

No payments for loss of office have been made to former Directors during the year.

Chief Executive's relative pay

The table below sets out: (i) the total pay, calculated in line with the single figure methodology; (ii) the annual bonus payout as a percentage of maximum; and (iii) long-term incentive vesting level for the Chief Executive over a ten-year period.

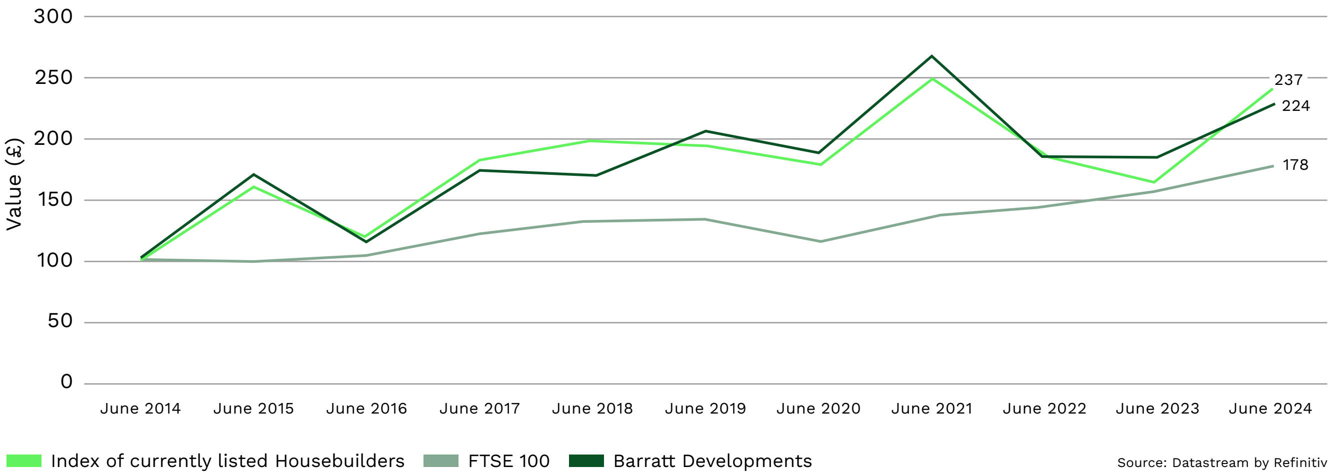
Table 15 – Chief Executive's pay

	Mark Clare		David Thomas							
	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Chief Executive's total pay (£000)	7,363	3,155	3,331	2,720	3,727	1,251	3,761	2,738	1,725	**2,268**
Bonus outturn (as a percentage of maximum opportunity)	93.2	97.4	97.5	92.2	96.2	0	99.0	98.3	40.1	**89.9**
LTI vesting (as a percentage of maximum award)	100.0	100.0	100.0	76.4	92.8	19.4	80.0	59.3	19.6	**15.0**

TSR performance graph

The graph below, prepared in accordance with the reporting regulations, shows the TSR performance over the last ten years against the FTSE 100 and against an unweighted index of listed housebuilders. The Board has chosen these comparative indices as the Group and its major competitors are constituents of one or both of these indices. The TSR has been calculated using a fair method in accordance with the regulations.

Total shareholder return (value of £100 invested on 30 June 2014)



Source: Datastream by Refinitiv

Annual percentage change in remuneration of Directors compared to employees

Table 16 shows the percentage change in salary, taxable benefits and annual bonus set out in the relevant single figure of remuneration tables paid to each Director compared to that of the average pay of all employees of Barratt Developments PLC, the Group parent company, in respect of the financial years ended 30 June 2020 to 30 June 2024, compared with their prior years.

Table 16 – Percentage change in remuneration

	FY24			FY23			FY22			FY21			FY20		
	Salary/ fees % change	Benefits % change	Annual bonus % change	Salary/ fees % change	Benefits % change	Annual bonus % change	Salary/ fees % change	Benefits % change	Annual bonus % change	Salary/ fees % change[1]	Benefits % change	Annual bonus % change	Salary/ fees % change	Benefits % change	Annual bonus % change
Executive Directors															
David Thomas	4.1	0.0	133.1	2.9	3.6	(58.0)	3.0	7.7	2.5	2.2	(10.3)	100.0	0.3	16.0	(100.0)
Steven Boyes	4.0	(50.0)	133.1	3.0	(3.2)	(58.1)	5.0	(25.0)	4.4	2.2	11.1	100.0	0.2	(12.2)	(100.0)
Mike Scott[2]	4.0	27.8	133.3	78.3	100.0	(26.1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Executive Directors[3]															
Caroline Silver[4]	3.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Katie Bickerstaffe[4]	4.3	N/A	N/A	1.1	N/A	N/A	41.5	0.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jasi Halai[4]	5.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jock Lennox	4.5	N/A	N/A	0.9	N/A	N/A	41.6	0.0	N/A	4.1	0.0	N/A	0.0	0.0	N/A
Chris Weston[4]	4.3	N/A	N/A	1.1	N/A	N/A	43.8	0.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nigel Webb[4]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average pay of all employees in Barratt Developments PLC	1.0	(6.2)	6.1	(2.6)	(12.1)	(32.6)	(1.1)	(11.3)	(3.2)	7.7	(3.5)	100.0	4.0	6.4	(100.0)
Average pay of all employees in the Group[5]	1.9	(1.7)	62.2	7.5	11.5	(39.5)	7.8	(2.1)	(3.2)	0.4	2.1	100.0	0.8	(1.5)	(100.0)

1 The percentage changes in salary and fees of the Directors for FY21 takes into account a temporary 20% voluntary reduction in base salary in April and May 2020 covering the period our construction sites were temporarily closed as a consequence of COVID-19.

2 Mike Scott was appointed as an Executive Director effective 6 December 2021; therefore, no percentage change in remuneration is displayed for years prior to FY23 and the change in fees reflects the annualised fees that would have been earned for FY22.

3 The changes in fees of the Non-Executive Directors reflect the introduction of additional fees for Committee membership and increases in fees for Committee Chairs which took place for FY22 and were set out in detail on page 102 of the FY21 Annual Report and Accounts.

4 Katie Bickerstaffe and Chris Weston were appointed to the Board part way through FY21, Jasi Halai and Caroline Silver were appointed to the Board part way through FY23 and Nigel Webb was appointed to the Board part way through FY24. No percentage change in remuneration is displayed for the years they joined, and the changes in fees reflect the annualised fees that would have been earned for the year they joined the Board. The Change in fees for Caroline Silver reflect the annual Chair fee that would have been earned in FY23.

5 Average pay using all employees in the Group is provided as a more meaningful figure, as the parent company employs only a very few senior employees. The figure represents the mean employee pay. As set out in the 2023 Remuneration Report, the average salary increase for the wider workforce on 1 July 2023 was 5.3%.

Chief Executive pay ratio

The table below compares the single total figure of remuneration for the Chief Executive with that of the Group employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile) of its UK employee population.

Table 17 – Chief Executive pay ratio

	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY24	Option B	59:1	42:1	26:1
FY23	Option B	44:1	32:1	23:1
FY22	Option B	81:1	63:1	38:1
FY21	Option B	115:1	94:1	60:1
FY20	Option B	40:1	32:1	21:1
FY19	Option B	123:1	88:1	59:1

The remuneration figures for the employee at each quartile were determined with reference to the financial year ended 30 June 2024.

Under Option B of The Companies (Miscellaneous Reporting) Regulations 2018, the latest available gender pay gap data (i.e. from 5 April 2024) was used to identify the best equivalent for three Group UK employees whose hourly rates of pay are at the 25th, 50th and 75th percentiles for the Group. The Committee is comfortable that this approach provides a fair representation of the Chief Executive to employee pay ratios and is appropriate in comparison to alternative methods, balancing the need for statistical accuracy with internal operational resource constraints.

A full-time equivalent total pay and benefits figure for the FY24 financial year was then calculated for each of those employees. This was also sense checked against a sample of employees with hourly pay rates either side of the identified individuals to ensure that the appropriate representative employee is selected. The pay ratios outlined above were then calculated as the ratio of the Chief Executive's single figure to the total pay and benefits of each of these employees.

Each employee's pay and benefits were calculated using each element of employee remuneration on a full-time basis, consistent with the Chief Executive. No adjustments (other than the approximate uprating of pay elements to achieve full-time equivalent rates) were made, with the exception of annual bonuses where the amount paid during the year for the annual bonus and H2 bonus was used (i.e. in respect of FY23) as the FY24 employee figures had not yet been determined at the time this report was produced. No components of pay have been omitted.

The table below sets out the salary and total pay and benefits for the three identified quartile point employees:

Table 18

	25th percentile (P25)	Median (P50)	75th percentile (P75)
Salary	£36,005	£39,250	£59,715
Total pay and benefits	£38,650	£54,132	£87,585

The FY24 pay ratios are higher than last year due to an increase in the Chief Executive's single figure of remuneration compared to FY23. The increase in the Chief Executive's pay is a result of an increase in annual bonus payout when compared to FY23. The median pay ratio has fluctuated since reporting began. This movement has primarily been driven by both changes in the Chief Executive's pay outcomes and the impact of the pandemic on outcomes in recent years. The Committee considers that the median pay ratio is consistent with the relative roles and responsibilities of the Chief Executive and the identified employee. Base salaries of all employees, including our Executive Directors, are set with reference to a range of factors including market practice, experience and performance in role. The Chief Executive's remuneration package is weighted towards variable pay (including the annual bonus and LTPP) due to the nature of the role. This also means that the ratio is likely to fluctuate depending on the outcomes of incentive plans in each year (as illustrated by the ratios to date).

The Committee also recognises that, due to the nature of the Company's business and the ways in which we employ our staff, the flexibility permitted within the regulations for identifying and calculating the total pay and benefits for employees, as well as differences in employment and remuneration models between companies, the ratios reported above may not be comparable to those reported by other companies.

Service contracts and letters of appointment

The letters of appointment for Non-Executive Directors and service contracts for Executive Directors are available for inspection by any person at the Company's registered office during normal office hours or are available on the Company's website: www.barrattdevelopments.co.uk/investors.

As previously announced, we expect Matthew Pratt, Nicky Dulieu and Geeta Nanda to join the Board once either: (i) undertakings have been agreed with the Competition and Markets Authority (CMA) that address the CMA's limited concerns in connection with the combination of Barratt and Redrow; or (ii) the CMA otherwise agrees to their appointment. As such, Matthew, Nicky and Geeta may join the Board either before the date of the AGM or after the date of the AGM, depending on the process with the CMA.

Provided that they are appointed as Directors by the Board prior to the date of the AGM, Matthew, Nicky and Geeta will seek election by shareholders for the first time at the 2024 AGM. If they are not appointed as Directors by the Board prior to the date of the AGM, they will instead seek election by shareholders for the first time at the 2025 AGM.

As Matthew, Nicky and Geeta have not yet been appointed they do not yet have service contracts (Matthew) or letters of appointment (Nicky and Geeta) but will duly sign such on their appointment to the Combined Board.

The current Executive Directors have service contracts with the Company all with a rolling 12-month notice period and are not fixed term. Details are included in the following table and their remuneration for FY24 is shown in the single figure table on page 136.

Remuneration Report continued
Annual Report on Remuneration continued

Service contracts and letters of appointment continued

Table 19 – Executive Directors' service contracts

Executive Director	Service contract date	Date of appointment	Notice period/ Unexpired term
David Thomas	16 January 2013	21 July 2009	12 months
Steven Boyes	21 February 2013	1 July 2001	12 months
Mike Scott	28 June 2021	6 December 2021	12 months

The Chair and each of the Non-Executive Directors are appointed for an initial three-year term under terms set out in a letter of appointment. Their appointments can be terminated by the Board without compensation for loss of office subject to the notice periods in their respective letters of appointment. The notice periods, applicable from either party, are three months for the Chair and one month for each of the Non-Executive Directors. The Chair and each of the Non-Executive Directors usually serve a second three-year term subject to performance review and can serve a further term of three years subject to rigorous review by the Chair and the Nomination Committee. Details of Non-Executive Directors' letters of appointment are given in Table 20 below.

Table 20 – Non-Executive Directors' letters of appointment

Non-Executive Director	Date elected/ re-elected at AGM	Date first appointed to the Board	Date last re-appointed to the Board	Unexpired term as at 30 June 2024
Caroline Silver	18 October 2023	1 June 2023[1]	N/A	23 months
Katie Bickerstaffe	18 October 2023	1 March 2021	1 March 2024	32 months
Jasi Halai	18 October 2023	1 January 2023	N/A	18 months
Jock Lennox	18 October 2023	1 July 2016	1 July 2022	12 months
Nigel Webb	18 October 2023	1 October 2023	N/A	27 months
Chris Weston	18 October 2023	1 March 2021	1 March 2024	32 months

1 Appointed as Chair on 30 June 2023.

Non-executive directorships

Subject to Board approval, Executive Directors are permitted to accept one non-executive directorship outside the Company and retain any fees received from such a position. Board approval will not be given for any non-executive position where such appointment would lead to a material conflict of interest or would have an effect on the Director's ability to perform their duties to the Company. Neither Steven Boyes nor Mike Scott held any non-executive directorships with other companies during the year. David Thomas is a Non-Executive Director of the HBF and a Trustee at CentrePoint, the UK's leading youth homelessness charity for which he does not receive fees. He also participates in various groups connected with the UK construction industry (in particular sustainability), for which no fee is paid.

Relative importance of spend on pay

The following table shows the Group's actual spend on pay (for all employees) relative to dividends and profit from operations:

Table 21 – Relative importance of spend on pay

	FY24 £m	FY23 £m	% change
Employee costs (including Executive Directors)	**524.0**	527.2	(1)%
Profit from operations[1]	**174.7**	707.4	(75)%
Dividend distributions[2]	**212.8**	328.2	(35)%
Share buyback	**—**	201.3	N/A

1 Profit from operations has been chosen as a metric to compare against as it shows how spend on pay is linked to the Group's operating performance. The figure used is from the Consolidated Income Statement on page 159.

2 For FY23 this includes the interim and final dividends paid in May and November 2023. For FY24, this includes the interim dividend paid in May 2024, and the proposed final dividend for payment in November 2024, the value of which has been calculated based on the number of shares in issue as of 30 June 2024.

Statement of shareholding vote at AGM

The latest resolution to approve the Directors' Remuneration Policy (a binding vote, to remain in place for three years following its approval by shareholders) and the resolution to approve last year's Annual Report on Remuneration (an advisory vote) were proposed to shareholders at the 2023 AGM. The following votes were received:

Table 22 – Shareholder votes on remuneration

	Vote on Remuneration Policy		Vote on Remuneration Report	
	Number of votes	% of votes cast	Number of votes	% of votes cast
Votes cast in favour	624,689,860	97.64	625,027,962	97.68
Votes cast against	15,087,581	2.36	14,843,737	2.32
Number of votes cast	639,777,441[1]	100	639,871,699[2]	100
Votes withheld	135,984	—	41,726	—

1 65.65% of the issued share capital.

2 65.66% of the issued share capital.

This Remuneration Report was approved by the Board on 3 September 2024 and signed on its behalf by:

Katie Bickerstaffe
Chair of the Remuneration Committee
3 September 2024

Other statutory disclosures

Directors' Report

For the financial year ended 30 June 2024, the Strategic Report is set out on pages 1 to 88 and the Directors' Report on pages 89 to 148. The table below sets out the location of information required to be disclosed in the Directors' Report, which can be found in other sections of this Annual Report and Accounts and is incorporated by reference.

Information required	Page numbers
Arrangements under which a shareholder has waived or agreed to waive a dividend and details of the waiver[1]	See page 191
Likely future developments in the business of the Group	See pages 16 to 21
Financial instruments	See pages 189 and 190
A description of the Company's policies on employment of people with disabilities	See page 31
A description of the Company's employee engagement and involvement practices	See pages 50 and 51
Stakeholder engagement	See pages 50 to 57
Greenhouse gas emissions	See pages 79 and 80
Research and development activities	See pages 21, 37, 76 and 78
Post balance sheet events	See page 199

1 This item is a requirement of UK Listing Rules. All other items are requirements of Schedule 7 of the Large and Medium-Sized Companies and Groups Regulations.

Dividends

An interim dividend of 4.4 pence per share was paid on 17 May 2024 to those shareholders on the register on 12 April 2024 (2023: 10.2 pence per share). The Directors recommend payment of a final dividend of 11.8 pence per share (2023: 23.5 pence per share) in respect of FY24. The final dividend will be paid, subject to shareholder approval at the 2024 AGM, on 1 November 2024 to shareholders on the register at close of business on 27 September 2024. Shareholders who wish to elect for the Dividend Reinvestment Plan should do so by 11 October 2024.

If approved, the total dividend for FY24 will be 16.2 pence per share (2023: 33.7 pence per share).

Annual General Meeting

The 2024 AGM will be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ, on Wednesday 23 October 2024 at 12 noon. The notice convening the AGM is set out in a separate letter to shareholders.

Political donations and expenditure

The Company made no political donations during the year in accordance with its policy. In keeping with the Company's approach in prior years, shareholder approval is being sought at the 2024 AGM, as a precautionary measure, for donations and/or expenditure that may be construed as political by the wide definition of such terms provided under the Act.

Significant shareholdings

In accordance with the DTRs, all notifications received by the Company are published on the Company's website, www.barrattdevelopments.co.uk, and via a Regulatory Information Service. As at 30 June 2024, the persons set out in the table below had notified the Company, pursuant to DTR 5.1, of their interests in the voting rights in the Company's issued share capital:

Notifiable interests at 30 June 2024

Information required	Direct voting rights	Indirect voting rights	Other financial instruments with voting rights	Total voting rights[1]	% of total voting rights[2]
FMR LLC	0	69,616,891	0	69,616,891	7.14
BlackRock, Inc.	0	50,384,303	6,029,401	56,413,704	5.60

1 Represents the number of voting rights last notified to the Company at 30 June 2024 by the respective shareholder in accordance with DTR 5.1.

2 Based on the Total Voting Rights as at the relevant notification dates.

On 26 August 2024, Blackrock Inc, notified the Company that its interest in the voting rights in the Company's issued share capital has increased from 5.60% to 6.49%. Subsequently, on 28 August 2024, Blackrock Inc notified the Company that its interests in the voting rights in the Company's issued share capital had increased from 6.49% to 6.50%. As at 2 September 2024 the Company had not received any further notifications.

Directors

The Directors who served during the financial year are set out on pages 90 to 92.

Appointment and removal of Directors

The appointment and removal of Directors is governed by the Articles, the Act and related legislation. There shall be (unless otherwise determined by an ordinary resolution) no fewer than two and no more than 15 Directors appointed to the Board at any one time. Directors may be appointed by the Company by ordinary resolution or by the Board. In accordance with the Code and the Articles, at each AGM, all of the Directors shall retire from office at the date of the Notice of AGM and may offer themselves for reappointment by members. Directors may be removed before the expiration of their term of office by means set out in the Act and the Articles, including by special resolution.

Powers of the Directors including in relation to the allotment of shares

Subject to the Articles, the Act and any directions given by special resolution, the business of the Company is ultimately managed by the Board who may exercise all the powers of the Company, whether relating to the management of the business of the Company or otherwise. In particular, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge any of its undertakings, property, assets and uncalled capital and to issue debentures and other securities and to give security for any debt, liability or obligation of the Company to any third party. At the AGM held on 18 October 2023, the Directors were given authority to allot shares up to an aggregate nominal value of £32,486,193 (representing approximately one-third of the nominal value of the Company's issued share capital as at 5 September 2023), such authority to remain valid until the end of the 2024 AGM or, if earlier, until the close of business on 18 January 2025. A resolution to renew this authority will be proposed at the 2024 AGM.

Directors' indemnities and insurance

Qualifying third-party indemnity provisions are in place for the Directors, former Directors and the Company Secretary, together with those who hold or have held these positions as officers of other Group companies or of associate or affiliated companies and members of the Executive Committee, to the extent permitted by law and the Articles, in respect of liabilities incurred in the course of performing their duties. In addition, the Company maintains directors' and officers' liability insurance for each Director of the Group and its associated companies.

Capital structure

The Company has a single class of share capital, which is divided into ordinary shares of 10 pence each. All issued shares are in registered form and are fully paid. Details of the Company's issued share capital as at 30 June 2024 can be found in note 22 on page 191. Details of the allotment of shares in relation to the Combination can be found in note 31 on page 199.

Shareholder voting rights and restrictions on transfer of shares

All the issued and outstanding ordinary shares of the Company have equal voting rights with one vote per share. There are no special control rights attaching to them, save that the Trustees of the EBT may vote or abstain from voting on shares held in the EBT in any way they think fit and in doing so may consider both financial and non-financial interests of the beneficiaries of the EBT or their dependants. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities. The rights, including full details relating to voting of shareholders and any restrictions on transfer relating to the Company's ordinary shares, are set out in the Articles and in the explanatory notes that accompany the Notice of the 2024 AGM. These documents are available on the Company's website at www.barrattdevelopments.co.uk.

Shareholder authority for purchase of own shares

At the Company's AGM held on 18 October 2023, shareholders authorised the Company to buy back up to an aggregate of 97,458,579 ordinary shares of 10 pence each (representing approximately 10% of the Company's issued share capital).

This authority is valid until the end of the 2024 AGM (at which a renewal of that authority will be sought) or, if earlier, until the close of business on 18 January 2025. Under the authority, there is a minimum and maximum price to be paid for such shares.

Any shares that are bought back may be held as treasury shares or, if not so held, will be cancelled immediately upon completion of the purchase, thereby reducing the Company's issued share capital.

Articles of Association

The Articles may only be amended by a special resolution of shareholders. The Articles were last amended at the Company's AGM held on 13 October 2021.

Approach to tax and tax governance

For all taxes, it is the Group's aim to ensure it accurately calculates and pays the tax that is due at the correct time. Whilst the Group does seek to minimise its tax liabilities through legitimate routine tax planning, it does not participate in aggressive tax planning schemes. The Group also seeks to be transparent in its dealings with HMRC and has regular dialogue with its representatives to discuss both developments in the business and the ongoing tax position. In accordance with UK legislation, we have published details of our tax strategy, and this can be found at www.barrattdevelopments.co.uk.

The Chief Financial Officer retains overall responsibility for oversight of the tax affairs of the Group. Mike Scott, Chief Financial Officer, is the Senior Accounting Officer throughout the year ended 30 June 2024. The Senior Accounting Officer receives regular updates on tax matters. In addition, tax management and strategy are reviewed at least annually by the Audit and Risk Committee, with no changes proposed for the year ended 30 June 2024.

Change of control

The following significant agreements as at 30 June 2024 contained provisions entitling the counterparties to exercise termination and/or other rights in the event of a change of control of the Company:

- an RCF agreement containing change of control provisions which provide that, on a change of control of the Company, the relevant counterparties may require the Company to immediately repay all amounts outstanding and would not be obliged to fund any further drawdown of the facility (other than rollover loans); and
- a note purchase agreement in respect of the Group's £200m privately placed notes containing change of control provisions which provide that, on a change of control of the Company, the noteholders may require the Company to prepay at par all outstanding amounts under the notes.

In addition, the Company's share plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable on a change of control subject to the satisfaction of any performance conditions at that time.

The Company is not aware of any other significant agreements to which it is a party that take effect, alter or terminate upon a change of control of the Company.

The Company does not have any agreements with any Director or employee that would provide compensation for loss of office or employment resulting from change of control following a takeover bid.

On behalf of the Board

Tina Bains
Company Secretary
3 September 2024

Statement of Directors' responsibilities

Financial Statements and accounting records

The Directors are responsible for preparing the Annual Report and Accounts including the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with United Kingdom adopted IAS. The Financial Statements also comply with IFRS as issued by the IASB. The Directors have also elected to prepare the Parent Company Financial Statements under United Kingdom adopted IAS.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that period.

IAS 1 requires that Financial Statements present fairly for each financial year the relevant entity's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the IASB's "Framework for the preparation and presentation of financial statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS.

Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's and the Group's (as the case may be) ability to continue as a going concern.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Fair, balanced and understandable

The Board considers, on the advice of the Audit and Risk Committee, that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company and the Group's position, performance, business model and strategy.

Disclosure of information to auditor

In accordance with Section 418 of the Act, the Directors confirm that, so far as they are each aware, there is no relevant audit information that has not been brought to the attention of the Company's auditor. Each Director has taken all reasonable steps that they ought to have taken in accordance with their duty as a Director to make themselves aware of any relevant audit information and to ensure that the Company's auditor is aware of that information.

Directors' Responsibility Statement

The Directors confirm that, to the best of each person's knowledge:

a. the Group Financial Statements in the Annual Report and Accounts, which have been prepared in accordance with IAS in conformity with the requirements of the Companies Act 2006, and those of the Parent Company, which have been prepared in accordance with IAS in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and Group taken as a whole; and

b. the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties they face.

The Directors of the Company and their functions are listed on pages 90 to 92.

By order of the Board.

David Thomas
Chief Executive
3 September 2024

The Directors' Report from pages 89 to 148 inclusive was approved by the Board on 3 September 2024 and is signed on its behalf by

Tina Bains
Company Secretary

Financial Statements

Anson Gardens, Fradley

Report on the audit of the Financial Statements

1. Opinion

In our opinion:

- the Financial Statements of Barratt Developments PLC (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2024 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards;
- the Company Financial Statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements which comprise:

- the Consolidated Income Statement and Statement of Comprehensive Income;
- the Group and Company Statements of Changes in Shareholders' Equity;
- the Group and Company Balance Sheets;
- the Group and Company Cash Flow Statements; and
- the related notes 1 to 32.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted International Accounting Standards and, as regards the Company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Company for the year are disclosed in note 3 to the Financial Statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Margin recognition; and • Costs associated with legacy properties.
Materiality	The materiality that we used for the Group Financial Statements was £40.0m which was determined on the basis of net assets.
Scoping	Our scoping focused on the audit work of the housebuilding component. All audit work was completed directly by the Group audit engagement team.
Significant changes in our approach	In the current year we changed our basis of materiality from adjusted profit to net assets. Further details of this change are detailed in section 6.1.

Report on the audit of the Financial Statements continued

4. Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- understanding the relevant controls relating to the assessment of the appropriateness of the going concern assumption;
- assessing the Group's financing facilities including the nature of the facilities, repayment terms and compliance with loan covenants;
- challenging assumptions used in the going concern model by analysing the current and forecast performance of the combined Group by assessing management's assumptions against market data;
- understanding the impact of the acquisition of Redrow plc on the going concern assessment for the combined Group following completion on 21 August 2024, including understanding the impact of changes in ownership clauses on banking facilities held by the Redrow business;
- assessing the wider macro-economic environment over the going concern period, with respect to interest and inflation rates and their impact on house price and build cost assumptions, and whether this has been appropriately reflected in the forecasts;
- evaluating management's sensitivity analysis;
- assessing identified potential mitigating actions and the appropriateness of the inclusion of these in the going concern assessment;
- assessing the historical accuracy of forecasts; and
- assessing the appropriateness of the going concern disclosures in the Financial Statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Margin recognition

Key audit matter description	In FY24, adjusted gross margin was 16.5% (FY23: 21.2%). The Group's valuation and cost allocation framework determines the total profit forecast for each site. This allows the land and build costs of a development to be allocated to each individual unit, ensuring the forecast margin per unit is equalised across a development. At each year-end, management considers if an adjustment for house prices and build cost assumptions is required and this is where fraud could potentially occur. This cost allocation framework drives the recognition of costs, and hence profit, as each unit is sold, which is the key estimate in the Income Statement. For each development there is estimation uncertainty in: • Estimating the inputs included within a site budget, including future revenues and costs to complete, in order to determine the level of profit that each unit of the development will deliver; • Determining future house price inflation and build cost inflation; • Appropriately allocating costs such as site-wide development costs so that the gross profit margin (in percentage terms) achieved on each individual unit is equal; and • Recording the variation when a deviation from the initial budget occurs and ensuring such variations are appropriately recognised to those units impacted by the deviation. These estimates impact the carrying value of inventory on the Balance Sheet and therefore the profit recognised on each unit sold which aggregate to form the overall reported margin which is a key reporting metric for the Group. Accordingly, we consider the recognition of cost per unit and therefore the appropriate margin to be a key audit matter. Refer to page 116 (Audit and Risk Committee Report) and notes 1 and 3 (Financial Statement disclosures including the related critical accounting judgements and key sources of estimation uncertainty).

Report on the audit of the Financial Statements continued

5. Key audit matters continued

5.1. Margin recognition continued

How the scope of our audit responded to the key audit matter	Our work included the following: • Tested the relevant controls governing inventory costing which include site valuations, land acquisition feasibilities, expenditure and ongoing margin review; • Visited a sample of sites and verified the work completed to date. On a sample basis, agreed the cost incurred to source documentation to verify work in progress; • On a sample of sites, made enquiries with management to support their cost to complete estimates and obtained external supporting evidence regarding costs to complete; • Evaluated key estimates in the margin calculation, such as the current and forecast macro-economic conditions such as future sales volumes, house prices and construction build costs; • Analysed margins on a site-by-site and divisional basis to identify material movements in the site margins compared to prior year. We evaluated and assessed the material variances through enquiries with management and obtaining corroborative evidence; • Used bespoke data analytic techniques to analyse costs to complete. This enabled us to analyse the cost category composition for each site and comparing to Group averages. We performed enquiries and obtained corroborative evidence for exceptions identified; • Analysed the cost per square foot of plots sold at a divisional level for the current year and compared this to cost per square foot in previous years, to analyse for any unusual trends which required corroboration from management; and • Assessed the information provided by management as well as potentially contradictory evidence obtained by the audit team during the course of the audit to assess the appropriateness of margin recognised.
Key observations	Based on the procedures performed, we concluded that the Group's cost allocation framework was reasonable for the intended purpose of recognising appropriate margins on plot completion. Accordingly, we determined that margin was recognised appropriately in the year.

5.2 Costs associated with legacy properties

Key audit matter description	There is ongoing challenge and public scrutiny in relation to fire safety and cladding related issues at legacy developments. The Group has recognised a number of provisions in relation to changing building regulations and remediation of structural defects identified. The provisions also include the expected cost to address necessary fire-safety issues on all buildings of 11 metres and above following the adoption of the UK Government industry pledge by Barratt in April 2022 and the signing of the Self-Remediation Terms and Contract in March 2023. We identified a key audit matter in relation to costs associated with legacy properties as the amount provided by the Group could be incomplete or not valued accurately for the remediation required. The accounting for these provisions involves a number of key assumptions when estimating the future costs, which are: • determining which buildings the Group has an obligation to remediate at the Balance Sheet date; and • the cost of the future works. At the end of the financial year the Group holds provisions of £730.3m (2023: £612.3m) in relation to legacy properties. During the year, the Group incurred a net charge of £179.0m (2023: £217.1m) and utilisation of £91.5m (2023: £32.9m) in relation to remediation costs. The additional provisions recorded have been recognised as an adjusted item and excluded from adjusted profit measures, as explained in note 4. Refer to page 116 (Audit and Risk Committee Report) and notes 1 and 19 to the Financial Statements, including the disclosures relating to this key source of estimation uncertainty.

Report on the audit of the Financial Statements continued

5. Key audit matters continued

5.2 Costs associated with legacy properties continued

How the scope of our audit responded to the key audit matter	Our work included the following: • obtained an understanding of controls relevant to the recognition and estimation of costs associated with legacy properties; • assessed how the value of the provision has been determined and whether a present obligation to rectify the properties existed at the Balance Sheet date; • validated a sample of cost estimates to underlying support such as third-party estimates, quotations or agreements and held discussions with internal structural engineers and external construction project managers in order to challenge management's estimates; • assessed the estimated liability by understanding and challenging management's assumptions regarding the costs of remediation per plot, the number of plots to be remediated, the time period for the work to be completed and the discount factor applied to the overall provision; • challenged the completeness of the provision, including through inquiry with internal legal counsel and the Group's internal Building Safety Unit, and by testing the key assumptions including the number of buildings with potential legal liability and the estimated liability per unit; and • assessed the appropriateness of the disclosure included within the Financial Statements in relation to provisions and contingent liabilities, including consideration of costs classified as adjusted items and the disclosure of the assumptions and associated sensitivities in relation to the key sources of estimation uncertainty.
Key observations	Based on the procedures performed we concluded the provision recorded to be appropriate based on information available at 30 June 2024. Additionally, we are satisfied with the disclosure of this provision as a key source of estimation uncertainty within notes 1 and 19 of the Financial Statements.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£40.0m (2023: £45.0m)	£36.0m (2023: £40.5m)
Basis for determining materiality	Our determined materiality represents 0.7% of net assets. In the prior year, materiality was determined using 5.1% of adjusted profit before tax. Adjusted profit before tax is disclosed in the table following the Consolidated Income Statement and Statement of Comprehensive Income on page 159. The materiality determined in the current year is the equivalent of 10.4% of adjusted profit before tax.	Our basis for materiality was determined based upon 3% (2023: 3%) of the Company's net assets, capped at 90% (2023: 90%) of Group materiality.
Rationale for the benchmark applied	We changed the basis of materiality in the current period to reflect the ongoing market volatility which means that adjusted profit before tax is no longer a stable and appropriate measure. The Group's net assets provide a more stable benchmark, reflecting that the Balance Sheet is a key focus for users to assess any impact caused by the current market volatility on the Group's financial position and operating model.	Net assets was used as the benchmark because it is the primary measure used by shareholders in assessing the performance of the entity, which acts as a holding company. The benchmark provides a stable basis as there are volatile earnings between periods.

Report on the audit of the Financial Statements continued

6. Our application of materiality continued

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the Financial Statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	70% (2023: 70%) of Group materiality	70% (2023: 70%) of Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • Our risk assessment, including our assessment of the Group's overall control environment and that we consider it appropriate to rely on controls over a number of business processes; and • Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.	

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £2.0 million (2023: £2.25 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. The entire Group is audited by one audit engagement team, led by the Senior Statutory Auditor. Controls are common across the Group and we identified one financially significant component, the housebuilding business, which takes into consideration all of the Group's housebuilding divisions, as well as the head office consolidation. Our audit scope resulted in 98.7% of revenue, 98.0% of profit before tax and 96.0% of net assets being subject to full scope audit procedures (2023: 100% of revenue, 100% of profit before tax and 100% of net assets). We performed analytical procedures at a Group level over the remaining entities in the Group, being the Group's joint ventures, and additionally tested the consolidation.

The housebuilding component was set a specific component materiality, considering its relative size and any component-specific risk factors such as internal control findings and history of error. The component materiality applied was £26.6 million (2023: two components were identified, the housebuilding business and the Group's joint ventures, with component materiality set in the range of £15.8m to £29.9m).

7.2. Our consideration of the control environment

We obtained an understanding of the relevant internal controls over key audit matters, relating to margin recognition and legacy properties. We obtained an understanding of other relevant controls which we would expect in a housebuilder, namely those over land and work in progress and those over subcontractor and other expenses.

We assessed entity level controls at a Group level relating to the risk assessment process, monitoring of internal controls and information systems. This resulted in a more granular review of management's whistleblowing policy, code of ethics, HR and culture policy and fraud risk assessment.

In the current year, we have tested controls relating to margin recognition, land and work in progress. Based on our work performed we adopted a controls reliance approach to our testing in these areas.

The Group IT landscape contains a number of IT systems, applications and tools used to support business processes and reporting. We reconfirmed our understanding of the Group's IT controls and performed testing of General IT Controls (GITCs) of three key applications that support financial reporting processes, being TM1, COINs and Homebuilder, which included controls surrounding user access management and change management. Based on our work performed we adopted a controls reliance approach to GITCs of these applications.

Report on the audit of the Financial Statements continued

7. An overview of the scope of our audit continued

7.3. Our consideration of climate-related risks

As part of our audit we have made enquiries of management to understand the process they have adopted to assess the potential impact of climate change on the financial statements. As disclosed on page 67 the Group considers climate change to be a fundamental component of its Government Regulation and political principal risk within the business, with specific climate risk assessment criteria used by the Group set out on pages 76 to 78.

We have read the climate change related disclosures within the other information included in the Annual Report to consider whether they are materially consistent with the Financial Statements and our knowledge obtained during the audit.

8. Other information

The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Report on the audit of the Financial statements continued

11. Extent to which the audit was considered capable of detecting irregularities, including fraud continued

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management, internal audit, internal legal counsel, the Directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, IT and fraud specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in margin recognition, specifically any adjustments for house prices and build cost assumptions. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the Financial Statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, Building Safety Regulations and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included environmental and health and safety regulations.

11.2. Audit response to risks identified

As a result of performing the above, we identified margin recognition as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the Financial Statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial Statements;
- enquiring of management, the Audit and Risk Committee, in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal audit reports;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 85;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 85 to 87;
- the Directors' statement on fair, balanced and understandable set out on page 148;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 64;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 63 and 64; and
- the section describing the work of the Audit and Risk Committee set out on pages 114 and 115.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company Financial Statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Report on other legal and regulatory requirements continued

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the shareholders at the Annual General Meeting held in 2007 to audit the Financial Statements for the year ending 30 June 2008 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 17 years, covering the years ending 30 June 2008 to 30 June 2024.

15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This Auditor's Report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Jacqueline Holden FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
3 September 2024

Consolidated Income Statement and Statement of Comprehensive Income
Year ended 30 June 2024

Continuing operations	Notes	2024 £m	2023 £m
Revenue	2	**4,168.2**	5,321.4
Cost of sales		**(3,658.7)**	(4,346.5)
Gross profit		**509.5**	974.9
Administrative expenses	3	**(336.9)**	(270.8)
Part-exchange income		**333.7**	140.0
Part-exchange expenses		**(331.6)**	(136.7)
Profit from operations	3	**174.7**	707.4
Finance income	6	**47.2**	23.8
Finance costs	6	**(53.7)**	(34.9)
Net finance costs	6	**(6.5)**	(11.1)
Share of post-tax profit from joint ventures	12	**2.3**	8.8
Profit before tax		**170.5**	705.1
Tax	7	**(56.4)**	(174.8)
Profit for the year being total comprehensive income recognised for the year		**114.1**	530.3
Profit and total comprehensive income for the year attributable to the owners of the Company		**114.1**	530.3
Earnings per share from continuing operations			
Basic	8	**11.8p**	53.2p
Diluted	8	**11.6p**	52.6p

There was no other comprehensive income in either year.

The notes on pages 165 to 209 form an integral part of these Financial Statements.

Adjusted items:

		Gross profit		Profit from operations		Share of post-tax profit from joint ventures		Profit before tax	
	Notes	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Reported profit		**509.5**	974.9	**174.7**	707.4	**2.3**	8.8	**170.5**	705.1
Cost associated with legacy properties	4	**180.0**	158.2	**180.0**	158.2	**12.6**	23.7	**192.6**	181.9
Legacy property recoveries	4	**(0.5)**	(2.7)	**(0.5)**	(2.7)	**—**	—	**(0.5)**	(2.7)
Costs incurred in respect of the all-share offer for the share capital of Redrow plc	4	**—**	—	**22.4**	—	**—**	—	**22.4**	—
Adjusted profit		**689.0**	1,130.4	**376.6**	862.9	**14.9**	32.5	**385.0**	884.3

Statement of Changes in Shareholders' Equity
Group

	Share capital (note 22) £m	Share premium £m	Merger reserve (note 23) £m	Capital redemption reserve (note 24) £m	Own shares (note 25) £m	Share-based payments (note 26) £m	Group retained earnings due to share-holders of the Company £m	Total Group retained earnings due to share-holders of the Company £m	Non-controlling interests (note 27) £m	Total equity £m
At 1 July 2022	102.2	253.4	1,109.0	—	(27.0)	29.0	4,163.9	4,165.9	0.8	5,631.3
Profit for the year being total comprehensive income recognised for the year ended 30 June 2023	—	—	—	—	—	—	530.3	530.3	—	530.3
Dividend payments (note 9)	—	—	—	—	—	—	(360.0)	(360.0)	—	(360.0)
Distributions to non-controlling interests	—	—	—	—	—	—	—	—	(0.3)	(0.3)
Issue of shares	—	0.1	—	—	—	—	—	—	—	0.1
Buyback and cancellation of shares	(4.8)	—	—	4.8	—	—	(201.3)	(201.3)	—	(201.3)
Share-based payments	—	—	—	—	—	10.2	—	10.2	—	10.2
Purchase of own shares by EBT	—	—	—	—	(14.0)	—	—	(14.0)	—	(14.0)
Transfers in respect of share options	—	—	—	—	17.8	(18.3)	(0.7)	(1.2)	—	(1.2)
Tax on share-based payments	—	—	—	—	—	(0.1)	1.4	1.3	—	1.3
At 30 June 2023	97.4	253.5	1,109.0	4.8	(23.2)	20.8	4,133.6	4,131.2	0.5	5,596.4
Profit for the year being total comprehensive income recognised for the year ended 30 June 2024	—	—	—	—	—	—	**114.1**	**114.1**	—	**114.1**
Dividend payments (note 9)	—	—	—	—	—	—	**(270.6)**	**(270.6)**	—	**(270.6)**
Distributions to non-controlling interests	—	—	—	—	—	—	—	—	**(0.4)**	**(0.4)**
Share-based payments	—	—	—	—	—	**19.9**	—	**19.9**	—	**19.9**
Purchase of own shares by EBT	—	—	—	—	**(23.3)**	—	—	**(23.3)**	—	**(23.3)**
Transfers in respect of share options	—	—	—	—	**9.6**	**(12.1)**	**4.7**	**2.2**	—	**2.2**
Tax on share-based payments	—	—	—	—	—	**0.8**	—	**0.8**	—	**0.8**
At 30 June 2024	**97.4**	**253.5**	**1,109.0**	**4.8**	**(36.9)**	**29.4**	**3,981.8**	**3,974.3**	**0.1**	**5,439.1**

The notes on pages 165 to 209 form an integral part of these Financial Statements.

Statement of Changes in Shareholders' Equity
Company

	Share capital (note 22) £m	Share premium £m	Merger reserve (note 23) £m	Capital redemption reserve (note 24) £m	Own shares (note 25) £m	Share-based payments (note 26) £m	Retained earnings £m	Total retained earnings £m	Total equity £m
At 1 July 2022	102.2	253.4	1,109.0	—	(27.0)	29.0	2,216.7	2,218.7	3,683.3
Profit for the year being total comprehensive income recognised for the year ended 30 June 2023	—	—	—	—	—	—	501.9	501.9	501.9
Dividend payments (note 9)	—	—	—	—	—	—	(360.0)	(360.0)	(360.0)
Issue of shares	—	0.1	—	—	—	—	—	—	0.1
Buyback and cancellation of shares	(4.8)	—	—	4.8	—	—	(201.3)	(201.3)	(201.3)
Share-based payments	—	—	—	—	—	10.2	—	10.2	10.2
Purchase of own shares by EBT	—	—	—	—	(14.0)	—	—	(14.0)	(14.0)
Transfers in respect of share options	—	—	—	—	17.8	(18.3)	(6.7)	(7.2)	(7.2)
Tax on share-based payments	—	—	—	—	—	—	0.5	0.5	0.5
At 30 June 2023	97.4	253.5	1,109.0	4.8	(23.2)	20.9	2,151.1	2,148.8	3,613.5
Profit for the year being total comprehensive income recognised for the year ended 30 June 2024	**—**	**—**	**—**	**—**	**—**	**—**	**511.0**	**511.0**	**511.0**
Dividend payments (note 9)	**—**	**—**	**—**	**—**	**—**	**—**	**(270.6)**	**(270.6)**	**(270.6)**
Share-based payments	**—**	**—**	**—**	**—**	**—**	**19.9**	**—**	**19.9**	**19.9**
Purchase of own share for EBT	**—**	**—**	**—**	**—**	**(23.3)**	**—**	**—**	**(23.3)**	**(23.3)**
Transfers in respect of share options	**—**	**—**	**—**	**—**	**9.6**	**(12.1)**	**3.5**	**1.0**	**1.0**
Tax on share-based payments	**—**	**—**	**—**	**—**	**—**	**0.1**	**—**	**0.1**	**0.1**
At 30 June 2024	**97.4**	**253.5**	**1,109.0**	**4.8**	**(36.9)**	**28.8**	**2,395.0**	**2,386.9**	**3,851.6**

The notes on pages 165 to 209 form an integral part of these Financial Statements.

Balance Sheets
At 30 June 2024

	Notes	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Assets					
Non-current assets					
Other intangible assets	10	**184.5**	194.9	**—**	—
Goodwill	10	**852.9**	852.9	**—**	—
Investments in subsidiary undertakings	11	**—**	—	**3,095.4**	3,090.1
Investments in jointly controlled entities	12	**158.5**	129.8	**—**	—
Property, plant and equipment	13	**57.5**	58.1	**4.4**	6.1
Right-of-use assets	14	**41.2**	45.1	**1.3**	4.2
Deferred tax assets	7	**—**	—	**2.2**	2.6
Trade and other receivables	16	**3.4**	2.9	**76.1**	76.1
		1,298.0	1,283.7	**3,179.4**	3,179.1
Current assets					
Inventories	15	**5,278.2**	5,238.0	**—**	—
Trade and other receivables	16	**201.9**	182.1	**182.6**	15.9
Current tax assets		**31.8**	31.1	**—**	1.6
Cash and cash equivalents	17	**1,065.3**	1,269.1	**827.6**	1,005.0
		6,577.2	6,720.3	**1,010.2**	1,022.5
Total assets		**7,875.2**	8,004.0	**4,189.6**	4,201.6
Liabilities					
Non-current liabilities					
Loans and borrowings	17	**(200.0)**	(200.0)	**(200.0)**	(200.0)
Trade and other payables	18	**(172.0)**	(188.7)	**—**	—
Lease liabilities	14	**(29.4)**	(33.1)	**(0.7)**	(2.9)
Deferred tax liabilities	7	**(45.0)**	(53.5)	**—**	—
Provisions	19	**(543.2)**	(477.9)	**—**	—
		(989.6)	(953.2)	**(200.7)**	(202.9)
Current liabilities					
Loans and borrowings	17	**—**	(3.4)	**—**	—
Trade and other payables	18	**(1,055.1)**	(1,127.4)	**(128.2)**	(383.9)
Lease liabilities	14	**(13.4)**	(13.1)	**(0.6)**	(1.3)
Current tax liabilities		**—**	—	**(8.5)**	—
Provisions	19	**(378.0)**	(310.5)	**—**	—
		(1,446.5)	(1,454.4)	**(137.3)**	(385.2)
Total liabilities		**(2,436.1)**	(2,407.6)	**(338.0)**	(588.1)
Net assets		**5,439.1**	5,596.4	**3,851.6**	3,613.5
Equity					
Share capital	22	**97.4**	97.4	**97.4**	97.4
Share premium		**253.5**	253.5	**253.5**	253.5
Merger reserve	23	**1,109.0**	1,109.0	**1,109.0**	1,109.0
Capital redemption reserve	24	**4.8**	4.8	**4.8**	4.8
Total retained earnings		**3,974.3**	4,131.2	**2,386.9**	2,148.8
Equity attributable to the owners of the Company		**5,439.0**	5,595.9	**3,851.6**	3,613.5
Non-controlling interests	27	**0.1**	0.5	**—**	—
Total equity		**5,439.1**	5,596.4	**3,851.6**	3,613.5

The Financial Statements of Barratt Developments PLC (registered number 00604574) were approved by the Board and authorised for issue on 3 September 2024.

Signed on behalf of the Board:

David Thomas
Chief Executive

Mike Scott
Chief Financial Officer

Parent Company Income Statement

In accordance with the provisions of Section 408 of the Companies Act 2006, a separate Income Statement for the Company has not been presented. The Company's profit for the year was £511.0m (2023: £501.9m).

The notes on pages 165 to 209 form an integral part of these Financial Statements.

Cash Flow Statements
Year ended 30 June 2024

		Group		Company	
	Notes	2024 £m	2023 £m	2024 £m	2023 £m
Net cash inflow/(outflow) from operating activities (page 164)		**96.2**	465.5	**(442.6)**	20.0
Investing activities:					
Purchase of property, plant and equipment	13	**(7.2)**	(23.1)	**(1.1)**	(2.6)
Proceeds from the disposal of property, plant and equipment		**0.3**	0.1	**—**	—
Increase in amounts invested in jointly controlled entities	12	**(38.3)**	(18.1)	**—**	—
Repayment of amounts invested in jointly controlled entities	12	**4.8**	40.2	**—**	—
Distributions received from jointly controlled entities	12	**7.1**	34.8	**—**	0.1
Dividends received from subsidiaries		**—**	—	**516.0**	500.0
Interest received		**45.3**	21.5	**42.9**	19.8
Net cash inflow from investing activities		**12.0**	55.4	**557.8**	517.3
Financing activities:					
Dividends paid to equity holders of the Company	9	**(270.6)**	(360.0)	**(270.6)**	(360.0)
Distribution made to non-controlling interest	27	**(0.4)**	(0.3)	**—**	—
Purchase of own shares for the EBT		**(23.3)**	(14.0)	**(23.3)**	(14.0)
Buy back and cancellation of shares		**—**	(201.3)	**—**	(201.3)
Proceeds from issue of share capital		**—**	0.1	**—**	0.1
Payment of dividend equivalents		**(0.5)**	(1.2)	**(0.5)**	(1.2)
Proceeds from the exercise of Sharesave options		**2.7**	—	**2.7**	—
Repayment of lease liabilities	14	**(16.5)**	(13.9)	**(0.9)**	(1.3)
Net cash outflow from financing activities		**(308.6)**	(590.6)	**(292.6)**	(577.7)
Net decrease in cash, cash equivalents and bank overdrafts		**(200.4)**	(69.7)	**(177.4)**	(40.4)
Cash, cash equivalents and bank overdrafts at the beginning of the year		**1,265.7**	1,335.4	**1,005.0**	1,045.4
Cash, cash equivalents and bank overdrafts at the end of the year	17	**1,065.3**	1,265.7	**827.6**	1,005.0

The notes on pages 165 to 209 form an integral part of these Financial Statements.

Cash Flow Statements continued
Year ended 30 June 2024

Reconciliation of profit/(loss) from operations to cash flow from operating activities	Notes	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Profit/(loss) from operations		174.7	707.4	(12.4)	8.2
Depreciation of property, plant and equipment	13	7.5	6.1	2.8	3.1
Depreciation of right-of-use assets	14	15.2	12.3	0.9	1.3
Amortisation of intangible assets	10	10.4	10.5	—	—
(Reversal of impairment)/impairment of inventories	15	(2.2)	4.7	—	—
Share-based payments expense/(credit)	26	19.9	10.2	6.0	(0.3)
Imputed interest on long-term payables	6	(40.2)	(21.4)	—	—
Imputed interest on lease arrangements	6	(1.8)	(1.2)	—	—
Amortisation of facility fees	6	(1.6)	(1.9)	(1.6)	(1.9)
Total non-cash items		7.2	19.3	8.1	2.2
(Increase)/decrease in inventories		(38.0)	48.9	—	—
(Increase)/decrease in receivables		(19.6)	60.4	(157.8)	(0.2)
(Decrease)/increase in payables[1]		(87.2)	(337.6)	(254.4)	37.5
Increase in provisions	19	132.8	163.4	—	—
Total movements in working capital and provisions		(12.0)	(64.9)	(412.2)	37.3
Interest paid		(10.1)	(10.4)	(26.1)	(27.7)
Tax paid		(63.6)	(185.9)	—	—
Net cash inflow/(outflow) from operating activities		96.2	465.5	(442.6)	20.0

1 The working capital movements in land payables include non-cash movements due to imputed interest. Imputed interest is included within non-cash items in the statements above.

The notes on pages 165 to 209 form an integral part of these Financial Statements.

Notes to the Financial Statements
Year ended 30 June 2024

1. Basis of preparation
Introduction
The Financial Statements for the Group and Company have been prepared in accordance with UK adopted IAS in conformity with the requirements of the Companies Act 2006 and in accordance with UK adopted IFRS. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of share-based payments.

Group accounting policies
The significant Group accounting policies are included within the relevant notes to the Financial Statements on pages 165 to 209.

Critical accounting judgements and key sources of estimation uncertainty
The preparation of Financial Statements in conformity with UK adopted IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements, and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of the amounts, actual results may ultimately differ from those estimates. The Directors have made no individual critical accounting judgements that have a significant impact upon the Financial Statements, apart from those involving estimations.

The most significant estimates made by the Directors in these Financial Statements, which are the key sources of estimation uncertainty that may have a significant risk of causing a material difference to the carrying amounts of assets and liabilities within the next financial year, are:

- Margin recognition — see note 3; and
- Costs associated with legacy properties — see note 19.

Basis of consolidation
The Group Financial Statements include the results of Barratt Developments PLC (the Company), a public company limited by shares and incorporated in the United Kingdom, and all of its subsidiary undertakings, made up to 30 June. The Financial Statements of subsidiary undertakings are consolidated from the date that control passes to the Group, and up to the date control ceases.

Control is achieved when the Group becomes entitled to the variable returns of the subsidiary and becomes exposed to its risks, and has the power to affect these risks and returns. Acquired entities are accounted for using the acquisition method of accounting. All transactions with subsidiaries and intercompany profits or losses are eliminated on consolidation.

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

The Group's business activities, together with factors that the Directors consider are likely to affect its development, financial performance and financial position, are set out in the Strategic Report on pages 1 to 87. The material financial and operational risks and uncertainties that may affect the Group's performance and their mitigation are outlined on pages 63 to 70, and financial risks including liquidity, market, credit and capital risks are outlined in note 30 to the Financial Statements.

At 30 June 2024, the Group held cash of £1,065.3m and total loans and borrowings of £200.0m, comprising £200.0m Sterling USPP notes maturing in August 2027. These balances, set against pre-paid facility fees, comprise the Group's net cash of £868.5m, presented in note 17.

Should further funding be required, the Group has a committed £700.0m RCF, subject to compliance with certain financial covenants, that matures in November 2028, with a further one-year extension period through to November 2029, if agreed between the Group and its lenders.

As such, in consideration of its net current assets of £5,130.7m, the Directors are satisfied that the Group has sufficient liquidity to meet its current liabilities and working capital requirements.

Long-term housing market fundamentals reflect a significant imbalance between housing supply and demand. Despite this imbalance, the housing market in FY24 remained constrained by significant macro-economic headwinds including higher interest rates and inflation, affecting economic growth, consumer confidence and mortgage affordability. Whilst there are positive signs, including recent reductions in interest rates and positive political messaging on improving the planning system and delivering new housing, uncertainty remains over the general economic outlook and the outcome of industry-specific challenges such as further building safety costs or greenhouse gas emissions legislation along with material cost inflation and supply chain disruption. These, and other disruptions, could result in flat or negative economic growth, reduced buyer confidence, reduced mortgage availability and affordability, falls in house prices or land values and cost increases associated with raw materials, suppliers, subcontractors and employees.

On 21 August 2024 the Group acquired the full share capital of Redrow plc in an all share transaction. In accordance with standard practice, the Competition and Markets Authority (the CMA) has issued an Initial Enforcement Order requiring the Barratt and Redrow businesses to continue to operate independently until the CMA has formally accepted the undertakings proposed by the parties in response to the findings of its phase 1 investigation, or otherwise agrees to integration taking place. The sharing of competitively sensitive information between the businesses is prohibited while the Enforcement Order is in place. In recognition of the need for the pre-acquisition business to be able to support itself independently, the Directors have considered the ability to continue trading of both the group of companies that existed prior to the acquisition (the 'Barratt group') and the new group including Redrow plc and its subsidiaries (the 'combined group').

Notes to the Financial Statements continued
Year ended 30 June 2024

1. Basis of preparation continued

Going concern continued

To assess the Barratt group's resilience to more adverse outcomes, its forecast performance was sensitised to reflect a series of scenarios based on the Barratt group's principal risks and the downside prospects for the UK economy and housing market presented in the latest available external economic forecasts. The Directors consider the principal risks of the Barratt group to be applicable to the combined group. A combined group forecast was therefore sensitised to the same scenarios, with no synergies assumed. For the purposes of this assessment, it was assumed that the financing facilities available to the combined group were those currently available to the Barratt group, and that all associated financial covenants would apply. It was assumed that the combined group would undertake mitigating actions in response to the challenging circumstances modelled, primarily a reduction in investment in land and work in progress in line with the fall in expected sales, without preventing the combined group's ability to grow over the long term.

The above analysis included a reasonable worst-case scenario in which the principal risks manifest in aggregate to a severe but plausible level. This assumed that average private selling prices fall by 5%, sales volumes fall by 15% and construction costs increase by 2% in addition to the base forecasts, in addition to the implementation of a building safety levy, further increases in legacy property costs and the acceleration of regulatory changes to reduce indirect greenhouse gas emissions.

The effects were modelled over the 12 months from the date of the signing of these Financial Statements, alongside reasonable mitigation that the Barratt and combined groups would expect to undertake in such circumstances, primarily reductions in investment in inventories and uncommitted land spend in line with the fall in expected sales.

In all scenarios, including the reasonable worst case, the Barratt group and combined group are able to comply with the financial covenants, operate within current facilities and meet liabilities as they fall due for a period of at least 12 months from the date of signing of these Financial Statements. The Group has a policy of maintaining a £150m headroom on its available facilities and both the Barratt group and combined group would remain in compliance with this policy throughout the review period.

Accordingly, the Directors consider there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. They have formed a judgement that, at the time of approving the Financial Statements, there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing of these Financial Statements. For this reason, they continue to adopt the going concern basis in the preparation of these Financial Statements.

Application of accounting standards

During the year ended 30 June 2024, the Group has applied accounting policies and methods of computation consistent with those applied in the prior year.

During the year, the Group has adopted the following new and revised standards and interpretations which have had no material impact on the Financial Statements:

- Amendments to IAS 1: Disclosure of material accounting policies;
- Amendments to IAS 8: Definition of accounting estimates;
- Amendments to IAS 12: Deferred tax related to assets and liabilities arising from a single transaction; and
- Amendments to, and initial application of IFRS 17: Insurance Contracts.

Impact of standards and interpretations in issue but not yet effective

At the date of approval of these Financial Statements, there were a number of standards, amendments and interpretations that have been published and are mandatory for the Group's accounting periods beginning on or after 1 July 2024 and later periods. None of these are expected to have a material impact on the Group. The Group has not early adopted any standard, amendment or interpretation.

2. Revenue

The Group's revenue derives principally from the sale of the homes we build.

Revenue from the sale of residential and commercial properties

Revenue is recognised at legal completion in respect of the total proceeds of building and development. Revenue is measured at the fair value of consideration received or receivable and represents the amounts receivable for the property, net of discounts and VAT.

Notes to the Financial Statements continued
Year ended 30 June 2024

2. Revenue continued

Revenue on contracts recognised over time

The Group considers all contracts with commercial customers and registered providers for affordable housing on a contract-by-contract basis and determines the appropriate revenue recognition based on the particular terms of that contract. For the majority of such contracts, there is a single performance obligation for which revenue is recognised at a point in time, when construction has been completed and control is transferred to the customer. The Group recognises revenue over time in relation to certain contracts with registered providers only in circumstances in which control of the associated land is transferred to the customer before or during construction. Revenue is only recognised from the point at which control of the associated land is transferred, considering the rights to economic benefit as well as legal title. Revenue is recognised because the construction activity enhances an asset that is controlled by the customer.

Where the outcome of a contract on which revenue is recognised over time can be estimated reliably, revenue is recognised by reference to the stage of completion of contract activity at the balance sheet date. This is normally measured by surveys of work performed to date. The Group is satisfied that it is appropriate to measure performance by reference to surveys of work performed to date, because these surveys identify the extent to which benefits have been transferred to the customer. Variations to, and claims arising in respect of, such contracts are included in revenue to the extent that they have been agreed with the customer. Where the outcome of a contract on which revenue is recognised over time cannot be estimated reliably, revenue is recognised to the extent of contract costs incurred. When it is probable that the total costs on a contract will exceed total contract revenue, the expected loss is immediately recognised as an expense in the Income Statement.

Other revenue

Revenue from separate contracts related to the development of homes is recognised on completion of the performance obligation to which it relates and is included in other revenue. Revenue from warranties is recognised on a straight-line basis over the warranty period. Revenue from commercial contract management fees is recognised in the period in which it becomes receivable and is included within other revenue. Revenue from planning promotion agreements is recognised at the point at which contractual obligations are satisfied.

An analysis of the Group's continuing revenue is as follows:

	Residential completions[1]		Revenue	
	2024 Number	2023 Number	2024 £m	2023 £m
Revenue from private residential sales	10,666	12,456	3,668.5	4,578.5
Revenue from affordable residential sales	2,802	3,922	463.1	655.8
Revenue from commercial sales	—	—	21.9	64.7
Revenue from planning promotion agreements	—	—	12.9	20.4
Sundry revenue	—	—	1.8	2.0
	13,468	16,378	4,168.2	5,321.4

1 Residential completions exclude JV completions of 536 homes (2023: 828) in which the Group has an interest.

Included within Group revenue is £218.2m (2023: £192.7m) of revenue from construction contracts on which revenue is recognised over time by reference to the stage of completion of work on the contracts (note 20). Of this amount, £8.9m (2023: £4.0m) was included in the contract liability balance at the beginning of the year.

Revenue includes £564.6m (2023: £274.5m) of revenue generated where the sale has been achieved using part-exchange incentives. Proceeds received on the disposal of part-exchange properties are presented separately on the face of the Income Statement and are not included in revenue on the basis that they are incidental to the main revenue-generating activities of the Group.

3. Profit from operations

Profit from operations includes all of the revenue and costs derived from the Group's operating businesses. Profit from operations excludes finance costs, finance income, the Group's share of profits or losses from JVs and tax.

The Group's principal activity is housebuilding. None of the other business activities undertaken by the Group, individually or in aggregate, account for more than 10% of the Group's revenue, profit or total assets and do not meet the IFRS 8 thresholds for disclosure. The operating results of these activities are not presented separately to the Board. Therefore, no segmental information is presented in these Financial Statements.

Notes to the Financial Statements continued
Year ended 30 June 2024

3. Profit from operations continued

Margin recognition

In order to determine the profit that the Group is able to recognise on its developments in a specific period, the Group allocates site-wide development costs between homes built in the current year and in future years. It also has to estimate costs to complete on such developments and make estimates relating to future sales price margins on those developments and homes. In making these assessments there is a degree of inherent uncertainty.

The Group's site valuation process determines the forecast profit margin for each site. The valuation process acts as a method of allocating land costs and construction work in progress costs of a development to each individual plot and drives the recognition of costs in the Income Statement as each plot is sold. Any changes in the forecast profit margin of a site from changes in sales prices or costs to complete are recognised across all homes sold in both the current period and future periods. This ensures that the forecast site margin achieved on each individual home is equal for all current year completions and future plots across the development.

Management has performed a sensitivity analysis to assess the impact of a change in estimated future costs or forecast selling prices for developments on which sales were recognised in the year. A 2% increase in the forecast costs to complete would increase site-cost allocation in cost of sales in 2024 by £24.9m, resulting in a reduction in gross margin of 60 bps. A 3% decrease in forecast private sales prices would increase site-cost allocation in cost of sales in 2024 by £43.6m, resulting in an reduction in gross margin of 100 bps.

Depreciation of right-of-use assets

Right-of-use assets are depreciated in the Income Statement in equal instalments to the earlier of the end of the lease term or the end of the useful life of the asset.

Part-exchange income and expenses

Income on the sale of a part-exchange property is recognised at legal completion at the fair value of consideration received or receivable for the property.

Part-exchange properties are recognised in inventories at the lower of cost, being their fair value at acquisition, and their net realisable value. The amount of any write down of inventories to net realisable value, or reversal of a previous write down, is recognised in the Income Statement in the period in which it occurs.

The carrying amount of a part-exchange property is recognised as an expense in the period in which the related income is recognised. Maintenance costs are recognised in the Income Statement in the period in which they are incurred.

Profit from operations is stated after charging/(crediting):

	Notes	2024 £m	2023 £m
Cost of inventories recognised as an expense in cost of sales		**3,241.6**	3,907.3
Employee costs (including Directors)	5	**524.0**	527.2
Adjusted items:			
Costs associated with legacy properties	4	**180.0**	158.2
Amounts associated with legacy properties recovered from third parties	4	**(0.5)**	(2.7)
Costs incurred in respect of the all-share offer for the share capital of Redrow plc	4	**22.4**	—
Depreciation of property, plant and equipment	13	**7.5**	6.1
Depreciation of right-of-use-assets	14	**15.2**	12.3
Amortisation of intangible assets	10	**10.4**	10.5

Profit from operations is stated after charging the Directors' emoluments disclosed in the Remuneration Report on pages 123 to 145 and in note 5.

The Group does not recognise income from supplier rebates until it can be calculated reliably and it is certain that it will be received from suppliers. During the year, £34.6m (2023: £32.8m) of supplier rebate income was included within profit from operations.

Notes to the Financial Statements continued
Year ended 30 June 2024

3. Profit from operations continued

Administrative expenses

Administrative expenses of £336.9m (2023: £270.8m) include sundry income of £14.8m (2023: £16.7m), which principally comprises management fees receivable from JVs, the sale of freehold reversions, forfeit deposits and ground rent receivable.

Auditor's remuneration

The remuneration paid to Deloitte LLP, the Group's principal auditor, is disclosed below:

	2024 £000	2023 £000
Fees payable to the Company's auditor for the audit of the Company and Consolidated Financial Statements	1,023	852
Fees payable to the Company's auditor for the audit of the Company's subsidiaries	195	186
Total audit fees	**1,218**	**1,038**
Audit-related assurance services[1]	89	43
Other services[2]	230	230
Total fees for other services	**319**	**273**
Total fees related to the Company and its subsidiaries	**1,537**	**1,311**

1 Audit-related assurance services comprise the review of the Interim Report.

2 Other services comprise assurance services over selected ESG metrics and compliance with the recommendations of the TCFD and review procedures over selected non-financial disclosures in the Annual Report.

Details of the Group's policy on the use of the Company's principal auditor for non-audit services and auditor independence are set out in the Audit and Risk Committee Report on pages 112 to 120. No services were provided under contingent fee arrangements.

In addition to the remuneration paid to the Company's auditor for services related to the Company and its subsidiaries, the auditor received the following remuneration from JVs in which the Group participates:

	2024 £000	2023 £000
The audit of the Group's JVs pursuant to legislation[1]	—	80
Total fees related to joint ventures	**—**	**80**

1 The Group's JVs are no longer audited by the Group auditor.

4. Adjusted items

Adjusted items

In determining whether an item should be presented as an adjustment to IFRS measures, the Group considers items that are material to the Group in aggregate and have arisen from one-off or unusual circumstances that could not reasonably have been expected to arise from normal trading. If an item meets these criteria the Board then exercises judgement as to whether the item should be classified as an allowable adjustment to IFRS. Examples of events that may give rise to the classification of items as adjusted are charges or credits in respect of legacy properties, the restructuring of existing and newly acquired businesses, and certain government grants.

The Directors use these adjusted measures, along with IFRS measures, to assess the operational performance of the Group as detailed in the key performance indicators section of the Strategic Report on pages 12 to 15.

	2024 £m	2023 £m
Adjusted items in cost of sales:		
Costs incurred in respect of legacy properties	180.0	158.2
Amounts in respect of legacy properties recovered from third parties	(0.5)	(2.7)
Total adjusted items in cost of sales	**179.5**	**155.5**
Adjusted items in administrative expenses:		
Costs incurred in respect of the all-share offer for the share capital of Redrow plc	22.4	—
Adjusted items in share of post-tax profit from joint ventures:		
Costs incurred in respect of legacy properties by joint ventures	12.6	23.7
Total adjusted items	**214.5**	**179.2**

Costs incurred in respect of legacy properties

The adjusted costs in the year, associated with Group legacy properties, comprise additions to provisions of £182.5m, provision releases of £3.5m, a charge of £1.0m due to the revaluation of the provisions at the reporting date and reimbursements recognised directly in the Income Statement of £0.5m. In addition £12.6m of net costs in respect of JV legacy properties were incurred in the year. Further details of provisions movements are provided in note 19.

Notes to the Financial Statements continued
Year ended 30 June 2024

4. Adjusted items continued

Costs incurred in respect of the acquisition of Redrow plc

On 7 February 2024, the Group announced an offer to acquire the entire share capital of Redrow plc through an all-share transaction. The transaction was approved by the shareholders of both groups on 15 May 2024 and legally completed on 21 August 2024 as disclosed in note 31. In the course of progressing the transaction, during the year the Group has incurred £22.4m in adviser fees. The total costs that will be incurred are expected to be material in aggregate.

5. Key management, employees and retirement benefit obligations

Key management and employees

Key management personnel, as defined under IAS 24: 'Related Party Disclosures', have been identified as the Board of Directors, as the controls operated by the Group ensure that all key decisions are reserved for the Board. Detailed disclosures of individual remuneration, pension entitlements and share options for those Directors who served during the year are given in the audited sections within the Remuneration Report on pages 136 to 142.

A summary of key management remuneration is as follows:

	2024 £m	2023 £m
Salaries and fees (including pension compensation)	3.0	3.1
Social security costs[1]	0.8	1.0
Performance bonus	2.7	1.2
Benefits	0.1	0.1
Share-based payments[2]	1.8	(0.3)
Total	8.4	5.1

1 Excluded from the Executive Directors' and Non-Executive Directors' single figure of remuneration tables on page 136.
2 IFRS 2: 'Share-Based Payments' charge/(credit) attributable to key management.

Total employee numbers and costs are as follows:

	Group		Company	
	2024 Number	2023 Number	2024 Number	2023 Number
Average employee numbers (excluding sub-contractors and including Directors)	6,451	7,031	499	490

		Group		Company	
	Notes	2024 £m	2023 £m	2024 £m	2023 £m
Employee costs (including Directors):					
Wages and salaries including bonuses		429.8	443.2	50.5	47.8
Redundancy costs		3.1	2.0	1.3	0.4
Social security costs		50.0	52.6	7.1	6.8
Other pension costs		21.2	19.2	2.4	2.1
Share-based payments	26	19.9	10.2	6.0	(0.3)
Employee costs for the year		524.0	527.2	67.3	56.8

The majority of the costs of the Company's employees are charged to other Group companies.

Retirement benefit obligations

The Group operates several defined contribution pension schemes.

Defined contribution schemes

The Group's contributions to the schemes are charged in the Income Statement in the year in which the scheme members become entitled to contributions.

The Group operates defined contribution retirement benefit schemes for all qualifying employees, under which it pays contributions to independently administered funds. Contributions are based upon a fixed percentage of the employee's pay and once these have been paid, the Group has no further obligations under these schemes.

	2024 £m	2023 £m
Contributions during the year:		
Group defined contribution schemes' Consolidated Income Statement charge	21.2	19.2

At the balance sheet date, there were outstanding contributions of £3.2m (2023: £2.8m), which were paid on or before the due date.

Notes to the Financial Statements continued
Year ended 30 June 2024

6. Net finance costs

Finance costs and income

The Group recognises finance costs and income on bank borrowings, deposits and other borrowings in the Income Statement in the period to which they relate. Imputed interest on discounted assets, including land purchased on deferred terms and leased assets, is charged to the Income Statement over the period of settlement or lease period respectively.

	2024 £m	2023 £m
Finance income:		
Finance income on short-term bank deposits	(44.9)	(22.0)
Other interest receivable	(2.3)	(1.8)
	(47.2)	(23.8)
Finance costs:		
Interest on loans and borrowings	9.4	9.3
Imputed interest on long-term payables	40.2	21.4
Finance charge on leased assets	1.8	1.2
Amortisation of facility fees	1.6	1.9
Other interest payable	0.7	1.1
	53.7	34.9
Net finance costs	6.5	11.1

The weighted average interest rates (excluding fees) paid in the year were as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
USPP notes	2.8	2.8	2.8	2.8

7. Tax

All profits of the Group are subject to UK tax.

The current year tax charge has been provided for, by the Group and the Company, at a standard effective rate, inclusive of RPDT, of 29.0% (2023: 24.5%). The closing deferred tax assets and liabilities have been provided in these Financial Statements at a rate of 25.0%-29.0% (2023: 20.5%-29.0%) on the temporary differences giving rise to these assets and liabilities.

Tax

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date, and is charged or credited to the Income Statement, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in JVs, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Notes to the Financial Statements continued
Year ended 30 June 2024

7. Tax continued

Tax recognised in the Income Statement
The tax expense represents the sum of the tax currently payable and deferred tax.

Analysis of the tax charge for the year	2024 £m	2023 £m
Current tax:		
UK corporation tax on profits for the year	54.8	147.2
RPDT for the year	6.1	26.0
Adjustments in respect of previous years	3.2	(6.7)
	64.1	166.5
Deferred tax:		
Origination and reversal of temporary differences	(6.1)	1.8
Adjustment in respect of previous years	(1.6)	7.2
Impact of change in tax rates	—	(0.7)
	(7.7)	8.3
Tax charge for the year	56.4	174.8

Factors affecting the tax charge for the year
The tax rate assessed for the year is higher (2023: higher) than the standard effective rate of tax in the UK of 29.0% (inclusive of corporation tax and RPDT) (2023: 24.5%). The differences are explained below:

	2024 £m	2023 £m
Profit before tax	170.5	705.1
Profit before tax multiplied by the standard rate of tax of 29.0% (inclusive of corporation tax and RPDT) (2023: 24.5%)	49.4	172.7
Effects of:		
Other items including non-deductible expenses and non-taxable income	8.0	4.5
Additional tax relief for land remediation costs	(2.6)	(2.2)
Adjustment in respect of previous years	1.6	0.5
Impact of change in tax rates	—	(0.7)
Tax charge for the year	56.4	174.8

Tax recognised in equity
In addition to the amount charged to the Consolidated Income Statement, a net current and deferred tax credit of £0.8m (2023: £1.3m) was recognised directly in equity.

Factors affecting future tax charges
The Organisation for Economic Cooperation and Development (OECD) Pillar Two model rules are designed to ensure that large multinational groups incur a 15% minimum effective tax rate in each jurisdiction in which they operate. Pillar Two legislation was enacted in the UK in June 2023 and will be effective for the Group's financial year beginning 1 July 2024. The Group has applied the mandatory temporary exception under IAS 12 in relation to the accounting for deferred taxes arising from the implementation of the Pillar Two legislation.

The Group operates in the UK and is subject to tax at 29.0% on all its residential development activities, comprising UK corporation tax (25.0%) and UK residential property developer tax (4.0%). The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes in the UK and, based on the assessment, the Group does not expect a potential exposure to Pillar Two top-up taxes. Management is not currently aware of any circumstances under which this might change

Notes to the Financial Statements continued
Year ended 30 June 2024

7. Tax continued

Deferred tax

All deferred tax relates to the UK and is stated on a net basis as the Group has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis. The Group recognised a net deferred tax liability with the following movements in the year:

	Group						
	Share options £m	Losses £m	Brands £m	Accelerated capital allowances £m	Customer contracts £m	Other (net) £m	Total £m
At 1 July 2022	3.8	—	(31.7)	0.5	(24.7)	7.0	(45.1)
Year ended 30 June 2023:							
Income Statement (charge)/credit	(0.9)	—	0.1	(11.5)	3.4	0.6	(8.3)
Amounts taken directly to equity	(0.1)	—	—	—	—	—	(0.1)
At 30 June 2023	2.8	—	(31.6)	(11.0)	(21.3)	7.6	(53.5)
Comprising:							
Deferred tax assets	2.8	—	—	—	—	7.6	10.4
Deferred tax liabilities	—	—	(31.6)	(11.0)	(21.3)	—	(63.9)
Year ended 30 June 2024:							
Income Statement credit/(charge)	**2.2**	**2.2**	**0.2**	**(0.2)**	**2.1**	**1.2**	**7.7**
Amounts taken directly to equity	**0.8**	**—**	**—**	**—**	**—**	**—**	**0.8**
At 30 June 2024	**5.8**	**2.2**	**(31.4)**	**(11.2)**	**(19.2)**	**8.8**	**(45.0)**
Comprising:							
Deferred tax assets	**5.8**	**2.2**	**—**	**—**	**—**	**8.8**	**16.8**
Deferred tax liabilities	**—**	**—**	**(31.4)**	**(11.2)**	**(19.2)**	**—**	**(61.8)**

The deferred tax liability in respect of indefinite life and other brands represents the amount of tax that would become due if the brands were sold at their book value. There is no intention to sell the indefinite life brands in the foreseeable future and it is not anticipated that any of the deferred tax liability in respect of the indefinite life brands will reverse in the 12 months following the balance sheet date. The deferred tax asset in respect of share schemes represents an estimate of the future tax deduction available on the exercise or vesting of awards under those schemes.

While it is anticipated that an element of the remaining deferred tax assets and liabilities will reverse during the 12 months following the balance sheet date, at present it is not possible to accurately quantify the value of all of these reversals.

In addition to the deferred tax liability shown above, the Group has not recognised a deferred tax asset of £10.2m (2023: £9.6m) in respect of capital and other losses amounting to £35.1m (2023: £33.3m) because these are not considered recoverable in the foreseeable future.

The Company recognised a deferred tax asset with the following movements in the year:

	Company			
	Share options £m	Accelerated capital allowances £m	Other (net) £m	Total £m
At 1 July 2022	1.3	1.4	0.5	3.2
Year ended June 2023:				
Income Statement (charge)/credit	(0.4)	(0.5)	0.3	(0.6)
At 30 June 2023	0.9	0.9	0.8	2.6
Comprising:				
Deferred tax assets	0.9	0.9	0.8	2.6
Year ended 30 June 2024:				
Income Statement credit/(charge)	**0.3**	**—**	**(0.8)**	**(0.5)**
Amounts taken directly to equity	**0.1**	**—**	**—**	**0.1**
At 30 June 2024	**1.3**	**0.9**	**—**	**2.2**
Comprising:				
Deferred tax assets	**1.3**	**0.9**	**—**	**2.2**

Notes to the Financial Statements continued
Year ended 30 June 2024

8. Earnings per share

The earnings per share from continuing operations were as follows:

	2024 Pence	2023 Pence
Basic earnings per share	**11.8**	53.2
Diluted earnings per share	**11.6**	52.6
Adjusted basic earnings per share	**28.3**	67.3
Adjusted diluted earnings per share	**27.8**	66.5

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the year, excluding those held by the EBT that do not attract dividend equivalents and which are treated as cancelled.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue adjusted to assume conversion of all potentially dilutive share options from the start of the year.

Adjusted basic and adjusted diluted earnings per share exclude the impact of adjusted items and any associated net tax amounts.

	2024	2023
Profit attributable to ordinary shareholders of the Company (£m)	**114.1**	530.3
Adjusted items (£m)	**214.5**	179.2
Tax on adjusted items (£m)	**(54.4)**	(39.3)
Adjusted profit attributable to ordinary shareholders of the Company (£m)	**274.2**	670.2
Weighted average number of shares in issue (million)	**974.6**	1,000.1
Weighted average number of shares in EBT (million)	**(5.8)**	(3.8)
Weighted average number of shares for basic earnings per share (million)	**968.8**	996.3
Weighted average number of shares in issue (million)	**974.6**	1,000.1
Adjustment to assume conversion of all potentially dilutive shares (million)	**12.5**	8.4
Weighted average number of shares for diluted earnings per share (million)	**987.1**	1,008.5

9. Dividends

	2024 £m	2023 £m
Amounts recognised as distributions to equity shareholders in the year:		
Final dividend for the year ended 30 June 2023 of 23.5p (2022: 25.7p) per share	**228.0**	259.8
Interim dividend for the year ended 30 June 2024 of 4.4p (2023: 10.2p) per share	**42.6**	100.2
Total dividends distributed to equity shareholders in the year	**270.6**	360.0

	2024 £m	2023 £m
Proposed final dividend for the year ended 30 June 2024 of 11.8p (2023: 23.5p) per share[1]	**170.2**	227.9

1 The cost of the proposed dividend is calculated based upon the number of shares ranking for dividend at the balance sheet date, as adjusted, in the current year, for the issue of shares used in the acquisition of Redrow plc.

The final dividend of 11.8 pence per share was approved by the Board on 3 September 2024 and has not been included as a liability as at 30 June 2024.

10. Goodwill and intangible assets

Goodwill

Goodwill arising on consolidation (see note 32 for the Group policy on consolidation) represents the excess of the fair value of the consideration over the fair value of the separately identifiable net assets and liabilities acquired.

Goodwill arising on the acquisition of subsidiary undertakings and businesses is capitalised as an asset but reviewed for impairment at least annually.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units, or groups of cash-generating units, expected to benefit from the synergies of the combination at acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss is recognised immediately in the Income Statement and is not subsequently reversed.

Notes to the Financial Statements continued
Year ended 30 June 2024

10. Goodwill and intangible assets continued

Goodwill	Group 2024 £m	2023 £m
Cost		
At 1 July and 30 June	**877.4**	877.4
Accumulated impairment losses		
At 1 July and 30 June	**24.5**	24.5
Carrying amount		
At 30 June	**852.9**	852.9

The Group's goodwill relating to the acquisition of Wilson Bowden Limited in 2007 has a carrying value of £792.2m and goodwill relating to the 2019 acquisition of Oregon Timber Frame Limited has a carrying value of £13.7m, both relating to the housebuilding business.

In addition, the Group has goodwill of £47.0m relating to the Group's land promotion business, following the 2022 acquisition of Gladman Developments Limited.

Other intangible assets

Brands

The Group has capitalised, as intangible assets, brands that have been acquired. Acquired brand values are calculated using discounted cash flows. Where a brand is considered to have a finite life, it is amortised over its useful life on a straight-line basis. Where a brand is capitalised with an indefinite life, it is not amortised. The factors that contribute to the durability of brands capitalised are that there are no material legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of these intangible assets. Internally generated brands are not capitalised.

The Group carries out an annual impairment review of its indefinite life brand as part of the review of the carrying value of goodwill, by performing a value in use calculation, using a discount factor based upon the Group's pre-tax weighted average cost of capital.

Customer contracts

The Group has capitalised, as intangible assets, acquired customer contracts. Customer contracts are valued at the present value of future cash flows less contributory asset charges and are amortised on a straight-line basis in line with contract relationships at the acquisition date.

	Group					
	Brands		Customer contracts		Total	
Other intangible assets	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Cost						
At 1 July	**118.7**	118.7	**98.9**	98.9	**217.6**	217.6
Acquired in the year	**—**	—	**—**	—	**—**	—
Amounts written off	**—**	—	**—**	—	**—**	—
At 30 June	**118.7**	118.7	**98.9**	98.9	**217.6**	217.6
Amortisation						
At 1 July	**8.7**	8.1	**14.0**	4.1	**22.7**	12.2
Amortisation in the year	**0.5**	0.6	**9.9**	9.9	**10.4**	10.5
Amounts written off	**—**	—	**—**	—	**—**	—
At 30 June	**9.2**	8.7	**23.9**	14.0	**33.1**	22.7
Carrying amount						
At 30 June	**109.5**	110.0	**75.0**	84.9	**184.5**	194.9

The Group does not amortise the housebuilding brand acquired with Wilson Bowden, being David Wilson Homes, valued at £100.0m, as the Directors consider that this brand has an indefinite useful economic life due to the Group intending to hold and support the brand for an indefinite period, and there are no factors that would prevent it from doing so.

In 2022, the Group acquired brands valued at £10.8m and customer contracts valued at £98.9m with Gladman Developments Limited. The customer contracts are amortised on a straight-line basis over the expected life of the contracts; the brands acquired are amortised on a straight-line basis over a 20-year period.

The cost of brands disclosed above also includes £0.9m acquired with Oregon Timber Frame Limited in 2019 and £7.0m in respect of Wilson Bowden Developments Limited, both of which have been fully amortised or impaired in previous periods.

Impairment of goodwill and indefinite life brand

The Group conducts an annual impairment review of goodwill and its indefinite life brand, David Wilson Homes.

Notes to the Financial Statements continued
Year ended 30 June 2024

10. Goodwill and intangible assets continued

Impairment of goodwill and indefinite life brand

Impairment reviews for goodwill and the Group's indefinite life brand require an estimation of the value in use of the cash-generating units to which these assets are allocated. The value in use calculations require an estimate of expected future cash flows, including the anticipated growth rate of revenue and costs, and require the determination of a suitable discount rate to calculate the present value of the cash flows. The financial forecasts used reflect the outcomes that management considers most likely, based on the information available at the date of signing of these Financial Statements.

Goodwill and indefinite life brand allocated to housebuilding

An impairment review was performed at 30 April 2024 by comparing the value in use of the housebuilding business to the carrying value of its tangible and intangible assets and allocated goodwill.

The value in use was determined by discounting the expected future cash flows of the housebuilding business. The cash flows until 30 June 2027, being the three-year period aligned to the Group's operating cycle, were determined using the Group's approved detailed business plan and the cash flows for FY28 and FY29 were based on management projections based on expected volumes, selling prices and margins, taking into account available land purchases and work in progress levels. The cash flows for subsequent years were extrapolated in perpetuity using an estimated growth rate of 2.1% (2023: 1.0%).

The key assumptions for the value in use calculation for the housebuilding business were:

- expected changes in selling prices for completed houses and the related impact on operating margin: these are determined on a site-by-site basis in the Group's approved business plan dependent upon local market conditions and product type. For subsequent years, these have been estimated at a Group level based upon past experience and expectations of future changes in the market, considering external market forecasts;
- sales volumes: these are determined on a site-by-site basis in the Group's approved business plan dependent upon local market conditions, land availability and planning permissions. For subsequent years, these have been estimated at a Group level based on past experience and expectations of future changes in the market, taking into account external market forecasts;
- expected changes in site costs to complete: these are determined on a site-by-site basis in the Group's approved business plan dependent upon the expected costs of completing all aspects of each individual development. For subsequent years, these have been estimated at a Group level based on past experience and expectations of future changes in the market, taking into account external market forecasts; and
- discount rate: this is a pre-tax rate reflecting the Group's target capital structure, risks appropriate to the housebuilding business and current market assessments of the time value of money. A rate of 14.2% (2023: 15.0%) is considered by the Directors to be the appropriate pre-tax discount rate.

The result of the value in use exercise concluded that the recoverable value of goodwill and intangible assets allocated to the housebuilding business exceeded its carrying value by £819.7m (2023: £1,176.0m) and there has been no impairment.

Goodwill allocated to land promotion

An impairment review was performed at 30 June 2024 by comparing the value in use of the land promotion business to the carrying value of its tangible and intangible assets and allocated goodwill.

The value in use was determined by discounting the expected future cash flows of the land promotion business. The operating cycle for the land promotion business extends over a longer period than the housebuilding business, with land sales completing at the point in an economic cycle that generates the most profit. Inventories held at the current date may generate cash inflows in the medium to long term and, as a result, management's forecasts extend up to ten years from the reporting date. It is therefore appropriate to consider projections over a longer period in the value in use calculation. Cash flows until 30 June 2033 were determined using the business's approved forecast, dependent upon expected site permissions and best estimates for targeted site sales, anticipated spend and overhead inflation. Due to the sensitivity of cash flows of the land promotion business to the economic cycle, the cash flows for years subsequent to 2033 were based on average sales receipts from the final five years of the forecast, adjusted for expected increases in cost, extrapolated in perpetuity using an estimated growth rate of 2.1% (2023: 1.0%).

The key assumptions for the value in use calculation were the expected sales values achieved under land promotion agreements, based on current market values for similar land, costs required to fulfil customer contracts, and the discount rate of 13.2% (2023: 14.3%), being a pre-tax rate reflecting the risks appropriate to the land promotion business and current market assessments of the time value of money.

The result of the value in use exercise concluded that the recoverable amount of goodwill allocated to the land promotion business exceeded its carrying value by £52.6m (2023: £13.1m) and there has been no impairment. An increase in the discount rate of 220 bps would reduce the headroom of the recoverable amount over the carrying value to £nil.

Notes to the Financial Statements continued
Year ended 30 June 2024

11. Company investments in subsidiary undertakings

Company investments

The Company's interests in subsidiary undertakings are accounted for at cost less accumulated provision for impairment, which is reviewed annually.

Where share-based payments are granted to the employees of subsidiary undertakings by the Company, they are treated as a capital contribution to the subsidiary and the Company's investment in the subsidiary is increased accordingly.

	Company	
	2024 £m	2023 £m
Cost:		
Cost at the beginning of the year	3,177.7	3,180.1
Increase/(decrease) in investment in subsidiaries related to share-based payments	5.3	(2.4)
At 30 June	3,183.0	3,177.7
Impairment:		
At beginning of the year and at 30 June	87.6	87.6
Net book value:		
At 30 June	3,095.4	3,090.1

12. Investments in jointly controlled entities

A jointly controlled entity (joint venture or JV) is an entity, including unincorporated entities such as partnerships, in which the Group holds an interest with one or more other parties where a contractual arrangement has established joint control over the entity.

The Group has no associated entities.

Jointly controlled entities

Investments in jointly controlled entities are accounted for using the equity method of accounting.

The Group's share of the profit or loss of jointly controlled entities increases or decreases the carrying amount of the investment and long-term interests.

	Group	
Investments in JVs	2024 £m	2023 £m
At the beginning of the year	129.8	177.9
Increase in amounts invested in JVs	38.3	18.1
Repayment of investments in JVs	(4.8)	(40.2)
Dividends received from JVs	(7.1)	(34.8)
Share of post-tax profit for the year from JVs	2.3	8.8
At 30 June	158.5	129.8

There are no losses in any of the Group's JVs that have not been recognised by the Group.

Notes to the Financial Statements continued
Year ended 30 June 2024

12. Investments in jointly controlled entities continued
During the year the Group entered into a new JV agreement, Bollo Lane LLP. At 30 June 2024, the Group had interests in the following JVs:

JV	Percentage owned	Voting rights controlled	Country of registration	Principal place of business	Principal activity	Financial year end date
51 College Road LLP	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
Alie Street LLP[1]	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
Barratt Metropolitan LLP[2]	75.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Barratt Wates (East Grinstead) Limited	50.0%	50.0%	England and Wales	UK	Holding company	30 June
Barratt Wates (East Grinstead No.2) Limited[1]	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Barratt Wates (Horley) Limited[2]	78.5%	50.0%	England and Wales	UK	Housebuilding	30 June
Barratt Wates (Lindfield) Limited	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Barratt Wates (Worthing) Limited	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
BDWZest Developments LLP[1]	50.0%	50.0%	England and Wales	UK	Holding company	31 March*
BDWZest LLP	50.0%	50.0%	England and Wales	UK	Holding company	31 March*
Blackhorse Road Properties LLP[2]	51.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Bollo Lane LLP[2]	51.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Brooklands Milton Keynes LLP	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
DWH/Wates (Thame) Limited	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Enderby Wharf LLP	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Famous Five Glenfield Limited	50.0%	50.0%	England and Wales	UK	Dormant	30 June
Fulham Wharf LLP[1]	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
Fulham Wharf One Limited[1]	50.0%	50.0%	England and Wales	UK	Dormant	31 March*
Fulham Wharf Two Limited[1]	50.0%	50.0%	England and Wales	UK	Dormant	31 March*
Harrow View LLP	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
Infinity Park Derby LLP	50.0%	50.0%	England and Wales	UK	Commercial development	30 June
Nine Elms LLP[1]	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
Nine Elms One Limited[1]	50.0%	50.0%	England and Wales	UK	Dormant	31 March*

Notes to the Financial Statements continued
Year ended 30 June 2024

12. Investments in jointly controlled entities continued

JV	Percentage owned	Voting rights controlled	Country of registration	Principal place of business	Principal activity	Financial year end date
Nine Elms Two Limited[1]	50.0%	50.0%	England and Wales	UK	Dormant	31 March*
Old Sarum Park Properties Limited	50.0%	50.0%	England and Wales	UK	Dormant	30 June
Queensland Road LLP[1]	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
Ravenscraig Limited[2]	33.3%	33.3%	Scotland	UK	Commercial development	31 December*
Ravenscraig Town Centre LLP	50.0%	50.0%	England and Wales	UK	Dormant	30 June
Sovereign BDW (Hutton Close) LLP	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Sovereign BDW (Newbury) LLP	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Wembley Park Properties LLP[2]	51.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Wichelstowe LLP	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
ZestBDW LLP	50.0%	50.0%	England and Wales	UK	Holding company	31 March*

* JV prepares financial statements which are non-coterminous with the Group in order to comply with the terms of its JV agreement and to align with the year end and requirements of our JV partners.

Judgements applied in determining the classification of joint arrangements

1. The Group's interests in a number of the entities classified as JVs are held indirectly: Barratt Wates (East Grinstead) No. 2 Limited is a wholly owned subsidiary of the Group's JV, Barratt Wates (East Grinstead) Limited, and is therefore classified as a JV of the Group. BDWZest Developments LLP, Alie Street LLP, Queensland Road LLP, Fulham Wharf LLP and Nine Elms LLP form a group of limited liability partnerships jointly owned (directly or indirectly) by BDWZest LLP and ZestBDW LLP, both of which are JVs of the Group. Nine Elms One Limited and Nine Elms Two Limited are wholly owned subsidiaries of Nine Elms LLP, and Fulham Wharf One Limited and Fulham Wharf Two Limited are wholly owned subsidiaries of Fulham Wharf LLP. All of these entities are therefore classified as JVs of the Group.
2. The Group holds five JV investments (Barratt Wates (Horley) Limited, Barratt Metropolitan LLP, Wembley Park Properties LLP, Blackhorse Road Properties LLP and Bollo Lane LLP) not in equal share, and one (Ravenscraig Limited) with more than one other party. However, in each case, the Group has equal voting rights and control over the activities of the companies with the other parties. In addition, the Group and the other parties to the agreements only have rights to the net assets of these companies through the terms of the contractual arrangements. These entities are therefore classified as JVs.

Registered offices

The registered office of all of the entities in the preceding table, with the exception of those listed below, is: Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire LE67 1UF.

Enderby Wharf LLP: Here East, 13 East Bay Lane, 3rd Floor Press Centre, Queen Elizabeth Park, London E15 2GW.
Sovereign BDW (Hutton Close) LLP and Sovereign BDW (Newbury) LLP: Sovereign House, Basing View, Basingstoke RG21 4FA.
Ravenscraig Limited: 15 Atholl Crescent, Edinburgh EH3 8HA.

Notes to the Financial Statements continued
Year ended 30 June 2024

12. Investments in jointly controlled entities continued

Summarised financial information relating to the Group's JVs is as follows:

	Harrow View LLP		Wichelstowe LLP		Wembley Park Developments LLP		Barratt Metropolitan LLP		Fulham Wharf LLP		Brooklands Milton Keynes LLP		Other JVs		Group total	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Income	24.9	62.2	58.4	34.0	27.0	7.0	47.8	104.5	—	—	33.8	60.5	13.6	58.7	205.5	326.9
Adjusted expenditure	(25.4)	(53.7)	(49.4)	(27.8)	(20.4)	(7.5)	(46.1)	(91.4)	2.2	—	(22.4)	(38.8)	(13.6)	(47.1)	(175.1)	(266.3)
(Cost)/credit associated with legacy properties	—	—	—	—	—	—	(10.0)	(3.3)	9.2	(42.3)	—	—	(19.4)	—	(20.2)	(45.6)
Interest (payable)/receivable	—	—	(2.3)	(2.5)	(0.3)	—	—	—	0.7	(0.1)	—	—	0.2	(0.2)	(1.7)	(2.8)
	(0.5)	8.5	6.7	3.7	6.3	(0.5)	(8.3)	9.8	12.1	(42.4)	11.4	21.7	(19.2)	11.4	8.5	12.2
Tax	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	—	0.1
Profit/(loss) for the year, being total comprehensive income/(expense)	(0.5)	8.5	6.7	3.7	6.3	(0.5)	(8.3)	9.8	12.1	(42.4)	11.4	21.7	(19.2)	11.5	8.5	12.3
Group share of profit/(loss) for the year recognised in the Consolidated Income Statement	(0.3)	4.2	3.4	1.9	3.2	(0.2)	(6.2)	7.4	6.0	(21.2)	5.7	10.9	(9.5)	5.8	2.3	8.8
Dividends received from JVs in the year	1.5	3.6	—	—	—	—	—	—	—	—	5.3	11.8	0.3	19.4	7.1	34.8
Current assets	116.9	98.5	26.0	28.1	41.0	32.9	145.9	109.7	27.5	30.6	5.4	15.6	73.1	60.9	435.8	376.3
Non-current assets	—	—	—	—	0.1	—	—	—	—	—	—	—	7.2	9.6	7.3	9.6
Current liabilities	(7.8)	(11.4)	(5.8)	(14.5)	(11.0)	(8.9)	(143.2)	(98.7)	(30.2)	(45.3)	(4.6)	(15.6)	(54.9)	(26.7)	(257.5)	(221.1)
Non-current liabilities	—	—	—	—	—	—	—	—	—	—	—	—	(42.4)	(43.5)	(42.4)	(43.5)
Net assets/(liabilities) of JVs	109.1	87.1	20.2	13.6	30.1	24.0	2.7	11.0	(2.7)	(14.7)	0.8	—	(17.0)	0.3	143.2	121.3
Cash and cash equivalents included in the above net assets	8.4	10.1	8.8	3.2	3.5	6.6	37.7	12.1	25.8	29.3	4.6	10.8	19.1	23.3	107.9	95.4
Group share of net assets/(liabilities) recognised in the Consolidated Balance Sheet at 30 June	54.5	43.6	10.1	6.8	15.4	12.1	2.0	8.2	(1.3)	(7.4)	0.4	—	(8.9)	—	72.2	63.3

Adjusted expenditure is the total expenditure of the JV less adjusted items as defined in note 4.

Notes to the Financial Statements continued
Year ended 30 June 2024

12. Investments in jointly controlled entities continued
A reconciliation of the Group's share of net assets to the carrying value of investments included in the Balance Sheet is presented below:

	Group	
	2024 £m	2023 £m
Group share of the net assets of its JVs	**72.2**	63.3
Group loans to JVs	**86.3**	66.5
At 30 June	**158.5**	129.8

The Group has made loans, net of loss allowances, of £86.3m (2023: £66.5m) to its JVs, which are presented within Group investments. The loss allowances for Group loans to JVs are equal to 12-month expected credit losses unless there has been a significant increase in credit risk since the date of initial recognition, in which case, the loss allowance is equal to the lifetime expected credit loss.

A significant increase in credit risk is judged to have occurred if a review of available information indicates an increased probability of default. At 30 June 2024, the loss allowance is immaterial (2023: immaterial).

Included within the Group's share of net assets of JVs is a proportion of the loans to the JVs (net of fair value adjustments made in one JV), calculated using the Group's ownership share, of £85.3m (2023: £63.6m).

During the year, the Group entered into a number of transactions with its JVs in respect of funding and development management services (with charges made based on the utilisation of these services) in addition to the provision of construction services. Further details on these transactions are provided in note 29. The Group and Company have a number of contingent liabilities relating to their JVs. Further details on these are provided in note 28.

The transfer of funds from the Group's JVs to the Group is determined by the terms of the JV agreements, which specify how available funds should be applied in repaying loans and capital, and distributing profits to the partners.

13. Property, plant and equipment

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of the assets on a straight-line basis to their residual value over their estimated useful lives. Residual values and asset lives are reviewed annually.

Freehold properties are depreciated on a straight-line basis over 25 years. Freehold land is not depreciated. Plant is depreciated on a straight-line basis over its expected useful life, which ranges from one to seven years.

	Group			Company		
	Property £m	Plant and equipment £m	Total £m	Property £m	Plant and equipment £m	Total £m
Cost						
At 1 July 2022	29.1	53.7	82.8	0.2	26.0	26.2
Additions	8.4	14.7	23.1	—	2.6	2.6
Disposals	—	(1.6)	(1.6)	—	—	—
At 30 June 2023	37.5	66.8	104.3	0.2	28.6	28.8
Additions	**1.0**	**6.2**	**7.2**	**—**	**1.1**	**1.1**
Disposals	**(0.2)**	**(0.7)**	**(0.9)**	**—**	**—**	**—**
At 30 June 2024	**38.3**	**72.3**	**110.6**	**0.2**	**29.7**	**29.9**
Depreciation						
At 1 July 2022	3.4	38.2	41.6	0.2	19.4	19.6
Charge for the year	0.4	5.7	6.1	—	3.1	3.1
Disposals	—	(1.5)	(1.5)	—	—	—
At 30 June 2023	3.8	42.4	46.2	0.2	22.5	22.7
Charge for the year	**0.8**	**6.7**	**7.5**	**—**	**2.8**	**2.8**
Disposals	**(0.2)**	**(0.4)**	**(0.6)**	**—**	**—**	**—**
At 30 June 2024	**4.4**	**48.7**	**53.1**	**0.2**	**25.3**	**25.5**
Net book value						
At 30 June 2023	33.7	24.4	58.1	—	6.1	6.1
At 30 June 2024	**33.9**	**23.6**	**57.5**	**—**	**4.4**	**4.4**

Authorised future capital expenditure that was contracted but not provided for in these Financial Statements amounted to £4.4m (2023: £3.5m).

Notes to the Financial Statements continued
Year ended 30 June 2024

14. Leases

Leases

A right-of-use asset and a lease liability are recognised at the commencement date of a lease. The right-of-use asset is initially measured at cost comprising the initial amount of the lease liability plus payments made before the lease commenced and any direct costs less any incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement of the lease to the earlier of the end of the lease term or the end of the useful life of the asset. The right-of-use asset is also reduced for impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments at the commencement date discounted using the Group's incremental borrowing rate of between 1% and 7% and is subsequently measured at amortised cost using the effective interest method. The lease liability is remeasured when there is a change in the future lease payments, and a corresponding adjustment is made to the right-of-use asset.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of plant and machinery with a lease term of 12 months or less, and leases of low value including leases of office equipment. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group and Company lease assets including land and buildings, vehicles, plant and machinery, and office equipment. Information about leases for which the Group or Company is a lessee is presented below.

	Group			Company		
Right-of-use assets	Land and buildings £m	Other £m	Total £m	Land and buildings £m	Other £m	Total £m
Balance at 1 July 2023	28.4	16.7	45.1	2.7	1.5	4.2
Balance at 30 June 2024	**24.3**	**16.9**	**41.2**	**—**	**1.3**	**1.3**
Net additions/(disposals) during the year including remeasurements	1.7	9.6	11.3	(2.4)	0.4	(2.0)

	Group		Company	
Lease liabilities included in the Balance Sheet	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Current	**13.4**	13.1	**0.6**	1.3
Non-current	**29.4**	33.1	**0.7**	2.9
	42.8	46.2	**1.3**	4.2

A maturity analysis of the contractual undiscounted cash flows associated with these lease liabilities is presented in note 30.

	Group	
Amounts recognised in the Income Statement	**2024 £m**	2023 £m
Interest on lease liabilities	**1.8**	1.2
Depreciation of right-of-use land and buildings	**5.8**	6.4
Depreciation of other right-of-use assets	**9.4**	5.9
Expenses relating to short-term and low-value leases	**20.7**	34.5

The total Group cash outflow for leases in the current year was £37.2m (Company: £0.9m) (2023: £48.4m (Company: £1.3m)), of which £16.5m (Company: £0.9m) (2023: £13.9m (Company: £1.3m)) related to the repayment of lease liabilities recognised in the Balance Sheet.

15. Inventories

Inventories

Inventories are valued at the lower of cost and net realisable value. Land held for development, including land in the course of development, is initially recorded at cost. Where, through deferred purchase credit terms, the carrying value differs from the amount that will ultimately be paid in settling the liability, this difference is charged as a finance cost in the Income Statement over the period of settlement.

Cost of construction work in progress comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Overhead costs include, but are not limited to, roads and other infrastructure costs required for a site and local contributions and physical works contributions required under planning permissions granted for our developments.

15. Inventories continued

Inventories continued

Due to the scale of the Group's developments, the Group has to allocate site-wide development costs between homes built in the current year and in future years. It also has to estimate costs to complete on such developments. In making these assessments, there is a degree of inherent uncertainty. The Group has developed internal controls to assess and review carrying values and the appropriateness of estimates made. Further information is included in the margin recognition section of note 3.

Work in progress on promotion agreements comprises direct fees and labour costs incurred in investigating, designing, master planning, obtaining planning permission and ultimately securing sales agreements for land on behalf of landowners. The satisfaction of promotion agreements is largely dependent upon the grant of planning consent; therefore, management assesses the likelihood of attaining these consents when assessing their carrying values.

	Group	
	2024 £m	2023 £m
Land held for development	**3,233.6**	3,139.9
Construction work in progress	**1,829.4**	1,907.1
Promotion agreements work in progress	**111.5**	97.7
Part-exchange properties and other inventories	**103.7**	93.3
	5,278.2	5,238.0

The Company had no inventories in 2024 or 2023.

Nature and carrying value of inventories

The Group's principal activities are housebuilding and commercial development. The majority of the development activity is not contracted prior to the development commencing. Accordingly, the Group has in its Balance Sheet at 30 June 2024 current assets that are not covered by a forward sale. The Group's internal controls are designed to identify any developments where the balance sheet value of land and work in progress is more than the projected lower of cost or net realisable value. During the year, the Group has conducted six-monthly reviews of the net realisable value of specific sites identified as at high risk of impairment, based upon a number of criteria including low site profit margins and sites with no forecast completions. Where the estimated net realisable value of a site was less than its current carrying value, the Group has impaired the land and work in progress value.

During the year, due to performance variations, changes in assumptions and changes to viability on individual sites, there were gross impairment charges of £9.2m (2023: £16.7m) and gross impairment reversals of £11.4m (2023: £12.0m), resulting in a net impairment reversal of £2.2m (2023: £4.7m charge) included within cost of sales.

The key estimates in these six-monthly reviews are those used to estimate the realisable value of a site, which is determined by forecast sales rates, expected sales prices and estimated costs to complete.

The Directors consider all inventories to be essentially current in nature, although the Group's operational cycle is such that a proportion of inventories will not be realised within 12 months. It is not possible to determine with accuracy when specific inventory will be realised, as this will be subject to a number of variables such as consumer demand and planning permission delays.

Inventories include £9.0m (2023: £11.0m) in respect of properties currently occupied under the refugee support scheme.

16. Trade and other receivables

Trade and other receivables

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Amounts recoverable on certain construction contracts where revenue is recognised over time are included in trade receivables and stated at cost plus attributable profit less any foreseeable losses. Payments received on account for these construction contracts are deducted from amounts recoverable on these contracts.

Trade and other receivables are initially recognised at their transaction price, being fair value, and subsequently measured at amortised cost, being their nominal value less a loss allowance for expected credit losses, which are assessed on the basis of an average weighting of the risk of default. Any impairment is recognised immediately in the Income Statement.

For this purpose, a default is determined to have occurred if the Group becomes aware of evidence that it will not receive all contractual cash flows that are due or if payment has not been received within 60 days of the due date. After this time, it is probable that contractual cash flows will not be fully recovered.

The Group does not hold any collateral over these balances.

Trade receivables are receivables and contract assets arising from the Group's contracts with customers. The loss allowance is equal to the lifetime expected credit loss, assessed on an individual basis.

16. Trade and other receivables continued

Trade and other receivables continued

The loss allowances for other receivables and amounts due from subsidiary undertakings are equal to 12-month expected credit losses unless there has been a significant increase in credit risk since the date of initial recognition, in which case the loss allowance is equal to the lifetime expected credit loss. A significant increase in credit risk is judged to have occurred if a review of available information indicates an increased probability of default, or if contractual payments are more than 30 days past due.

Where amounts due from subsidiary undertakings can be satisfied by the subsidiaries through the recovery of a debt from fellow subsidiaries with strong capacity to meet that debt, the amount is considered to have low credit risk at the reporting date and it is therefore assumed that the credit risk has not significantly increased.

Trade and other receivables that are more than two years overdue are deemed to have no reasonable expectation of recovery and are written off in the Financial Statements, but are still subject to enforcement activity. Subsequent recoveries of amounts previously written off are credited to the Income Statement.

		Group		Company	
	Notes	2024 £m	2023 £m	2024 £m	2023 £m
Non-current assets					
Amounts due from subsidiary undertakings		—	—	76.1	76.1
Contract assets	20	1.0	0.5	—	—
Other receivables		2.4	2.4	—	—
		3.4	2.9	76.1	76.1
Current assets					
Trade receivables		72.2	70.7	—	—
Contract assets	20	5.9	20.8	—	—
Amounts due from subsidiary undertakings		—	—	169.0	2.9
Other receivables		111.0	74.0	5.5	4.3
Prepayments and accrued income		12.8	16.6	8.1	8.7
		201.9	182.1	182.6	15.9

Other receivables include £27.8m (2023: £37.1m) receivable from joint ventures.

The carrying values of trade and other receivables are stated after allowance for expected credit losses. The movements in the loss allowances for the year were as follows:

		Trade receivables and contract balances		Other receivables	
		Lifetime expected credit losses (individually assessed)		12-month expected credit losses	
Loss allowance	Notes	Group £m	Company £m	Group £m	Company £m
Loss allowance at 1 July 2023		8.1	—	0.3	—
Charge for the year	21	2.0	—	0.3	—
Amounts written off		—	—	—	—
Recoveries of amounts previously written off	21	(3.2)	—	(0.1)	—
Loss allowance at 30 June 2024		6.9	—	0.5	—

Movements in loss allowances are principally a result of the derecognition and origination of financial assets in the year. The loss allowances written off are equal to the gross carrying amounts of the assets written off in the year. The Directors consider that the carrying amount of trade receivables approximates to their fair value.

The expected credit losses on the Company amounts due from subsidiary undertakings are not material to the Financial Statements. The subsidiaries are able to pay their liabilities as they fall due and the probability of default is insignificant.

Further disclosures relating to financial assets are set out in note 21.

Notes to the Financial Statements continued
Year ended 30 June 2024

17. Net cash

Net cash is defined as cash and cash equivalents, bank overdrafts, interest-bearing borrowings and prepaid fees. Net cash at 30 June is shown below:

	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Cash and cash equivalents	1,065.3	1,269.1	827.6	1,005.0
Drawn debt				
Borrowings:				
Sterling US private placement notes	(200.0)	(200.0)	(200.0)	(200.0)
Bank overdrafts	—	(3.4)	—	—
Total borrowings, being total drawn debt	(200.0)	(203.4)	(200.0)	(200.0)
Prepaid fees	3.2	3.7	3.2	3.7
Net cash	868.5	1,069.4	630.8	808.7
Total borrowings at 30 June are analysed as:				
Non-current borrowings	(200.0)	(200.0)	(200.0)	(200.0)
Current borrowings	—	(3.4)	—	—
Total borrowings, being total drawn debt	(200.0)	(203.4)	(200.0)	(200.0)

Movement in net cash is analysed as follows:

	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Net decrease in cash and cash equivalents	(203.8)	(83.6)	(177.4)	(40.4)
Repayment/(drawdown) of borrowings:				
Loans and borrowings drawdowns	—	(3.4)	—	—
Loans and borrowings repayments	3.4	17.3	—	—
Other movements in borrowings:				
Movement in prepaid fees	(0.5)	0.5	(0.5)	0.5
Movement in net cash in the year	(200.9)	(69.2)	(177.9)	(39.9)
Opening net cash	1,069.4	1,138.6	808.7	848.6
Closing net cash	868.5	1,069.4	630.8	808.7

Changes in liabilities arising from financing activities are shown below:

	Group Total borrowings £m	Group Lease liabilities £m	Group Total £m	Company Total borrowings £m	Company Lease liabilities £m	Company Total £m
Liabilities from financing activities at 1 July 2022	(217.3)	(37.1)	(254.4)	(200.0)	(4.2)	(204.2)
Financing cash flows	—	13.9	13.9	—	1.3	1.3
Other movements	13.9	(23.0)	(9.1)	—	(1.3)	(1.3)
Liabilities arising from financing activities at 30 June 2023	(203.4)	(46.2)	(249.6)	(200.0)	(4.2)	(204.2)
Financing cash flows	—	16.5	16.5	—	0.9	0.9
Other movements	3.4	(13.1)	(9.7)	—	2.0	2.0
Liabilities arising from financing activities at 30 June 2024	(200.0)	(42.8)	(242.8)	(200.0)	(1.3)	(201.3)

Cash and cash equivalents

Cash and cash equivalents are held at floating interest rates linked to the UK bank rate and money market rates as applicable. Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less from inception and are subject to an insignificant risk of changes in value.

Cash, cash equivalents and bank overdrafts, as presented in the Cash Flow Statement, are analysed as follows:

	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Cash and cash equivalents	1,065.3	1,269.1	827.6	1,005.0
Bank overdrafts included in loans and borrowings	—	(3.4)	—	—
Cash, cash equivalents and bank overdrafts	1,065.3	1,265.7	827.6	1,005.0

Further disclosures relating to financial assets are set out in note 21.

Notes to the Financial Statements continued
Year ended 30 June 2024

17. Net cash continued
Borrowings and facilities

Loans and borrowings

Interest-bearing loans and overdrafts are initially recognised at fair value less directly attributable transaction costs and subsequently measured at amortised cost, being the amount recorded at recognition plus accrued interest applied to the account less any repayments made.

All debt facilities at 30 June 2024 are unsecured.

The principal features of the Group's committed debt facilities at 30 June 2024 and 30 June 2023 were as follows:

		Amount drawn		
	Facility	30 June 2024	30 June 2023	Maturity
Committed facilities:				
RCF	£700.0m	—	—	17 November 2028
Fixed rate Sterling USPP notes	£200.0m	**£200.0m**	£200.0m	22 August 2027

The Group also uses various bank overdrafts and uncommitted borrowing facilities that are subject to floating interest rates linked to SONIA and money market rates as applicable.

Weighted average interest rates are disclosed in note 6.

18. Trade and other payables

Trade and other payables

Trade and other payables are not interest bearing and are initially recorded at fair value. Subsequent measurement is at amortised cost.

Trade and other payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate by discounting at prevailing market interest rates at the date of recognition. The discount to nominal value, which will be paid in settling the deferred purchase terms liability, is amortised over the period of the credit term and charged to finance costs using the "effective interest rate" method.

		Group		Company	
	Notes	2024 £m	2023 £m	2024 £m	2023 £m
Non-current liabilities					
Land payables		**165.0**	185.2	**—**	—
Other payables		**7.0**	3.5	**—**	—
		172.0	188.7	**—**	—
Current liabilities					
Trade payables		**252.7**	310.3	**2.8**	1.1
Land payables		**307.8**	321.5	**—**	—
Contract liabilities	20	**69.4**	89.2	**—**	—
Amounts due to subsidiary undertakings		**—**	—	**91.3**	354.2
Accruals		**399.2**	381.3	**34.1**	28.6
Other tax and social security		**14.8**	17.0	**—**	—
Other payables		**11.2**	8.1	**—**	—
		1,055.1	1,127.4	**128.2**	383.9

The carrying amount of trade payables approximates to their fair value.

Accruals include a social security accrual relating to share-based payments (note 26). Other payables classified as non-current liabilities at 30 June 2024 include amounts accrued for payment of the CITB levy and other sundry accruals.

The Group has £179.3m (2023: £244.4m) of payables secured by legal charges on land and buildings included within inventories. Other non-current payables are unsecured and non-interest bearing.

Further disclosures relating to financial liabilities are set out in note 21.

19. Provisions

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Notes to the Financial Statements continued
Year ended 30 June 2024

19. Provisions continued

	Group			
	Costs in relation to completed developments £m	Legacy properties - EWS and associated review £m	Legacy properties - reinforced concrete frames £m	Total £m
At 1 July 2023	176.1	535.9	76.4	788.4
Additions	67.7	125.9	56.6	250.2
Sites reclassified to completed developments	15.0	—	—	15.0
Releases	(20.5)	—	(3.5)	(24.0)
Revaluation due to the present value and timing of cash flows	—	(0.6)	1.6	1.0
Imputed interest	—	26.3	3.2	29.5
Utilisation in the year	(47.4)	(59.4)	(32.1)	(138.9)
At 30 June 2024	190.9	628.1	102.2	921.2

	Group	
	2024 £m	2023 £m
Current	378.0	310.5
Non-current	543.2	477.9
	921.2	788.4

The Company had no provisions in either year.

Costs in relation to completed developments

Following the legal completion and handover to customers of all units on a site, the Group may retain obligations which are not settled for a number of years. These include costs in relation to the adoption of roads or public open space by local authorities, other contractual obligations to third parties and, in certain cases, the costs of remedial works where defects have been identified.

Whilst a proportion of this cost will not be realised within 12 months, the Group has an obligation to complete the works immediately should it be requested to do so. The balance in total is therefore considered to be current in nature. All outstanding issues on completed developments are resolved as soon as is practicable.

Costs associated with legacy properties

External wall systems and associated review

On 13 March 2023, the Group signed the Self-Remediation Terms and Contract, codifying the commitments previously made under the Building Safety Pledge to undertake, or to fund, remediation or mitigation works on external wall systems (EWS) on all buildings of 11 metres or above in England and Wales that it has developed or refurbished in the 30 years preceding the date of the Building Safety Pledge, and to reimburse the Government's Building Safety Fund wherever they have contributed to such activities. The Group has provided for the cost of fulfilling this commitment, as well as assisting with remedial work identified at a limited number of other legacy properties where it has a legal liability to do so, where relevant build issues have been identified, or where it is considered probable that such build issues exist.

	30 June 2023	Identified for review	Review confirmed no remediation, or remediation completed	30 June 2024
Under review:				
Buildings above 18 metres	168	6	(28)	146
Buildings between 11 and 18 metres	110	20	(14)	116
Total buildings	278	26	(42)	262
Developments	89	14	(11)	92

The Group continues to review all of its current and legacy buildings where it has used EWS or cladding solutions, assessing the action required in line with the latest updates to Government guidance, as it applies, to multi-storey and multi-occupied residential buildings. All our buildings, including those incorporating EWS or cladding solutions, were signed off by approved inspectors as compliant with the relevant Building Regulations at the time of completion.

This is a complex area requiring significant estimates with respect to the estimates for the number of buildings affected, the individual remediation requirements of each building and the costs associated with that remediation (see also note 28).

Following contact from building owners regarding potential issues, a net further 26 buildings with a height of over 11 metres were added to the scope of works in the period (2023: 65 buildings). This reflects a reduction in the rate at which new buildings are being identified in comparison to the period immediately following the signature of the Self-Remediation Terms and Contract on 13 March 2023. At 30 June 2024, of the 262 buildings in the portfolio under review, 137 were at tender or site mobilisation or were in the process of being remediated (2023: 278 buildings, of which 63 were at tender or site mobilisation or were in the process of being remediated).

Notes to the Financial Statements continued
Year ended 30 June 2024

19. Provisions continued

Costs associated with legacy properties continued

External wall systems and associated review continued

As investigations into, and remediation of, the remaining buildings in the programme continue under the PAS9980 regime, it is possible that a limited number will require more extensive remediation than initially expected, which will represent a higher cost per unit than the population average. Whilst existing provisions have more than covered the additional costs on such properties, we have received higher than expected tender returns in the year relating to future remediations. In addition, we have seen costs from the Building Safety Fund continue to be higher than initially communicated to us. The Group has increased its overall EWS provision by £56.4m to reflect its revised estimates.

During the second half of the year it was identified following further investigation that, due to the unique unitised curtain wall system used in their construction, there is no testing methodology available to certify under PAS9980 the fire safety of three buildings on one development. This wall system has not been used in any other of the Group's buildings. As a result, it is now expected that the wall system will need to be replaced, which will be undertaken in a manner that minimises disruption to residents. The cost of these works is estimated to be £69.5m based on the current expected method of remediation, though due to the unique nature of the building, this estimate may vary as the process is further developed.

It is now assumed that the majority of work on the remaining buildings in the portfolio will be completed over the next five years. This depends on a number of factors including timely engagement of building owners and remediation work being delivered in line with our estimated timings. Accordingly, the provision has been revalued to its present value, considering the effect of inflation and a discount rate of 4.0% based on gilt rates at the reporting date (2023: 4.7%), resulting in a release through cost of sales of £0.6m (2023: charge of £7.5m).

The investigation of the works required at many of the buildings is at an early stage and therefore it is possible that the scope of work required could change. If government legislation and regulation further evolve, or if the estimated timing of work is affected by building owner engagement or contractor availability, these estimates will change. In relation to the Group's obligations under the Scottish Safer Buildings Accord, signed on 31 May 2023, and the Housing (Cladding Remediation) (Scotland) Act, passed on 21 June 2024, the external wall provision is recorded on the basis that the standard of remediation required in Scotland is consistent with England and Wales. This will be determined when the final contract with the Scottish Government is signed (see note 28).

The estimates are based on key assumptions that will be updated as work and time progress. The sensitivity of the provision held at the balance sheet date to the following possible movements in key assumptions is shown below:

Sensitivity	Increase/(decrease) in provisions at 30 June 2024 £m
10% increase in estimated cost	60.8
5% increase in the number of buildings	28.5
100 bps increase in discount rate	(13.6)

Reinforced concrete frames

As announced in July 2020, we took the decision to pay for required remedial action on the reinforced concrete frame at the Citiscape development in Croydon and undertook an associated review of 27 other developments designed by the same engineering firm or its associated companies. This review is substantially complete and remediation work is ongoing. As work progresses, estimates of costs to complete are reassessed and the provision updated accordingly.

In the prior year, structural issues were separately found at two developments where reinforced concrete frames were designed for us by a different engineering firm to that employed at Citiscape. Following further analysis undertaken during the second half of the year and as preliminary work on those developments has progressed, it is now considered probable that extensive remediation will be required. Based on a high-level risk review, an additional £56.6m has been provided at the reporting date. Further analysis must be undertaken to determine both the exact locations within the developments which will need to be remediated and the nature of the work to be performed in each case, which may result in revisions to the estimated costs and time frame of delivery.

Management has made estimates as to the future costs, the extent of the remedial works required and the costs of providing alternative accommodation to any residents affected by the remedial works. These Financial Statements have been prepared based on currently available information, including known costs and quotations where possible. However, the extent, cost and timing of remedial work may change as work progresses.

20. Contract assets and liabilities

Contract assets and liabilities

Contract assets relate to amounts due from customers primarily for construction work completed but not invoiced at the balance sheet date in relation to contracts where revenue is recognised over time. These amounts are included in trade and other receivables. The Group has taken advantage of the practical expedient in paragraph 94 of IFRS 15 to immediately expense the incremental costs of obtaining contracts where the amortisation period of the assets would have been one year or less.

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

Significant changes in contract assets and liabilities are as follows:

	Contracts on which revenue is recognised over time		Contracts on which revenue is recognised at a point in time	
	2024 £m	2023 £m	2024 £m	2023 £m
At 1 July:				
Amounts included within trade and other payables	(9.6)	(4.2)	(79.6)	(120.1)
Amounts included within trade and other receivables	21.3	13.3	—	—
	11.7	9.1	(79.6)	(120.1)
Movements in the year:				
Performance obligations satisfied in the year	218.2	192.7	3,950.0	5,128.7
Amounts invoiced in the year	(226.9)	(190.1)	(3,870.4)	(5,008.6)
Movements in retentions	(0.3)	—	—	—
Cash received for performance obligations not yet satisfied	—	—	(65.2)	(79.6)
At 30 June	2.7	11.7	(65.2)	(79.6)
Analysed as:				
Amounts included within trade and other payables	(4.2)	(9.6)	(65.2)	(79.6)
Amounts included within trade and other receivables	6.9	21.3	—	—

Further revenue of £74.6m (2023: £104.3m) is expected to be recognised in future years in respect of contracts on which revenue is recognised over time, of which 66.6% (2023: 86.8%) is expected to be recognised within 12 months of the balance sheet date.

The Company had no contract assets or liabilities in either year.

21. Financial instruments

Recognition

Financial assets and financial liabilities are recognised on the Balance Sheet in accordance with IFRS 9 when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Group derecognises a financial liability only when the Group's obligations are discharged or cancelled or they expire.

Classification and measurement

All non-derivative financial assets are classified in accordance with IFRS 9 as "subsequently measured at amortised cost". All non-derivative financial liabilities are classified as "subsequently measured at amortised cost".

Financial assets and liabilities subsequently measured at amortised cost are initially recognised at fair value determined based on discounted cash flow analysis using current market rates for similar instruments. They are subsequently measured at amortised cost using the "effective interest rate" method. Financial assets are also measured after recognition of any impairment, which is included within administrative expenses in the Income Statement.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Impairment

A loss allowance is recognised for expected credit losses on financial assets as described in note 16. Any impairment is recognised immediately in the Income Statement.

Notes to the Financial Statements continued
Year ended 30 June 2024

21. Financial instruments continued

Financial assets

The carrying values and fair values of the Group and Company financial assets are as follows:

		Group				Company			
		2024		2023		2024		2023	
	Notes	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m
Cash and cash equivalents	17	**1,065.3**	**1,065.3**	1,269.1	1,269.1	**827.6**	**827.6**	1,005.0	1,005.0
Measured at amortised cost:									
Trade and other receivables[1]		**133.8**	**133.8**	118.7	118.7	**4.6**	**4.6**	2.7	2.7
Intercompany receivables	16	**—**	**—**	—	—	**245.1**	**245.1**	79.0	79.0
Total financial assets		**1,199.1**	**1,199.1**	1,387.8	1,387.8	**1,077.3**	**1,077.3**	1,086.7	1,086.7

1 Excludes amounts recoverable on contracts, prepayments and accrued income, and tax and social security.

Financial liabilities

The carrying values and fair values of the Group and Company financial liabilities are as follows:

		Group				Company			
		2024		2023		2024		2023	
	Notes	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m
Measured at amortised cost:									
Bank overdrafts	17	**—**	**—**	3.4	3.4	**—**	**—**	—	—
Loans and borrowings	17	**184.2**	**200.0**	170.7	200.0	**184.2**	**200.0**	170.7	200.0
Trade and other payables[1]		**991.5**	**1,025.9**	1,086.6	1,119.5	**20.6**	**20.6**	18.1	18.1
Intercompany payables	18	**—**	**—**	—	—	**91.3**	**91.3**	354.2	354.2
Lease liabilities	14	**42.8**	**42.8**	46.2	46.2	**1.3**	**1.3**	4.2	4.2
Total financial liabilities		**1,218.5**	**1,268.7**	1,306.9	1,369.1	**297.4**	**313.2**	547.2	576.5

1 Excludes deferred income, payments received in excess of amounts recoverable on contracts, tax and social security and other non-financial liabilities.

The fair values of liabilities in the above table have been determined using discounted cash flows based on observable market data other than quoted prices in active markets for identical liabilities.

Trade and other payables include items secured by legal charges as disclosed in note 18.

Financial instruments gains and losses

The net (gains)/losses recorded in the Consolidated Income Statement, in respect of financial instruments (excluding interest shown in note 6), were as follows:

	Notes	2024 £m	2023 £m
Financial assets measured at amortised cost			
Trade receivables - loss allowance charge	16	**2.3**	5.6
Recoveries of amounts previously written off	16	**(3.3)**	(2.0)

Notes to the Financial Statements continued
Year ended 30 June 2024

22. Share capital

Equity instruments

Ordinary share capital is recorded at the proceeds received, net of direct issue costs, and is classified as equity.

Ordinary share capital

Allotted and issued ordinary shares	2024 £m	2023 £m
10p each fully paid: 974,592,261 (2023: 974,584,613) ordinary shares	97.4	97.4

Options over the Company's shares granted during the year	2024 Number	2023 Number
LTPP	4,497,287	4,028,187
Sharesave	2,549,465	6,637,568
DBP	107,057	920,887
ELTIP	1,972,714	1,792,966
	9,126,523	13,379,608

Allotment/cancellation of shares during the year	2024 Number	2023 Number
At 1 July	974,584,613	1,022,562,819
Buyback and cancellation of shares in the year	—	(47,985,293)
Issued to satisfy exercises under Sharesave schemes	7,648	7,087
At 30 June	974,592,261	974,584,613

23. Merger reserve

The merger reserve comprises the non-statutory premium arising on shares issued as consideration for the acquisition of subsidiaries where merger relief under Section 612 of the Companies Act 2006 applies.

24. Capital redemption reserve

During the prior year the Company purchased 47,985,293 of its own shares in the market which were then cancelled. The nominal value of these shares was transferred to the capital redemption reserve.

	2024 £m	2023 £m
At 1 July	4.8	—
Amounts transferred in respect of own shares purchased and cancelled during the year	—	4.8
At 30 June	4.8	4.8

25. Own shares reserve

The own shares reserve represents the cost of shares in Barratt Developments PLC purchased in the market or issued by the Company and held by the EBT on behalf of the Company in order to satisfy options and awards that have been granted by the Company.

The EBT has agreed to waive all, or any future right to dividend payments on shares held within the EBT and these shares do not count in the calculation of the weighted average number of shares used to calculate EPS until such time as they are vested to the relevant employee.

	2024	2023
Ordinary shares in the Company held in the EBT (number)	8,063,747	4,998,602
Cost of shares held in the EBT (£m)	36.9	23.2
Market value of shares held in the EBT at 472.2p (2023: 413.5p) per share (£m)	38.1	20.7

During the year, the EBT purchased 5,000,000 (2023: 2,951,352) shares in the market and disposed of 1,351,813 (2023: 3,254,817) shares, which were used to satisfy the vesting of ELTIP and LTPP awards in both years and also the DBP awards in 2023. A further 583,042 shares were used in settlement of exercises under Sharesave schemes (2023: 18,101).

26. Share-based payments

The Group issues equity-settled share-based payments to certain employees.

Share-based payments

Equity-settled share-based payments are measured at the fair value of the equity instrument at the date of grant. Fair value is measured either using Black Scholes or Monte Carlo models depending on the characteristics of the scheme. Valuations have also been adjusted for any post-vesting holding period with the adjustment calculated using a Finnerty and Chaffe model.

The fair value is expensed in the Income Statement on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest where non-market vesting conditions apply. Non-market vesting conditions are taken into account in the estimate of the fair value of the equity instruments.

Analysis of the Consolidated Income Statement charge:

	2024 £m	2023 £m
Equity-settled share-based payments:		
LTPP	7.6	(2.2)
Sharesave	4.6	3.6
DBP	2.9	2.7
ELTIP	4.8	6.1
	19.9	10.2

As at 30 June 2024, an accrual of £3.7m (2023: £2.7m) was recognised in respect of social security liabilities on share-based payments.

Share-based payments reserve

The share-based payments reserve represents the obligation of the Group in relation to equity-settled share-based payment transactions. Details of movements in the share-based payments reserve are shown on the Statement of Changes in Shareholders' Equity.

Outstanding equity-settled share-based payments

At 30 June 2024, the following options were outstanding:

Date of grant	Option price Pence	2024 Number	Not exercisable after
Sharesave			
9 April 2019 – 5-year plan	519	74,561	31 December 2024
7 April 2020 – 5-year plan	456	159,756	31 December 2025
7 April 2021 – 3-year plan	604	452,347	31 December 2024
7 April 2021 – 5-year plan	604	50,748	31 December 2026
6 April 2022 – 3-year plan	436	1,472,868	31 December 2025
6 April 2022 – 5-year plan	436	188,081	31 December 2027
12 April 2023 – 3-year plan	347	4,339,352	31 December 2026
12 April 2023 – 5-year plan	347	1,292,765	31 December 2028
3 April 2024 – 3-year plan	381	2,064,681	31 December 2027
3 April 2024 – 5-year plan	381	428,205	31 December 2029
Total Sharesave options		10,523,364	
LTPP			
14 October 2021 – Executive	—	1,034,903	—
14 February 2022 – Executive	—	117,716	—
12 October 2022 – Executive	—	1,756,646	—
21 December 2023 – Executive	—	2,125,301	—
14 October 2021 – Senior management	—	1,072,815	—
12 October 2022 – Senior management	—	1,903,806	—
21 December 2023 – Senior management	—	2,301,468	—
Total LTPP awards		10,312,655	

Notes to the Financial Statements continued
Year ended 30 June 2024

26. Share-based payments continued

Outstanding equity-settled share-based payments continued

Date of grant	Option price Pence	2024 Number	Not exercisable after
DBP			
24 September 2021	—	637,949	—
12 October 2022	—	878,493	—
25 September 2023	—	107,057	—
Total DBP awards		1,623,499	
ELTIP			
15 July 2021	—	155	—
15 July 2022	—	1,362,056	—
17 July 2023	—	1,707,838	—
Total ELTIP awards		3,070,049	
Total		25,529,567	

Further information relating to the share-based payment schemes

Sharesave

Under the Sharesave, participants are required to make monthly contributions to an HMRC approved savings contract with a bank or building society for a period of three or five years. On entering into the savings contract, participants are granted an option to acquire ordinary shares in the Company at an exercise price determined under the rules of the Sharesave. The Sharesave is open to all eligible employees as determined by the Board and is not subject to the satisfaction of any performance conditions.

LTPP

The grant of awards under the LTPP is at the discretion of the Remuneration Committee taking into account individual performance and overall performance of the Group. Vesting under this scheme is dependent upon performance conditions including TSR, EPS, ROCE and GHG emissions. Further details can be found in the Remuneration Report on pages 134 and 135.

DBP

Deferred shares are held in accordance with the DBP as approved by the shareholders at the 2015 AGM. The DBP is currently utilised to hold shares awarded in respect of any bonus earned in excess of 100% of base salary. Further details can be found on page 138.

ELTIP

The Board approved the 2023 Award in July 2023 and the 2022 Award in July 2022 under the ELTIP. The Awards were made to all eligible employees employed as at 17 July 2023 and 15 July 2022 respectively. Participants will be entitled to receive shares in the Company when the 2022 Award vests on 1 July 2024, and participants of the 2023 Award will be entitled to receive shares in the Company when the Award vests on 1 July 2025. Senior management is not eligible to participate in the ELTIP. The Awards are not subject to the satisfaction of any performance condition other than that participants remain employed by the Group and have not resigned before the end of the vesting period.

Number and weighted average exercise price of outstanding share-based payments

The number and weighted average exercise prices of options and awards made under the Group's share option schemes were as follows:

	2024		2023	
LTPP	Weighted average exercise price in pence	Number of award units	Weighted average exercise price in pence	Number of award units
Outstanding at 1 July	—	8,947,593	—	7,823,199
Forfeited during the year	—	(2,593,279)	—	(1,161,682)
Reinstated	—	—	—	8,989
Exercised during the year	—	(538,946)	—	(1,751,100)
Granted during the year	—	4,497,287	—	4,028,187
Outstanding at 30 June	—	10,312,655	—	8,947,593
Exercisable at 30 June	—	—	—	—

	2024		2023	
Sharesave	Weighted average exercise price in pence	Number of award units	Weighted average exercise price in pence	Number of award units
Outstanding at 1 July	398	11,322,268	474	8,945,381
Forfeited during the year	423	(2,757,679)	532	(4,235,493)
Exercised during the year	454	(590,690)	461	(25,188)
Granted during the year	381	2,549,465	347	6,637,568
Outstanding at 30 June	384	10,523,364	398	11,322,268
Exercisable at 30 June	—	—	—	—

Notes to the Financial Statements continued
Year ended 30 June 2024

26. Share-based payments continued

Number and weighted average exercise price of outstanding share-based payments continued

	2024		2023	
DBP	Weighted average exercise price in pence	Number of award units	Weighted average exercise price in pence	Number of award units
Outstanding at 1 July	—	1,528,406	—	1,225,640
Forfeited during the year	—	(11,964)	—	(25,123)
Exercised during the year	—	—	—	(592,998)
Granted during the year	—	107,057	—	920,887
Outstanding at 30 June	—	1,623,499	—	1,528,406
Exercisable at 30 June	—	—	—	—

	2024		2023	
ELTIP	Weighted average exercise price in pence	Number of award units	Weighted average exercise price in pence	Number of award units
Outstanding at 1 July	—	2,373,943	—	1,879,686
Forfeited during the year	—	(463,741)	—	(387,990)
Exercised during the year	—	(812,867)	—	(910,719)
Granted during the year	—	1,972,714	—	1,792,966
Outstanding at 30 June	—	3,070,049	—	2,373,943
Exercisable at 30 June	—	—	—	—

The weighted average share price, at the date of exercise, of share options exercised during the year was 460.3 pence (2023: 368.8 pence). The weighted average life for all schemes outstanding at the end of the year was 1.9 years (2023: 2.1 years).

Fair value of options and awards granted in the year

Weighted average fair value of options granted

		Weighted average fair value of options granted	
	Valuation model	2024 Pence	2023 Pence
Sharesave	Black Scholes model	112.3	132.9
LTPP	Black Scholes and Monte Carlo models[1]	473.1	260.7
DBP	Black Scholes model	471.1	324.1
ELTIP	Black Scholes model	366.4	399.7

1 The TSR portion of the award is valued using a Monte Carlo model. Other elements of the award are valued using a Black Scholes model. The valuations have also been adjusted for any post-vesting holding period with the adjustment calculated using a Finnerty and Chaffe model.

Inputs used to determine fair value of options

The weighted average inputs to the valuation models were as follows:

	Grants 2024				Grants 2023			
	ELTIP	Sharesave	LTPP	DBP	ELTIP	Sharesave	LTPP	DBP
Average share price	408p	466p	563p	472p	471p	467p	325p	325p
Average exercise price	—	381p	—	—	—	347p	—	—
Expected volatility	32.9%	29.1%	32.3%	31.7%	37.3%	37.6%	44.8%	38.2%
Expected life	2.0 years	3.5 years	3.0 years	3.0 years	2.0 years	3.5 years	3.0 years	3.0 years
Risk-free interest rate	5.30%	4.34%	3.60%	4.51%	4.14%	3.28%	4.17%	4.35%
Expected dividends	5.4%	4.1%	—	—	8.2%	5.9%	—	—

Expected volatility was determined by reference to the historical volatility of the Group's share price over a period consistent with the expected life of the options. The expected life used in the models has been adjusted, based on the Directors' best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Notes to the Financial Statements continued
Year ended 30 June 2024

27. Non-controlling interests

	Group	
Movement in non-controlling interest share of net assets recognised in the Consolidated Balance Sheet	**2024 £m**	2023 £m
At 1 July	0.5	0.8
Distribution of profits to non-controlling partner	(0.4)	(0.3)
Share of profit for the year recognised in the Consolidated Income Statement	—	—
At 30 June	**0.1**	0.5

There are no significant restrictions on the ability of the Group to access or use assets and settle liabilities. Detailed arrangements for each subsidiary are laid out in the relevant shareholder and partnership agreements.

28. Contingent liabilities

Contingent liabilities related to subsidiaries

The Company has guaranteed certain bank borrowings of its subsidiary undertakings.

Certain subsidiary undertakings have commitments for the purchase of trading stock entered into in the normal course of business.

In the normal course of business, the Group has given counter-indemnities in respect of performance bonds and financial guarantees. At 30 June 2024 the bonds and guarantees amount to £419.9m (2023: £412.7m) and, at the date of these Financial Statements, the possibility of cash outflow is considered minimal and no provision is required.

External wall systems

As disclosed in note 19, on 13 March 2023, the Group signed the Self-Remediation Terms and Contract and is continuing to undertake a review of all of its current and legacy buildings where it has used EWS or cladding solutions. Approved inspectors signed off all of our buildings, including the EWS or cladding used, as compliant with the relevant building regulations at the time of completion.

At 30 June 2024, the Group held provisions of £628.1m (2023: £535.9m) in relation to EWS and associated reviews, based on management's best estimate of the cost and timing of remediation of in-scope buildings. It is possible that as remediation work proceeds, additional remedial works are required which do not relate to EWS or cladding solutions. Such works may not have been identified from the reviews and physical inspections undertaken to date and may only be identified when detailed remediation work is in progress. Therefore, the nature, timing and extent of any such costs were unknown at the balance sheet date.

It is also possible that the number of buildings requiring remediation may increase. This could occur because buildings which hold valid EWS1 certificates are found to require remediation or because investigatory works identify remediation not previously identified.

In addition, we recognise that the retrospective review of building materials and fire safety matters continues to evolve. The Financial Statements have been prepared based on currently available information and regulatory guidance. However, these estimates may be updated if government legislation and regulation further evolve.

On 31 May 2023 the Group signed the Scottish Safer Buildings Accord, committing to resolve life-critical fire safety defects in multi-occupancy residential domestic or part-domestic buildings, over 11 metres, built by us as a developer in the period of 30 years to 1 June 2022. This Accord is not legally binding, but we are committed to working in good faith with the Scottish Government to agree a legal form contract. The Group has undertaken preliminary cost assessments at multi-occupancy buildings over 11 metres in Scotland at which fire safety defects have been identified. The Group's EWS provision at 30 June 2024 reflects the outcome of these assessments. The estimates are based on the assumption that the standard of remediation required in Scotland is consistent with that in England and Wales. The Housing (Cladding Remediation) (Scotland) Act 2024, which became law on 21 June 2024, has provided a framework on which the remediation programme in Scotland can be based, but requires secondary legislation and further contractual agreement with developers to determine the details. The estimated cost may vary depending on the final form of the developer remediation contract agreed with the Scottish Government.

During the year, warranty providers received claims under warranties for building safety matters on three developments historically delivered by the Group. Further investigation is required to determine whether the nature and extent of any remediation work is incremental to that already expected and we expect this process to be completed within the next financial year.

Reinforced concrete frames

As disclosed in note 19, the Group is undertaking remediation at developments designed by certain engineering firms or associated companies. The Financial Statements have been prepared based on currently available information; however, the detailed review is ongoing and the extent and cost of any remedial work may change as this work progresses.

We are actively seeking to recover costs from third parties in respect of EWS and reinforced concrete frames; however, there is no certainty regarding the extent of any financial recovery.

Contingent liabilities related to JVs

The Group has given counter-indemnities in respect of performance bonds and financial guarantees to its JVs totalling £5.0m at 30 June 2024 (2023: £9.5m).

The Group has also given a number of performance guarantees in respect of the obligations of its JVs, requiring the Group to complete development agreement contractual obligations in the event that the JVs do not perform as required under the terms of the related contracts. At 30 June 2024, the probability of any loss to the Group resulting from these guarantees is considered to be remote.

Notes to the Financial Statements continued
Year ended 30 June 2024

28. Contingent liabilities continued

Contingent liabilities related to legal claims

Provision is made for the Directors' best estimates of all known material legal claims and all legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made (other than for legal costs) where the Directors consider, based on such advice, that claims or actions are unlikely to succeed, or a sufficiently reliable estimate of the potential obligations cannot be made.

Contingent liability in respect of the investigation by the Competition and Markets Authority

On 26 February 2024, the Competition and Markets Authority (CMA) launched an investigation under Chapter I of the Competition Act 1998 into suspected breaches of competition law by eight housebuilders, relating to the exchange of competitively sensitive information, including the Company and its subsidiaries. We continue to co-operate with the CMA in its investigation. The timing of the conclusions of this investigation and any potential impact on the Group is unknown.

29. Related party transactions

Directors of Barratt Developments PLC and remuneration of key personnel

The Board and certain members of senior management are related parties within the definition of IAS 24 (Revised): 'Related Party Disclosures' and the Board members are related parties within the definition of Chapter 11 of the UK Listing Rules. There is no difference between transactions with key personnel of the Company and transactions with key personnel of the Group.

Disclosures related to the remuneration of key personnel as defined in IAS 24 are given in note 5.

There have been no related party transactions as defined in Listing Rule 11.1.5R for the year ended 30 June 2024.

Transactions between the Company and its subsidiaries and a former JV

The Company has entered into transactions with its subsidiary undertakings in respect of funding and Group services which include management accounting and audit, sales and marketing, IT, company secretarial, architects and purchasing. Recharges are made to the subsidiaries based on their utilisation of these services.

	Company 2024 £m	Company 2023 £m
Transactions between the Company and its subsidiaries and former JV during the year:		
Charges in respect of management and other services provided to subsidiaries	**158.0**	142.7
Net interest paid by the Company on net loans from subsidiaries	**16.9**	18.4
Dividends received from subsidiary undertakings	**516.0**	500.0
Distribution received from a former JV of the Company[1]	**—**	0.1
Balances at 30 June:		
Amounts due by the Company to subsidiary undertakings	**91.3**	354.2
Amounts due to the Company from subsidiary undertakings	**245.1**	79.0

1 The Company's only JV, Rose Shared Equity LLP, was wound up during the prior year. Prior to this, it made a final distribution to its members.

The Company and its subsidiaries have entered into counter-indemnities in the normal course of business in respect of performance bonds.

Transactions between the Group and its JVs

The Group has entered into transactions with its JVs as follows:

	Group 2024 £m	Group 2023 £m
Transactions between the Group and its JVs during the year:		
Charges in respect of development management and other services provided to JVs	**10.3**	8.4
Net interest charges in respect of funding provided to JVs	**2.1**	1.6
Dividends received from JVs	**7.1**	34.8
Balances at 30 June:		
Funding loans and interest due from JVs net of impairment	**86.3**	66.5
Other amounts due from JVs	**27.8**	37.1
Loans and other amounts due to JVs	**(0.6)**	(0.5)

Changes in the amounts invested by the Group in joint ventures are shown in note 12.

In addition, one of the Group's subsidiaries, BDW Trading Limited, contracts with a number of the Group's JVs to provide construction services. The Group's contingent liabilities relating to its JVs are disclosed in note 28.

Notes to the Financial Statements continued
Year ended 30 June 2024

30. Financial risk management

The Group's approach to risk management and the principal operational risks of the business are detailed on pages 63 to 70. The Group's financial assets and financial liabilities are detailed in note 21.

The Group's operations and financing arrangements expose it to a variety of financial risks, of which the most material are: liquidity risk, the availability of funding at reasonable margins, credit risk and interest rates. There is a regular, detailed system for the reporting and forecasting of cash flows from operations to senior management including Executive Directors to ensure that liquidity risks are promptly identified and appropriate mitigating actions are taken by the Treasury department. These forecasts are further stress tested at a Group level on a regular basis to ensure that adequate headroom within facilities and banking covenants is maintained. In addition, the Group has a risk management programme that seeks to limit the adverse effects of the other risks on its financial performance.

The Board approves treasury policies and certain day-to-day treasury activities have been delegated to a centralised Treasury Operating Committee, which in turn regularly reports to the Board. The Treasury department implements guidelines that are established by the Board and the Treasury Operating Committee.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its liabilities as they fall due. The Group actively maintains a mixture of long-term and medium-term committed facilities that are designed to ensure that the Group has sufficient available funds for operations.

The Group's borrowings are typically cyclical throughout the financial year and peak in April to May, and October to November of each year, due to seasonal trends in income. Accordingly, the Group maintains sufficient facility headroom to cover these requirements. On a normal operating basis, the Group has a policy of maintaining a minimum headroom of £150.0m. The Group identifies and takes appropriate actions based on its regular, detailed system for the reporting and forecasting of cash flows from its operations. The Group's drawn debt, excluding fees, represented 22.2% (2023: 22.6%) of available committed facilities at 30 June 2024. In addition, the Group had £1,065.3m (2023: £1,269.1m) of cash and cash equivalents.

The Group was in compliance with its financial covenants at 30 June 2024. The Group's resilience to its principal risks has been modelled, together with possible mitigating actions, over a three-year period, considering the prospects of the combined group. At the date of approval of the Financial Statements, the Group's internal forecasts indicate that it will be able to operate within its current facilities and remain in compliance with these covenants for the foreseeable future, being at least 12 months from the date of signing these Financial Statements.

One of the Group's objectives is to minimise refinancing risk. The Group has a policy that the average maturity of its committed bank facilities and private placement notes is a minimum of two years with a target of two to three years. At 30 June 2024, the average maturity of the Group's committed facilities was 4.1 years (2023: 4.4 years).

The Group maintains certain committed floating rate facilities with banks to ensure sufficient liquidity for its operations. The undrawn committed facilities available to the Group, in respect of which all conditions precedent had been met, were as follows:

	Group		Company	
Expiry date	**2024 £m**	2023 £m	**2024 £m**	2023 £m
In more than two years but not more than five years	**700.0**	700.0	**700.0**	700.0

In addition, the Group had undrawn, uncommitted overdraft facilities available at 30 June 2024 of £37.0m (2023: £37.0m).

The expected undiscounted cash flows of the Group and Company financial liabilities, by remaining contractual maturity at the balance sheet date, were as follows:

Group	Notes	Carrying amount £m	Contractual cash flow £m	Less than 1 year £m	1-2 years £m	2-5 years £m	Over 5 years £m
2024							
Loans and borrowings (including bank overdrafts)[1]	21	**200.0**	**219.3**	**5.5**	**5.5**	**208.3**	**—**
Trade and other payables[2]	21	**1,025.9**	**1,045.7**	**862.0**	**131.0**	**42.3**	**10.4**
Lease liabilities	21	**42.8**	**47.7**	**13.6**	**10.9**	**16.0**	**7.2**
		1,268.7	**1,312.7**	**881.1**	**147.4**	**266.6**	**17.6**
2023							
Loans and borrowings (including bank overdrafts)[1]	21	203.4	224.9	5.5	5.5	213.9	—
Trade and other payables[2]	21	1,119.5	1,140.1	937.8	133.0	67.4	1.9
Lease liabilities	21	46.2	50.3	13.3	11.4	18.8	6.8
		1,369.1	1,415.3	956.6	149.9	300.1	8.7

1 The Group is party to banking agreements that include a legal right of offset, which enables the overdraft balances of £nil (2023: £3.4m) to be settled net with cash balances. These balances have been excluded from contractual cash flows.

2 Excludes deferred income, payments received in excess of amounts recoverable on contracts, tax and social security and other non-financial liabilities.

The Group had no derivative financial instruments at 30 June 2024 or 30 June 2023.

Notes to the Financial Statements continued
Year ended 30 June 2024

30. Financial risk management continued
Liquidity risk continued

Company	Notes	Carrying amount £m	Contractual cash flow £m	Less than 1 year £m	1–2 years £m	2–5 years £m	Over 5 years £m
2024							
Loans and borrowings (including bank overdrafts)	21	**200.0**	**219.3**	**5.5**	**5.5**	**208.3**	**—**
Trade and other payables[1]	21	**20.6**	**20.6**	**20.6**	**—**	**—**	**—**
Intercompany payables	21	**91.3**	**91.3**	**91.3**	**—**	**—**	**—**
Lease liabilities	21	**1.3**	**1.4**	**0.7**	**0.4**	**0.3**	**—**
		313.2	**332.6**	**118.1**	**5.9**	**208.6**	**—**
2023							
Loans and borrowings (including bank overdrafts)	21	200.0	224.9	5.5	5.5	213.9	—
Trade and other payables[1]	21	18.1	18.1	18.1	—	—	—
Intercompany payables	21	354.2	354.2	354.2	—	—	—
Lease liabilities	21	4.2	4.3	1.3	1.2	1.8	—
		576.5	601.5	379.1	6.7	215.7	—

1 Excludes tax and social security and other non-financial liabilities.

The Company had no derivative financial instruments at 30 June 2024 or 30 June 2023.

Market risk (price risk)
Interest rate risk
The Group has both interest-bearing assets and interest-bearing liabilities. Floating rate borrowings expose the Group to cash flow interest rate risk, and fixed rate borrowings expose the Group to fair value interest rate risk.

The Group has a conservative treasury risk management strategy and the Group's interest rates are set using fixed rate debt instruments.

Due to the level of the Group's interest cover ratio, and in accordance with the Group's policy to hedge a proportion of the forecast RCF drawings based on the Group's three-year plan, no interest rate hedges are currently required.

The exposure of the Group's financial liabilities to interest rate risk is as follows:

Group	Floating rate financial liabilities £m	Fixed rate financial liabilities £m	Non-interest -bearing financial liabilities £m	Total £m
2024				
Financial liability exposure to interest rate risk	**—**	**200.0**	**1,068.7**	**1,268.7**
2023				
Financial liability exposure to interest rate risk	—	200.0	1,169.1	1,369.1

The Group retained a strong cash position throughout the year and, therefore, the Group did not draw on its RCF during the year and the use of other facilities was minimal. No interest was paid by the Group on floating rate borrowings in 2024 or 2023.

Sterling USPP notes of £200.0m were issued on 22 August 2017 with a fixed coupon of 2.77% and a ten-year maturity. These fixed rate notes expose the Group and Company to fair value interest rate risk.

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Company	Floating rate financial liabilities £m	Fixed rate financial liabilities £m	Non-interest -bearing financial liabilities £m	Total £m
2024				
Financial liability exposure to interest rate risk	**77.8**	**200.0**	**35.4**	**313.2**
2023				
Financial liability exposure to interest rate risk	340.7	200.0	35.8	576.5

Notes to the Financial Statements continued
Year ended 30 June 2024

30. Financial risk management continued
Market risk (price risk) continued
Interest rate risk continued
The Company's floating rate financial liabilities comprise interest-bearing loans from other Group undertakings, on which interest was charged at a rate of 4.0% throughout the year (2023: 4.0%).

Sensitivity analysis
In the year ended 30 June 2024, if UK interest rates had been 1.0% higher/lower (considered to be a reasonably possible change based on forecast Bank of England interest rates) and all other variables were held constant, the Group's pre-tax profit would increase/decrease by £7.8m, the Group's post-tax profit would increase/decrease by £5.9m and, as such, the Group's equity would increase/decrease by £5.9m.

Credit risk
In the majority of cases, the Group receives cash on legal completion for private sales and receives advance stage payments from registered providers for affordable housing. The Group has £1,065.3m (2023: £1,269.1m) on deposit or in current accounts with 14 (2023: 14) financial institutions. Other than this, neither the Group nor the Company has a significant concentration of credit risk, as their exposure is spread over a large number of counterparties and customers.

The Group manages credit risk through its credit policy. This limits its exposure to financial institutions with high credit ratings, as set by international credit rating agencies, and determines the maximum permissible exposure to any single counterparty.

The maximum exposure to any counterparty at 30 June 2024 was £141.2m (2023: £181.3m) of cash on deposit with a financial institution. The carrying amount of financial assets recorded in the Financial Statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk.

As at 30 June 2024, the Company was exposed to £245.1m (2023: £79.0m) of credit risk in relation to intercompany loans, which are considered to be of low credit risk and fully recoverable, as well as financial guarantees, performance bonds and the bank borrowings of subsidiary undertakings. Further details are provided in notes 28 and 29.

Capital risk management (cash flow risk)
The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and meet its liabilities as they fall due while maintaining an appropriate capital structure.

The Group manages its share capital as equity, as set out in the Statement of Changes in Shareholders' Equity, and its bank borrowings (being overdrafts and bank loans) and its private placement notes as other financial liabilities, as set out in note 21. The Group is subject to the prevailing conditions of the UK economy and the quantum of the Group's earnings is dependent upon the level of UK house prices. UK house prices are determined by the UK economy and economic conditions, employment levels, interest rates, consumer confidence, mortgage availability and competitor pricing. The Group's approach to the management of the principal operational risks of the business is detailed on pages 63 to 65.

Other methods by which the Group can manage its short-term and long-term capital structure include: adjusting the level of dividend payments to shareholders (assuming the Company is paying a dividend); issuing new share capital; arranging debt to meet liability payments; and selling assets to reduce debt.

31. Post balance sheet events
On 21 August 2024, the Company acquired the full share capital of Redrow plc in an all share transaction. On 23 August 2024, the Company issued 476,309,120 new ordinary shares as consideration for this transaction.

In accordance with standard practice, the CMA has issued an Initial Enforcement Order requiring the Barratt and Redrow businesses to continue to operate independently until the CMA has formally accepted the undertakings proposed by the parties in response to its limited concerns, or otherwise agrees to integration taking place.

Due to the short time between the completion of the acquisition and the signing of these Financial Statements, the fair values of the consideration and the assets and liabilities acquired are still being assessed.

32. Group subsidiary undertakings

Consolidation
The Financial Statements of subsidiary undertakings are consolidated from the date when control passes to the Group, as defined in IFRS 3, using the acquisition method of accounting up to the date control ceases. All of the subsidiaries' identifiable assets and liabilities, including contingent liabilities, existing at the date of acquisition are recorded at their fair values. All changes to those assets and liabilities, and the resulting gains and losses that arise after the Group has gained control of the subsidiary are included in the Income Statement. All intra-Group transactions and intercompany profits or losses are eliminated on consolidation.

The entities listed on the following pages, are subsidiaries of the Company or Group. All are registered in England and Wales or Scotland, with the exception of SQ Holdings Limited, which is registered in Guernsey. Unless otherwise stated, the results of these entities are consolidated within these Financial Statements.

Notes to the Financial Statements continued
Year ended 30 June 2024

32. Group subsidiary undertakings continued

Audit exemption

The following UK subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ended 30 June 2024. The undertakings listed below are 100% owned, either directly or indirectly, by Barratt Developments PLC.

Subsidiary	Company number
Acre Developments Limited	SC091934
Base East Central Rochdale LLP	OC318544
Base Hattersley LLP	OC318541
Base Regeneration LLP	OC318540
Basildon Regeneration (Barratt Wilson Bowden) Limited	05876010
BDW (F.R.) Limited	05876012
BDW (F.R. Commercial) Limited	05876013
BDW North Scotland Limited	SC027535
BLLQ LLP	OC411400
BLLQ2 Limited	12373138
David Wilson Homes Limited	00830271
Milton Park Homes Limited	03787306
Wilson Bowden Limited	02059194
Yeovil Developments Limited	05285388

In accordance with Section 479C of the Companies Act 2006, the Company will guarantee the debts and liabilities of the UK subsidiary undertakings listed in the preceding table. As at 30 June 2024, the total sum of these debts and liabilities is £60.7m.

At 30 June 2024 the Group owned 100% of the ordinary share capital of the following subsidiaries:

Subsidiary	Registered office	Notes
Acre Developments Limited	2	A
Advance Housing Limited	1	A
Ambrose Builders Limited	1	A
Barratt Bristol Limited	1	
Barratt Central Limited	1	
Barratt Chester Limited	1	A
Barratt Commercial Limited	1	
Barratt Construction (Southern) Limited	1	A
Barratt Corporate Secretarial Services Limited	1	
Barratt Developments (International) Limited	1	
Barratt Dormant (Atlantic Quay) Limited	1	A
Barratt Dormant (Blackpool) Limited	1	A
Barratt Dormant (Harlow) Limited	1	A
Barratt Dormant (Tyers Bros. Oakham) Limited	1	A
Barratt Dormant (Walton) Limited	1	A
Barratt Dormant (Tyers Bros. Oakham) Limited	1	A
Barratt Dormant (WB Construction) Limited	1	A
Barratt Dormant (WB Developments) Limited	1	A
Barratt Dormant (WB Properties Developments) Limited	1	A
Barratt Dormant (WB Properties Northern) Limited	1	A
Barratt East Anglia Limited	1	A
Barratt East Midlands Limited	1	
Barratt East Scotland Limited	58	A
Barratt Eastern Counties Limited	1	A
Barratt Edinburgh Limited	2	A
Barratt Evolution Limited	1	A
Barratt Falkirk Limited	2	A
Barratt Leeds Limited	1	
Barratt London Limited	1	
Barratt Manchester Limited	1	A
Barratt Newcastle Limited	1	A
Barratt North London Limited	1	
Barratt Northampton Limited	1	
Barratt Northern Limited	1	
Barratt Norwich Limited	1	A
Barratt Poppleton Limited	1	A
Barratt Preston Limited	1	A
Barratt Properties Limited	1	A
Barratt Redrow Limited	1	
Barratt Scottish Holdings Limited	2	A
Barratt South London Limited	1	
Barratt South Wales Limited	1	
Barratt South West Limited	1	A
Barratt Southern Counties Limited	1	
Barratt Southern Limited	1	
Barratt Southern Properties Limited	1	A
Barratt Special Projects Limited	1	A
Barratt St Mary's Limited	1	A
Barratt St Paul's Limited	1	A
Barratt Sutton Coldfield Limited	1	A
Barratt Trade And Property Company Limited	2	A
Barratt Urban Construction (East London) Limited	1	A

Notes to the Financial Statements continued
Year ended 30 June 2024

32. Group subsidiary undertakings continued
Audit exemption continued

Subsidiary	Registered office	Notes
Barratt Urban Construction (Northern) Limited	1	A
Barratt Urban Construction (Scotland) Limited	2	A
Barratt West Midlands Limited	1	
Barratt West Scotland Limited	2	
Barratt Woking Limited	1	A
Barratt York Limited	1	
Bart 225 Limited	1	A
Basildon Regeneration (Barratt Wilson Bowden) Limited	1	A
BDW (F.R.) Limited	1	A
BDW (F.R. Commercial) Limited	1	A
BDW North Scotland Limited	51	
BDW Trading Limited	1	
Bradgate Development Services Limited	1	A
Broad Oak Homes Limited	1	A
C V (Ward) Limited	1	A
Crossbourne Construction Limited	1	A
David Wilson Estates Limited	1	A
David Wilson Homes (Anglia) Limited	1	A
David Wilson Homes (East Midlands) Limited	1	A
David Wilson Homes (Home Counties) Limited	1	A
David Wilson Homes (North Midlands) Limited	1	A
David Wilson Homes (Northern) Limited	1	A
David Wilson Homes (South Midlands) Limited	1	A
David Wilson Homes (Southern) Limited	1	A
David Wilson Homes (Western) Limited	1	A
David Wilson Homes Land (No 10) Limited	1	A
David Wilson Homes Land (No 11) Limited	1	A
David Wilson Homes Land (No 13) Limited	1	A
David Wilson Homes Land (No 14) Limited	1	A
David Wilson Homes Land (No 15) Limited	1	A
David Wilson Homes Limited	1	A
David Wilson Homes Services Limited	1	A
David Wilson Homes Yorkshire Limited	1	A
Decorfresh Projects Limited	1	A
Dicconson Holdings Limited	1	A
E. Barker Limited	1	A
E. Geary & Son Limited	1	A
English Oak Homes Limited	1	
Francis (Springmeadows) Limited	1	A

Subsidiary	Registered office	Notes
Frenchay Developments Limited	1	A
G.D. Thorner (Construction) Limited	1	A
G.D. Thorner (Holdings) Limited	1	A
Gladman Developments Limited	1	A
Glasgow Trust Limited	2	A
Hartswood House Limited	1	
Hawkstone (South West) Limited	1	A
Idle Works Limited	1	A
J.G.Parker Limited	1	A
James Harrison (Contracts) Limited	2	A
Janellis (No.2) Limited	1	A
Kealoha 11 Limited	1	A
Kealoha Limited	1	A
Kingsoak Homes Limited	1	
Knightsdale Homes Limited	1	
Lindmere Construction Limited	1	A
Marple Development Company Limited	1	A
Milton Park Homes Limited	1	A
Norfolk Garden Estates Limited	1	A
North West Land Developments Limited	1	A
Oregon Contract Management Limited	51	A
Oregon Timber Frame Limited	51	A
Oregon Timber Frame (England) Limited	1	A
Redbourne Builders Limited	1	A
Roland Bardsley Homes Limited	1	A
Scothomes Limited	2	A
Scottish Homes Investment Company, Limited	2	A
Skydream Property Co. Limited	1	A
Squires Bridge Homes Limited	1	A
Squires Bridge Limited	1	A
Swift Properties Limited	1	A
The French House Limited	1	A
Tomnik Limited	1	A
Trencherwood Commercial Limited	1	A
Trencherwood Construction Limited	1	A
Trencherwood Developments Limited	1	A
Trencherwood Estates Limited	1	A
Trencherwood Group Services Limited	1	A
Trencherwood Homes (Holdings) Limited	1	A

Notes to the Financial Statements continued
Year ended 30 June 2024

32. Group subsidiary undertakings continued
Audit exemption continued

Subsidiary	Registered office	Notes
Trencherwood Homes (Midlands) Limited	1	A
Trencherwood Homes (South Western) Limited	1	A
Trencherwood Homes (Southern) Limited	1	A
Trencherwood Homes Limited	1	A
Trencherwood Housing Developments Limited	1	A
Trencherwood Investments Limited	1	A
Trencherwood Land Holdings Limited	1	A
Trencherwood Land Limited	1	A
Trencherwood Retirement Homes Limited	1	A
Vizion (Milton Keynes) Limited	1	A
Ward Holdings Limited	1	A
Ward Homes (London) Limited	1	A
Ward Homes (North Thames) Limited	1	A
Ward Homes (South Eastern) Limited	1	A
Ward Homes Group Limited	1	A
Ward Homes Limited	1	A
Ward Insurance Services Limited	1	A
Wards Construction (Industrial) Limited	1	A
Wards Construction (Investments) Limited	1	A
Wards Country Houses Limited	1	A
Waterton Tennis Centre Limited	29	A
William Corah & Son Limited	1	A
William Corah Joinery Limited	1	A
Wilson Bowden (Atlantic Quay Number 2) Limited	1	A
Wilson Bowden (Ravenscraig) Limited	1	
Wilson Bowden City Homes Limited	1	A
Wilson Bowden Developments Limited	1	A
Wilson Bowden Group Services Limited	1	A
Wilson Bowden Limited	1	
Yeovil Developments Limited	1	A

Subsidiaries of the Group which are management companies limited by guarantee:

Subsidiary	Registered office	Notes
28-33 Imperial Park Management Company Limited	26	A, B
254-257 Scholars Place Management Company Limited	45	A, B
Abbey Gate Residents Management Company Limited	5	A, B
Abbey View Residents Management Company Limited	57	A, B
Abbotts Green (Woolpit) Management Company Limited	14	A, B
Abbotts Meadow (Steventon) Management Company Limited	12	A, B
Adderbury Fields Management Company Limited	5	A, B
Aldhelm Court Management Company Limited	30	A, B
Amberswood Rise Management Company Limited	57	A, B
Ambler's Meadow (East Ardsley) Management Company Limited	10	A, B
Applegarth Manor (Oulton) Management Company Limited	10	A, B
Applegate (Sittingbourne) Management Company Limited	11	A, B
Ashridge Grange (Wokingham) Management Company Limited	10	A, B
Ashtree Grove Residents Management Company Limited	23	A, B
Aylesham (Central) Residents Management Company Limited	11	A, B
Aylesham Village (Barratt) Residents Management Company Limited	49	A, B
B5 Central Residents Management Company Limited	23	A, B
Baggeridge Village Management Company Limited	5	A, B
Barrow Farm Management Company Limited	32	A, B
Barum Knoll, Barnstaple Management Company Limited	54	A, B
Beaufort Park (Wootton Bassett) Management Limited	50	A, B
Beavans House Management Company Limited	1	A, B
Beck Lane, Sutton-in-Ashfield (The Hawthorns) Management Company Limited	26	A, B
Beeston Quarter Apartments (Beeston) Management Company Limited	8	A, B
Belle Vue (Doncaster) Management Company Limited	6	A, B
Bentley Fields Residents Management Company Limited	23	A, B
Bermondsey Heights Residents Energy Management Company Limited	4	A, B
Bermondsey Heights Residents Management Company Limited	4	A, B
Berry Acres (Paignton) Management Company Limited	40	A, B
Bilberry Chase Residents Management Company Limited	20	A, B
Birds Marsh View Chippenham Apartment Resident Management Company Limited	13	A, B
Bishop Fields (Hereford) Management Company Limited	20	A, B
Bishop Park (Henfield) Management Company Limited	53	A, B
Bishops Green (Wells) Management Company Limited	30	A, B
Bishop's Hill Residents Management Company Limited	23	A, B
Blackberry Park Residents Management Company Limited	13	A, B
Blackdown Heights (Crimchard) Management Company Limited	31	A, B
Blackhorse View Energy Centre Management Company	1	A, B

Notes to the Financial Statements continued
Year ended 30 June 2024

32. Group subsidiary undertakings continued
Audit exemption continued

Subsidiary	Registered office	Notes
Blackhorse View Residents Management Company	1	A, B
Blackwater Reach (Southminster) Management Company Limited	52	A, B
Blossomfields Residents Management Company Limited	5	A, B
Bluebell Woods (Wyke) Management Company Limited	10	A, B
Blythe House Management Company Limited	39	A, B
Bodington Manor (Adel) Management Company Limited	9	A, B
Bowds House Management Company Limited	1	A, B
Braid Park (Tiverton) Management Company Limited	40	A, B
Brindsley (Old Mill Farm) Management Company Limited	60	A, B
Broken Stone Road (Blackburn) Residents Management Company Limited	57	A, B
Brooklands (Milton Keynes) Management Company Limited	54	A, B
Brookside Meadows Phase 1B Residents Management Company Limited	41	A, B
Brookwood Meadows (Westham) Management Company Limited	57	A, B
Brue Place Residents Management Company Limited	32	A, B
Bruneval Gardens (Wellesley) Management Company Limited	10	A, B
Brun Lea Heights Resident Management Company Limited	64	A, B
Buckley Gardens (Melksham) Management Company Limited	59	A, B
Bure Meadows (Aylsham) Management Company Limited	10	A, B
Burlington Road Residents' Management Company Limited	1	A, B
Calder Rise Residents Management Company Limited	26	A, B
Canal Quarter Resident Management Company Limited	16	A, B
Cane Hill Park (Coulsdon) Management Company Limited	54	A, B
Cane Hill Park (Gateway) Management Company Limited	53	A, B
Canes Meadow (Brixton) Management Company Limited	40	A, B
Canford Paddock (Poole) Management Company Limited	46	A, B
Carlton Green (Carlton) Management Company Limited	9	A, B
Castle Hill (DWH1) Residents Management Company Limited	8	A, B
Castlegate & Mowbray Park Management Company Limited	6	A, B
Cedar Ridge Management Company Limited	10	A, B
Central Area Heat Company Limited	12	A, B
Centurion Meadows (Burley) Management Company Limited	54	A, B
Centurion Village Management Company Limited	57	A, B
Ceres Rise Residents Management Company Limited	16	A, B
Chalkers Rise (Peacehaven) Management Company Limited	10	A, B
Chapel Gate (Launceston) Management Company Limited	40	A, B
Charfield Gardens Management Company Limited	10	A, B
Cherry Blossom Meadow (Newbury) Management Company Limited	12	A, B
City Heights Apartments (Leicester) Management Company Limited	8	A, B
Clements Gate (Poringland 2) Management Company Limited	54	A, B
Clipstone Park (Leighton Buzzard) Management Company Limited	54	A, B
Coat Grove (Martock) Management Company Limited	40	A, B
Colliers Court (Speedwell) Management Company Limited	13	A, B
Compass Point (Swanage Grammar School) Management Company Limited	46	A, B
Compass Point (Swanage) Management Company Limited	46	A, B
Constable Gardens (Residents) Management Company Limited	14	A, B
Corinthian Place Management Company Limited	54	A, B
Cottam Gardens Resident Management Company Limited	57	A, B
Cringleford Heights Management Company Limited	61	A, B
Croft Gardens (Phase 2) Management Company Limited	12	A, B
Daracombe Gardens Management Company Limited	33	A, B
Darwin Green Management Company Limited	54	A, B
De Cheney Gardens Management Company Limited	30	A, B
De Havilland Place (Hatfield) Limited	22	A, B
De Lacy Fields KM8 Management Company Limited	5	A, B
De Lacy Fields KM12 Management Company Limited	5	A, B
Delamere Park (Nunney) Management Company Limited	50	A, B
Dickens Gate (Staplehurst) Management Company Limited	8	A, B
Dida Gardens (Didcot) Management Company Limited	12	A, B
Donnington Heights (Newbury) Management Company Limited	12	A, B
Doseley Park Residents Management Company Limited	5	A, B
Drayton Meadows Management Company Limited	23	A, B
Drovers Court (Micklefield) Management Company Limited	9	A, B
Dunmore Road (Abingdon) Management Company Limited	12	A, B
Dunstall Park (Tamworth) Residents Management Company Limited	20	A, B
Earls Park Management Company Limited	30	A, B
East Ham Market Energy Centre Management Company	54	A, B
East Ham Market Residents Management Company	54	A, B
Eastman Village Energy Centre Management Company Limited	1	A, B
Eastman Village Residents Management Company Limited	1	A, B
Ecclesden Park (Angmering) Management Company Limited	18	A, B
Edwalton (Sharp Hill) Management Company Limited	54	A, B
Eldebury Place (Chertsey) Management Company Limited	53	A, B
Elderwood (Bannerdale) Management Company Limited	9	A, B
Elm Tree Park (Rainworth) Management Company Limited	9	A, B
Elworthy Place (Wiveliscombe) Management Company Limited	31	A, B
Elysian Fields (Adel) Management Company Limited	10	A, B
Embden Grange (Tavistock) Management Company Limited	40	A, B

Notes to the Financial Statements continued
Year ended 30 June 2024

32. Group subsidiary undertakings continued
Audit exemption continued

Subsidiary	Registered office	Notes
Emmet's Reach (Birkenshaw) Management Company Limited	54	A, B
Ersham Park (Hailsham) Management Company Limited	10	A, B
Fairfield Croft Management Company Limited	6	A, B
Fairfield (Stony Stratford) Management Company Limited	54	A, B
Fairway Gardens (Rustington) Management Company Limited	28	A, B
Farrier Place – Canford Paddock Phase 2 (Poole) Management Company Limited	46	A, B
Ferris House Management Company Limited	54	A, B
Fiddington Management Company Limited	32	A, B
Filwood Park Management Company Limited	13	A, B
Finchwood Park Management Company Limited	7	A, B
Folliott's Manor Residents Management Company Limited	20	A, B
Forest Walk, Whiteley Management Company Limited	48	A, B
Foundry Lea (Bridport) Management Company Limited	31	A, B
Fradley Manor Management Company Limited	20	A, B
Franklin Gardens (Darwin Green) Management Company Limited	14	A, B
Freemen's Meadow Residents Management Company Limited	26	A, B
Garnett Wharf (Otley) Management Company Limited	9	A, B
Gateway Residents Management Company Limited	58	A, B
Gerway Management Limited	40	A, B
Gilden Park (Old Harlow) Residents Management Company Limited	8	A, B
Gillies Meadow (Basingstoke) Management Company Limited	12	A, B
Glenvale Park Management Company Limited	43	A, B
Grange Park (Hampsthwaite) Management Company Limited	10	A, B
Great Dunmow Grange Management Company Limited	18	A, B
H2363 Limited	50	A, B
Hallam Park Residents Management Company Limited	23	A, B
Hampton Water Management Company Limited	15	A, B
Hanwood Park Community Partnership Limited	17	A, B
Harbour Place (Bedhampton) Management Company Limited	35	A, B
Harbourside (East Quay Apartments 13–21 & 31–39) Management Company Limited	29	A, B
Harclay Park Management Company Limited	57	A, B
Harlow Gateway Limited	25	A, B
Hartley Brook (Netherton) Management Company Limited	9	A, B
Haskins House Management Company Limited	1	A, B
Hawley Gardens Management Company Limited	36	A, B
Hawthorn Grove (Westham) Management Company Limited	57	A, B
Hawthorn Rise (Newton Abbot) Management Company Limited	54	A, B
Hayes Village Energy Centre Management Company Limited	1	A, B
Hayes Village Resident Management Company Limited	1	A, B
Heather Croft (Pickering) Management Company Limited	9	A, B
Helme Ridge (Meltham) Management Company Limited	54	A, B
Henbrook Gardens Management Company Limited	20	A, B
Hendon Waterside Energy Centre Management Company Limited	1	A, B
Hendon Waterside Residents Management Company Limited	1	A, B
Heron House (Wichelstowe) Management Company Limited	1	A, B
Hesslewood Park Management Company Limited	10	A, B
Hewenden Ridge (Cullingworth) Management Company Limited	9	A, B
Hidcote House Management Company Limited	39	A, B
High Elms Park (Hullbridge) Management Company Limited	54	A, B
High Forest (New Waltham) Management Company Limited	10	A, B
High Street Quarter Energy Centre Management Company Limited	1	A, B
High Street Quarter Residents Management Company Limited	1	A, B
Highgrove Gardens (Romsey) Management Company Limited	46	A, B
Hillside Gardens (Orchard RW) Residents Management Company Limited	40	A, B
Hollygate Park (Cotgrave) Management Company Limited	16	A, B
Infinity Park Derby Management Limited	1	A, B
Honeymans Helm (Highworth) Management Company Limited	59	A, B
Inglewhite Meadows Residents Management Company Limited	8	A, B
Inkersall Road (Chesterfield) Management Company Limited	9	A, B
Jenkins House Management Company Limited	1	A, B
Keeper's Meadow Residents Management Company Limited	23	A, B
Kennett Heath Management Limited	8	A, B
Kilners Grange (Tongham) Management Company Limited	53	A, B
Kingfisher Meadow (Horsford) Management Company Limited	14	A, B
Kingfisher Meadows Residents Management Company Limited	23	A, B
Kingsbourne (Nantwich) Community Management Company Limited	8	A, B
Kingsbrook Estate Management Company Limited	16	A, B
Kings Chase Residents Management Company Limited	25	A, B
Kings Lodge (Hatfield) Management Company Limited	25	A, B
Kingsdown Gate (Swindon) Management Company Limited	13	A, B
Kingsley Meadows (Harrogate) Management Company Limited	6	A, B
Kingston Grange House Management Company Limited	23	A, B
Kipling Road (Ledbury) Residents Management Company Limited	20	A, B
Knights Park (Watton) Management Company Limited	54	A, B
Knights Rise (Temple Cloud) Management Company Limited	30	A, B
Knights View (Landgold) Management Company Limited	54	A, B
KP (Macclesfield) Residents Management Company Limited	26	A, B

Notes to the Financial Statements continued
Year ended 30 June 2024

32. Group subsidiary undertakings continued
Audit exemption continued

Subsidiary	Registered office	Notes
KW (Site B) Management Company Limited	12	A, B
Ladden Garden Village Apartment Blocks BCD Management Company Limited	30	A, B
Ladden Garden Village Management Company Limited	30	A, B
Lakeside Walk (Hamworthy) Management Company Limited	35	A, B
Lancaster Gardens Management Company Limited	6	A, B
Lancaster Gardens (Phase 2) Management Company Limited	6	A, B
Langham Mews Management Company Limited	44	A, B
Languard View (Dovercourt) Residents Management Company Limited	14	A, B
Lavender Grange (Stondon) Residential Management Company Limited	54	A, B
Lavendon Fields (Olney) Residents Management Company Limited	57	A, B
Lay Wood (Devizes) Management Company Limited	13	A, B
Letcombe Gardens (Grove) Management Company Limited	41	A, B
Linmere (Houghton Regis) Residents Management Company Limited	15	A, B
Lock Keeper's Gate (Low Barugh) Management Company Limited	10	A, B
Locksbridge Park (Andover) Management Company Limited	12	A, B
Lockwood Fields (Chidswell) Management Company Limited	10	A, B
Lubbesthorpe R5 Management Company Limited	60	A, B
Lucerne Fields (Ivybridge) Management Company Limited	40	A, B
Luneside Mills Management Company Limited	8	A, B
Lyde View Residents Management Company Limited	10	A, B
Macclesfield Road Management Company Limited	36	A, B
Madgwick Park Management Company Limited	46	A, B
Marham Park Management Company Limited	18	A, B
Market Warsop (Stonebridge Lane) Management Company Limited	16	A, B
Marston Park (Marston Moretaine) Management Company Limited	54	A, B
Martello Lakes (Barratt) Resident Management Company Limited	8	A, B
Martello Lakes (Hythe) Resident Management Company Limited	11	A, B
Martingale Chase (Newbury) Management Company Limited	8	A, B
Meadowburne Place (Willingdon) Management Company Limited	54	A, B
Meadowfields (Boroughbridge) Management Company Limited	9	A, B
Meadow View Watchfield Management Company Limited	13	A, B
Melton Mowbray (Kirby Lane) Management Company Limited	60	A, B
Merlin Gate (Newent) Management Company Limited	50	A, B
Mill Brook (Westbury) Management Company Limited	59	A, B
Millbrook Park (Phase 9) Energy Centre Management Company Limited	1	A, B
Millbrook Park (Phase 9) Residents' Management Company Limited	1	A, B
Mill Springs (Whitchurch) Management Company Limited	34	A, B
Minerva (Apartments) Management Company Limited	40	A, B
Monarchs Keep (Bursledon) Management Company Limited	46	A, B
Montague Park No2 (Buckhurst Farm) Management Company Limited	12	A, B
Monument House Management Company Limited	54	A, B
Moorland Gate (Bishops Lydeard) Management Company Limited	50	A, B
Mortimer Park (Driffield) Management Company Limited	9	A, B
Mortimer Park Phase 2 and Porters Way Residential Management Company Limited	9	A, B
Mortimer Place (Hatfield Peverel) Residents Management Company Limited	14	A, B
Morton Meadows (Thornbury) Management Company Limited	50	A, B
Nant Y Castell (Caldicot) Management Company Limited	33	A, B
Needham's Grange Residents Management Company Limited	20	A, B
Needingworth Park Residents Management Company Limited	56	A, B
Nerrols Grange (Taunton) Management Company Limited	13	A, B
Netherwood (Darfield) Management Company Limited	54	A, B
Newbery Corner Management Company Ltd	13	A, B
New Heritage (Bordon) Management Company Limited	46	A, B
New Mill Quarter (BL) Residents Management Company Limited	8	A, B
New Mill Quarter Estate Resident Management Company Limited	8	A, B
Nightingale Woods (Wendover) Residential Management Company Limited	42	A, B
Niveus Walk Management Company Limited	7	A, B
North Abington Management Company Limited	41	A, B
Northfield Park (Patchway) Management Company Limited	32	A, B
Northstowe Residents Management Company Limited	54	A, B
Northwalls Grange (Taunton) Management Company Limited	30	A, B
Norton Farm Management Company Limited	20	A, B
Notton Wood View (Royston) Management Company Limited	54	A, B
Oak Hill Mews Management Company Limited	20	A, B
Oakfield Village Estate Management Company Limited	16	A, B
Oakhill Gardens (Swanmore) Management Company Limited	18	A, B
Oaklands (Pontefract) Management Company Limited	9	A, B
Oatley Park Management Company Limited	62	A, B
Okement Park (Okehampton) Management Company Limited	54	A, B
Olive Park Residents Management Company Limited	17	A, B
Orchard Gate (Kingston Bagpuize) Management Company Limited	12	A, B
Orchard Green Estate Management Company Limited	16	A, B
Orchard Meadows (Appleton) Management Company Limited	45	A, B
Oughtibridge Valley (Oughtibridge) Management Company Limited	9	A, B
Overstone Gate Residents Management Company Limited	56	A, B
Parc Fferm Wen (St Athen) Management Company Limited	33	A, B

Notes to the Financial Statements continued
Year ended 30 June 2024

32. Group subsidiary undertakings continued
Audit exemption continued

Subsidiary	Registered office	Notes
Parish Brook Residents Management Company Limited	32	A, B
Park Farm (Thornbury) Community Interest Company	30	A, B
Patch Meadows (Somerton) Management Company Limited	30	A, B
Pates House Management Company Limited	39	A, B
Pavilion Square (Phase 2) Management Company Limited	6	A, B
Pavilion Square (Pocklington) Management Company Limited	6	A, B
Peasedown Meadows Management Company Limited	30	A, B
Pebble Walk (Hayling Island) Management Company Limited	54	A, B
Pembridge Park (Phase 2) Management Company Limited	26	A, B
Pembroke Park (Cirencester) Management Company Limited	30	A, B
Pen Bethan (Falmouth) Management Company Limited	18	A, B
Penndrumm (Looe) Management Company Limited	40	A, B
Penning Ridge (Penistone) Management Company Limited	9	A, B
Pentref Llewelyn (Penllergaer) Management Company Limited	10	A, B
Perry Court (Faversham) Management Company Limited	54	A, B
Phase 3 Clark Drive LGV Management Company Limited	32	A, B
Phase 3 Clark Drive 2 LGV Management Company Limited	32	A, B
Phase 6 Apartments LGV Management Company Limited	32	A, B
Phoenix And Scorseby Park Management Company Limited	6	A, B
Phoenix Quarter — Apt — Management Company Limited	49	A, B
Phoenix Quarter Estate Management Company Limited	49	A, B
Pinewood Park (Formby) Management Company Limited	57	A, B
Pinn Brook Park (Monkerton) Management Company Limited	40	A, B
PL2 Plymouth (2016) Limited	40	A, B
Poppy Fields (Cottingham) Management Company Limited	6	A, B
Portman Square West Village Reading Management Company Limited	12	A, B
Preston Grange Residents Management Company Limited	3	A, B
Priestley House Management Company Limited	54	A, B
Priory Fields (Pontefract) Management Company Limited	10	A, B
Prospect Rise (Whitby) Management Company Limited	6	A, B
Quarter Jack Park Management Company Limited	55	A, B
Quarter Jack Park (Wimborne) Management Company Limited	46	A, B
Raleigh Holt (Barnstaple) Management Company Limited	41	A, B
Ramsey Park Residents Management Company Limited	56	A, B
Ravenhill Park Management Company Limited	20	A, B
Redhayes Management Company Limited	40	A, B
Redwood Heights (Plymouth) Management Company Limited	40	A, B
Residents Management Company (Beaconside) Limited	57	A, B
Richmond Park (Whitfield) Residents Management Company Limited	8	A, B
Ridgeway Views Energy Centre Management Company	54	A, B
Ridgeway Views Residents Management Company	54	A, B
River Meadow (Stanford in the Vale) Management Company Limited	12	A, B
River Whitewater Management Company (Hook) Limited	10	A, B
Riverdown Park (Salisbury) Management Company Limited	54	A, B
Riverside Grange (Farmbridge) Management Company Limited	9	A, B
Romans Edge Godmanchester Management Company Limited	54	A, B
Romans' Quarter (Bingham) Residential Management Company Limited	16	A, B
Rose and Lillies Residents Management Company Limited	23	A, B
Rosewood Park Bexhill Residents Management Company Limited	8	A, B
RV North Petherton Residents Management Company Limited	32	A, B
Ryebank Gate (Yapton) Management Company Limited	28	A, B
Salters Brook (Cudworth) Management Company Limited	54	A, B
Sandridge Place (Melksham) Management Company Limited	10	A, B
Saunderson Gardens Management Co Limited	10	A, B
Sawbridge Park (Sawbridgeworth) Management Company Limited	16	A, B
Saxon Corner (Emsworth) Management Company Limited	46	A, B
Saxon Dean (Silsden) Management Company Limited	10	A, B
Saxon Fields (Cullompton) Management Company Limited	40	A, B
Saxon Fields (Thanington) Management Company Limited	11	A, B
Saxon Gate (Leonard Stanley) Management Company Limited	10	A, B
Saxon Gate (Stamford Bridge) Management Company Limited	6	A, B
Saxon Mills (Hassocks) Management Company Limited	53	A, B
Scotgate Ridge (Honley) Management Company Limited	54	A, B
Shaftmoor Land Residents Management Company Limited	20	A, B
Silkwood Gate (Wakefield) Management Company Limited	9	A, B
Spinney Fields Residents Management Company Limited	5	A, B
Spitfire Green (Manston) Residents Management Company Limited	49	A, B
Spring Valley View (Clayton) Management Company Limited	10	A, B
Springfield Place Resident Management Company Limited	4	A, B
St Andrews View (Morley) Management Co. Limited	54	A, B
St James Gardens (Wick) Management Company Limited	29	A, B
St James Management Company Limited	9	A, B
St Johns View Residents Management Company Limited	57	A, B
St Rumbolds Fields Management Company Limited	16	A, B
St. Andrews Place (Morley) Management Co. Limited	54	A, B
St. John's Walk (Hoylandswaine) Management Company Limited	54	A, B
St. Mary's Park (Hartley Wintney) Management Company Limited	25	A, B
St. Oswald's View (Methley) Management Company Limited	9	A, B

Notes to the Financial Statements continued
Year ended 30 June 2024

32. Group subsidiary undertakings continued
Audit exemption continued

Subsidiary	Registered office	Notes
Stallard House Management Company Limited	39	A, B
Stewarts Reach and Wolds View Residential Management Company Limited	63	A, B
Stotfold Park Management Company Limited	10	A, B
Summersfield (Papworth) Management Company Limited	54	A, B
Sundial Place Residents Management Company Limited	57	A, B
Swallows Field (Hemel Hempstead) Management Company Ltd	22	A, B
Swan Mill (Newbury) Management Company Limited	12	A, B
Swinbrook Park (Carterton) Management Company Limited	12	A, B
Sydney Place (Crewe) Management Company Limited	57	A, B
Talbot and Clockmakers Management Company Limited	23	A, B
Tarka Ridge (Yelland) Management Company Limited	41	A, B
Templar's Chase (Wetherby) Management Company Limited	9	A, B
The Acorns and Hunters Wood Management Company Limited	54	A, B
The Belt Open Space Management Co Limited	63	A, B
The Bridleways (Eccleshill) Management Company Limited	54	A, B
The Causeway Park (Petersfield) Management Company Limited	34	A, B
The Chase (Newbury) Management Company Limited	12	A, B
The Chocolate Works Management Company Limited	37	A, B
The Courtyard (Darwin Green) Management Company Limited	16	A, B
The Furlongs (Westergate) Management Company Limited	46	A, B
The Glassworks (Catcliffe) Management Company Limited	10	A, B
The Grange (Lightcliffe) Management Company Limited	10	A, B
The Meads (Frampton Cotterell) Management Company Limited	13	A, B
The Mounts Residents Management Company Limited	5	A, B
The Old Meadow Management Company Limited	41	A, B
The Orchards (Hildersley) Management Company Limited	10	A, B
The Paddocks (Skelmanthorpe) Management Company Limited	10	A, B
The Paddocks (Southmoor) Management Company Limited	12	A, B
The Pastures (Knaresborough) Management Company Limited	6	A, B
The Pavilions Management Company (Southampton) Limited	46	A, B
The Pavilions Resident Management Company Limited	23	A, B
The Poppies (Maidstone) Residents Management Company Limited	11	A, B
The Spires (Chesterfield) Management Company Limited	26	A, B
The Vineyards Management Company Limited	30	A, B
The Woodlands (Sturry) Management Company Limited	11	A, B
Thornbury Gardens Dinnington Management Company Limited	10	A, B
Townsend Landing (Henstridge) Management Company Limited	54	A, B
Tranby Fields Management Company Limited	10	A, B
Treledan (Saltash) Management Company Limited	54	A, B
Trumpington Meadows Residents Management Company Limited	10	A, B
Trumpington (Phase 8—11) Management Company Limited	10	A, B
Trumpington Vista Management Company Limited	16	A, B
Union Park (Falmouth) Management Company Limited	40	A, B
Upton Gardens Energy Centre Management Company	1	A, B
Upton Gardens Residents Management Company	54	A, B
Victoria Heights (Alphington) Management Company Limited	40	A, B
Wadsworth Gardens (Cleckheaton) Management Company Limited	54	A, B
Waite House Management Company Limited	1	A, B
Waldmers Wood Management Company Limited	57	A, B
Warboys Management Company Limited	38	A, B
Waterside (The Quays Barry) Management Company Number 1 Limited	29	A, B
Waterside (The Quays Barry) Management Company Number 2 Limited	29	A, B
Waterside (The Quays Barry) Management Company Number 3 Limited	29	A, B
Waterside Trentham Residents Management Company Limited	36	A, B
Watkin Road Energy Centre Management Company	1	A, B
Watkin Road Residents Management Company	1	A, B
Wayland Fields Residents Management Company Limited	14	A, B
WBD (Kingsway Management) Limited	1	A, B
Weavers Chase (Golcar) Management Company Limited	9	A, B
Webheath (Redditch) Management Company Limited	54	A, B
Wedgwood Residents Management Company Limited	5	A, B
Wendel View Residents Management Company Limited	56	A, B
Westbridge Park (Auckley) Management Company Limited	26	A, B
Westminster View (Clayton) Management Company Limited	10	A, B
Weston Meadows, Calne Management Company Limited	50	A, B
Whalley Road (Barrow) Management Company Limited	8	A, B
White Lias House Management Company Limited	23	A, B
White Post Farm Midsomer Norton Management Company Limited	32	A, B
Whittingham Residents Management Company Limited	36	A, B
Whittlesey Lakeside (Cambridge) Management Company Limited	21	A, B
Wichelstowe Estate Management CIC	1	A, B
Wigmore Park Management Company Limited	10	A, B
Willow Grove (Stopsley) Management Company Limited	8	A, B
Willow Grove (Wixams) Management Company Limited	54	A, B
Willow Lane (Beverley) Management Company Limited	6	A, B
Willow Lane (Beverley) Phase 2 Management Company Limited	19	A, B
Willowmead (Wiveliscombe) Management Company Limited	50	A, B
Winnington View Management Company Limited	26	A, B

Notes to the Financial Statements continued
Year ended 30 June 2024

32. Group subsidiary undertakings continued

Audit exemption continued

Subsidiary	Registered office	Notes
Winnington Village Community Management Company Limited	26	A, B
Winnycroft Residents Management Company Limited	32	A, B
Withies Bridge Management Company Ltd	30	A, B
Woodhall Grange Management Company Limited	6	A, B
Woodland Heath Residential Management Company Limited	14	A, B
Wychwood Park (Haywards Heath) Management	53	A, B

Other subsidiary entities:

Subsidiary	Registered office	Notes	Class of share held	% of shares owned
Base East Central Rochdale LLP	1	A	N/A	N/A
Base Hattersley LLP	1	A	N/A	N/A
Base Regeneration LLP	1	A	N/A	N/A
Base Werneth Oldham LLP	1	A	N/A	N/A
BLLQ LLP	1	A	N/A	N/A
BLLQ2 Limited	1	A	Ordinary	100%
SQ Holdings Limited	53	A	Ordinary	90%
Vizion (MK) Properties LLP	1	A	N/A	N/A
Ash Tree Court Management Co. Ltd	1	A, D	Ordinary	0%
Aspects Management Company Limited	27	A	Ordinary	50%
Buckshaw Village Management Company Limited	8	A	Ordinary	50%
Foxcote Mead Management Company Limited	1	A	Ordinary	100%
GWQ Management Limited	24	A, C	Ordinary	0%
Hazelmere Management Company Limited	1	A, D	Ordinary	0%
Interlink Park Management Company Limited	1	A, D	Ordinary	0%
Meridian Business Park Extension Management Company Limited	1	A, C	Ordinary	2%
Newbury Racecourse Management Limited	12	A, D	Ordinary	0%
Nottingham Business Park Management Company Limited	1	A, C	Ordinary	2%
Nottingham Business Park (Orchard Place) Management Company Limited	1	A, C	Ordinary	2%
Optimus Point Management Company Limited	1	A, C	Ordinary	0%
Pye Green Management Company Limited	20	A, C	Ordinary	17%
Riverside Exchange Management Company Limited	1	A, C	Ordinary/ preference	22%
Runshaw Management Company Limited	8	A	Ordinary	100%
Stoneyfield Management Limited	1	A	Ordinary	100%
WBD (Riverside Exchange Sheffield B) Limited	1	A, C	Ordinary	100%
WBD Riverside Sheffield Building K Limited	1	A, C	Ordinary	100%
West Village Reading Management Limited	12	A, D	Ordinary	0%
Willow Farm Management Company Limited	1	A, C	Ordinary	3%

Notes to the Financial Statements continued
Year ended 30 June 2024

32. Group subsidiary undertakings continued

Registered office

1. Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire LE67 1UF
2. Buchanan Gate, Cumbernauld Road, Stepps, Glasgow G33 6FB
3. 111 West Street, Faversham, Kent ME13 7JB
4. Barratt East London, 3rd Floor Press Centre, Here East, 13 East Bay Lane, Stratford, London E15 2GW
5. One Eleven, Edmund Street, Birmingham, West Midlands B3 2HJ
6. Unit 11, Omega Business Park, Omega Business Village, Thurston Road, Northallerton, North Yorkshire DL6 2NJ
7. Discovery House, Crossley Road, Stockport, Greater Manchester, England SK4 5BH
8. RMG House, Essex Road, Hoddesdon, Hertfordshire EN11 0DR
9. Gateway House, 10 Coopers Way, Southend-on-Sea, Essex SS2 5TE
10. Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire HP2 7DN
11. Weald House, 88 Main Road, Sundridge, Kent, United Kingdom TN14 6ER
12. Cygnet House, Cygnet Way, Hungerford, Berkshire RG17 0YL
13. Units 1, 2 & 3 Beech Court, Wokingham Road, Hurst, Reading RG10 0RU
14. Barratt House, 7 Springfield Lyons Approach, Chelmsford, Essex CM2 5EY
15. The Maltings, Hyde Hall Farm, Sandon, Hertfordshire SG9 0RU
16. 2 Hills Road, Cambridge, Cambridgeshire CB2 1JP
17. Unit A5 Optimum Business Park, Optimum Road, Swadlincote, Derbyshire, England, DE11 0WT
18. Fisher House, 84 Fisherton Street, Salisbury SP2 7QY
19. 6 Alpha Court, Monks Cross Drive, York, North Yorkshire, YO32 9WN
20. 60 Whitehall Road, Halesowen B63 3JS
21. Unit 1 Forder Way, Cygnet Park, Hampton, Peterborough, United Kingdom, PE7 8GX
22. Wellstones House, Wellstones, Watford, Hertfordshire WD17 2AF
23. Remus 2, 2 Cranbook Way, Solihull Business Park, Solihull, West Midlands B90 4GT
24. Wallis House, Great West Road, Brentford, Middlesex TW8 9BS
25. Firstport Property Services Limited, Marlborough House, Wigmore Place, Wigmore Lane, Luton LU2 9EX
26. Chiltern House, 72–74 King Edward Street, Macclesfield, Cheshire SK10 1AT
27. 100 Avebury Boulevard, Milton Keynes, England MK9 1FH
28. 41a Beach Road, Littlehampton, West Sussex, England DN17 5JA
29. Oak House, Village Way, Cardiff CF15 7NE
30. Unit 2 Beech Court, Wokingham Road, Hurst, Twyford, Berkshire RG10 0RQ
31. Vanguard House, Yeoford Way, Marsh Barton, Exeter EX2 8HL
32. Barratt House, 710 Waterside Drive, Aztec West, Almondsbury, Bristol BS32 4UD
33. Whittington Hall, Whittington Road, Worcester WR5 2ZX
34. Building 4, Dares Farm Business Park, Farnham Road, Ewshot, Farnham, Surrey GU10 5BB
35. Ground Floor, Cromwell House, 15 Andover Road, Winchester, Hampshire SO23 7BT
36. 4 Brindley Road, City Park, Manchester M16 9HQ
37. Watson, Glendevon House, 4 Hawthorn Park, Coal Road, Leeds, West Yorkshire LS14 1PQ
38. Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom NG1 6HH
39. Ashford House, Grenadier Road, Exeter, Devon EX1 3LH
40. Woodwater House, Pynes Hill, Exeter, Devon EX2 5WR
41. Unit 7, Astra Centre, Edinburgh Way, Harlow, Essex, England CM20 2BN
42. 5th Floor Halo, Counterslip, Bristol, United Kingdom BS1 6AJ
43. Barratt House, Sandy Way, Grange Park, Northampton NN4 5EJ
44. Unit 7, Hockliffe Business Park, Watling Street, Hockliffe, Leighton Buzzard, Bedfordshire LU7 9NB
45. 377–379 Hoylake Road, Moreton, Wirral, Merseyside CH46 0RW
46. 128 Pyle Street, Granary Court, Newport, Isle of Wight PO30 1JW
47. Woodland Place, Wickford Business Park, Hurricane Way, Wickford SS11 8YB
48. 154–155 Great Charles Street, Queensway, Birmingham B3 3LP
49. Thamesbourne Lodge, Station Road, Bourne End, Buckinghamshire SL8 5QH
50. 1 West Point Court, Great Park Road, Bradley Stoke, Bristol BS32 4PY
51. Blairton House, Old Aberdeen Road, Balmedie, Aberdeen, Scotland AB23 8SH
52. C/O East Block Group, The Colchester Centre, Hawkins Road, Colchester, Essex CO2 8JX
53. Compton House, The Guildway, Old Portsmouth Road, Guildford GU3 1LR
54. Queensway House, 11 Queensway, New Milton, Hampshire BH25 5NR
55. Tollbar House Tollbar Way, Hedge End, Southampton, United Kingdom SO30 2UH
56. 1a Fortune Close, Riverside Business Park, Northampton NN3 9HT
57. Unit 7, Portal Business Park, Eaton Lane, Tarporley, Cheshire CW6 9DL
58. Aurora House, Part 3rd Floor 71-75 Uxbridge Road, Ealing, London, England W5 5SL
59. Wellington House, Great Park Road, Bradley Stoke, Bristol BS32 4PY
60. 72–74 King Edward Street, Macclesfield, Cheshire SK10 1AT
61. Second Floor Lakeside 300, Broadland Business Park, Norwich, Norfolk, England NR7 0WG
62. Unit 1, Great Park Road, Bradley Stoke, Bristol, United Kingdom BS32 4PY
63. Sunnybank Farm, St. Johns Chapel, Bishop Auckland, England DL13 1QZ
64. Adamson House, Wilmslow Road, Manchester, England M20 2YY

Notes

A Owned through another Group company.
B Entity is limited by guarantee and is a temporary member of the Group. Assets are not held for the benefit of the Group and the entity has no profit or loss in the year.
C The Group is a minority shareholder but has voting control.
D The Group does not own any shares but has control via directors who are employees of the Group.

Definitions of alternative performance measures and reconciliation to IFRS (unaudited)

The Group uses a number of APMs that are not defined within IFRS. The Directors use these APMs, along with IFRS measures, to assess the operational performance of the Group as detailed in the key performance indicators section of the Strategic Report on pages 12 to 15. These APMs may not be directly comparable with similarly titled measures reported by other companies and they are not intended to be a substitute for, or superior to, IFRS measures. Definitions of adjusted items are presented in note 4 and adjusted performance measures are reconciled to IFRS measures on page 159. Definitions and reconciliations of the other financial APMs used to IFRS measures are included below:

Gross margin is defined as gross profit divided by revenue:

	2024	2023
Revenue per Consolidated Income Statement (£m)	**4,168.2**	5,321.4
Gross profit per Consolidated Income Statement (£m)	**509.5**	974.9
Gross margin	**12.2%**	18.3%

Adjusted gross margin is defined as adjusted gross profit divided by revenue:

	2024	2023
Revenue per Consolidated Income Statement (£m)	**4,168.2**	5,321.4
Adjusted gross profit per Consolidated Income Statement (£m)	**689.0**	1,130.4
Adjusted gross margin	**16.5%**	21.2%

Operating margin is defined as profit from operations divided by revenue:

	2024	2023
Revenue per Consolidated Income Statement (£m)	**4,168.2**	5,321.4
Profit from operations per Consolidated Income Statement (£m)	**174.7**	707.4
Operating margin	**4.2%**	13.3%

Adjusted operating margin is defined as adjusted profit from operations divided by revenue:

	2024	2023
Revenue per Consolidated Income Statement (£m)	**4,168.2**	5,321.4
Adjusted profit from operations per Consolidated Income Statement (£m)	**376.6**	862.9
Adjusted operating margin	**9.0%**	16.2%

ROCE is calculated as earnings before amortisation, interest, tax and operating adjusting items for the year, divided by average net assets adjusted for goodwill and intangibles, tax, net cash, derivative financial instruments and provisions in relation to legacy properties.

	2024 £m	2023 £m
Profit from operations	**174.7**	707.4
Amortisation of intangible assets	**10.4**	10.5
Net cost associated with legacy properties	**179.5**	155.5
Costs incurred in respect of the all-share offer for the share capital of Redrow plc per note 4	**22.4**	—
Share of post-tax profit from JVs and associates	**2.3**	8.8
Adjusted cost related to JV legacy properties	**12.6**	23.7
Earnings before amortisation, interest, tax and adjusted items	**401.9**	905.9

	30 June 2024 £m	31 December 2023 £m	30 June 2023 £m	31 December 2022 £m	30 June 2022 £m
Group net assets per Consolidated Balance Sheet	**5,439.1**	5,439.6	5,596.4	5,656.6	5,631.3
Less:					
Other intangible assets per Consolidated Balance Sheet	**(184.5)**	(189.7)	(194.9)	(200.1)	(205.4)
Goodwill per Consolidated Balance Sheet	**(852.9)**	(852.9)	(852.9)	(852.9)	(852.9)
Current tax assets	**(31.8)**	(27.3)	(31.1)	(0.1)	(9.9)
Deferred tax liabilities	**45.0**	50.4	53.5	44.0	45.1
Cash and cash equivalents	**(1,065.3)**	(949.9)	(1,269.1)	(1,166.5)	(1,352.7)
Loans and borrowings	**200.0**	200.3	203.4	202.0	217.3
Provisions in relation to legacy properties	**730.3**	646.0	612.3	485.3	479.5
Prepaid fees	**(3.2)**	(3.8)	(3.7)	(4.6)	(3.2)
Capital employed	**4,276.7**	4,312.7	4,113.9	4,163.7	3,949.1
Three point average capital employed	**4,234.4**		4,075.6		

	2024	2023
Earnings before amortisation, interest, tax and adjusted items (from table above) (£m)	**401.9**	905.9
Three point average capital employed (from table above) (£m)	**4,234.4**	4,075.6
ROCE	**9.5%**	22.2%

Definitions of alternative performance measures and reconciliation to IFRS (unaudited) continued

Underlying ROCE is calculated as ROCE (above) with net assets also adjusted for land payables:

	30 June 2024 £m	31 December 2023 £m	30 June 2023 £m	31 December 2022 £m	30 June 2022 £m
Capital employed (from ROCE table above)	**4,276.7**	4,312.7	4,113.9	4,163.7	3,949.1
Adjust for land payables	**472.8**	367.2	506.7	622.3	733.6
Capital employed adjusted for land payables	**4,749.5**	4,679.9	4,620.6	4,786.0	4,682.7
Three point average capital employed adjusted for land payables	**4,683.3**		4,696.4		

	2024	2023
Earnings before amortisation, interest, tax and adjusted items (from table above) (£m)	**401.9**	905.9
Three point average capital employed adjusted for land payables (from table above) (£m)	**4,683.3**	4,696.4
Underlying ROCE	**8.6%**	19.3%

For the purpose of determining the Executive Directors' annual bonus (page 127), capital employed is adjusted for land, land payables, trade payables and inventories currently occupied under the refugee support scheme:

	30 June 2024 £m	31 December 2023 £m	30 June 2023 £m	31 December 2022 £m	30 June 2022 £m
Capital employed (from ROCE table above)	**4,276.7**	4,312.7	4,113.9	4,163.7	3,949.1
Adjust for land	**(3,233.6)**	(2,979.1)	(3,139.9)	(3,253.7)	(3,339.9)
Adjust for land payables	**472.8**	367.2	506.7	622.3	733.6
Adjust for trade payables	**252.7**	186.9	310.3	220.4	324.0
Adjust for inventories currently occupied under the refugee support scheme	**(9.0)**	(11.3)	(11.0)	—	—
Capital employed adjusted for land, land payables, trade payables and inventories currently occupied under the refugee support scheme	**1,759.6**	1,876.4	1,780.0	1,752.7	1,666.8
Three point average capital employed adjusted for land, land payables, trade payables and inventories currently occupied under the refugee support scheme	**1,805.3**		1,733.2		

Adjusted earnings for adjusted basic earnings per share and adjusted diluted earnings per share are calculated by excluding adjusted items and any associated net tax amounts from profit attributable to ordinary shareholders of the Company:

	2024 £m	2023 £m
Profit attributable to ordinary shareholders of the Company	**114.1**	530.3
Net cost associated with legacy properties per note 4	**179.5**	155.5
Costs incurred in respect of the all-share offer for the share capital of Redrow plc per note 4	**22.4**	—
Cost associated with JV legacy properties per note 4	**12.6**	23.7
Tax impact of adjusted items	**(54.4)**	(39.3)
Adjusted earnings	**274.2**	670.2

Net cash is defined in note 17.

Total indebtedness is defined as net (cash)/debt and land payables:

	2024 £m	2023 £m
Net cash	**(868.5)**	(1,069.4)
Land payables	**472.8**	506.7
Total indebtedness	**(395.7)**	(562.7)

TSR is a measure of the performance of the Group's share price over a period of three financial years. It combines share price appreciation and dividends paid to show the total return to the shareholders expressed as a percentage.

Five year record (unaudited)

Financial five year record	Note	2020	2021	2022	2023	2024
Private wholly owned home completions		9,568	13,134	13,327	12,456	**10,666**
Affordable wholly owned home completions		2,466	3,383	3,835	3,922	**2,802**
Wholly owned completions (homes)		12,034	16,517	17,162	16,378	**13,468**
Joint venture completions (homes)		570	726	746	828	**536**
Total home completions including JVs		12,604	17,243	17,908	17,206	**14,004**
Wholly owned completions average selling price (£000)		280.3	288.8	300.2	319.6	**306.8**
Revenue (£m)		3,419.2	4,811.7	5,267.9	5,321.4	**4,168.2**
Gross profit (£m)		614.3	1,010.0	899.9	974.9	**509.5**
Gross profit margin (%)		18.0%	21.0%	17.1%	18.3%	**12.2%**
Adjusted gross profit (£m)		631.4	1,114.7	1,308.1	1,130.4	**689.0**
Adjusted gross profit margin (%)		18.5%	23.2%	24.8%	21.2%	**16.5%**
Profit from operations (£m)		493.4	811.1	646.6	707.4	**174.7**
Operating profit margin (%)		14.4%	16.9%	12.3%	13.3%	**4.2%**
Adjusted profit from operations (£m)		507.3	919.0	1,054.8	862.9	**376.6**
Adjusted operating margin (%)		14.8%	19.1%	20.0%	16.2%	**9.0%**
Net finance costs (£m)		(29.9)	(26.6)	(27.6)	(11.1)	**(6.5)**
Share of post-tax income from joint ventures		28.3	27.7	23.3	8.8	**2.3**
Profit before tax		491.8	812.2	642.3	705.1	**170.5**
Adjusted profit before tax		505.7	919.7	1,054.8	884.3	**385.0**

Financial five year record	Note	2020	2021	2022	2023	2024
Basic earnings per share (pence)		39.4	64.9	50.6	53.2	**11.8**
Adjusted earnings per share (pence)		40.5	73.5	83.0	67.3	**28.3**
Dividend (interim paid and final proposed) (pence)		—	29.4	36.9	33.7	**16.2**
Special cash payment proposed per share (pence)		—	—	—	—	**—**
Total shareholder return (TSR) over three financial years (%)		6.1%	59.8%	(4.9%)	10.6%	**(20.9)%**
Tangible shareholders' funds (£m)		3,931.9	4,545.1	4573.0	4,548.6	**4,401.7**
Tangible net assets per share at year end (pence)		386.1	446.3	447.2	466.7	**451.6**
Total shareholders' funds (£m)		4,840.3	5,452.1	5,631.3	5,596.4	**5,439.1**
Total net assets per share at year end (pence)		475.3	535.4	550.7	574.2	**558.1**
Year-end net (debt)/cash (£m)		308.2	1,317.4	1,138.6	1,069.4	**868.5**
Year-end total land payables (£m)		791.9	658.3	733.6	506.7	**472.8**
Year-end total net (indebtedness)/surplus (£m)		(483.7)	659.1	405.0	562.7	**395.7**
Average net cash across the financial year (£m)		348.3	821.0	957.4	759.1	**732.3**
Three point average capital employed (£m)		3,457.6	3,414.5	3,625.8	4,075.6	**4,234.4**
Return on capital employed (ROCE) (%)		15.5%	27.8%	30.0%	22.2%	**9.5%**
Total land investment (£m)	15	3,112.3	2,946.3	3,339.9	3,139.9	**3,233.6**
Proportion of total land investment funded by land creditors (%)		25.4%	22.3%	22.0%	16.1%	**14.6%**
Weighted average shares in issue during the year (m)		1,018.2	1,018.3	1,021.9	1,000.1	**974.6**
Weighted average shares in issue during the year less EBT (m)		1,013.9	1,016.4	1,018.7	996.3	**968.8**
Number of ordinary shares in issue at year end (m)	22	1,018.3	1,018.3	1,022.6	974.6	**974.6**

Five year record (unaudited) continued

Non-financial five year record	2020	2021	2022	2023	2024
SHE audit compliance	96%	97%	97%	96%	**97%***
Injury Incidence Rate	256	416	262	289	**302***
Average training days per employee (days/employee)	4.1	3.9	3.3	4.1	**4.1**
Employee turnover (%)	10%	12%	17%	15%	**13%**
Employee engagement index (%)	84.2%	N/A	79.4%	84.4%	**74.9%**
Number of employees at 30 June	6,655	6,329	6,837	6,728	**6,270**
Proportion female (%)	31%	31%	32%	31%	**32%**
Graduates, apprentices and trainees on programmes	492	426	391	483	**353**
Number of senior managers	286	283	328	331	**332**
Proportion female (%)	14%	16%	17%	18%	**20%**
Number of PLC Directors	8	9	9	8	**9**
Proportion female (%)	38%	44%	33%	37%	**33%**
Legally completed build area ($100m^2$)	12,197	16,439	16,402	15,609	**13,097**
Carbon intensity (tonnes per $100m^2$ legally completed build area)	1.80	1.78	1.53	1.60	**1.26***
Waste intensity (tonnes per $100m^2$ legally completed build area)	7.70	5.89	4.97	4.31	**3.64***
Waste intensity (tonnes per $100m^2$ house build equivalent area)	6.93	6.29	4.83	4.34	**3.83***
Diversion of construction waste from landfill (%)	96%	95%	96%	96%	**97%***
Electricity on renewable tariffs (%)	68.0%	72.0%	76.0%	87.0%	**94.0%**
Average active sales outlets (inc. JVs)	366	343	332	367	**346**
Customer service (HBF Customer Satisfaction Survey)	5 star	5 star	5 star	5 star	**5 star**
NHBC Pride in the Job Awards (number awarded)	92	93	98	96	**89**
Owned and unconditional land bank (plots)	68,393	66,601	67,687	59,248	**57,632**
Conditional land bank (plots)	11,931	11,041	13,239	11,142	**8,607**
Owned and controlled land bank (plots)	80,324	77,642	80,926	70,390	**66,239**
JV owned and controlled land bank (plots)	5,400	4,661	4,548	4,356	**4,631**
Total owned and controlled land bank including JVs (plots)	85,724	82,303	85,474	74,746	**70,870**
Land bank years owned (years)	5.7	4.0	3.9	3.6	**4.3**
Land bank years controlled (years)	1.0	0.7	0.8	0.7	**0.6**

Non-financial five year record	2020	2021	2022	2023	2024
Land bank total years (owned and controlled) (years)	6.7	4.7	4.7	4.3	**4.9**
Average selling price of homes in land bank at year end (£000)	276	289	322	331	**328**
Land approvals (plots)	9,441	18,067	19,089	(812)	**12,439**
Land approvals (£m)	368.1	876.8	1,396.1	(14.9)	**646.9**
Planning consents secured in the year (plots)	14,768	14,280	14,988	12,969	**9,026**
Strategic land plots converted to owned and controlled land bank (plots)	3,137	3,507	1,663	777	**3,723**
Strategic land bank (acres)	13,271	13,754	15,537	16,431	**16,865**
Expenditure on physical improvement works benefiting local communities (£m)	477	572	699	726	**536**
School places provided (number)	2,211	3,591	5,346	3,327	**4,632**
Home completions from strategically sourced land (homes)	2,929	4,172	4,530	3,938	**3,290**
Proportion of home completions from strategically sourced land (%)	24.3%	25.3%	26.4%	24.0%	**24.4%**
Home completions using MMC (homes)	2,652	4,393	4,846	5,578	**4,668**
Proportion of home completions using MMC (%)	21%	25%	27%	32%	**33%**
Proportion of home completions using 2016 and later house type range (%)	60.2%	65.3%	77.0%	71.0%	**84.0%**
Proportion of home completions EPC rated "B" or above (%)	99%	99%	99%	99%	**99%**
Average DER for completed properties ($kgCO_2/m^2/yr$)	16.59	16.21	15.89	16.02	**15.78***
Average SAP rating of home completions	84	85	85	85	**85**

Note: Additional granularity and more detailed sustainability metrics are available on our website at: www.barrattdevelopments.co.uk/sustainability/performance-data/data.

Deloitte LLP ('Deloitte') have provided independent third-party limited assurance in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board (IAASB) over selected metrics in the above table identified with an *. For Deloitte's full unqualified assurance opinion, which includes details of the selected metrics assured, our full Carbon Reporting Methodology Statement, our ESG Basis of Reporting and a full breakdown of scope 3 GHG emissions, see our website www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/publications.

Glossary

Act	The Companies Act 2006
Active outlet	A site with at least one plot for sale
AGM	Annual General Meeting
APM	Alternative performance measure
APPG	All-Party Parliamentary Group
Articles	The Company's Articles of Association
ASP	Average selling price
Barratt	Barratt Developments PLC and its subsidiary undertakings
BEIS	Department for Business, Energy and Industrial Strategy
BNG	Biodiversity Net Gain
BREEAM	Building Research Establishment Environmental Assessment Methodology
BRIs	Builder Responsible Items
Building for Life 12	This is the industry standard, endorsed by the government, for well-designed homes and neighbourhoods that local communities, local authorities and developers are invited to use to stimulate conversations about creating good places to live
Building Regulations	The requirements relating to the erection and extension of buildings under UK Law
Capital employed	Average net assets adjusted for goodwill and intangibles, tax, cash, loans and borrowings, prepaid fees, provisions in respect of legacy properties and derivative financial instruments
CDP	Charity that runs the global system for disclosure of environmental impacts for investors, companies, cities, states and regions
CEO	Chief Executive
CFO	Chief Financial Officer
CITB	Construction Industry Training Board
CMA	Competition and Markets Authority
Code	UK Corporate Governance Code issued in July 2018 (copy available from www.frc.org.uk)
COINS	Construction Industry Solutions (software used by the Group)
Connected Persons	As defined in the EU Market Abuse Regulation
Contribution margin	Housebuild revenue less land and directly attributable build and site costs, divided by housebuild revenue
COO	Chief Operating Officer
COVID-19	Coronavirus Disease 2019
DBP	Deferred Bonus Plan
DTRs	Disclosure Guidance and Transparency Rules
EBT	Barratt Developments Employee Benefit Trust
ELTIP	Employee Long Term Incentive Plan
EMC	Ethnic Minority Communities
EPC	Energy Performance Certificate
EPS	Earnings per share
ESG	Environmental, Social and Governance
EU	European Union
EWS	External Wall System
FCA	Financial Conduct Authority
FHS	Future Homes Standard
Foundation	The Barratt Developments PLC Charitable Foundation
FRAEW	Fire Risk Appraisal of External Wall construction
FRC	Financial Reporting Council
FSC	Forest Stewardship Council
FTSE	Financial Times Stock Exchange
Future Homes Standard	Changes to Building Regulations under the Future Homes and Buildings Standard to reduce carbon emissions from the use of new homes
FY	Financial year ended 30 June

Glossary continued

GDP	Gross Domestic Product
GHG	Greenhouse Gas
GM	General Meeting
HBF	Home Builders Federation
HMRC	HM Revenue & Customs
Housebuild equivalent area	Measure of construction activity in the year, calculated by multiplying the designed plot floor area of each individual unit by the proportion of the total build work required for that unit completed in the period.
HR	Human Resources
HVO	Hydrotreated Vegetable Oil
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
IIR	Injury incidence rate
IIRC	International Integrated Reporting Council
ISAs	International Standards on Auditing
ISAE	International Standard on Assurance Engagements
ISO	International Organisation for Standardisation
JVs	Joint ventures
KPI	Key performance indicator
LGBTQ+	Lesbian, gay, bisexual, transgender, queer and other gender expressions
LTPP	Long-Term Performance Plan
LTV	Loan to Value
MMC	Modern methods of construction
MP	Member of Parliament
MWh	Megawatt Hours
NED	Non-Executive Director
Net cash	Cash and cash equivalents, bank overdrafts, interest-bearing borrowings and prepaid fees
Net tangible assets	Group net assets less other intangible assets and goodwill
NGFS	Network for Greening the Financial System
NHBC	National House Building Council
NPPF	The National Planning Policy Framework
Ofcom	The regulator and competition authority for the UK communications industries
OHSAS	Occupational Health and Safety Assessment Series
Operating margin	Profit from operations divided by revenue
Oregon	Oregon Timber Frame Limited, Oregon Timber Frame (England) Limited and Oregon Contract Management Limited
Paris Agreement	International treaty on climate change adopted on 12 December 2015 and entered into force on 4 November 2016
PAS 9980	Code of practice setting out a method for the completion of a Fire Risk Appraisal of External Wall construction
PBT	Profit before tax
PEFC	The Programme for the Endorsement of Forest Certification
PRS	Private rented sector
PwC	PricewaterhouseCoopers LLP
RCF	Revolving Credit Facility
REGO	Renewable Energy Guarantees of Origin
RIs	Reportable Items - defects found during NHBC inspections
ROCE	Return on capital employed calculated as described on page 210
RPDT	Residential Property Developer Tax

Glossary continued

RSPB	Royal Society for the Protection of Birds
SAP	Standard Assessment Procedure -quantifies a dwelling's energy use per unit floor area
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets Initiative
SDLT	Stamp Duty Land Tax
SECR	Streamlined Energy and Carbon Reporting
Sharesave	Savings-Related Share Option Scheme
SHE	Safety, Health and Environment
Site ROCE	Site operating profit (site trading profit less allocated administrative overheads) divided by average investment in site land and work in progress
SONIA	Sterling Overnight Interest Average
SUDS	Sustainable Urban Drainage Systems
TCFD	Task Force for Climate-related Financial Disclosures
tCO_2e	Tonnes of carbon dioxide equivalent
the Barratt group	Barratt Developments PLC and its subsidiary undertakings prior to the acquisition of Redrow plc
the Combination	The acquisition of Redrow plc by Barratt Developments PLC and, subject to CMA approval, the integration of the Redrow and Barratt businesses
the combined group	The new group of companies comprising the Barratt group as defined above, and Redrow plc and its subsidiaries
the Company	Barratt Developments PLC
the Group	Barratt Developments PLC and its subsidiary undertakings as at 30 June 2024
Total completions	Unless otherwise stated, total completions quoted include JVs
Total indebtedness	Net (cash)/debt and land payables
TSR	Total shareholder return
Underlying ROCE	ROCE as defined on page 210, with net assets also adjusted for land payables as shown on page 211
UN SDGs	United Nations Sustainable Development Goals
USPP	US Private Placement
VAT	Value Added Tax
WIP	Work in progress

Integrated reporting approach

Reporting approach

Our integrated report is primarily prepared for our shareholders; however, through our activities we create value for a range of other stakeholders.

Reporting frameworks

Our integrated reporting is guided by various codes and standards outlined in the table here.

Report scope and boundary

Our Integrated Report covers the performance of Barratt Developments PLC for the financial year ended June 2024.

The report extends beyond financial reporting and includes non-financial performance, opportunities and risks that may have a significant influence on our ability to create value.

Integrated reporting framework

The primary purpose of an integrated report is to explain to providers of financial capital how an organisation creates value over time. An integrated report benefits all interested stakeholders including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers.

The IIRC's vision is to align capital allocation and corporate behaviour to wider goals of financial stability and sustainable development through the cycle of integrated reporting and thinking.

Sustainability frameworks

Framework

The International Integrated Reporting Council's Integrated Reporting

Purpose

Framework that is focused on articulating the value creation of an entity over time.

Framework

United Nations Sustainable Development Goals

Purpose

Outward-looking framework that covers the areas of the UN's 2030 Agenda focused on people, planet and prosperity.

The 17 UN SDGs define global sustainable development priorities and aspirations for 2030 and seek to mobilise global efforts around a common set of goals and targets.

The UN SDGs call for worldwide action among governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet. The UN SDGs were launched in 2015 by the UN.

Framework

Task Force on Climate-related Financial Disclosures (TCFD) recommendations

Purpose

Recommendations for disclosing clear, comparable and consistent information about the risks and opportunities presented by climate change.

Our primary disclosures aligning with TCFD recommendations as we continue on our journey towards full alignment, are made through the CDP Climate survey, which we submit on an annual basis. In 2018 the CDP Climate Survey format was aligned to TCFD recommendations. Other TCFD related disclosures can be found within the content of this integrated report, and on the sustainability section of our corporate website.

Legal requirements

Framework

International Financial Reporting Standards (IFRS)

Purpose

Global framework for how companies prepare and disclose their financial statements.

Framework

Companies Act 2006

Purpose

Company law in the UK.

Framework

UK Corporate Governance Code

Purpose

The standards of good practice for listed companies on board composition and development, remuneration, shareholder relations, accountability and audit.

Framework

Streamline Energy and Carbon Reporting (SECR)

Purpose

Disclosures required by the UK Government on a company's energy consumption and greenhouse gas emissions.

Group advisers and Company information

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Statutory auditor
Deloitte LLP
London

Solicitors
Slaughter and May
Linklaters LLP

Brokers and investment bankers
UBS AG and Barclays Bank plc

Registered office

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Company information
Registered in England and Wales.

Company number 00604574

Financial calendar

Announcement	
2024 Annual General Meeting and Trading update	23 October 2024
2025 Interim Results Announcement	12 February 2025
2025 Annual Results Announcement	17 September 2025

Notes

Notes

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