12 February 2025

BARRATT REDROW plc

Half year results for the period ended 29 December 2024

Solid customer demand; strongly positioned for future growth

Commenting on the interim results David Thomas, Chief Executive of Barratt Redrow plc said:

I am pleased with the performance we have achieved in the first half of the year, continuing to deliver outstanding homes to customers across the country and further building on our unrivalled reputation for quality, service and sustainability. The integration of Redrow is progressing well and we are on track to deliver at least £100m of cost synergies, £10m ahead of the original target.

As the economic, political and lending environments have stabilised, there has been some recovery in customer demand and we have seen solid reservation activity since the start of January, building a strong forward sales position. As a result, we now expect our full year adjusted profit before tax will be towards the upper end of market expectations.

Whilst the housing market remains sensitive to the wider economy and mortgage rates and availability, there remains a significant shortage of homes in the UK. With our scale and track record of delivery, Barratt Redrow is uniquely well-positioned to meet this underlying demand and drive continued growth for the benefit of all stakeholders.

£m unless otherwise stated [1, 2]	**Half year ended 29 December 2024**	**Impact of purchase price allocation ('PPA')**	**Half year ended 29 December 2024 before PPA**	**Half year ended 31 December 2023**[R]	**Variance vs HY24**
Total home completions [3]	6,846	-	6,846	6,171	10.9%
Revenue	2,280.8	-	2,280.8	1,850.8	23.2%
Alternative performance measures:[4]					
Adjusted gross profit	338.7	47.9	386.6	295.9	14.5%
Adjusted profit before tax	167.1	50.4	217.5	157.1	6.4%
Adjusted gross margin	14.9%	210 bps	17.0%	16.0%	(110 bps)
Adjusted operating margin	7.2%	210 bps	9.3%	8.4%	(120 bps)
Adjusted basic earnings per share	9.3p	2.7p	12.0p	11.8p	(21.2%)
Statutory performance measures:					
Gross profit	338.7			238.5	42.0%
Profit before tax	117.2			95.2	23.1%
Gross margin	14.9%			12.9%	200 bps
Operating margin	5.0%			5.3%	(30 bps)
Basic earnings per share	5.8p			7.1p	(18.3%)
ROCE	8.1%			12.8%	(470 bps)
Net cash	458.9			753.4	(39.1%)
Interim dividend per share	5.5p			4.4p	25.0%
Tangible net asset value per share	438p			451p	(2.9%)

Notes:
1 Refer to Glossary for definition of key financial metrics.
R = Reported and denotes a Barratt Developments PLC group ("Barratt Group") reported metric based on the reported performance of the Barratt Group in the comparable reporting period.
A = Aggregated and denotes an aggregated metric based on the reported performance of the Barratt Group in the comparable reporting period 1 July 2023 to 31 December 2023 and includes the performance of the legacy Redrow plc group ("Redrow Group") from 24 August 2023 to 31 December 2023, the equivalent period of ownership, to provide comparability on operational and financial performance. Redrow Group data is based on Redrow plc's standalone accounting policies and therefore excludes any impact of policy alignments made since the acquisition. Aggregated adjusted measures are also presented, prepared on the same basis. The aggregated value comparatives have not been audited or reviewed by Barratt Redrow plc's auditors.
2 Unless otherwise stated, all numbers quoted exclude JVs.
3 Including JVs in which the Group has an interest.
4 In addition to the Group using a variety of statutory performance measures, alternative performance measures (APMs) are also used. Definitions of APMs and reconciliations to the equivalent statutory measures are detailed in the Glossary and Definitions. In this period, new APMs have been introduced to allow for the assessment of the performance of the combined Group, before the impact of PPA adjustments. Net cash definition is included in Note 13.
5 Bloomberg consensus for FY25 adjusted profit before tax on 11 February 2025 was £542m with a range of £506m to £588m, excluding the impact of purchase price adjustments.

Financial highlights

- Good operational performance, delivering 6,846 total home completions[3] (HY24: 6,171[R] and 7,777[A]), with adjusted profit before tax at £167.1m (HY24: £157.1m[R] and £248.8m[A]) after purchase price allocation ("PPA") adjustments of £50.4m.
- Net private weekly reservation rate up 33% to 0.60 compared to 0.45[A] aggregated performance for Barratt and Redrow in the comparable period (HY24: 0.48[R]).
- Redrow integration progressing well with nine divisional office closures completed or announced across both businesses and wider integration programme now on track to deliver £100m of cost synergies.
- Adjusted items relating to Redrow transaction and integration costs totalled £49.9m (HY24: £nil[R]) with no incremental building safety remediation costs charged in the half (HY24: £61.9m[R]), resulting in reported profit before tax of £117.2m (HY24: £95.2m[R]).
- Balance sheet remains strong with net cash of £458.9m (31 December 2023: £753.4m[R] and £874.4m[A]), after payment of the FY24 final dividend of £170.5m across the combined shareholder base in November (FY23 final dividend: £228.0m[R]) and incremental investment in land and work in progress of £332m.
- Interim ordinary dividend increased by 25% to 5.5p (HY24: 4.4p[R]) reflecting planned FY25 1.75 times adjusted earnings cover, before the impact of PPA adjustments. This includes four months' contribution of Redrow profits.
- Full year adjusted profit before tax, before the impact of PPA adjustments, is now expected to be at the upper end of market expectations[5].

Operational highlights

- Redrow integration progressing well with key functions such as Safety, Health and Environment and IT already under single leadership.
- Continued industry leadership on quality, customer satisfaction and sustainability:
    - 111 NHBC Pride in the Job Awards across the combined Group, consistently ahead of any other housebuilder for 20 years;
    - Rated '5 Stars' by our customers in the HBF customer satisfaction survey – Barratt & David Wilson for 15 years in a row and Redrow for the last 6 years consecutively; and
    - Barratt recognised as the leading national sustainable housebuilder by NextGeneration for the eleventh consecutive year and Redrow the highest ranked non-member in 2024.
- Important new joint ventures established with the launch of:
    - The MADE Partnership with Homes England and Lloyds Banking Group; and
    - The West London Partnership with Places for London, the property arm of Transport for London, encompassing the development of more than 4,000 homes in the coming decade in West London.

Strategic update

- Following the acquisition of Redrow, we are updating our medium term guidance and targets for the combined group.
- We expect to deliver c. 22,000 homes per annum in the medium term, with operating margin recovering to c. 15% and return on capital employed (including land creditors) to c. 20%.
- As previously announced, our land acquisition hurdle requirements will be gross margin of 23% (and 24% following delivery of procurement synergies) and return on capital employed of 25%.
- As the growth of the business generates significant free cash flow in the medium term, we are refining our approach to capital allocation, in particular, returns to our shareholders:
    - Initiating an ongoing share buyback programme which will return £100m per annum and will begin with a £50m buyback in the second half of this financial year.
    - Refining our dividend cover from 1.75x to 2.0x adjusted earnings (before the impact of PPA adjustments) from FY26.

Current trading and outlook

- Our net private weekly reservation rate from 30 December 2024 to 2 February 2025 was 0.60 (2024: 0.60[A]), with no private rental sector or other multi-unit sales (2024: 0.03[A]).
- Forward sales[3] as at 2 February 2025 were 10,903 homes (4 February 2024: 11,460[A]) at a value of £3,350.3m (4 February 2024: £3,135.2m[A]) with 7,702 homes of these total forward sales either exchanged or contracted (4 February 2024: 8,524[A]).
- Whilst our full year out-turn remains dependent on how the market evolves through the Spring selling season, based on solid reservation activity since the start of January, we expect to deliver total home completions of between 16,800 and 17,200 in FY25 (including c. 600 JV completions).

Note on forward looking statements

Certain statements in this announcement may be forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Accordingly undue reliance should not be placed on forward looking statements. Unless otherwise required by applicable law, regulation or accounting standards, the Group does not undertake to update or revise any forward looking statements, whether as a result of new information, future developments or otherwise.

There will be a results meeting at UBS, 5 Broadgate, London, EC2M 2AT at 8.30am today followed by a Capital Markets Update commencing at 10.00am.

The results presentation will also be webcast live with the Q&A. Please register and access the webcast using the following link:

Barratt Redrow plc FY25 Interim Results: Broadcaster Audience

The Capital Markets Update will also be webcast live with the Q&A. Please register and access the webcast using the following link:

Barratt Redrow plc Capital Markets Update: Broadcaster Audience

An archived version of the results webcast as well as the Capital Markets Update will also be available on our website later this afternoon and further copies of this announcement can be downloaded from the Barratt Redrow plc corporate website at **www.barrattredrow.co.uk** or by request from the Company Secretary's office at: Barratt Redrow plc, Barratt Redrow House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF.

For further information, please contact:

Analyst / investor enquiries
Mike Scott, Chief Financial Officer 01530 278 278
John Messenger, Group Investor Relations Director 07867 201 763

Media enquiries
Tim Collins, Group Corporate Affairs Director 01530 278 278

Brunswick
Jonathan Glass / Rosie Oddy 020 7404 5959

Barratt Redrow plc LEI: 2138006R85VEOF5YNK29

The Group’s next scheduled announcement will be a trading update on Wednesday 16 April 2025.

Chief Executive's Statement

Overview

We have delivered a good operating performance for the six months to 29 December 2024, supported by the commitment and efforts of our employees, sub-contractors and supply chain partners across the enlarged business.

The economic and political backdrop was more stable during the first half with a less volatile mortgage lending environment resulting in a recovery in customer demand, however affordability challenges remain an issue for many home buyers and are particularly notable for first time buyers.

- Total home completions were 6,846 (HY24: 6,171[R] and 7,777[A]).
- We delivered adjusted gross profit of £338.7m (HY24: £295.9m[R] and £423.1m[A]) and an adjusted gross margin of 14.9% (HY24: 16.0%[R] and 17.0%[A]). The reduced gross margin profitability partly reflected the underlying reduction in homes completed and the operational gearing impact of lower completion volumes. It also included an adverse purchase price allocation ('PPA') impact of £47.9m, as fair value adjustments to Redrow's land and work in progress began to unwind through the income statement.
- Adjusted gross profit before the impact of PPA adjustments was £386.6m (HY24: £295.9m[R] and £423.1m[A]) and adjusted gross margin before the impact of PPA was 17.0% (HY24: 16.0%[R] and 17.0%[A]).
- Adjusted gross profit is also reported after the impact of accounting policy alignment which reduced gross profit by £14.3m (HY24: £nil).
- We delivered an adjusted operating profit of £163.9m (HY24: £155.2m[R] and £248.4m[A]) and an adjusted operating margin of 7.2% (HY24: 8.4%[R] and 10.0%[A]). Adjusted operating profit decreased due to PPA adjustments of £47.9m.
- We generated an adjusted profit before tax of £167.1m (HY24: £157.1m[R] and £248.8m[A]). This included a decrease in profit due to PPA adjustments of £50.4m.
- Reported profit before tax was £117.2m (HY24: £95.2m[R] and £186.9m[A]).
- Our balance sheet strength has been maintained with half year end net cash of £458.9m (HY24: £753.4m[R] and £874.4m[A] after dividend payments of £170.5m (HY24: £228.0m[R]), £46.2m incremental land investment (HY24: £23.6m[R] net reduction) and the typical seasonal investment in work in progress.
- ROCE reduced by 470 bps to 8.1% (HY24: 12.8%[R]), primarily due to reduced profitability.

Redrow integration

Since receiving Competition and Markets Authority ("CMA") clearance on 4 October 2024, our joint integration team has made good progress in bringing the two businesses together.

Certain functions such as Safety, Health and Environment and IT have been brought under single leadership and our plans for full integration of the remaining functions are well developed, and all business functions and divisions will soon have a unified management structure.

Having reviewed the appropriate organisational structure for the Group over the medium term, we have already closed five divisional offices across both businesses with plans to close a further four divisional offices, which, if confirmed, will result in Barratt Redrow operating from 32 divisions across the country with the capacity to deliver 22,000 homes per annum in the medium term.

Integration and synergy planning across our procurement and head office functions is also progressing well and the initial phase of each of these programmes is currently being implemented, including the opening of a new Finance Shared Service Centre.

Given the progress made to date across the programme and our visibility of the pipeline of future opportunities, we now expect to be able to deliver transaction synergies of at least £100m over the three years from CMA clearance, an increase of £10m on the £90m expected when the transaction was announced in February 2024.

Keeping people safe

As always, we are committed to achieving the highest industry health and safety standards to provide a safe working environment for all of our employees and subcontractors.

In the 12 months to 29 December 2024, reflecting concerted campaigns to highlight health and safety issues and drive improved behaviours, the Barratt operations' IIR reduced to 292 (2023: 305) per 100,000 workers. Barratt operations SHE audit compliance also remained strong at 97% (2023: 97%). In the 12 months to 31 December 2024 Redrow's operations delivered a significantly reduced IIR at 326 (2023: 370).

Looking forward as an enlarged group, with the added capability to share experience and best practice with Redrow, we are focussed on further improving our site-based processes and procedures, challenging unsafe behaviours across our sites and production facilities and looking at ways we can minimise injuries and accidents.

Building sustainably

Following the combination with Redrow, we will maintain our position as the leading national sustainable housebuilder. In October 2024, the SBTi validated our refreshed net zero targets, demonstrating our ongoing commitment to achieving net zero greenhouse gas emissions by 2040. Redrow also has validated targets, and we have started the work to set new targets for the combined Group.

In the housebuilding industry's NextGeneration awards, Barratt maintained its position as the 'Leading National Sustainable Housebuilder', receiving the "Gold Award" for the eleventh consecutive year, as well as the "Crystal Award" for transparency.

The eHome2, within the Energy House 2.0 chamber at Salford University, continues to provide important data on the real-world performance of the construction methods and technologies which may be incorporated in our homes of the future. This research is providing invaluable performance data not only for our teams but also for our suppliers helping them to drive improvements and new product development. Further information on the most recent heating system test results from eHome2 can be found here:

https://www.barrattdevelopments.co.uk/~/media/Files/B/Barratt-Developments/documents/Barratt%20Redrow_eHome2_Heating%20Systems%20Report.pdf

Our customers

Our industry leadership in quality and customer service is fundamental to our success with both Barratt and Redrow being consistently awarded the maximum 5 Star rating by our customers in the HBF customer satisfaction survey – with Barratt and Redrow achieving this for the last 15 and 6 consecutive years respectively. Our site and sales teams are committed to delivering for our customers throughout their journey and benefit from ongoing training programmes delivered throughout the year.

We constantly strive to improve the design and space of our homes to meet customers' desires and expectations. In addition, we are continually looking at ways to increase the water and energy efficiency of our homes to help unlock lower lifetime housing costs for our customers. In FY24 99% of our home completions were EPC rated 'B' or above, a level of energy efficiency shared by just 3.4%[6] of the existing housing stock.

Given the ongoing affordability challenges, we continue to help our customers to access attractive mortgage products and work with mortgage lenders to ensure that the products they offer newbuild home buyers are attractive and suitable. We continue to work with lenders to encourage more "green mortgages" which reflect the lower running costs and resilience of newbuild homes.

Our people

Our second 2024 Barratt standalone employee engagement pulse survey was completed in October 2024. This pulse survey delivered a good engagement score of 80.2% which was a 130 basis point improvement from April 2024's pulse survey and 530 basis points ahead of the survey in September 2023. At a time of significant change and uncertainty, this is a particularly positive result.

We continue to operate as an accredited real 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.

With the industry facing a longstanding skills shortage it remains important to attract and retain the best people. We continue to run numerous award-winning schemes including those for graduates, apprentices and former Armed Forces personnel. Our partnership with The School Outreach Company recently won the Personnel Today 'Innovation in Recruitment' award which recognises "initiatives and strategies that boost the talent pipeline and strengthen retention and candidate experience".

We have four Degree Apprenticeships delivered in partnership with Sheffield Hallam University, encompassing Construction, Quantity Surveying, Technical Design, and Real Estate. During the half, 25 of our degree apprentices completed their academic qualifications and, since inception, our degree apprenticeship programme has seen 84 employees graduate with BSc (Honours). We had 558 employees on our development programmes at 29 December 2024 across the enlarged group (31 December 2023: 414[R]).

Our land position

During the half, we approved new land acquisitions totalling 7,727 plots (HY24: net cancellation of 254[R] plots). Our land teams have also had notable planning successes which have included:

- 1,000 homes securing outline planning consent at Darwin Green in Cambridgeshire, following a decision from the Secretary of State for Housing, Communities and Local Government; and,
- Planning approval secured on six strategic land developments, securing outline consents for more than 2,000 new homes.

In addition, Barratt London launched the West London Partnership with Places for London, the property arm of Transport for London. The West London Partnership is Places for London's largest partnership to date and will operate across West London, including in the London Boroughs of Barnet and Ealing, unlocking 60 acres of underutilised land, all with excellent transport connections and with the aim of delivering more than 4,000 homes over the next decade.

We also announced the creation of the MADE Partnership, a joint venture with Homes England and Lloyds Banking Group. The MADE Partnership will act as master developer for multiple large-scale, residential-led developments consisting of 1,000 to more than 10,000 homes and a variety of community facilities and employment uses. Since it launched, MADE Partnership has already secured its first master development with Tameside Council to deliver Godley Green Garden Village which will include more than 2,000 homes. MADE Partnership and Tameside Council are now working to prepare a comprehensive master development strategy for the development with the aim of starting on site in early 2026.

Our build performance

Throughout calendar year 2024, Barratt once again maintained its industry leadership position amongst the major housebuilders, with the Group registering the lowest Reportable Items (RIs) per NHBC inspection[7] at 0.12 (2023: 0.14[R]). Over the comparable period Redrow's operations registered 0.24 RIs per inspection, a considerable improvement on the previous year's 0.31 RIs per inspection. The Group will also look to ensure best practices are adopted across all build activity within the enlarged Group.

Our build quality also continues to be recognised through the NHBC Pride in the Job Awards for site management. Our site teams' success in the most recent judging period was recognised in June 2024, where site managers across the Barratt operations secured 89 awards, more than any other housebuilder for the 20th consecutive year, while Redrow's site managers, judged across fewer sites, secured 22 awards. Over the past two decades no other housebuilder has experienced this level of recognition for site standards and build quality which reflects our uncompromising approach to build quality.

We continue to grow the number of homes we build using Modern Methods of Construction (MMC). The adoption of MMC, most notably timber frame construction, increases efficiency, reduces both embodied carbon and waste and helps to mitigate the long-term challenges posed by the shortage of skilled workers across the industry. Across the Barratt operations, we completed 38.9% of our homes (HY24: 35.2%[R]) using MMC in the first half.

Our site teams across the country successfully managed construction activity during the half with increased build activity across our ongoing sites more than offsetting the reduction in sales outlets. During the first half, Barratt operations delivered 252 build equivalent homes per week, in line with the 251 equivalent homes built each week in HY24 and Redrow's operations delivered 71 build equivalent homes per week, slightly lower than the 75 equivalent homes built each week in HY24.

We anticipate that construction activity will increase during the second half of FY25 due to both the normal seasonal uplift in activity, reflecting the typically stronger reservation activity and longer site working hours available, as well as the increased investment in sales outlet openings planned across the Barratt Redrow operations over the coming months.

Responsible development

Fire safety and external wall systems

During the half, no issues were identified which required an increase in the fire safety and external wall provision with the total expected cost of remediation remaining within the Group's estimates, with a provision of £798.1m as at 29 December 2024 (30 June 2024: £628.1m[R]).

Within the Group's provision, as part of the acquisition fair value exercise, Redrow's fire safety provision was increased by £39.3m to £184.3m, reflecting the recognition of certain contingent liabilities which would not have met the threshold for provision on a standalone basis.

We continue to make progress through the portfolio of buildings covered under the Building Safety Self Remediation Terms across both the Barratt and Redrow legacy property portfolios. During the half year, through inspections and testing, or contact from building owners regarding potential issues, we identified a net further 14 buildings potentially requiring remedial works, including one in the Redrow portfolio, (HY24: 18[R] buildings) and 12 buildings were completed or assessed as needing no remediation (HY24: 4[R] buildings).

Around 64% of the Barratt portfolio have been assessed under the Fire Risk Assessment of External Walls and have an appropriate PAS 9980 assessment in place, and 27 of the 28 buildings in Redrow's active portfolio have been assessed under the Fire Risk Assessment of External Walls and have an appropriate PAS 9980 assessment in place.

Across the combined portfolio of 291 buildings under review, 193 buildings where at tender or site mobilisation, or were in the process of being remediated (30 June 2024: 262[R] buildings, of which 137[R] buildings were at tender or site mobilisation, or were in the process of being remediated).

In November 2024, an investigation by the Institution of Fire Engineers concluded that one of its members had failed to maintain professional standards and terminated his membership. The firm at which the individual worked has provided fire risk assessments on a number of buildings which the Group has developed. We are currently evaluating whether this matter has any impact on the assessment of those buildings.

The Group signed the Scottish Government's Safer Building Accord, on 31 May 2023 and the industry continues to work with the Scottish Government to finalise the required standard of remediation in Scotland.

Reinforced concrete frames

Our remediation activities with respect to reinforced concrete frame design and construction continued during the half year with legacy developments proceeding in line with remediation plans, and no additional provision was required. The provision in respect of reinforced concrete frame design and construction of £87.1m as at 29 December 2024 (30 June 2024: £102.2m[R]) reflects our current best estimate of the extent and future costs in respect of remediation work required.

Further details on our approach to building safety can be viewed on our website at:

https://www.barrattdevelopments.co.uk/about-us/our-approach-to-building-safety.

Charitable giving

In FY24, we donated £6.4m (FY23 £6.3m) to charitable causes through the Barratt Foundation and employee fundraising.

During the first half of FY25, the Barratt Foundation pledged more than £2m in grants to new and existing Charity Partners. Notable in the half, the Foundation:

- Donated £100,000 to the “A place to call home” campaign, with Comic Relief and The Evening Standard, targeting support for children and families facing food insecurity and homelessness.
- Donated £48,000 in December to more than thirty deserving charities, through the Winter Support Fund, helping them navigate the most challenging winter period.
- Renewed its partnership with the Outward Bound Trust, committing funding of £1m over three years;
- Launched a new partnership with OnSide, a national youth charity with a growing a state-of-the-art network of youth centres (called Youth Zones) across the country, with a donation of £300,000;
- Renewed its partnership with Cleanup UK, committing funding of £75,000 over three years. This follows the hugely successful first national volunteering campaign in 2024 and will support the delivery and growth of the Barratt Redrow Cleanup in 2025, 2026 and 2027.

The Barratt Foundation’s charitable giving programmes will be rolled out to Redrow colleagues with the Foundation excited to share a broader range of volunteering and fundraising activities to colleagues across the group’s enlarged operations.

Board changes

On 4 October 2024, we were delighted to welcome, as planned, three members of the Redrow plc Board to the Barratt Redrow plc Board. Matthew Pratt was appointed to the position of Chief Executive Officer, Redrow and Group Executive Director, and Geeta Nanda and Nicky Dulieu, were both appointed as Non-Executive Directors of Barratt Redrow plc.

The Board will continue to assess its own composition and that of its Committees. It will also consider the requirements of the Hampton Alexander and the Parker and McGregor-Smith reviews throughout this process.

Reporting dates

The Group has, following the acquisition of Redrow plc moved to a 52-week reporting cycle. As a result of this change in reporting cycle we are reporting interim results for the 26 weeks to 29 December 2024. Our FY25 full year results will be reported to 29 June 2025.

Our financial performance

Reservation performance

Our net private weekly reservation rate was up 33% to 0.60 compared to 0.45[A] like for like aggregated performance for Barratt and Redrow in the comparable period. This improvement reflected a more stable economic and political backdrop during the first half, as well as a less volatile mortgage lending environment. Customer demand, whilst remaining highly sensitive to mortgage rates, benefited from relative mortgage rate stability, in sharp contrast to the more challenging interest rate movements during the first quarter of FY24.

	Half year ended 29 December 2024	**Barratt and Redrow aggregated[A] (1) Half year ended 31 December 2023**	**Change %**	**Half year ended 31 December 2023[R] (2)**
Average net private reservations per active outlet per week				
Wholly owned	**0.60**	**0.45**	**33.3%**	**0.48**
- Of which PRS and other MUS	0.06	0.05	20.0%	0.06
JV	0.80	0.78	2.6%	0.78
Total	**0.61**	**0.46**	**32.6%**	**0.49**
Average active sales outlets				
Wholly owned	**387**	**440**	**(12.0%)**	**358**
JV	10	9	11.1%	9
Total	**397**	**449**	**(11.6%)**	**367**
Private forward sales roll (homes)				
30-June	**3,386**	**3,884**	**(12.8%)**	**3,884**
Reservations	1,152	1,139	1.1%	1,139
Completions	(568)	(572)	(0.7%)	(572)
21/23 August	**3,970**	**4,451**	**(10.8%)**	**4,451**
Redrow acquired order book	1,358	1,384	(1.9%)	
Reservations	4,909	4,145	18.4%	3,363
Completions	(4,941)	(5,303)	(6.8%)	(4,208)
29/31 December	**5,296**	**4,677**	**13.2%**	**3,606**

(1) Barratt and Redrow included from 24 August 2023
(2) Barratt as reported in prior period, HY24, from 1 July 2023 through 31 December 2023

In the half year, we operated from an average of 397 active sales outlets, including JVs, a decrease of 11.6% on the 449 aggregate prior half year average outlets but in line with our guidance at the start of the year. We launched 42 new sales outlets in the half, including JVs, and we continue to anticipate average sales outlets will begin to recover in the fourth quarter of FY25 and throughout FY26. At 29 December 2024, we were operating from 426 active sales outlets. We continue to expect that average active sales outlets, including JVs, for the full year will be c. 9% lower than the 443 aggregate average outlets in FY24 for the combined group.

Forward order book	**29 December 2024**		**Barratt and Redrow aggregated[A] 31 December 2023**		**Change %**	
	£m	Homes	£m	Homes	£m	Homes
Private	2,131.3	5,296	1,764.6	4,677	20.8%	13.2%
Affordable	735.9	4,384	942.0	5,648	(21.9%)	(22.4%)
Wholly owned	**2,867.2**	**9,680**	**2,706.6**	**10,325**	**5.9%**	**(6.2%)**
JV	151.2	396	160.0	453	(5.5%)	(12.6%)
Total	**3,018.4**	**10,076**	**2,866.6**	**10,778**	**5.3%**	**(6.5%)**

Reflecting the reduction in average sales outlets, notwithstanding the stronger reservation rate experienced in the half, total forward sales (including JVs) as at 29 December 2024 reduced by 6.5% to 10,076 homes. The total value of the order book (including JVs) as of 29 December 2024 has increased by 5.3% to £3,018.4m reflecting a recovery in the private order book up 13% from 4,677 homes to 5,296 homes at 29 December 2024, with the private order book value, at £2.1bn, up almost 21% on the prior year's £1.8bn.

Meanwhile, in the affordable housing market, reflecting both challenging market conditions for affordable housing providers, as well as the slowdown in affordable housing tenders with the decline in average sales outlets, the enlarged group's affordable order book reduced by around 22% on the prior year to 4,384 homes with a value of £735.9m.

Home completions

The Group's completion mix by both volume and average sales price (ASP), are detailed in the following table comparing completions and ASPs in HY25 to the aggregated results in HY24. Barratt's performance as reported for HY24 is also included for reference.

	Half year ended 29 December 2024	**Barratt and Redrow aggregated[A] [(1)] Half year ended 31 December 2023**	**Change (%)**	**Half year ended 31 December 2023[R] [(2)]**
Home completions (units)				
Underlying Private	5,090	5,103	(0.3%)	4,008
PRS	272	481	(43.5%)	481
Other MUS	147	291	(49.5%)	291
Total private	**5,509**	**5,875**	**(6.2%)**	**4,780**
Affordable	1,065	1,712	(37.8%)	1,201
Wholly owned	**6,574**	**7,587**	**(13.4%)**	**5,981**
% Affordable	*16.2%*	*22.6%*	*(640 bps)*	*20.1%*
JV	272	190	43.2%	190
Total	**6,846**	**7,777**	**(12.0%)**	**6,171**
ASP (£'000)				
Underlying Private	378.3	383.9	(1.5%)	357.8
PRS	282.4	273.2	3.4%	273.2
Other MUS	286.9	278.1	3.2%	278.1
Total private	**371.1**	**369.6**	**0.4%**	**344.4**
Affordable	178.4	179.0	(0.3%)	160.8
Wholly owned	**339.9**	**326.6**	**4.1%**	**307.6**
JV	353.9	353.9	-	353.9

(1) Barratt and Redrow included from 24 August 2023 based on the individual accounting policies of Barratt and Redrow.
(2) Barratt as reported in prior HY24 from 1 July 2023 to 31 December 2023

The combined Group delivered 6,846 total home completions (including JVs of 272 (HY24: 190[R]), a decline of 12% on the aggregated 7,777 home completions in HY24. The decline in total home completions in the period reflected a relatively limited, 6.2%, decline in private home completions but a more significant 37.8% decline in affordable home completions.

The modest decline in private home completions mainly reflected the size of the opening forward order book and lower sales outlets in the half, partially offset by improved reservation rates. The decline in affordable completions was in line with our expectations given the reduced affordable order book entering the new financial year, reflecting both challenging market conditions for affordable housing providers as well as the slowdown in affordable housing tenders with the decline in average sales outlets.

Our underlying private ASP decreased by 1.5% to £378.3k (HY24: £383.9k[A] and £357.8k[R]). We saw broadly flat pricing across the combined Group as a whole (HY24: 2.7%[R] underlying price decline) with site mix changes and a lower proportion of delivery from London impacting the overall ASP movement.

The total private ASP including PRS and multi-unit sales increased by 0.4% to £371.1k (HY24: £369.6k[A] and £344.4k[R]). The affordable ASP reduced by 0.3% to £178.4k (HY24: £179.0k[A] and £160.8k[R]), a function of lower proportional delivery from London and modest changes in site mix.

Reflecting all of the mix movements, the Group's total wholly owned ASP was 4.1% higher on an aggregated comparable basis at £339.9k and 10.5% ahead of the Barratt reported ASP in HY24 (HY24: £326.6k[A] and £307.6k[R]).

Acquisition of Redrow plc

The Group completed the acquisition of Redrow plc on 21 August 2024. The fair value of the consideration paid of £2,528.9m included a premium of £469.1m to the book value of the net assets of the Redrow Group at the date of completion. As required by IFRS 3 *Business Combinations,* the identifiable assets and liabilities of Redrow have been recognised on the Group Balance Sheet at their fair value at the acquisition date. The values are provisional as at the half year. The £259.0m excess of the consideration over the net assets acquired is recorded as goodwill.

The fair value adjustments to the Redrow book value of assets and liabilities, after reclassification of balances to align with their presentation in the Barratt Group financial statements, are shown below:

Redrow plc – fair value adjustments £m	**Explanatory note**	**Fair value adjustment £m**
Inventories		
- Land options	1(a)	71.8
- Land not in development	1(b)	(60.5)
- Land and work in progress in development	1(c)	93.0
Inventories - total		**104.3**
Provisions		
Building safety provisions	2(a)	(39.3)
Completed development provisions	2(b)	(7.2)
Intangible assets		
Brand	3(a)	231.8
Customer order book	3(b)	4.1
Other adjustments		5.5
Deferred tax on adjustments above	4	(89.1)
Goodwill	5	259.0
Total premium allocated		**469.1**

Explanatory notes

1. The market value of land options on which planning has progressed; land not in development; and, land and work in progress in development have been adjusted to fair value.
   (a) In relation to land options held by Redrow, progress on planning has resulted in an increase in their carrying value of £71.8m.
   (b) Land not yet under development has been adjusted to reflect recent market conditions, resulting in a reduction in carrying value of £60.5m.
   (c) Land and work in progress in development has been valued to reflect its current stage of development. This resulted in an increase in carrying value of £93.0m.
2. Redrow's provisions have been adjusted to fair value.
   (a) Redrow legacy property provisions have been increased, largely reflecting the requirement under IFRS 3 to bring contingent liabilities onto the balance sheet. After the impact of discounting was also reflected, there was a net £39.3m increase in the provision.
   (b) The re-appraisal of the Redrow completed development provision resulted in a £7.2m increase in the provision.
3. In relation to intangible asset recognition.
   (a) The fair value of the Redrow brand is £231.8m and based on the assumption that the brand will be maintained into the future, the brand will not be amortised.
   (b) The Redrow order book had a fair value uplift of £4.1m reflecting the embedded margin at the date of acquisition.

4. All adjustments are anticipated to be subject to the Group's effective tax rate at 29% and a deferred tax liability of £89.1m has been recognised in the balance sheet at acquisition and will be released as these various PPA adjustments impact the income statement over the coming years.

5. The remaining balance of the premium to net asset value of £259.0m has been recognised as goodwill.

We expect these fair value adjustments to largely unwind through the income statement over a period of up to 24 months from the balance sheet date. The reduction in reported operating profit is estimated to be between £80m and £90m in FY25 and £10m and £20m in FY26 with no further material impacts on operating profit expected in subsequent years. In HY25, the reduction in reported profit before tax was £50.4m.

In addition to the fair value adjustments above, the Redrow results for the period have been consolidated under Barratt Group accounting policies, in particular the recognition of development-wide costs to complete. This increased cost of sales in HY25 by £14.3m when compared to Redrow's previous accounting policies. In FY25, the total impact of the application of Group policies for Redrow is expected to be in the range of £25m to £30m**.**

Financial results

The enlarged group delivered adjusted gross profit of £338.7m compared to £295.9m from Barratt on a reported basis in HY24. We experienced a 110 basis point decline in adjusted gross margin in the half year. This reflected the impact of home completion volume gearing, with house prices and build costs broadly stable at a combined Group level, as well as the purchase price allocation and accounting policy alignment impacts on Redrow's adjusted gross profitability.

The purchase price allocation impact in the half year reduced adjusted gross profit by £47.9m with a further reduction of £14.3m in relation to the alignment of accounting policies. These adjustments along with the operational gearing impact of lower home completions in the half, resulted in an adjusted gross margin of 14.9% (HY24: 16.0%[R] and 17.0%[A]). There were no additional building safety remediation charges in the half through cost of sales (HY24: £57.4m[R] charge), resulting in reported gross profit of £338.7m and a reported gross margin of 14.9% (HY24: 12.9%[R] and 14.7%[A]).

Our forward sales at the start of the second half incorporated an estimated 1.1% underlying increase in sales prices, excluding multi-unit sales, on the position a year ago. During the first half, total build cost inflation recognised through the income statement was broadly flat as anticipated. As we continue to see limited movements in total build cost inflation, with current materials purchases and labour costs broadly stable on a year-on-year basis, our full year guidance remains unchanged, with total build cost inflation anticipated to be broadly flat in the income statement.

During the second half of FY25 we anticipate a proportionally higher share of home completions will improve fixed cost absorption supporting adjusted gross profitability. However, there will also continue to be an impact on the Group's reported performance from the unwind from purchase price adjustments. These are expected to reduce profit before tax by £35m to £45m in the second half.

Adjusted administrative costs in the half year increased to £175.7m (HY24: £140.9m[R] and £174.9m[A]) reflecting the impact of the Redrow combination, as well as annual payroll inflation but reduced headcount through our continuing recruitment freeze and lower IT development spend. We expect adjusted administrative expenses for FY25 will be c. £400m including intangible amortisation costs of c. £10m and cost synergies of c. £10m. Part exchange net income was £0.9m (HY24: £0.2m[R] income).

Adjusted operating profit increased to £163.9m (HY24: £155.2m[R] and £248.4m[A]) reflecting the inclusion of Redrow's activities but also reduced volume delivery given the lower order book at the start of FY25. Our adjusted operating profit margin reduced by 120 bps to 7.2% (HY24: 8.4%[R] and 10.0%[A]). The adjusted operating profit before the impact of PPA adjustments of £47.9m, was £211.8m and the operating profit margin before the impact of PPA adjustments was 9.3%.

To help the understanding of performance across the period in which Redrow was acquired, the following reconciliation is provided:

The Barratt standalone adjusted operating margin increased by 140 bps to 9.8% (HY24: 8.4%[R]). The change in the adjusted operating margin in the year reflected several impacts:

- **Completion volumes:** the decline in wholly owned completions of 11.8%, or 706 homes, created a 150 bps negative impact;
- **Net inflation:** modest sales price improvements, combined with stability of build cost inflation produced a 30 bps positive impact;
- **Completed developments provision:** after reflecting the increasingly extended time periods being experienced in relation to the adoption of roads and public space by local authorities on completed developments into FY24, modest changes to this provision in the year created a 60 bps positive margin impact;
- **Gladman:** the start of recovery in the land buying market drove increased activity and, as a result, a positive impact of 60 bps on the adjusted operating margin;
- **Mix and other items:** changes in sales mix, improved profitability on part exchange properties and a policy amendment in relation to land options drove the remaining 140 bps positive impact on the Barratt standalone adjusted operating margin.

The Redrow standalone adjusted operating margin, for the period post-acquisition, decreased by 660 bps in total to 7.9%, compared to 14.5% for the same period during HY24. However, within this movement, 250 bps relates to alignment of accounting policies post-acquisition. The remaining change of 410 bps was driven by the following impacts:

- **Completion volumes:** the decline in wholly owned completions of 19.1%, or 307 homes, created a 180 bps negative impact, broadly in line with Barratt standalone;
- **Net inflation:** whilst Redrow have also seen stability in build costs, sales prices saw deflation of c. 1.2% in the half equating to 100 bps negative margin impact;
- **Mix and other items:** changes in sales mix, and other movements drove the remaining 130 bps impact.

The combined Barratt Redrow adjusted operating margin was also affected by PPA adjustments of £47.9m, which impacted the combined adjusted operating profit margin by 210 bps.

We incurred adjusted item charges of £49.9m (HY24: £57.4m[R]) within reported operating profits, with no adjusted item charges in our joint ventures (HY24: £4.5m[R] adjusted charge). Adjusted items in the period included the remaining transaction costs, incurred by both Barratt and Redrow, including the associated Stamp Duty costs in relation to the acquisition of Redrow plc (£35.5m), and the initial restructuring costs to realise synergies of (£14.4m).

After adjusted items, the reported operating profit was £114.0m (HY24: £97.8m[R] and £191.0m[A]) and the operating margin for the half year was 5.0% (HY24: 5.3%[R] and 7.7%[A]).

Barratt Redrow received final CMA clearance for the combination on 4 October 2024. Given the time required to deliver on our commitments to consult with employees as part of any restructuring, there were no cost synergies delivered in the half year. Looking forward we expect to deliver c. £10m of cost synergies through our income statement in the second half and achieve an annual run-rate of savings of c. £26m at the end of FY25. We anticipate the run rate of savings will now total c.£65m at the end of FY26, with the full run rate achieved by the end of HY28.

Net finance charges were above the prior period at £5.2m (HY24: £2.6m[R]). This reflected a continuing but lower benefit from interest received on cash on deposit, with finance income at £22.7m (HY24: £24.0m[R]). The cash related finance income in the half was £17.4m (HY24: £19.0m[R] income), with non-cash charges of £22.6m (HY24: £21.6m[R]).

The non-cash finance charges reflected the increase in legacy property provisions at the start of the financial year, the additional provisions inherited through the Redrow acquisition and, as a result, an increased charge with respect to the unwinding of the discount attached to legacy property provisions, as well as a modest offset through a £2.1m reduction in imputed land creditor finance charges. This increase in non-cash finance charges also included a £2.5m impact of discounting the Redrow proportion of the Group's legacy property provision.

We now anticipate FY25 net finance costs will be around £20m, comprising c. £25m of cash finance income and c. £45m of non-cash finance charges including the estimated £5m interest charge with respect to Redrow legacy property provision discounting unwind.

In the half year, the Group's reported share of JV profit was £8.4m (HY24: £nil[R]). The adjusted share of JV profit was £8.4m (HY24: £4.5m[R]) with no adjusting charges associated with legacy properties (HY24: £4.5m[R] charge).

Adjusted profit before tax was £167.1m (HY24: £157.1m[R] and £248.8m[A]) and, after adjusted items, profit before tax was £117.2m (HY24: £95.2m[R] and £186.9m[A]). The adjusted profit before tax, before the impact of PPA adjustments totalling £50.4m, was £217.5m.

The Group recognised £41.9m of total tax charges (HY24: £26.4m[R]) at an effective rate of 35.8% (HY24: 27.7%[R]), with the tax rate impacted by the absence of tax deductibility with respect to Redrow transaction costs reported in adjusted items. The expected tax rate for the enlarged Group in FY25 is 29% on adjusted profit before tax, reflecting both the rates of corporation tax (25%) and RPDT (4%).

Adjusted basic earnings per share reduced to 9.3 pence per share (HY24: 11.8 pence[R] per share). The step-up in adjusted pre-tax profitability was offset by the increase in average shares in issue, following the acquisition of Redrow, and created the 21.2% reduction in adjusted earnings per share.

Basic earnings per share reduced by 18.3% to 5.8 pence per share (HY24: 7.1 pence[R] per share).

Maintaining a strong balance sheet

We continue to maintain an appropriate capital structure reflecting our disciplined operating framework to ensure our balance sheet strength and resilience are maintained through the cycle.

The net cash balance of £458.9m (31 December 2023: £753.4m[R]), including cash and cash equivalents of £655.3m (31 December 2023: £949.9m[R]) reflects the resilience of underlying operating cash generation, notwithstanding:

- A £484.4m increase in working capital in the period (HY24: £145.1m[R] increase) which included:
    - A £285.9m underlying increase in inventories on the balance sheet, after adjusting for the Redrow acquisition impact, which included:
        - A decrease in land investment carried of £1.2m; and
        - An increase in construction work in progress of £285.6m.
    - An underlying reduction in land creditors of £47.4m;
    - An underlying reduction in trade and other payables, excluding land creditors, of £179.7m;
    - An underlying decrease in receivables of £70.5m (HY24: £60.5m[R] decrease); and
    - Legacy property building safety remediation spend of £46.5m (HY24: £38.1m[R]).

In addition, during the half, net cash was impacted by:

- The payment of the final FY24 dividend of £170.5m (HY24: £228.0m[R] FY23 final dividend); and
- Tax payments of £75.6m (HY24: 24.1m[R]).

The acquisition of Redrow completed on 21 August 2024 and resulted in the consolidation of net cash of £194.3m held by Redrow on that date.

We anticipate year end net cash of between £0.5bn and £0.6bn with increased build activity in the second half, offset by a greater proportion of completions. Our construction activity will continue to be carefully managed to align with reservation activity, but we will see an impact from up-front construction work in progress invested to bring through the incremental growth in sales outlets planned in the fourth quarter of FY25 and through FY26.

The increased pace of land buying activity has seen land creditors move modestly higher although land creditor funding remains below our operating framework range. As at 29 December 2024 land creditors totalled £594.6m (31 December 2023: £367.2m[R] and £548.2m[A]) and equated to 12.2% (31 December 2023: 12.3%[R]) of the owned land bank. Land creditors falling due within the next 12 months, augmented by land creditors within Redrow's balance sheet, totalled £401.0m at 29 December 2024 (31 December 2023: £228.9m[R]).

After deducting land creditor obligations from our net cash balance, we recorded a total net indebtedness of £135.7m at 29 December 2024 (31 December 2023: net cash surplus of £386.2m[R] and £326.2m[A]).

During the half, we once again extended our £700m revolving credit facility by one additional year to November 2029. This completes the full extension period of this facility.

CMA investigation

On 26 February 2024, 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. On 10 January 2025 the CMA announced that its investigation would be extended by five months through to May 2025, to allow further investigation including additional evidence gathering and CMA analysis and review. We continue to co-operate with the CMA in their investigation and evidence gathering process.

Capital structure and operating framework

Our revised operating framework and progress over the last 12-month period is shown below:

	Operating framework	**Barratt Redrow Position at 29 December 2024**	**Barratt reported Position at 31 December 2023**
Land bank[A]	c. 3.5 years owned and c. 1.0 year controlled	5.0 years owned and 0.6 years controlled	3.9 years owned and 0.6 years controlled
Land creditors	Target 20 - 25% of the land bank over medium term	12.2%	12.3%
Net cash	Modest average net cash over the financial year	£605.9m over six months ending 29 December 2024	£784.7m over six months ending 31 December 2023
	Period end net cash	£458.9m net cash	£753.4m net cash
Total indebtedness (net cash and land creditors)	Minimal year end total indebtedness in the medium term	Total net indebtedness of £135.7m	Total net surplus of £386.2m
Treasury	Appropriate financing facilities	£700m RCF expiring November 2029 £200m USPP maturing 2027	£700m RCF expiring November 2028 £200m USPP maturing 2027
Shareholder returns	Ordinary dividend cover of 1.75x moving to 2.0x from FY26	FY25 proposed interim dividend of 5.5p based on 1.75x cover Share buyback of £50m in H2 FY25	FY24 interim dividend of 4.4p based on 1.75x cover

A. Land supply is calculated as total owned (owned land and land subject to unconditional contracts) and controlled (land subject to conditional contracts) land bank plots divided by wholly owned completions in the last 12 months.

Net tangible assets were £6,356.1m and £4.38 per share at 29 December 2024, (31 December 2023: £4,397.0m[R] and £4.51 per share[R]) of which land (net of land creditors) and work in progress totalled £7,543.2m and £5.20 per share (31 December 2023: £4,615.2m[R] and £4.74 per share[R]).

Land and planning

Throughout the period we have maintained a proactive but selective approach to investment in land, taking into account the continuing uncertain outlook for the housing market and the wider UK economy, as well as the ongoing constraints and delays in the planning system.

In the period, we approved 45 new sites (HY24: net approval of 6[R] sites). The approved sites added 7,727 plots, at a cost of £471.8m equivalent to an average approved site size of 172 plots and an average plot cost of £61.1k. The plot cost of approved sites reflects the mix of both Barratt and higher value Redrow plots acquired in the period post-acquisition.

We invested £395.6m (HY24: £239m[R]) on land acquisitions and the settlement of land creditors during the half year and we now expect to invest between £0.9bn and £1.0bn on land and land creditors in FY25, significantly ahead of the £674.3m[R] invested by Barratt in FY24. This increase in land investment includes transactions following the step up in land approvals by Barratt at the end of FY24, as well as the land investment activities at Redrow since acquisition.

We continue to target a geographically balanced land portfolio with a supply of owned land of c. 3.5 years and a further c. 1.0 year of controlled land. Reflecting selective land buying, but reduced levels of completions on a like-for-like basis, we remain above this overall target at 5.6 years (31 December 2023: 4.5 years[R]).

Our land bank comprised of 5.0 years of owned land (31 December 2023: 3.9 years[R]) and 0.6 years of controlled land at 29 December 2024 (31 December 2023: 0.6 years[R]). The composition and planning status of our land bank at 29 December 2024 and the aggregated position at 30 June 2024 for Barratt Redrow and for Barratt reported on 31 December 2023 are detailed in the next table:

Our land bank	**29 December 2024**	**Barratt and Redrow aggregated 30 June 2024[A]**	**31 December 2023[R]**
Plots with detailed planning consent	57,653	58,724	43,308
Plots with outline planning consent	18,040	18,378	10,086
Plots with resolution to grant and other	7,943	5,791	1,160
Owned and unconditional land bank (plots)	**83,636**	**82,893**	**54,554**
Conditionally contracted land bank (plots)	10,586	11,347	9,060
Total owned and controlled land bank (plots)	**94,222**	**94,240**	**63,614**
Number of years' owned supply (X)	**5.0**	**4.7**	**3.9**
Number of years' controlled supply (X)	0.6	0.6	0.6
Total land bank years (exc. JVs) (X)	**5.6**	**5.3**	**4.5**
JVs owned and controlled land bank (plots)	4,359	4,631	4,166
Total land bank including JVs (plots)	**98,581**	**98,871**	**67,780**
Strategic land bank (plots)	148,157	145,016	107,753
Promotional land bank (plots)	105,344	105,359	102,360
Land bank carrying value	£4,879.4m	£4,751.6m	£2,979.1m

(X). Land supply is calculated as total owned (owned land and land subject to unconditional contracts) and controlled (land subject to conditional contracts) land bank plots divided by wholly owned completions in the last 12 months.

At 29 December 2024, the current estimated average selling price of plots in our enlarged owned land bank was £352,000 (31 December 2023: £333,000[R]) and the estimated gross margin in our land bank, based on the current average selling price and estimated current build costs, was 18.3% at 29 December 2024 (31 December 2023: 18.5%[R]; 30 June 2024: 18.6%[R]).

Barratt Redrow delivered 1,432 (HY24: 1,534[R]) completions from strategically sourced land in the period, and we converted 1,904 (HY24: 530[R]) plots of strategic land into our owned and controlled land bank. Going forward, we will continue to target c30% of completions from strategic land in the medium term.

Gladman secured 4,990 plots on new sites (HY24: 4,736) and planning consents on 2,274 plots across 10 sites (HY24: 1,834 plots across 8 sites). Reflecting the increase in pace of land transaction activity across the country, Gladman secured land sale transactions to third parties equating to 3,085 (HY24: 364) plots.

There are some early signs of an increased appetite amongst housebuilders for consented land, and we anticipate an increase in activity from Gladman over the coming months. The business is heavily focused on driving promotional land through to planning consent and ensuring opportunities created by the Government's proposed changes to planning policy are optimised to build a portfolio of attractive sites ready to actively market as demand for permissioned development land recovers.

Interim ordinary dividend

We have declared an interim dividend of 5.5 pence per share (HY24: 4.4 pence per share[R]). The interim dividend will be paid on Friday 16 May 2025 to all shareholders on the register on Friday 4 April 2025. Shareholders who wish to elect for the Dividend Reinvestment Plan should do so by 24 April 2025.

In line with our existing dividend policy, we intend to maintain ordinary dividend cover of 1.75 times adjusted earnings per share, excluding the impact of acquisition fair value adjustments in FY25. With effect from FY26 the Board has decided to revise the dividend cover to 2.0 times adjusted earnings per share, excluding the impact of acquisition fair value adjustments.

We have also announced the commencement of an ongoing share buyback programme of at least £100m per annum which will begin shortly, with £50m expected to be returned in the second half of the financial year.

Guidance for FY25

Looking to the balance of the current financial year our guidance is summarised in the following table. Where guidance has been amended, or updated for the first time inclusion of Redrow, this is highlighted, and previous guidance is included in italics.

Total home completions	**c. 16,800 – 17,200 total home completions, including c. 600 JV completions** *(previously c. 16,600 – 17,200 total home completions, including c. 600 JV completions)*
Private: affordable mix	Affordable mix expected to be in the high teens
Average sales outlet growth	**c. 9% lower**
Build cost inflation	Broadly flat
PPA impacts on adjusted profit from operations	**Estimated adverse impact of c. £80m - £90m**
Accounting policy alignment impact on adjusted profit from operations	**Estimated adverse impact of c. £25m - £30m**
Adjusted administrative expenses	**c. £400m (including amortisation of intangible assets of c. £10m and synergies of c. £10m)** *(previously c. £310m, excluding integration costs (including amortisation of intangible asset charges of c. £10m) standalone*
Synergy cost savings	**c. £10m within adjusted administrative expenses**
Interest cost	**c. £20m (c. £25m cash credit, c. £45m non-cash charge including PPA charge impact of c. £5m)** *(previously c. £25m (c. £15m cash credit, c. £40m non-cash charge) standalone*
Land approvals	**Return to normal land approval activity during the year**
Land cash spend	**c. £0.9bn - £1.0bn** *(previously c. £0.8bn standalone)*
Year end net cash	**c. £0.5bn - £0.6bn** *(previously c. £0.5bn standalone)*
Taxation	**Tax rate on adjusted earnings anticipated at 29% reflecting current 25% corporation tax rate and 4% RPDT.** *(previously 29% standalone)*
Ordinary dividend cover	**1.75x ordinary dividend cover based on adjusted earnings per share adjusted to add back PPA fair value adjustments.** *(previously 1.75x ordinary dividend cover based on adjusted earnings per share standalone)*

Current trading and outlook

We have had a solid start to our second half. In the five-week period from 30 December 2024 to 2 February 2025 Barratt Redrow has secured 248 net private reservations per week (2024:261[A]) and we have operated from an average of 414 outlets (2024: 436 [A]). This has resulted in a net private reservation rate per active outlet per week of 0.60 (2024: 0.60 [A]).

Our total forward sales[3] at 2 February 2025 were 10,903 homes (4 February 2024: 11,460 [A]) at a value of £3,350.3m (4 February 2024: £3,135.2m [A]). With our private order book ahead by 11.2% on the aggregated position in 2024, we are now 82%[8] forward sold with respect to private wholly owned home completions for FY25 (FY24: 83% [A]).

The composition of our forward sales on 2 February 2025 and the order book movement since 29 December 2024 are included in the following tables, along with the aggregated performance of Barratt and Redrow in the comparable period in early 2024:

	2 February 2025		4 February 2024		Variance %	
	£m	Homes	£m	Homes	£m	Homes
Private	2,459.0	6,126	2,065.3	5,511	19.1%	11.2%
Affordable	733.2	4,365	896.6	5,467	(18.2%)	(20.2%)
Wholly owned	**3,192.2**	**10,491**	**2,961.9**	**10,978**	**7.8%**	**(4.4%)**
JV	158.1	412	173.3	482	(8.8%)	(14.5%)
Total	**3,350.3**	**10,903**	**3,135.2**	**11,460**	**6.9%**	**(4.9%)**

	Current Year		Prior Year[A]		Variance %	
	Private	**Total[3]**	**Private**	**Total[3]**	**Private**	**Total[3]**
29 / 31 December	5,296	10,076	4,677	10,778	13.2%	(6.5%)
Reservations	1,237	1,295	1,306	1,414	(5.3%)	(8.4%)
Completions	(407)	(468)	(472)	(732)	(13.8%)	(36.1%)
2 Feb / 4 Feb	**6,126**	**10,903**	**5,511**	**11,460**	**11.2%**	**(4.9%)**

The out-turn for FY25 remains dependent on activity through the Spring selling season but based on our forward sold position and encouraging reservation activity, we now expect to deliver total home completions of between 16,800 to 17,200 in FY25 (including c. 600 JV completions).

Full year adjusted profit before tax, excluding the impact of PPA adjustments, is now expected to be towards the upper end of market expectations[5].

We are focused on delivering the benefits of the creation of Barratt Redrow for the benefit of all stakeholders:

- By leveraging our industry-leading credentials on quality, customer service and sustainability, we have created the leading national sustainable homebuilder;
- We are confident in our ability to unlock cost synergies, which we now target at £100m, an advance of £10m from our previous target of £90m.
- Through optimising our three strong brands across our existing land bank, we will open 45 incremental sales outlets through FY28, accelerating sales, unlocking margin improvement through operational gearing and improving our land bank efficiency and asset turn.
- We will continue to maintain a robust balance sheet, which alongside our growth plans will allow us to deliver a long term ordinary dividend at 2.0x adjusted earnings per share cover and return £100m annually to shareholders through an ongoing buy-back programme. This will commence with a £50m buy-back effective from today, 12 February 2025 through to 30 June 2025.

We are also positioning Barratt Redrow to deliver the sustainable growth in housebuilding the country needs in line with the Government's ambitions. This can only be delivered in a stable macroeconomic environment, when we see supply-side constraints ease as the welcomed reforms to the planning system announced by Government come to fruition, and when the affordability challenges inhibiting demand have been addressed either in the shorter term through positive Government actions or, over the longer term, through income growth and lower mortgage rates and availability.

David Thomas
Chief Executive
11 February 2025

1 Refer to Glossary for definition of key financial metrics.
R = Reported and denotes a Barratt Developments PLC group ("Barratt Group") reported metric based on the reported performance of the Barratt Group in the comparable reporting period.
A = Aggregated and denotes an aggregated metric based on the reported performance of the Barratt Group in the comparable reporting period 1 July 2023 to 31 December 2023 and includes the performance of the legacy Redrow plc group ("Redrow Group") from 24 August 2023 to 31 December 2023, the equivalent period of ownership, to provide comparability on operational and financial performance. Redrow Group data is based on Redrow plc's standalone accounting policies and therefore excludes any impact of policy alignments made since the acquisition. Aggregated adjusted measures are also presented, prepared on the same basis. The aggregated value comparatives have not been audited or reviewed by Barratt Redrow plc's auditors.
2 Unless otherwise stated, all numbers quoted exclude JVs.
3 Including JVs in which the Group has an interest.
4 In addition to the Group using a variety of statutory performance measures, alternative performance measures (APMs) are also used. Definitions of APMs and reconciliations to the equivalent statutory measures are detailed in the Glossary and Definitions. In this period, new APMs have been introduced to allow for the assessment of the performance of the combined Group, before the impact of PPA adjustments. Net cash definition is included in Note 13.
5 Bloomberg consensus for FY25 adjusted profit before tax on 11 February 2025 was £542m with a range of £506m to £588m, excluding the impact of purchase price adjustments.
6 Based on EPC registrations to 30 September 2024.
7 Measured by the NHBC amongst the 14 major housebuilders constructing more than 1,000 homes annually.
8 Based on mid-point of FY25 total home completion guidance after deducting 600 JV home completions and assuming high teens affordable home completions.

Principal risks and uncertainties

The risks which the Group face could have a material adverse effect on the implementation of the Group's strategy, business, financial performance, shareholder value and returns, and reputation. Changes in the economic or trading environment can affect the likelihood and potential impact of risks and may create new and emerging risks.

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 to ensure controls are in line with risks as they evolve.

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.

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 Directors do not consider the process of risk management and the principal risks and uncertainties to have changed since the publication of the Annual Report and Accounts for the year ended 30 June 2024.

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.

Further details of the Group's principal risks and mitigation of the risks outlined below can be found on pages 65 to 70 of the Annual Report and Accounts for the year ended 30 June 2024, which is available at www.barrattredrow.co.uk.

Principal risks

Economic environment

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.

Land and planning

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.

Government regulation and political risk

The housebuilding industry is subject to increasingly complex legislation and regulations, Government intervention and policy changes, for example climate change building regulation, legal compliance, 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.

Construction quality and innovation

Failure to achieve excellence in housebuilding construction and product quality, through insufficient quality assurance programmes, 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.

Highrise and complex structures

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 future remediation liabilities.

Supply chain resilience

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.

Safety, health and environment

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, visit, and live.

Attracting and retaining high-calibre employees

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.

Information technology

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

Redrow integration

Without careful management, there is a risk that our objectives to maximise shareholder value by successfully integrating the two businesses to generate revenue growth opportunities, and achieve operational and cost synergies, are not achieved.

Condensed Consolidated Income Statement and Statement of Comprehensive Income
for the 26 weeks ended 29 December 2024 (unaudited)

Continuing operations	Notes	**26 weeks ended 29 December 2024 £m**	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Revenue	2	**2,280.8**	1,850.8	4,168.2
Cost of sales		**(1,942.1)**	(1,612.3)	(3,658.7)
Gross profit		**338.7**	238.5	509.5
Administrative expenses	3	**(225.6)**	(140.9)	(336.9)
Part-exchange income		**178.2**	132.1	333.7
Part-exchange expenses		**(177.3)**	(131.9)	(331.6)
Operating profit	3	**114.0**	97.8	174.7
Finance income	5	**22.7**	24.0	47.2
Finance costs	5	**(27.9)**	(26.6)	(53.7)
Net finance costs	5	**(5.2)**	(2.6)	(6.5)
Share of post-tax profit from joint ventures		**8.4**	-	2.3
Profit before tax		**117.2**	95.2	170.5
Tax	6	**(41.9)**	(26.4)	(56.4)
Profit and total comprehensive income recognised for the period		**75.3**	68.8	114.1
Profit and total comprehensive income for the period attributable to the owners of the Company		**75.3**	68.8	114.1
Earnings per share from continuing operations:				
Basic	7	**5.8p**	7.1p	11.8p
Diluted	7	**5.7p**	7.0p	11.6p

There was no other comprehensive income in any of the periods above.

Notes 1 to 19 form an integral part of these Condensed Consolidated Interim Financial Statements.

Adjusted items:	**Gross profit**			**Operating profit**			**Share of post-tax profit from joint ventures**			**Profit before tax**		
See note 4 for further details	**26 weeks ended 29 December 2024 £m**	HY ended 31 December 2023 £m	FY ended 30 June 2024 £m	**26 weeks ended 29 December 2024 £m**	HY ended 31 December 2023 £m	FY ended 30 June 2024 £m	**26 weeks ended 29 December 2024 £m**	HY ended 31 December 2023 £m	FY ended 30 June 2024 £m	**26 weeks ended 29 December 2024 £m**	HY ended 31 December 2023 £m	FY ended 30 June 2024 £m
Reported profit	**338.7**	238.5	509.5	**114.0**	97.8	174.7	**8.4**	-	2.3	**117.2**	95.2	170.5
Cost associated with legacy properties	**-**	57.9	180.0	**-**	57.9	180.0	**-**	4.5	12.6	**-**	62.4	192.6
Legacy property recoveries	**-**	(0.5)	(0.5)	**-**	(0.5)	(0.5)	**-**	-	-	**-**	(0.5)	(0.5)
Costs incurred in respect of the acquisition of Redrow plc	**-**	**-**	**-**	**35.5**	**-**	22.4	**-**	-	-	**35.5**	-	22.4
Reorganisation and restructuring costs	**-**	**-**	**-**	**14.4**	**-**	**-**	**-**	**-**	**-**	**14.4**	**-**	**-**
Adjusted profit	**338.7**	295.9	689.0	**163.9**	155.2	376.6	**8.4**	4.5	14.9	**167.1**	157.1	385.0

Condensed Consolidated Statement of Changes in Shareholders' Equity (unaudited)

	Share capital (note 16) £m	Share premium £m	Merger reserve £m	Capital redemption reserve £m	Own shares (note 17) £m	Share-based payments £m	Retained earnings £m	Total retained earnings £m	Non-controlling interests £m	Total equity £m
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 period being total comprehensive income recognised for the period ended 31 December 2023	-	-	-	-	-	-	68.8	68.8	-	68.8
Dividends paid (note 8)	-	-	-	-	-	-	(228.0)	(228.0)	-	(228.0)
Distribution made to non-controlling party	-	-	-	-	-	-	-	-	(0.4)	(0.4)
Purchase of own shares by EBT	-	-	-	-	(8.6)	-	-	(8.6)	-	(8.6)
Share-based payments	-	-	-	-	-	9.1	-	9.1	-	9.1
Transfers in respect of share options	-	-	-	-	8.1	(13.0)	5.6	0.7	-	0.7
Tax on share-based payments	-	-	-	-	-	1.5	0.1	1.6	-	1.6
At 31 December 2023	97.4	253.5	1,109.0	4.8	(23.7)	18.4	3,980.1	3,974.8	0.1	5,439.6
Profit for the period being total comprehensive income recognised for the period ended 30 June 2024	-	-	-	-	-	-	45.3	45.3	-	45.3
Dividends paid (note 8)	-	-	-	-	-	-	(42.6)	(42.6)	-	(42.6)
Purchase of own shares by EBT	-	-	-	-	(14.7)	-	-	(14.7)	-	(14.7)
Share-based payments	-	-	-	-	-	10.8	-	10.8	-	10.8
Transfers in respect of share options	-	-	-	-	1.5	0.9	(0.9)	1.5	-	1.5
Tax on share-based payments	-	-	-	-	-	(0.7)	(0.1)	(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
Profit for the period being total comprehensive income recognised for the period ended 29 December 2024	**-**	**-**	**-**	**-**	**-**	**-**	**75.3**	**75.3**	**-**	**75.3**
Dividends paid (note 8)	**-**	**-**	**-**	**-**	**-**	**-**	**(170.5)**	**(170.5)**	**-**	**(170.5)**
Issue of share capital	**1.1**	**-**	**-**	**-**	**(1.1)**	**-**	**-**	**(1.1)**	**-**	**-**
Share capital issued as consideration for the acquisition of Redrow plc	**46.6**	**-**	**2,482.0**	**-**	**-**	**-**	**-**	**-**	**-**	**2,528.6**
Share-based payments	**-**	**-**	**-**	**-**	**-**	**9.4**	**-**	**9.4**	**-**	**9.4**
Transfers in respect of share options	**-**	**-**	**-**	**-**	**11.5**	**(14.3)**	**2.1**	**(0.7)**	**-**	**(0.7)**
Tax on share-based payments	**-**	**-**	**-**	**-**	**-**	**0.1**	**0.3**	**0.4**	**-**	**0.4**
At 29 December 2024	**145.1**	**253.5**	**3,591.0**	**4.8**	**(26.5)**	**24.6**	**3,889.0**	**3,887.1**	**0.1**	**7,881.6**

Notes 1 to 19 form an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Balance Sheet
at 29 December 2024 (unaudited)

	Notes	**29 December 2024** £m	31 December 2023 £m	30 June 2024 (audited) £m
Assets				
Non-current assets				
Other intangible assets	9	**413.6**	189.7	184.5
Goodwill	10	**1,111.9**	852.9	852.9
Investments in jointly controlled entities		**170.4**	144.3	158.5
Property, plant and equipment		**83.4**	58.2	57.5
Right-of-use assets		**51.7**	44.4	41.2
Retirement benefit surplus		**5.0**	-	-
Trade and other receivables		**5.0**	3.0	3.4
		1,841.0	1,292.5	1,298.0
Current assets				
Inventories	12	**8,356.2**	5,188.9	5,278.2
Trade and other receivables		**165.4**	123.9	201.9
Current tax assets		**56.0**	27.3	31.8
Cash and cash equivalents	13	**655.3**	949.9	1,065.3
		9,232.9	6,290.0	6,577.2
Total assets		**11,073.9**	7,582.5	7,875.2
Liabilities				
Non-current liabilities				
Loans and borrowings	13	**(200.0)**	(200.0)	(200.0)
Trade and other payables		**(197.7)**	(145.9)	(172.0)
Lease liabilities		**(41.1)**	(31.1)	(29.4)
Deferred tax liabilities	6	**(126.7)**	(50.4)	(45.0)
Provisions	14	**(589.2)**	(436.6)	(543.2)
		(1,154.7)	(864.0)	(989.6)
Current liabilities				
Loans and borrowings	13	**-**	(0.3)	-
Trade and other payables		**(1,435.6)**	(887.2)	(1,055.1)
Lease liabilities		**(18.6)**	(14.5)	(13.4)
Provisions	14	**(583.4)**	(376.9)	(378.0)
		(2,037.6)	(1,278.9)	(1,446.5)
Total liabilities		**(3,192.3)**	(2,142.9)	(2,436.1)
Net assets		**7,881.6**	5,439.6	5,439.1
Equity				
Share capital	16	**145.1**	97.4	97.4
Share premium		**253.5**	253.5	253.5
Merger reserve	9	**3,591.0**	1,109.0	1,109.0
Capital redemption reserve		**4.8**	4.8	4.8
Retained earnings		**3,887.1**	3,974.8	3,974.3
Equity attributable to the owners of the Company		**7,881.5**	5,439.5	5,439.0
Non-controlling interests		**0.1**	0.1	0.1
Total equity		**7,881.6**	5,439.6	5,439.1

Notes 1 to 19 form an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Cash Flow Statement
for the 26 weeks ended 29 December 2024 (unaudited)

	Notes	**26 weeks ended 29 December 2024 £m**	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Net cash (outflow)/inflow from operating activities		**(433.8)**	(74.8)	96.2
Investing activities:				
Purchase of property, plant and equipment		**(9.3)**	(3.8)	(7.2)
Proceeds from disposal of property, plant and equipment		**-**	-	0.3
Purchase of intangible assets		**(2.5)**	-	-
Cash acquired on acquisition of subsidiary	9	**194.3**	-	-
Increase in amounts invested in jointly controlled entities		**(30.8)**	(20.7)	(38.3)
Repayment of amounts invested in jointly controlled entities		**25.6**	4.3	4.8
Distributions received from jointly controlled entities		**1.7**	1.9	7.1
Interest received		**25.7**	21.8	45.3
Net cash inflow from investing activities		**204.7**	3.5	12.0
Financing activities:				
Dividends paid to equity holders of the Company	8	**(170.5)**	(228.0)	(270.6)
Distribution made to non-controlling partner		**-**	(0.4)	(0.4)
Purchase of own shares for the EBT		**-**	(8.6)	(23.3)
Payment of dividend equivalents		**(1.1)**	(0.5)	(0.5)
Share issue costs on acquisition of subsidiary		**(0.3)**	-	-
Proceeds from the exercise of share options		**0.4**	1.0	2.7
Repayment of lease liabilities		**(9.4)**	(8.3)	(16.5)
Net cash outflow from financing activities		**(180.9)**	(244.8)	(308.6)
Net decrease in cash, cash equivalents and bank overdrafts		**(410.0)**	(316.1)	(200.4)
Cash, cash equivalents and bank overdrafts at the beginning of the period		**1,065.3**	1,265.7	1,265.7
Cash, cash equivalents and bank overdrafts at the end of the period	13	**655.3**	949.6	1,065.3

Notes 1 to 19 form an integral part of these Condensed Consolidated Interim Financial Statements.

Reconciliation of operating profit to net cash inflow from operating activities

for the 26 weeks ended 29 December 2024 (unaudited)

	Notes	**26 weeks ended 29 December 2024 £m**	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Operating profit		**114.0**	97.8	174.7
Depreciation of property plant and equipment		**4.2**	3.7	7.5
Depreciation of right-of-use assets		**8.6**	7.5	15.2
Amortisation of intangible assets		**9.3**	5.2	10.4
Impairment/(reversal of impairment) of inventories	12	**7.1**	(2.3)	(2.2)
Leased asset re-measurements		**1.5**	-	-
Share-based payments charge		**9.4**	9.1	19.9
Defined benefit pension movements		**0.3**	-	-
Imputed interest on long-term liabilities[1]	5	**(20.9)**	(19.8)	(40.2)
Imputed interest on lease arrangements[1]	5	**(1.1)**	(0.9)	(1.8)
Amortisation of facility fees	5	**(0.7)**	(0.9)	(1.6)
Total non-cash items		**17.7**	1.6	7.2
(Increase)/decrease in inventories		**(285.9)**	51.4	(38.0)
Decrease/(increase) in receivables		**70.5**	60.5	(19.6)
Decrease in payables		**(226.0)**	(282.1)	(87.2)
(Decrease)/increase in provisions	14	**(43.0)**	25.1	132.8
Total movements in working capital		**(484.4)**	(145.1)	(12.0)
Interest paid		**(5.5)**	(5.0)	(10.1)
Tax paid		**(75.6)**	(24.1)	(63.6)
Net cash (outflow)/inflow from operating activities		**(433.8)**	(74.8)	96.2

[1] The working capital movements in land payables, provisions and leases include non-cash movements due to imputed interest. Imputed interest is included within non-cash items in the statements above.

Notes 1 to 19 form an integral part of these Condensed Consolidated Interim Financial Statements.

1. Basis of preparation

Cautionary statement

The Chief Executive's statement contained in this Interim Financial Report, including the principal risks and uncertainties, has been prepared by the Directors in good faith based on the information available to them up to the time of their approval of this report solely for the Company's shareholders as a body, so as to assist them in assessing the Group's strategies and the potential for those strategies to succeed and accordingly should not be relied on by any other party or for any other purpose, and the Company hereby disclaims any liability to any such other party or for reliance on such information for any such other purpose.

This Interim Financial Report has been prepared in respect of the Group as a whole and accordingly matters identified as being significant or material are so identified in the context of Barratt Redrow plc (formerly Barratt Developments PLC) and its subsidiary undertakings taken as a whole.

Basis of preparation

Following the acquisition of Redrow plc (now Redrow Limited) on 21 August 2024 by Barratt Developments PLC (now Barratt Redrow plc), Barratt Developments PLC was renamed Barratt Redrow plc and the use of 26/52 week accounting reference dates was adopted. The interim report has been prepared in accordance with the recognition and measurement criteria of UK adopted IFRS and the disclosure requirements of the Listing Rules. The condensed financial information for the year ended 30 June 2024 is an extract from the published Annual Report and Accounts of Barratt Developments PLC (now Barratt Redrow plc) for that year and does not constitute statutory accounts as defined in s434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 30 June 2024, prepared under UK adopted IAS in conformity with the requirements of the Companies Act 2006 and in accordance with UK adopted IFRS, on which the auditors gave an unmodified opinion which did not draw attention to any matters by way of emphasis and did not contain a statement made under either s498 (2) or (3) of the Companies Act 2006, has been filed with the Registrar of Companies.

Segmental reporting

Whilst the financial performance of the legacy Barratt and Redrow businesses has continued to be monitored separately up the date of interim financial reporting, this is a result of the current stage of the integration process, which is progressing as planned. After the integration is complete, the legacy Redrow and legacy Barratt housebuilding businesses will cease to be identifiable. Decisions by the Board of Directors regarding strategy and resource allocation are taken in consideration of the Group's housebuilding business as a whole. Therefore, the housebuilding business is considered to be operating segment, comprising materially all of the Group's operations.

Going concern

In determining the appropriate basis of preparation of these Condensed Consolidated Interim Financial Statements ('Interim Financial Statements'), the Directors are required to consider whether the Group and Company can continue to meet their liabilities and other obligations for the foreseeable future.

The Group's business activities, together with factors which the Directors consider are likely to affect its development, financial performance and financial position are set out in the Chief Executive's Statement. The material financial and operational risks and uncertainties that may have an impact on the Group's performance and their mitigation are outlined in the principal risks section of this Interim Financial Report, and financial risks including liquidity risk, market risk, credit risk and capital risk are outlined on pages 197 to 199 of the Group's Annual Report and Accounts for the year ended 30 June 2024 which is available at www.barrattredrow.co.uk.

At 29 December 2024, the Group was financially strong with cash of £655.3m 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 £458.9m presented in note 13.

Should further funding be required, the Group has a committed £700m revolving credit facility, subject to compliance with certain financial covenants, that matures in November 2029.

In consideration of its net current assets of £7.2bn and of the liquid funds available through loan facilities, the Directors are satisfied that the Group has sufficient liquidity to meet its current liabilities and ongoing working capital requirements.

The Group's financial forecasts reflect the outcomes that the Directors consider most likely, based on the information available at the date of signing of these Interim Financial Statements, including the current and forecast trading performance and anticipated build and wage cost inflation. They reflect the effects of actions already taken to respond to current market conditions, including pausing of recruitment of new employees and focused management of our working capital deployment.

To assess the Group’s resilience to more adverse outcomes, its forecast performance in the period to 28 June 2026 was sensitised to reflect a series of scenarios based on the Group’s high-level principal risks and the downside prospects for the UK economy and housing market presented in the latest available external economic forecasts.

This exercise included a reasonable worst-case scenario in which the Group’s principal risks manifest in aggregate to a severe but plausible level. This assumed volumes to be 5% lower than forecast from 30 December 2024 to 29 June 2025, followed by a further 5% fall for the 52 weeks to 28 June 2026 (i.e. a 10% cumulative reduction). In addition, private sales prices were assumed to be 5% lower than forecast for the period to 29 June 2025, and 10% lower than forecast for the 52 weeks to 28 June 2026. Cost inflation was assumed to be 3% for the period to 29 June 2025 and 5% for the 52 weeks to 28 June 2026.

Reasonable mitigation that the Group would expect to undertake in such circumstances was also modelled, being a reduction in working capital in line with the fall in expected sales, a reduction in uncommitted land spend and suspension of discretionary bonus payments. In all scenarios, including the reasonable worst case, the Group is able to comply with its financial covenants, operate within its current facilities, and meet its liabilities as they fall due.

Furthermore, reverse stress testing was performed to determine the market conditions in which the Group would cease to be able to operate under its current facilities. The Group’s strong net cash position and its available facilities mean that the Group’s primary sensitivity in this circumstance would be compliance with its financial covenants. Based on past experience and current economic forecasts, the Directors consider the possibility of the conditions required to result in non-compliance with financial covenants to be remote and have identified mitigation that would be adopted in such circumstances.

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 there is a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing of these Interim Financial Statements. For this reason, they continue to adopt the going concern basis in the preparation of these Interim Financial Statements.

Accounting policies

The unaudited Interim Financial Statements have been prepared using accounting policies consistent with UK adopted IFRS and in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the UK, and using accounting policies and methods of computation consistent with those applied in the preparation of the Group’s Annual Report and Accounts for the year ended 30 June 2024. The interim period tax expense is calculated by applying the forecast full year effective tax rate to the period’s pre-tax profits. In addition, the following accounting policies have been applied in respect of the defined benefit pension scheme acquired through the acquisition of Redrow plc (note 9) and land options:

- **Defined benefit scheme**

  The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised outside profit or loss and presented in the Statement of Comprehensive Income. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset.

  The retirement benefit asset recognised in the Balance Sheet represents the excess of the fair value of the scheme assets over the present value of the defined benefit obligation.

  The Directors engage a qualified independent actuary to calculate the Group’s liability in respect of its defined benefit pension scheme. In calculating this liability, it is necessary for actuarial assumptions to be made, which include estimations of discount rates, salary and pension increases, price inflation and mortality. As actual rates of increase and mortality may differ from those assumed, the gross pension liability may differ from that included in these Interim Financial Statements; however, these liabilities are matched by an insurance asset.

- **Land options**

  Costs incurred in respect of options to purchase land are held within inventories at the lower of cost and net realisable value and are reviewed for impairment at each reporting date.

During the period no new or revised standards and interpretations have become applicable to the Group.

2. Revenue

The Group's revenue derives principally from the sale of the homes it builds.

An analysis of the Group's continuing revenue is as follows:

	26 weeks ended 29 December 2024 £m	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Revenue from private residential sales	**1,967.6**	1,514.9	3,369.7
Revenue from sales to the private rental sector	**76.8**	131.4	298.8
Revenue from affordable residential sales	**190.0**	193.1	463.1
Revenue from commercial sales	**16.0**	4.7	21.9
Revenue from planning promotion agreements	**23.5**	6.3	12.9
Sundry revenue	**6.9**	0.4	1.8
	2,280.8	1,850.8	4,168.2

Included within Group revenue is £68.5m (31 December 2023: £69.0m; 30 June 2024: £218.2m) of revenue from construction contracts on which revenue is recognised over time by reference to the stage of completion of the contracts. Of this revenue, £4.6m (31 December 2023: £8.8m; 30 June 2024: £8.9m) was included in the contract liability balance at the beginning of the period. Revenue from sales to the private sector is presented separately from revenue from private residential sales and the comparative amounts updated accordingly.

3. Operating profit

Cost of sales

The value of inventories expensed in the 26 weeks ended 29 December 2024 and included in cost of sales was £1,824.0m (31 December 2023: £1,452.8m; 30 June 2024: £3,241.6m).

Administrative expenses

Administrative expenses of £225.6m (31 December 2023: £140.9m; 30 June 2024: £336.9m) include sundry income of £7.4m (31 December 2023: £9.3m; 30 June 2024: £14.8m) which principally comprises management fees receivable from joint ventures, the sale of freehold reversions, forfeit deposits and ground rent receivable.

4. Adjusted items

	26 weeks ended 29 December 2024 £m	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Adjusted items in cost of sales:			
Costs incurred in respect of legacy properties	**-**	57.9	180.0
Amounts in respect of legacy properties recovered from third parties	**-**	(0.5)	(0.5)
Total adjusted items in cost of sales	**-**	57.4	179.5
Adjusted items in administrative expenses:			
Costs incurred in respect of the acquisition of Redrow plc	**35.5**	-	22.4
Reorganisation and restructuring costs	**14.4**	-	-
Total adjusted items in administrative expenses	**49.9**	-	22.4
Adjusted items in share of post-tax profit from joint ventures:			
Costs incurred in respect of legacy properties by JVs	**-**	4.5	12.6
Total adjusted items	**49.9**	61.9	214.5

Costs incurred in respect of legacy properties

No adjusted costs or credits associated with legacy properties were recognised during the period. In comparative periods net additions to provisions were: 31 December 2023: £57.9m; 30 June 2024: £180.0m, and reimbursements recognised directly in the Income Statement were: 31 December 2023: £0.5m; 30 June 2024: £0.5m. No costs in respect of JV legacy properties were recognised in the period. Further details of provisions movements are provided in note 14.

Adjusted items in administrative expenses

On 21 August 2024, the Group acquired 100% of the share capital of Redrow plc ('Redrow') in an all share transaction. Direct costs incurred in respect of the acquisition are presented as adjusted items.

Following the acquisition of Redrow, the Directors are reviewing Group operations to most effectively integrate the Redrow business and to best position the combined Group to realise the synergies of the combination and achieve its objectives. As a result, the Group has undertaken certain reorganisation and restructuring activities, for which the aggregate direct costs are expected to be material. The incremental costs incurred are presented as adjusted items.

5. Net finance costs

Recognised in the Income Statement:	**26 weeks ended 29 December 2024 £m**	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Finance income			
Finance income on short term bank deposits	**(20.9)**	(23.1)	(44.9)
Finance income related to employee benefits	**(0.1)**	-	-
Other interest receivable	**(1.7)**	(0.9)	(2.3)
	(22.7)	(24.0)	(47.2)
Finance costs			
Interest on loans and borrowings	**4.8**	4.7	9.4
Imputed interest on long term payables	**20.9**	19.8	40.2
Finance charge on leased assets	**1.1**	0.9	1.8
Amortisation of facility fees	**0.7**	0.9	1.6
Other interest payable	**0.4**	0.3	0.7
	27.9	26.6	53.7
Net finance costs	**5.2**	2.6	6.5

The weighted average interest rates (excluding amortised fees and non-utilisation fees) were as follows:

	29 December 2024 %	31 December 2023 %	30 June 2024 (audited) %
USPP notes	**2.8**	2.8	2.8

6. Tax

The tax charge presented is the best estimate of the expected annual effective tax rate applied to the half year profit before tax, plus the impact of rate changes and prior year adjustments.

The effective rate of tax for the period, comprising corporation tax, RPDT and deferred tax was 35.8% (31 December 2023: 27.7%; 30 June 2024: 33.1%). The effective rate of tax for the period on adjusted profit, comprising corporation tax, RPDT and deferred tax was 27.6% (31 December 2023: 26.9%; 30 June 2024: 28.8%).

As at 29 December 2024 the Group recognised a net deferred tax liability of £126.7m (31 December 2023: £50.4m liability; 30 June 2024: £45.0m liability).

Based on an assessment using forecast figures for the year, the Group does not expect to see an increase in its effective tax rate, or cash taxes payable following the introduction of the pillar 2 regulations, which came into effect for the Group from the start of the current accounting period.

7. Earnings per share

Earnings per share from continuing operations were as follows:

	26 weeks ended 29 December 2024 pence	Half year ended 31 December 2023 pence	Year ended 30 June 2024 (audited) pence
Basic earnings per share	**5.8**	7.1	11.8
Diluted earnings per share	**5.7**	7.0	11.6
Adjusted basic earnings per share	**9.3**	11.8	28.3
Adjusted diluted earnings per share	**9.1**	11.6	27.8

Basic earnings per share is calculated by dividing the profit for the half year attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares in issue during the half year, excluding those held by the EBT that do not attract dividend equivalents and which are treated as cancelled. Shares held in the EBT on which dividends are not waived are not excluded.

Diluted earnings per share is calculated by dividing the profit for the half year attributable to ordinary shareholders of the Parent 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.

	26 weeks ended 29 December 2024	Half year ended 31 December 2023	Year ended 30 June 2024 (audited)
Profit attributable to ordinary shareholders of the Parent Company (£m)	**75.3**	68.8	114.1
Adjusted items (£m)	**49.9**	61.9	214.5
Tax on adjusted items (£m)	**(4.2)**	(15.9)	(54.4)
Adjusted profit attributable to ordinary shareholders of the Parent Company (£m)	**121.0**	114.8	274.2
Weighted average number of shares in issue (million)[1]	**1,311.5**	974.5	974.6
Weighted average number of shares in EBT (million)	**(6.2)**	(4.5)	(5.8)
Weighted average number of shares for basic earnings per share (million)	**1,305.3**	970.0	968.8
Weighted average number of shares in issue (million) [1]	**1,311.5**	974.5	974.6
Adjustment to assume conversion of all potentially dilutive shares (million)	**17.1**	13.6	12.5
Weighted average number of shares for diluted earnings per share (million)	**1,328.6**	988.1	987.1

[1] During the period the Company issued 465,599,686 shares as consideration for the acquisition of Redrow plc and 10,840,048 shares to the EBT to satisfy Redrow share option schemes.

8. Dividends

	26 weeks ended 29 December 2024 £m	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Amounts recognised as distributions to equity shareholders:			
Final dividend for the year ended 30 June 2023 of 23.5p per share	**-**	228.0	228.0
Final dividend for the year ended 30 June 2024 of 11.8p per share	**170.5**	-	-
Interim dividend for the year ended 30 June 2024 of 4.4p per share	**-**	-	42.6
Total dividends distributed to equity shareholders in the period	**170.5**	228.0	270.6

The interim dividend of 5.5 pence per share was approved by the Board on 11 February 2025 and has not been included as a liability as at 29 December 2024.

9. Business combinations

Acquisition of Redrow plc

On 21 August 2024, the Group acquired 100% of the share capital of Redrow plc in an all share transaction. In accordance with standard practice, the Competition and Markets Authority ('CMA') issued an Initial Enforcement Order ('IEO') requiring the Barratt and Redrow businesses to continue to operate independently until the CMA had formally accepted the undertakings proposed by the parties in response to its limited concerns. The CMA accepted these undertakings and lifted the IEO on 4 October 2024. Management reviewed the terms of the IEO and concluded that 21 August 2024 was the date on which the Group obtained control of Redrow plc.

Redrow plc is the parent company of a group of companies involved in UK housebuilding. This transaction has been accounted for using the acquisition method of accounting. The combination brings together two housebuilding businesses with complementary cultures to create a strong brand portfolio that will offer customers a wider range of housetypes and accelerate delivery. It also allows the realisation of significant cost synergies from procurement savings and a rationalisation of divisional and central costs.

Details of the purchase consideration, net assets acquired and the resulting goodwill are as follows:

	£m
Fair value of shares issued	**2,528.9**
Total purchase consideration	**2,528.9**

On 23 August 2024, the Company issued 476,309,120 new ordinary shares of 10p nominal value to shareholders of Redrow plc. Of these, 10,840,048 were issued in replacement of shares in Redrow plc held by the Redrow Employee Benefit Trust, which are excluded from the purchase consideration. Costs of £0.3m directly attributable to the share issue have been recognised in equity. The issue of a further 256,258 new ordinary shares of 10p nominal value (of which 130,614 had been issued at 29 December 2024) were accrued as purchase consideration in respect of share-based payment awards that vested on the change of control of Redrow plc. The total fair value of the shares issued and accrued in respect of the purchase consideration was £2,528.9m which was determined using the closing Barratt Developments PLC share price of 543 pence at 21 August 2024. The non-statutory premium of £2,482.0m arising on the shares issued and accrued as consideration for the acquisition has been credited to the merger reserve in accordance with section 612 of the Companies Act 2006. The closing Barratt Developments PLC share price on 6 February 2024, the last business day prior to the announcement of the offer, was 530 pence.

Net assets and liabilities recognised as a result of the acquisition	**At 21 August 2024 £m**
Intangible assets	**235.9**
Tangible fixed assets	**20.8**
Right-of-use assets	**8.9**
Pension scheme surplus	**5.2**
Inventories	**2,799.2**
Trade and other receivables	**38.7**
Cash	**194.3**
Trade and other payables	**(637.9)**
Provisions	**(294.4)**
Lease liabilities	**(9.2)**
Corporation tax liability	**(1.3)**
Deferred tax liability	**(90.3)**
Net identifiable assets acquired	**2,269.9**
Goodwill	**259.0**
Net assets acquired	**2,528.9**

The intangible assets acquired comprise the Redrow brand (£231.8m), valued using a relief-from-royalty method assuming an indefinite useful life, and customer contracts (£4.1m), valued using a multi-period excess earnings method and amortised as those contracts are completed. In concluding that a brand has an indefinite useful life, management consider the Group's current and future expected strategy. The continued use of the Barratt Homes, David Wilson Homes and Redrow brands, including the offer of multiple brands on single sides is a key pillar in the Group's strategy to drive future growth.

The assets and liabilities acquired have been recognised at their acquisition date provisional fair values which may be amended during the 12 months following acquisition. In particular, whilst the fair value of the legacy property provisions reflects the Group's current understanding of the remediation works required on properties previously constructed by Redrow plc and its subsidiaries, a detailed review is ongoing. Estimates of the costs that will be incurred to complete the remediation may be revised as work across the Group's wider portfolio progresses. It is therefore possible that the fair value of the legacy property provisions at the acquisition date will be retrospectively adjusted to account for new information obtained about facts and circumstances that existed at the acquisition date. The valuation of land interests within inventories may also be adjusted if new information is received regarding the potential impact of contractual terms.

Under IFRS 3, any possible present obligation arising from past events that is assumed in a business combination, for which the fair value can be reliably measured, must be recognised as a liability, regardless of whether an outflow of economic benefits is probable. As a result, the Group has recognised liabilities in respect of possible remediation works relating to external wall systems on properties constructed by the Redrow group that have not previously been recognised in the financial statements of Redrow plc or its subsidiaries. These amounts reflect the possibility of issues being identified on properties for which there is currently no indication of works being required and are deemed to be low risk. Being of the same nature and subject to similar uncertainties over the amount and timing of future outflows, the liabilities are presented within legacy property provisions (note 14).

Included within provisions at the acquisition date is £104.1m in respect of costs in relation to completed developments. The majority of such liabilities were presented in the financial statements of Redrow plc within trade and other payables, but are presented as provisions here to align with the Group's accounting policy.

A fair value uplift of £104.3m has been recognised on inventories which is expected to substantially unwind within three years. In determining the fair value of inventories, management has made judgements in determining the price that would that would be received or paid by a market participant at the date of acquisition. This includes the profit that would be expected to be earned from land interests and partially completed developments, which has been determined with reference to market conditions and industry margins.

The gross contractual amounts receivable for the trade and other receivables acquired were £22.7m and the best estimate at the acquisition date of the contractual cash flows not expected to be collected was £5.7m.

Goodwill represents the value of intangible assets that do not qualify for separate recognition under accounting standards and is attributable to the anticipated profitability of the individual sites acquired, the complementary geographic fit and the anticipated operating synergies from the combination.

Subsequent to the acquisition, 2,778,450 share options held by Redrow employees under the Redrow plc Save As You Earn Share Option scheme (Redrow SAYE) were converted to options over shares in Barratt Redrow plc. These schemes are accounted for as remuneration for post-acquisition services provided to the Group.

The acquisition was achieved through a share-for-share exchange with no cash consideration payable to the former shareholders of Redrow plc and no cash received for the share issue. The Group's cash inflow in respect of the acquisition is as follows:

	26 weeks ended 29 December 2024 £m
Investing activities	
Cash balances acquired	**194.3**
Financing activities	
Share issue costs	**(0.3)**
Net inflow of cash	**194.0**

Revenue of £567.8m, an adjusted profit before tax of £1.0m, and a loss before tax of £3.4m are recognised in the Consolidated Income Statement in respect of Redrow.

If the acquisition had occurred on 1 July 2024, consolidated pro-forma revenue, adjusted profit before tax, and profit before tax for the period ended 29 December 2024, based on Redrow's results for the period before tax, adjusted for intercompany transactions and after alignment with Group accounting policies, would have been £2,381.9m, £159.2m and £88.8m respectively.

In the current period, acquisition costs of £35.5m are included in administrative expenses in the Consolidated Income Statement and in operating cash flows in the Cash Flow Statement. In addition, acquisition costs of £22.4m were incurred and included in administrative costs in the Consolidated Income Statement in the year ended 30 June 2024.

Following the acquisition, the Directors are reviewing Group operations to most effectively integrate the Redrow business and to best position the combined Group to realise the synergies of the combination and achieve its objectives. As a result, the Group has undertaken certain reorganisation and restructuring activities, for which the aggregate direct costs are expected to be material. The incremental costs incurred are presented as adjusted.

10. Goodwill

	29 December 2024 £m	31 December 2023 £m	30 June 2024 (audited) £m
Cost			
At 1 July	**877.4**	877.4	877.4
Arising on acquisition during the period (note 9)	**259.0**	-	-
At balance sheet date	**1,136.4**	877.4	877.4
Accumulated impairment losses			
At 1 July and at balance sheet date	**24.5**	24.5	24.5
Carrying amount			
At balance sheet date	**1,111.9**	852.9	852.9

During the period, the Group acquired the entire share capital of Redrow plc (note 9). Goodwill of £259.0m arising on the acquisition has been recognised.

11. Retirement benefit schemes

Defined contribution schemes

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.

Defined benefit scheme

On 21 August 2024, the Group acquired the full share capital of Redrow plc. The Redrow group of companies operates the Redrow Staff Pension Scheme ('the Scheme') which in part comprised a defined benefit pension plan. The Scheme was closed to new entrants from July 2006 and closed to future accrual with affect from 1 March 2012.

On 27 January 2023, the Trustees of the Scheme entered into a bulk annuity buy-in contract with Standard Life, through which the assets of the Scheme were exchanged for an insurance policy which matches the projected cash flows for all future defined benefit obligations, before GMP equalisation. This policy is recognised as an asset within the retirement benefit surplus on the Balance Sheet.

The buy-in has not changed the obligations of Redrow Limited (formerly Redrow plc) in relation to the Scheme but has reduced the future funding risk. The principal risk to the Group is the credit risk associated with the insurer, which is assessed to be low.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain amendments to pension scheme benefits for which an actuarial confirmation required by law had not been made. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. This case may have implications for other UK defined benefit plans. The Group and Scheme trustees are considering the implications of the case for the Scheme. At this stage no instance of amendments to the Scheme have been identified to which the ruling would apply. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered.

The amounts recognised in respect of the defined benefit section of the Scheme are as follows:

	26 weeks ended 29 December 2024 £m	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Recognised in the Income Statement			
Scheme administration expenses	**(0.3)**	-	-
Net interest on defined liability	**0.1**	-	-
Total recognised in the Income Statement	**(0.2)**	-	-
Recognised on the Balance Sheet		-	-
Present value of defined benefit obligation	**(72.1)**	-	-
Fair value of Scheme assets	**77.1**	-	-
Retirement benefit surplus recognised on the Balance Sheet	**5.0**	-	-

12. Inventories

	29 December 2024 £m	31 December 2023 £m	30 June 2024 (audited) £m
Land held for development	**4,879.4**	2,979.1	3,233.6
Construction work in progress	**3,258.4**	2,003.3	1,829.4
Promotion agreements work in progress	**109.4**	106.2	111.5
Part-exchange properties and other inventories	**109.0**	100.3	103.7
	8,356.2	5,188.9	5,278.2

Nature and carrying value of inventories

The Group's principal activities are housebuilding and commercial development. The majority of development activity is not contracted prior to a development commencing. Accordingly, the Group has in its Balance Sheet at 29 December 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 either the projected net realisable value of the development or, if lower, its cost. 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 to its net realisable value.

During the period, due to performance variations, changes in assumptions and changes to viability on individual sites, there were gross impairment charges of £12.2m and gross impairment reversals of £5.1m, resulting in a net impairment charge of £7.1m (31 December 2023: £2.3m reversal of impairment; 30 June 2024: £2.2m reversal of impairment) included within operating profit.

The key estimates in these 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 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 the timing of achievement of planning permissions.

13. Net cash

Net cash is defined as cash and cash equivalents, bank overdrafts, interest bearing borrowing and prepaid fees. Net cash at the period end is shown below:

	29 December 2024 £m	31 December 2023 £m	30 June 2024 (audited) £m
Cash and cash equivalents	**655.3**	949.9	1,065.3
Drawn debt			
Borrowings			
Sterling USPP notes	**(200.0)**	(200.0)	(200.0)
Bank overdrafts	**-**	(0.3)	-
Total borrowings being total drawn debt	**(200.0)**	(200.3)	(200.0)
Prepaid fees	**3.6**	3.8	3.2
Net cash	**458.9**	753.4	868.5
Total borrowings at the period end are analysed as:			
Non-current borrowings	**(200.0)**	(200.0)	(200.0)
Current borrowings	-	(0.3)	-
Total borrowings being drawn debt	**(200.0)**	(200.3)	(200.0)

On 6 November 2024 the Group's £700m RCF was extended to November 2029.

Movement in net cash, including a reconciliation of liabilities arising from financing activities, is as follows:

	26 weeks ended 29 December 2024 £m	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Cash acquired on acquisition of Redrow	**194.3**	-	-
Other movements in cash and cash equivalents in the period	**(604.3)**	(319.2)	(203.8)
Net decrease in cash and cash equivalents	**(410.0)**	(319.2)	(203.8)
Repayment/(drawdown) of borrowings:			
Loan and borrowings drawdowns	**-**	-	-
Loan and borrowings repayments	**-**	3.1	3.4
Other movements in borrowings:			
Movement in prepaid fees	**0.4**	0.1	(0.5)
Movement in net cash in the period	**(409.6)**	(316.0)	(200.9)
Opening net cash	**868.5**	1,069.4	1,069.4
Closing net cash	**458.9**	753.4	868.5

Cash, cash equivalents and bank overdrafts, as presented in the Condensed Consolidated Cash Flow Statement, is analysed as follows:

	29 December 2024 £m	31 December 2023 £m	30 June 2024 (audited) £m
Cash and cash equivalents	**655.3**	949.9	1,065.3
Bank overdrafts included in loans and borrowings	**-**	(0.3)	-
Cash, cash equivalents and bank overdrafts	**655.3**	949.6	1,065.3

14. Provisions

	Costs in relation to completed developments £m	**Legacy properties – EWS and associated review £m**	**Legacy properties – reinforced concrete frames £m**	**Other provisions £m**	**Total £m**
At 1 July 2024 (audited)	190.9	628.1	102.2		921.2
Fair value of provisions assumed in the acquisition of Redrow (note 9)	**104.1**	**184.3**	**-**	**6.0**	**294.4**
Net additions/(releases)	**5.2**	**-**	**-**	**-**	**5.2**
Sites reclassified to completed developments	**18.4**	**-**	**-**	**-**	**18.4**
Imputed interest	**-**	**15.0**	**2.1**	**-**	**17.1**
Utilisation in the period	**(37.2)**	**(29.3)**	**(17.2)**	**-**	**(83.7)**
At 29 December 2024	**281.4**	**798.1**	**87.1**	**6.0**	**1,172.6**

	29 December 2024 £m	31 December 2023 £m	30 June 2024 (audited) £m
Current	**583.4**	376.9	378.0
Non-current	**589.2**	436.6	543.2
	1,172.6	813.5	921.2

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 2024	Responsibility assumed through the acquisition of Redrow	Identified for review	Review confirmed no remediation, or remediation completed	29 December 2024
Under review:					
Buildings above 18m	146	17	7	(6)	**164**
Buildings between 11 and 18m	116	10	7	(6)	**127**
Total buildings	262	27	14	(12)	**291**
Developments	92	12	7	(5)	**106**

As a result of the acquisition of Redrow plc on 21 August 2024, the Group's obligations under the Self-Remediation Terms and Contract now include the relevant buildings developed or refurbished by the Redrow group of companies. The remediation of these buildings are now being managed with the benefit of the experience of the combined Group and the fair value of the obligations at the acquisition date included within provisions. In accordance with IFRS 3, as described in note 9, this includes the fair value of possible remediation works on properties for which there is currently no indication of works being required and are deemed to be low risk, and consequently no liability was previously recognised in the financial statements of Redrow plc or its subsidiaries.

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 18).

At the acquisition date, 27 buildings over with a height of over 11m were under active review by Redrow under the Self-Remediation Contract. Following contact from building owners regarding potential issues, a net further 14 buildings with a height of over 11 metres were added to the scope of works in the period, including one in the Redrow portfolio. At 29 December 2024, of the 291 buildings in the portfolio under review in the combined Group, 193 were at tender or site mobilisation or were in the process of being remediated (30 June 2024: 262 buildings, of which 137 were at tender or site mobilisation or were in the process of being remediated; 31 December 2023: 292 buildings, of which 151 were at tender or site mobilisation or were in the process of being remediated). The total expected cost of remediation remains within the Group's estimates and no further provision is required.

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 18).

The estimates are based on key assumptions that will be updated as work and time progresses. The sensitivity of the provision held at the balance sheet date to the following possible movements in key assumptions is shown below:

	Increase/(decrease) in provisions at 29 December 2024 £m
10% increase in estimated cost	80.0
5% increase in the number of buildings	31.3
100 bps increase in discount rate	(11.8)

Reinforced concrete frames

The Group holds a provision for the remediation of reinforced concrete frames on developments designed by two engineering firms whose work has previously been found to be defective.

The engineering firms involved in the above developments have been determined to also have been involved in the design of two developments constructed by the Redrow group. A detailed review of these buildings will be undertaken. There has previously been no indication of works being required at these developments and therefore no provision is held at the reporting date.

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 Interim 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.

15. Financial instruments – fair value disclosures

The fair values of financial assets and liabilities are determined based on discounted cash flow analysis using current market rates for similar instruments. Other financial liabilities are subsequently measured at amortised cost using the 'effective interest rate' method.

The carrying values and fair values of financial assets and liabilities are as follows:

	26 weeks ended 29 December 2024 £m		Half year ended 31 December 2023 £m		Year ended 30 June 2024 (audited) £m	
	Fair value	Carrying value	Fair value	Carrying value	Fair value	Carrying value
Financial assets						
Cash and cash equivalents	**655.3**	**655.3**	949.9	949.9	1,065.3	1,065.3
Trade and other receivables[1]	**85.6**	**85.6**	89.3	89.3	133.8	133.8
Total financial assets	**740.9**	**740.9**	1,039.2	1,039.2	1,199.1	1,199.1
Financial liabilities						
Trade and other payables[2]	**1,289.9**	**1,333.8**	826.5	859.9	991.5	1,025.9
Lease liabilities	**59.7**	**59.7**	45.6	45.6	42.8	42.8
Bank overdrafts	**-**	**-**	0.3	0.3	-	-
Loans and borrowings	**186.0**	**200.0**	182.5	200.0	184.2	200.0
Total financial liabilities	**1,535.6**	**1,593.5**	1,054.9	1,105.8	1,218.5	1,268.7

[1] Excludes amounts recoverable on contracts, prepayments and accrued income, and tax and social security.
[2] Excludes deferred income, payments received in excess of amounts recoverable on contracts, tax and social security and other non-financial liabilities.

16. Share capital

	29 December 2024	31 December 2023	30 June 2024 (audited)
Allotted, issued and fully paid 10p ordinary shares:			
£m	**145.1**	97.4	97.4
Number	**1,451,031,995**	974,585,856	974,592,261

Options over the Company's shares granted during the period:	**26 weeks ended 29 December 2024 number**	Half year ended 31 December 2023 number	Year ended 30 June 2024 (audited) number
LTPP	**5,227,111**	4,497,287	4,497,287
Sharesave	**-**	-	2,549,465
DBP	**838,130**	107,057	107,057
ELTIP	**868,110**	1,972,410	1,972,714
	6,933,351	6,576,754	9,126,523

Allotment of shares during the period:	**26 weeks ended 29 December 2024 number**	Half year ended 31 December 2023 number	Year ended 30 June 2024 (audited) number
At the beginning of the period	**974,592,261**	974,584,613	974,584,613
Issued to Redrow plc shareholders as consideration for the acquisition of Redrow plc	**465,599,686**	-	-
Issued to the EBT to satisfy legacy Redrow share option schemes	**10,840,048**	-	-
Issued to satisfy exercises under share option schemes	**-**	1,243	7,648
	1,451,031,995	974,585,856	974,592,261

17. Own shares reserve

The own shares reserve represents the cost of shares in Barratt Redrow plc (formerly Barratt Developments PLC) purchased in the market or issued by the Company and held by the Barratt EBT and Redrow EBT on behalf of the Company in order to satisfy options and awards that have been granted by the Company or were granted by Redrow plc prior to its acquisition by the Company on 21 August 2024.

The Barratt EBT has agreed to waive all or any future right to dividend payments on shares held within the Barratt 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.

	29 December 2024	31 December 2023	30 June 2024 (audited)
Ordinary shares in the Company held in the EBTs (number)	**14,109,082**	5,275,875	8,063,747
Cost of shares held in the EBTs (£m)	**26.5**	23.7	36.9
Market value of shares held in the EBTs at 432.3p (31 December 2023: 562.6p; 30 June 2024: 472.2p) per share (£m)	**61.0**	29.7	38.1

The Barratt EBT purchased no shares in the market (31 December 2023: 1,916,309 shares; 30 June 2024: 5,000,000 shares). The Barratt EBT disposed of 2,335,538 shares which were used to satisfy the vesting of the ELTIP, the DBP and the LTPP schemes (31 December 2023: 1,351,635; 30 June 2024: 1,351,813 shares used to satisfy the vesting of the ELTIP and the LTPP schemes). A further 16,502 shares were used in the period in settlement of exercises under Sharesave schemes (31 December 2023: 287,401 June 2024: 583,042).

During the period the Company issued 10,840,048 shares to the Redrow EBT in exchange for the shares held in Redrow plc. The Redrow EBT disposed of 2,430,661 shares which were used to satisfy the early vesting of the Redrow LTIP and DBP schemes on acquisition. A further 12,012 shares were used in the period in settlement of exercises under Redrow SAYE schemes.

18. Contingent liabilities

External wall systems and associated review

As disclosed in note 14, 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 29 December 2024, the Group held provisions of £798.1m (30 June 2024: £628.1m; 31 December 2023: £582.6m) 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 was 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 Interim 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 29 December 2024 reflects the outcome of these assessments, 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.

In November 2024, an investigation by the Institution of Fire Engineers concluded that one of its members had failed to maintain professional standards and terminated his membership. The firm at which the individual worked has provided fire risk assessments on a number of buildings which the Group has developed. We are currently evaluating whether this matter has any impact on the assessment of those buildings.

During the prior 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 second half of this financial year.

Reinforced concrete frames

As disclosed in note 14, 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 subsidiaries

The Group has commitments for the purchase of trading stock entered into in the normal course of business, for which no liability is recognised until the goods are received.

Also in the normal course of business, the Group has given counter-indemnities in respect of performance bonds and financial guarantees. Management estimate that the bonds and guarantees amount to £596.9m (31 December 2023: £435.6m; 30 June 2024: £419.9m), and confirm that at the date of these Interim Financial Statements the possibility of cash outflow is considered minimal.

Contingent liabilities related to joint ventures

The Group has given counter-indemnities in respect of performance bonds and financial guarantees to its joint ventures totalling £10.4m (31 December 2023: £1.7m; 30 June 2024: £5.0m).

The Group has also given a number of performance guarantees in respect of the obligations of its joint ventures, requiring the Group to complete development agreement contractual obligations in the event that the joint ventures do not perform as required under the terms of the related contracts. At 29 December 2024 the probability of any loss to the Group resulting from these guarantees is considered to be remote.

Contingent liabilities related to legal claims

Provision is made for the Directors' best estimate 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.

There were no contingent liabilities in respect of such claims at 29 December 2024, 31 December 2023 or 30 June 2024.

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. This includes both the Company and Redrow Limited (formerly Redrow plc) and their 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.

19. Related party transactions

Related party transactions for the period to 29 December 2024 are detailed below:

Transactions between the Group and its joint ventures

The Group has entered into transactions with its joint ventures as follows:

	29 December 2024 **£m**	31 December 2023 £m	30 June 2024 (audited) £m
Transactions between the Group and its JVs during the period:			
Charges in respect of development management and other services provided to JVs	**7.7**	4.4	10.3
Net interest charges in respect of funding provided to JVs	**1.3**	0.9	2.1
Profit distributions received from JVs	**1.7**	1.9	7.1
Balances at the period end:			
Capital due from JVs	**121.6**	85.1	105.3
Net funding loans and interest due from JVs	**75.2**	89.5	86.3
Other amounts due from JVs	**25.2**	26.2	27.8
Loans and other amounts due to JVs	**(0.5)**	(0.9)	(0.6)

In addition, one of the Group's subsidiaries, BDW Trading Limited, contracts with a number of the Group's joint ventures to provide construction services.

The Group's contingent liabilities relating to its joint ventures are disclosed in note 18.

Transactions between the Group and its Directors

The Board and certain members of senior management are related parties within the definition of IAS 24 (Revised) 'Related Party Disclosures' and Chapter 11 of the UK Listing Rules.

Transactions between the Group and key management personnel in the first half of the year ending 30 June 2025 were limited to those relating to remuneration. During the period, following the acquisition of Redrow plc, Matthew Pratt was appointed as an Executive Director and Nicky Dulieu and Geeta Nanda appointed as Non-Executive Directors. Total remuneration recognised in respect of these individuals in the period was £0.8m. Remuneration arrangements with the other key management personal were previously disclosed as part of the Remuneration report within the Group's Annual Report and Accounts for the year ended 30 June 2024. Options granted to executives and senior management under the LTPP and DBP schemes are disclosed in aggregate in note 16. There have been no other material changes to the arrangements between the Group and key management personnel.

There have been no related party transactions during the period that require disclosure under Section 4.2.8 (R) of the Disclosure and Transparency Rules.

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge these Interim Financial Statements have been prepared in accordance with IAS 34 as adopted by the UK. They also confirm that to the best of their knowledge that the Interim Management Report herein includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first 26 weeks and description of principal risks and uncertainties for the remaining 26 weeks of the year) and DTR 4.2.8R (disclosure of related party transactions and changes thereto).

The Directors of Barratt Redrow plc (formerly Barratt Developments PLC) are:

D F Thomas, Chief Executive
S J Boyes, Deputy Chief Executive and Chief Operating Officer
M I Scott, Chief Financial Officer
M J Pratt, Redrow Chief Executive and Group Executive Director (appointed 4 October 2024)
J F Lennox, Senior Independent Director
K Bickerstaffe, Non-Executive Director
N J Dulieu, Non-Executive Director (appointed 4 October 2024)
J H Halai, Non-Executive Director
G Nanda, Non-Executive Director (appointed 4 October 2024)
C L Silver, Non-Executive Chair
N M Webb, Non-Executive Director
C P A Weston, Non-Executive Director

The Interim Financial Report was approved by the Board on 11 February 2025 and signed on its behalf by

D F Thomas

Chief Executive

Independent review report to Barratt Redrow plc (formerly Barratt Developments PLC)

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the Interim Financial Report for the 26 weeks ended 29 December 2024 which comprises the Condensed Consolidated Income Statement and Statement of Comprehensive Income, the Condensed Consolidated Statement of Changes in Shareholders' Equity, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Cash Flow Statement and related notes 1 to 19.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Interim Financial Report for the 26 weeks ended 29 December 2024 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this Interim Financial Report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors

The directors are responsible for preparing the Interim Financial Report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the Interim Financial Report, the directors are responsible for assessing the Group'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the Interim Financial Report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the Interim Financial Report. Our Conclusion, including our Conclusion relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, United Kingdom
11 February 2025

Glossary & Definitions

Active outlet	A site with at least one plot for sale
APMs	Alternative performance measures
ASP	Average selling price
CMA	Competition and Markets Authority
DBP	Deferred Bonus Plan
Dividend cover	Calculated as the ratio of the Group's profit or loss for the period attributable to the owners of the Company to total ordinary dividend
DTR	Disclosure Guidance and Transparency Rules
Barratt EBT	Barratt Developments Employee Benefit Trust
ELTIP	Employee Long Term Incentive Plan
EPC	Energy Performance Certificate
EPS	Earnings per share
EWS	External Wall System
FRAEW	Fire Risk Assessment of External Walls
FY	Refers to the financial year ended 30 June
HBF	Home Builders Federation
HY	Refers to the 26 weeks ended 29 December of half year ended 31 December, as appropriate
IAS	International Accounting Standards
IFE	Institute of Fire Engineers
IFRS	International Financial Reporting Standards
IIR	Injury Incident Rate
JVs	Joint ventures
KPI	Key performance indicator
Land supply	Land supply is calculated as total owned (owned land and land subject to unconditional contracts) and controlled (land subject to conditional contracts) land bank plots divided by wholly owned completions in the last 12 months
Legacy property	A property constructed by the Group or one of its joint ventures for which the sale was completed in a prior period
LTPP	Long Term Performance Plan
MMC	Modern methods of construction
MUS	Multi-unit sales
Net cash	Net cash / debt is defined as cash and cash equivalents, bank overdrafts, interest bearing borrowings, prepaid fees and foreign exchange swaps
Net tangible assets	Group net assets less other intangible assets and goodwill
NHBC	National House Building Council
NHQC	New Homes Quality Code
PPA	Purchase price allocation, being the assignment of the consideration paid for Redrow plc to the assets acquired and liabilities assumed in the consolidated Group Financial Statements in order to recognise the assets and liabilities at their acquisition-date fair value
PRS	Private Rental Sector
RCF	Revolving Credit Facility
Redrow EBT	Redrow Employee Benefit Trust
RI	Reportable Items
ROCE	Return on capital employed calculated as earnings before amortisation, interest, tax, operating charges relating to the defined benefit pension scheme and operating adjusting or exceptional items, divided by average net assets adjusted for goodwill and intangibles, tax, cash, loans and borrowings, retirement benefit assets/obligations and provisions in relation to legacy properties
RPDT	Residential Property Developer Tax
SBTI	Science Based Targets Initiative
Sharesave	Savings-Related Share Option Scheme
SHE	Safety, Health and the Environment
The Company	Barratt Redrow plc (formerly Barratt Developments PLC)
The Group	Barratt Redrow plc (formerly Barratt Developments PLC) and its subsidiary undertakings
The Scheme	The Redrow Staff Pension Scheme
Total completions	Unless otherwise stated total completions quoted include JV completions
USPP	US Private Placement

Definitions of alternative performance measures (‘APMs’) and reconciliation to IFRS

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 2024 Annual Report and Accounts in the key performance indicators section of the Strategic Report on pages 12 to 15. In this period, new APMs have been introduced to allow for the assessment of the performance of the combined Group by removing the impact of acquisition accounting adjustments that are not reflected in historical comparative information and will not be reflected in future performance after the associated assets and liabilities are realised.

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 19. Definitions and reconciliations of the other financial APMs used to IFRS measures are included below:

Adjusted gross profit before the impact of purchase price allocation (‘PPA’) adjustments is defined as adjusted gross profit presented as if the assets and liabilities recognised as a result of the acquisition of Redrow plc had been initially measured at their carrying values in the underlying Redrow financial records, rather than at their fair values in accordance with IFRS 3. Fair value adjustments to inventories unwind through the income statement, affecting reported results:

	26 weeks ended 29 December 2024 £m	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Adjusted gross profit per table below Income Statement	**338.7**	295.9	689.0
Impact on gross profit of the initial measurement of Redrow assets and liabilities at fair value at the acquisition date	**47.9**	-	-
Adjusted gross profit before the impact of PPA adjustments	**386.6**	295.9	689.0

Adjusted administrative expenses are defined as administrative expenses less total adjusted items in administrative expenses as defined in note 4:

	26 weeks ended 29 December 2024 £m	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Administrative expenses per Income Statement	**225.6**	140.9	336.9
Adjusted items in administrative expenses	**49.9**	-	22.4
Adjusted administrative expenses	**275.5**	140.9	359.3

Adjusted operating profit before the impact of PPA adjustments is defined as adjusted operating profit presented as if the assets and liabilities recognised as a result of the acquisition of Redrow plc had been initially measured at their carrying values in the underlying Redrow financial records, rather than at their fair values in accordance with IFRS 3:

	26 weeks ended 29 December 2024 £m	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Adjusted operating profit per table below Income Statement	**163.9**	155.2	376.6
Impact on operating profit of the initial measurement of Redrow assets and liabilities at fair value at the acquisition date	**47.9**	-	-
Adjusted operating profit before the impact of PPA adjustments	**211.8**	155.2	376.6

Adjusted profit before tax before the impact of PPA adjustments is defined as adjusted profit before tax presented as if the assets and liabilities recognised as a result of the acquisition of Redrow plc had been initially measured at their carrying values in the underlying Redrow financial records, rather than at their fair values in accordance with IFRS 3:

	26 weeks ended 29 December 2024	Half year ended 31 December 2023	Year ended 30 June 2024 (audited)
	£m	£m	£m
Adjusted profit before tax per table below Income Statement	**167.1**	157.1	385.0
Impact on profit before tax profit of the initial measurement of Redrow assets and liabilities at fair value at the acquisition date	**50.4**	-	-
Adjusted profit before tax before the impact of PPA adjustments	**217.5**	157.1	385.0

Gross margin is defined as gross profit divided by revenue:

	26 weeks ended 29 December 2024	Half year ended 31 December 2023	Year ended 30 June 2024 (audited)
Revenue per Income Statement (£m)	**2,280.8**	1,850.8	4,168.2
Gross profit per Income Statement (£m)	**338.7**	238.5	509.5
Gross margin	**14.9%**	12.9%	12.2%

Adjusted gross margin is defined as adjusted gross profit divided by revenue:

	26 weeks ended 29 December 2024	Half year ended 31 December 2023	Year ended 30 June 2024 (audited)
Revenue per Income Statement (£m)	**2,280.8**	1,850.8	4,168.2
Adjusted gross profit per table below Income Statement (£m)	**338.7**	295.9	689.0
Adjusted gross margin	**14.9%**	16.0%	16.5%

Adjusted gross margin before the impact of PPA adjustments is defined as adjusted gross profit excluding PPA divided by revenue:

	26 weeks ended 29 December 2024	Half year ended 31 December 2023	Year ended 30 June 2024 (audited)
Revenue per Income Statement (£m)	**2,280.8**	1,850.8	4,168.2
Adjusted gross profit before the impact of PPA adjustments (£m)	**386.6**	295.9	689.0
Adjusted gross margin before the impact of PPA adjustments	**17.0%**	16.0%	16.5%

Operating margin is defined as operating profit divided by revenue:

	26 weeks ended 29 December 2024	Half year ended 31 December 2023	Year ended 30 June 2024 (audited)
Revenue per Income Statement (£m)	**2,280.8**	1,850.8	4,168.2
Operating profit per Income Statement (£m)	**114.0**	97.8	174.7
Operating margin	**5.0%**	5.3%	4.2%

Adjusted operating margin is defined as adjusted operating profit divided by revenue:

	26 weeks ended 29 December 2024	Half year ended 31 December 2023	Year ended 30 June 2024 (audited)
Revenue per Income Statement (£m)	**2,280.8**	1,850.8	4,168.2
Adjusted operating profit per table below Income Statement (£m)	**163.9**	155.2	376.6
Adjusted operating margin	**7.2%**	8.4%	9.0%

Adjusted operating margin before PPA adjustments is defined as adjusted operating profit excluding PPA divided by revenue:

	26 weeks ended 29 December 2024	Half year ended 31 December 2023	Year ended 30 June 2024 (audited)
Revenue per Income Statement (£m)	**2,280.8**	1,850.8	4,168.2
Adjusted operating profit excluding PPA (£m)	**211.8**	295.9	689.0
Adjusted operating margin before PPA adjustments	**9.3%**	16.0%	16.5%

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.

	26 weeks ended 29 December 2024 £m	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Profit attributable to ordinary shareholders of the Company	**75.3**	68.8	114.1
Net costs associated with legacy properties (note 4)	**-**	57.4	179.5
Costs incurred in respect of the acquisition of Redrow plc (note 4)	**35.5**	-	22.4
Reorganisation and restructuring costs (note 4)	**14.4**	-	-
Costs associated with JV legacy properties (note 4)	**-**	4.5	12.6
Tax on adjusted items	**(4.2)**	(15.9)	(54.4)
Adjusted earnings	**121.0**	114.8	274.2

Adjusted earnings before PPA adjustments is defined as adjusted earnings presented as if the assets and liabilities recognised as a result of the acquisition of Redrow plc had been initially measured at their carrying values in the underlying Redrow financial records, rather than at their fair values in accordance with IFRS 3:

	26 weeks ended 29 December 2024 £m	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m
Adjusted earnings	**121.0**	114.8	274.2
Impact on profit before tax profit of the initial measurement of Redrow assets and liabilities at fair value at the acquisition date (£m)	**50.4**	-	-
Impact on tax charge of the initial measurement of Redrow assets and liabilities at fair value at the acquisition date (£m)	**(14.6)**	-	-
Adjusted earnings before PPA adjustments	**156.8**	114.8	274.2

Adjusted earnings before PPA adjustments per share is calculated by dividing Adjusted earnings before PPA adjustments by the weighted average number of shares for basic earnings per share (note 7).

ROCE is calculated as earnings before amortisation, interest, tax, operating charges relating to the defined benefit scheme and operating adjusting or exceptional items for the 12 months to December, divided by average net assets adjusted for goodwill and intangibles, tax, cash, loans and borrowings, retirement benefit assets/obligations and provisions in relation to legacy properties:

	26 weeks ended 29 December 2024 £m	Half year ended 31 December 2023 £m	Year ended 30 June 2024 (audited) £m	**Year calculated to 29 December 2024 £m**	Half year ended 31 December 2022 £m	Year ended 30 June 2023 (audited) £m	Year calculated to 31 December 2023 £m
Operating profit	**114.0**	97.8	174.7	**190.9**	494.2	707.4	311.0
Amortisation of intangible assets	**9.3**	5.2	10.4	**14.5**	5.3	10.5	10.4
Defined benefit service cost	**0.3**	-	-	**0.3**	-	-	-
Adjusted net cost related to legacy properties	**-**	57.4	179.5	**122.1**	17.6	155.5	195.3
Costs incurred in respect of the acquisition of Redrow plc (note 4)	**35.5**	-	22.4	**57.9**	-	-	-
Reorganisation and restructuring costs (note 4)	**14.4**	-	-	**14.4**	-	-	-
Share of post-tax profit/(loss) from joint ventures and associates	**8.4**	-	2.3	**10.7**	16.0	8.8	(7.2)
Adjusted cost related to JV legacy properties	**-**	4.5	12.6	**8.1**	2.4	23.7	25.8
Annualised earnings before amortisation, interest, tax, adjusted items and defined benefit scheme charges			401.9	**418.9**		905.9	535.3

	29 December 2024 £m	31 December 2023 £m	30 June 2024 (audited) £m	31 December 2022 £m	30 June 2023 (audited) £m
Group net assets per Balance Sheet	**7,881.6**	5,439.6	5,439.1	5,656.6	5,596.4
Less:					
Other intangible assets Balance Sheet	**(413.6)**	(189.7)	(184.5)	(200.1)	(194.9)
Goodwill per Balance Sheet	**(1,111.9)**	(852.9)	(852.9)	(852.9)	(852.9)
Current tax assets	**(56.0)**	(27.3)	(31.8)	(0.1)	(31.1)
Deferred tax liabilities	**126.7**	50.4	45.0	44.0	53.5
Retirement benefit assets	**(5.0)**	-	-	-	-
Cash and cash equivalents	**(655.3)**	(949.9)	(1,065.3)	(1,166.5)	(1,269.1)
Loans and borrowings	**200.0**	200.3	200.0	202.0	203.4
Provisions in relation to legacy properties	**885.2**	646.0	730.3	485.3	612.3
Prepaid fees	**(3.6)**	(3.8)	(3.2)	(4.6)	(3.7)
Capital employed	**6,848.1**	4,312.7	4,276.7	4,163.7	4,113.9
Three point average capital employed	**5,145.8**	4,196.8	4,234.4	3,911.6	4,075.6

	29 December 2024	31 December 2023	30 June 2024 (audited)
Annualised earnings before amortisation, interest, tax, adjusted items and defined benefit scheme charges (from table above) (£m)	**418.9**	535.3	401.9
Three point average capital employed (from table above) (£m)	**5,145.8**	4,196.8	4,234.4
ROCE	**8.1%**	12.8%	9.5%

Net cash is defined in note 13.

Total indebtedness is defined as net (cash)/debt and land payables:

	29 December 2024	31 December 2023	30 June 2024 (audited)
Net cash (note 13) (£m)	**(458.9)**	(753.4)	(868.5)
Land payables (£m)	**594.6**	367.2	472.8
Total indebtedness (£m)	**135.7**	(386.2)	(395.7)

Aggregated comparative information

In addition to the above alternative performance measures, these half year results include aggregated performance measures for the half year to 31 December 2023. These measures are included to present comparative information to the Group's results for the current period to aid understanding of its relative performance. No adjustments are made to align accounting policy. The aggregated value comparatives have not been audited or reviewed by Barratt Redrow plc's auditors.

Aggregated profit measures for the half year to 31 December 2023 are defined as the result for half year ended 31 December 2023 plus the consolidated result for Redrow plc and its subsidiaries for the period from 24 August to 31 December 2023, being the period of equivalent length to the period for which the results of Redrow are consolidated into the Group's results for the 26 weeks ended 29 December 2024.

The consolidated Redrow results for the period from 24 August to 31 December 2024 have been extracted without adjustment from consolidated management information for the Redrow plc Group and prepared under the accounting policies for the Redrow Plc Group as disclosed in its annual report for the period ended 30 June 2024. No adjusted items have been identified for the Redrow plc Group for the period from 24 August to 31 December 2024:

	Half year ended 31 December 2023 £m	Consolidated Redrow results 24 August to 31 December 2023 £m	Aggregated half year ended 31 December 2023 £m	Adjusted items for the half year ended 31 December 2023 £m	Aggregated adjusted half year ended 31 December 2023 £m
Revenue	1,850.8	641.7	2,492.5	-	2,492.5
Gross profit	238.5	127.2	365.7	57.4	423.1
Administrative expenses	(140.9)	(33.9)	(174.8)	-	(174.8)
Operating profit	97.8	93.2	191.0	57.4	248.4
Profit before tax	95.2	91.7	186.9	61.9	248.8

Aggregated (adjusted) gross margin is defined as aggregated (adjusted) gross profit divided by aggregated revenue and **aggregated (adjusted) operating margin** is defined as aggregated (adjusted) operating profit divided by aggregated revenue:

	Aggregated half year ended 31 December 2023	Aggregated adjusted half year ended 31 December 2023
Revenue (£m)	2,492.5	2,492.5
Gross profit (£m)	365.7	423.1
Gross margin	14.7%	17.0%
Operating profit (£m)	191.0	248.4
Operating margin	7.7%	10.0%

Aggregated net cash is defined as net cash plus consolidated net cash for Redrow plc and its subsidiaries. Aggregated land payables is defined as land payables plus consolidated land payables for Redrow plc and its subsidiaries. **Aggregated total indebtedness** is defined as aggregated net cash plus aggregated land payables.

The consolidated Redrow results for the period from 24 August to 31 December 2024 have been extracted without adjustment from consolidated management information for the Redrow plc Group and prepared under the accounting policies for the Redrow Plc Group as disclosed in its annual report for the period ended 30 June 2024. The Net cash definition used for the consolidated Redrow Group at 31 December 2023 is consistent with that disclosed in note 13.

	31 December 2023 £m	Consolidated Redrow at 31 December 2023 £m	Aggregated half year ended 31 December 2023 £m
Net cash	753.4	121.0	874.4
Land payables	(367.2)	(181.0)	(548.2)
Total surplus/(indebtedness)	386.2	(60.0)	326.2