In this section

Financial statements

Independent auditors' report to the members of Taylor Wimpey plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Taylor Wimpey plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2023 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 31 December 2023; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated cash flow statement and the Consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 6, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Context

Taylor Wimpey is a listed housebuilder, predominantly operating in the UK, also with a presence in Spain. The Group focuses on the sale of private dwellings, which comprised 88% of total revenue in 2023, with the majority of the remaining revenue generated through delivery of partnership housing contracts. The Group's consolidated financial statements are primarily an aggregation of 22 UK Business Units, which represented the regional UK house building businesses encompassed in Taylor Wimpey UK Limited, consolidated with the Group's Spanish operations, Taylor Wimpey de España S.A.U., the Company and the share of the Group's interests in joint ventures. For the purposes of our audit, we considered Taylor Wimpey UK Limited, Taylor Wimpey de España S.A.U., the Company and consolidation adjustments to be separate components. We performed process walkthroughs to understand and evaluate the key financial processes and controls across the Group and, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, performed a review of the half year financial information. Following this work, we performed a significant amount of early audit procedures in advance of the year end, covering the Business Units and the Group functions. The objective of this audit work was:

- to perform initial testing in relation to the design and operating effectiveness of the controls we planned to place reliance on;
- to ensure that we had a clear plan as to what work needed to be done when and where at year-end;
- to perform initial substantive testing, particularly where larger samples were required or where there had been one off transactions; and
- to enable early consideration of the key sources of estimation uncertainty before the year-end.

Independent auditors' report to the members of Taylor Wimpey plc continued

As we undertook each phase of the audit, we regularly reconsidered our risk assessment to reflect the audit findings, including our assessment of the Group's control environment and the impact on our planned audit approach. In terms of risk assessment:

- given the nature of the Group's operations and the methodology for recognising margin on units sold, we considered margin recognition and site forecasting to be the most significant area and therefore have included this as a key audit matter; and
- we considered current Government legislation and announcements, particularly in relation to cladding fire safety, and hence also included a key audit matter in relation to this.

Overview

Audit scope

- Our Group audit included full scope audits of Taylor Wimpey UK Limited (which included the Group's 22 UK Business Units), Taylor Wimpey plc (the "Company") and the consolidation, including consolidation adjustments. Taken together, the above procedures included operations covering over 90% of revenue, over 80% of profit before tax and over 90% of net assets.
- We also performed a desktop review over Taylor Wimpey de España S.A.U., as well as audit procedures over specified balances and transactions across a number of the Group's joint ventures.

Key audit matters

- Margin recognition and site forecasting (Group)
- Cladding fire safety provision (Group)
- Valuation of investments in Group undertakings and amounts due from Group undertakings (Company)

Materiality

- Overall Group materiality: £36.4 million (2022: £45.3 million) based on 5% of a 3 year average of profit before tax and exceptional items.
- Overall Company materiality: £32.7 million (2022: £40.7 million) based on 1% of net assets but capped at 90% of overall Group materiality.
- Performance materiality: £27.3 million (2022: £33.8 million) (Group) and £24.5 million (2022: £30.5 million) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Independent auditors' report to the members of Taylor Wimpey plc continued

Key audit matter	How our audit addressed the key audit matter
Margin recognition and site forecasting (Group) Refer to page 115 (Audit Committee report) and page 181 (Critical accounting judgements and key sources of estimation uncertainty) in the Group's Annual Report. As at 31 December 2023 the Group's inventory balance is £5,169.6 million (31 December 2022: £5,169.6 million) and is the most significant asset on the Consolidated balance sheet. The Group's margin recognition policy is based on the margin forecast for each site. These margins reflect sales prices and costs to date as well as estimated sales prices and costs for each site. This is a method of allocating the total forecast costs, representing land, infrastructure and build costs, of a site to each individual unit. There is a risk that the margin forecast for the site, and consequently the margin recognised on each unit sold, is not appropriate and reflective of the actual final margin that will be recognised on a site. As a result, excess profit margins would be recognised earlier, to the detriment of reduced margins on units sold at the end of the site, or vice versa. The risk is due to the high level of management estimation involved in ensuring the accuracy and completeness of an individual site forecast, and the monitoring of these estimates over time. Sales prices and build costs are inherently uncertain, as they are influenced by changes in external market factors, such as the availability and affordability of mortgages, changes in customer demand due to market uncertainty, or build cost inflation. There is higher uncertainty when a site is scheduled to be completed over a longer timeframe. Management has implemented internal controls to assess site acquisition and initial forecasts to assist financial appraisal processes, and further controls to monitor the ongoing costs and sales prices within these forecasts, including changes to forecast costs as a result of new climate related regulations, e.g. Parts L and F of the Building Regulations. There is a risk that these controls do not operate effectively in ensuring the accuracy and completeness of the forecasts. We consider the accuracy and completeness of forecasting and the appropriateness of margin recognition across the life of the site to be a significant financial reporting risk, and hence audit risk, for the Group.	Our audit procedures focused in particular on assessing the judgemental elements used to determine an accurate margin, being forecast costs and forecast revenues. Our procedures included, but were not limited to: • We tested a number of key controls within the build cycle, such as: – management's review meetings, where the performance to date and expected outturn are updated, reviewed and challenged for each site on a bi-monthly basis; – review, approval and recognition of cost variations against the original site budgets; – surveyor valuations assessing the stage of completion of individual plots across all sites; and – review and approval of initial site budgets. • We assessed management's historical forecasting accuracy on all active sites in 2023, through comparison to historical forecasts from 2022, as well as the initial site budget. We investigated significant differences or trends to understand whether they were driven by items that could reasonably have been foreseen or predicted rather than items outside of management's control such as uncontracted build cost inflation; • We tested a sample of forecast costs to third party evidence, such as tender documents, or other appropriate support; • We tested a sample of forecast sales prices to the actual sales prices attained on similar properties; • We understood a sample of risks and opportunities identified in relation to sites to ensure completeness of costs within the site forecast, including consideration of the impact of future climate related regulation and requirements and uncontracted inflation; • To ensure accuracy we tested a sample of actual costs incurred to third party evidence, as well as testing the allocation of costs to the correct sites; • We tested a sample of actual revenue recognised in the period to third party contracts, completion statements and bank statements; • We verified, by recalculating the margins, that the accounting system correctly recalculates the margin following each cost or sales price amendment made by management; and • We tested that the accounting system appropriately allocates the cost of sales associated with each plot when a sale is made. Based on the procedures performed, we did not identify any sites where we considered the margin to be materially inappropriate. We also assessed the disclosures in respect of margin recognition and site forecasting and considered these to be appropriate.

Independent auditors' report to the members of Taylor Wimpey plc continued

Key audit matter	How our audit addressed the key audit matter
Cladding fire safety provision (Group) Refer to page 115 (Audit Committee report) and page 181 (Critical accounting judgements and key sources of estimation uncertainty) in the Group's Annual Report. In March 2021, the Group announced it would support owners of buildings constructed by the Group going back 20 years from January 2021, including apartment buildings below 18 metres, in completing remediation works required to achieve RICS EWS1 certification levels. The cost of providing this financial support was estimated at £125.0 million, and a provision was recorded in the 2021 financial statements on the grounds that the announcement created a constructive obligation. In April 2022, the Group signed up to the Government's Building Safety Pledge for Developers ("the Pledge"), which extended the period covered to 30 years and committed the Group to reimbursing the Government for any funds allocated to buildings it built from the Building Safety Fund ('BSF'), with no further applications permitted. Consequently, the Group announced that the additional cost associated with the Pledge, over and above that already recorded from the previous constructive obligation, was £80.0 million, bringing the total amount provided for cladding fire safety remediation to £245.0 million. The Group signed the long-form legal contracts for the remediation of buildings in England and Wales in March 2023 and April 2023 respectively, and expects to sign the equivalent for Scotland in 2024. The provision is identified as a source of estimation uncertainty as there are several factors that could drive changes to the level of financial support required to be given in future periods. The key assumptions are the number of buildings requiring work and the cost of remediation works for each relevant building as at the balance sheet date. Future industry guidance or regulation could also potentially change the obligation, and therefore the financial support, required to be provided. Management continues to assess the appropriateness of the provision and as more tendering takes place, there is greater clarity on how the buildings will be remediated and the associated cost. There are still a significant number of buildings for which tenders have not been obtained and therefore a high level of estimation uncertainty. Given the estimation uncertainty and the stakeholder focus on what is an industry wide issue, we identified the valuation of the cladding fire safety provision as a significant audit risk.	In addressing the risk that the provision was valued incorrectly as at the year-end date, our audit procedures included, but were not limited to, the following: • We enquired with management, including the Group Management Team, to understand the rationale behind the provision and whether it met the requirements of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the recognition of a constructive obligation; • We recalculated and checked the integrity of management's schedules, to assess the accuracy of the calculation; • We assessed the completeness of the buildings included by reference to information provided by the Government as well as publicly available information on Taylor Wimpey constructed buildings; • We tested the completeness of the provision by testing a sample of properties included on the Land Registry database stating that they were built by Taylor Wimpey or Taylor Wimpey acquired companies to validate that they have been correctly included or excluded in management's list of properties; • We tested the valuation of a sample of remediation costs included within the provision back to third party evidence, to corroborate the inputs into the provision calculation as well as to understand why the expected remediated costs have or have not changed year on year. Examples of audit evidence included internal QS assessments, tenders received and support for actual costs incurred; • We also tested the overhead component of the provision by obtaining management's most recent budget for the internal cladding remediation team, assessed the appropriateness of the projected timeline and agreed key inputs back to supporting evidence; • We obtained an understanding of management's updated delivery model for future remediation projects which will be performed by the Group rather than by management companies and assessed the implications to the provision; • We assessed the technical capabilities and expertise of the Group's employees involved in assessing the expected work and costs; • We assessed the ability of management to forecast remediation costs accurately by comparing original internal estimates to subsequent tendered or completed works; • We read recent government guidelines and announcements, including the Self-Remediation Terms and Deed of Bilateral Contract for England and Wales and discussed them with management to confirm that their assumptions and interpretations were appropriate; and • We reviewed the disclosures included in the financial statements, including those on estimation uncertainty required by IAS 1 'Presentation of financial statements' and those required by IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. Overall, we found that, based on the audit evidence that we obtained, management's assessment of the quantum of the provision was appropriate given the commitment made and the conditions that existed at the balance sheet date. We also considered the disclosures made in the financial statements to be materially in line with the requirements of IAS 37.

Independent auditors' report to the members of Taylor Wimpey plc continued

Key audit matter	How our audit addressed the key audit matter
Valuation of investments in Group undertakings and amounts due from Group undertakings (Company) Refer to page 215 (Investments in Group undertakings and Trade and other receivables notes) in the Company financial statements. The carrying value of the investments in Group undertakings and amounts due from Group undertakings in the Company accounts are £4,509.5 million (2022: £4,500.6 million) and £747.0 million (2022: £572.4 million), respectively. The key estimate is whether the carrying values of the investments and intercompany receivables are supported by the net asset position and/ or forecast future cash flows of the underlying Group undertakings. As such it was this area where we applied the most audit effort in respect of the audit of the Company and hence why it was identified as a key audit matter.	Audit procedures included, but were not limited to, the following: • We assessed the net assets of the underlying investments to determine whether they were in excess of the carrying value of the Company's investment in Group undertakings; • We verified that the forecast future cash flows supported the carrying value of the Company's investment in Group undertakings; • We confirmed that the market capitalisation of the Group as at 31 December 2023 exceeded the carrying value of the investment in Group undertakings and that no impairment was required; and • We verified that the aggregate net current assets of subsidiary undertakings were sufficient to support the intercompany receivables and whether, in accordance with IFRS 9, an expected credit loss was required. We have no issues to report in respect of this work.

Independent auditors' report to the members of Taylor Wimpey plc continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group's 2023 Consolidated financial statements are primarily an aggregation of the 22 UK Business Units, which represented the regional UK housebuilding businesses, consolidated with the Group's Spanish operations, Taylor Wimpey de España S.A.U., the Company and the share of the Group's interest in joint ventures.

The 22 UK Business Units operated under a common control environment, underpinned by the Group's Operating Framework. The Group engagement team's testing focused on the effectiveness and consistency of the design and implementation of the controls and processes, and based on this, we determined that the aggregated Business Units could be treated as one homogeneous population for further testing purposes. In addition, we performed detailed audit work over the consolidation journals and specific financial statement line items within the Group's joint ventures and we performed a desktop review of Taylor Wimpey de España S.A.U.

Our work covered over 90% of revenue, over 80% of profit before tax and over 90% of net assets.

We also performed a full scope audit of the Company financial statements which was considered a separate component for the purposes of our audit.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and to support the disclosures made in the section headed 'Impact on financial statements' on page 56.

The Group announced its Net Zero target and associated transition plan during 2023 and aligned its executive bonus scheme accordingly. Management considers that the impact of climate change, including the Group's Net Zero target, does not give rise to a material financial statement impact in the current year, and we used our knowledge of the Group and the industry to evaluate management's assessment. We particularly considered the potential impact on forecast build costs, and therefore margins, of climate related regulations, such as Parts L and F of the Building Regulations. Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters for the year ended 31 December 2023.

We also considered the consistency of the disclosures in relation to climate change (including the disclosures in the Task Force on Climate-related Financial Disclosures (TCFD) section) within the Annual Report with the financial statements and our knowledge obtained from our audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£36.4 million (2022: £45.3 million).	£32.7 million (2022: £40.7 million).
How we determined it	5% of profit before tax and exceptional items, using a 3 year average (2022: 5% of profit before tax and exceptional items).	1% of net assets but capped at 90% of overall Group materiality.
Rationale for benchmark applied	Profit before tax is a generally accepted auditing benchmark. On the basis that exceptional items are not reflective of the operating performance of the Group, and are excluded from key alternative performance measures, we have excluded them from the benchmark amount. In 2023, we have assessed materiality based on a 3 year average given the volatility in the market has driven a decline in volume and profitability without any fundamental changes in the balance sheet or operating model.	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the entity, which acts solely as a holding company, and is a generally accepted auditing benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was £19.0 million to £32.7 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

Independent auditors' report to the members of Taylor Wimpey plc continued

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £27.3 million (2022: £33.8 million) for the Group financial statements and £24.5 million (2022: £30.5 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £1.8 million (Group audit) (2022: £2.3 million) and £1.6 million (Company audit) (2022: £2.0 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- We tested the accuracy and integrity of the underlying model used by management in developing their going concern forecasts and checked the approval of the forecasts by the Board. We agreed that the model demonstrated sufficient liquidity and headroom during the going concern forecast period;
- We tested the key assumptions used in the model, including comparison to third party market information where appropriate, reviewing the fixed term borrowings refinancing agreement and checking that the assumptions used in the "severe but plausible" scenario were sufficiently severe to model potential future economic downturn, in line with those observed in the global financial crisis in 2007-8;
- We considered the historical accuracy of management forecasting by comparing budgeted results to actual performance;
- We reviewed the covenants applicable to the Group's borrowings and facility and checked that the forecasts supported ongoing compliance with the covenants in the going concern assessment period; and
- We reviewed the disclosures relating to going concern, with these considered to be consistent with the assessment prepared by management and the procedures we performed.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Taylor Wimpey plc continued

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Remuneration Committee report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditors' report to the members of Taylor Wimpey plc continued

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to building regulations, including fire and building safety legislation, health and safety legislation, environmental regulation and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax and pension legislation, the Listing Rules and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to artificial inflation of reported results via the posting of fraudulent journals, primarily as part of the consolidation process at Group, and bias in the assumptions underpinning significant provisions. Audit procedures performed by the engagement team included:

- discussions with the Group Management Team, Business Unit Management, Internal Audit and the Audit Committee;
- review of Internal Audit reports and consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities, in particular their controls around margin recognition and site forecasting;
- challenging the assumptions and judgements made by management in determining their significant accounting estimates, in particular in relation to margin recognition and provisions; and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the Consolidated income statement.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Taylor Wimpey plc continued

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Remuneration Committee report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 22 April 2021 to audit the financial statements for the year ended 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement is 3 years, covering the years ended 31 December 2021 to 31 December 2023.

Other matter

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Sonia Copeland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 February 2024

Consolidated income statement

for the year to 31 December 2023

	Note	**Before exceptional items 2023 £m**	**Exceptional items 2023 £m**	**Total 2023 £m**	Before exceptional items 2022 £m	Exceptional items 2022 £m	Total 2022 £m
Continuing operations							
Revenue	4	**3,514.5**	**–**	**3,514.5**	4,419.9	–	4,419.9
Cost of sales		**(2,798.0)**	**–**	**(2,798.0)**	(3,287.5)	–	(3,287.5)
Gross profit		**716.5**	**–**	**716.5**	1,132.4	–	1,132.4
Net operating expenses	6	**(248.7)**	**–**	**(248.7)**	(224.9)	(80.0)	(304.9)
Profit on ordinary activities before financing		**467.8**	**–**	**467.8**	907.5	(80.0)	827.5
Finance income	8	**29.5**	**–**	**29.5**	8.6	–	8.6
Finance costs	8	**(25.9)**	**–**	**(25.9)**	(24.1)	–	(24.1)
Share of results of joint ventures	13	**2.4**	**–**	**2.4**	15.9	–	15.9
Profit before taxation		**473.8**	**–**	**473.8**	907.9	(80.0)	827.9
Taxation (charge)/credit	9	**(124.8)**	**–**	**(124.8)**	(201.9)	17.6	(184.3)
Profit for the year		**349.0**	**–**	**349.0**	706.0	(62.4)	643.6

	Note	**2023**	2022
Basic earnings per share	10	**9.9p**	18.1p
Diluted earnings per share	10	**9.9p**	18.0p
Adjusted basic earnings per share	10	**9.9p**	19.8p
Adjusted diluted earnings per share	10	**9.9p**	19.7p

All of the profit for the year is attributable to the equity holders of the Parent Company.

Consolidated statement of comprehensive income

for the year to 31 December 2023

	Note	**2023 £m**	2022 £m
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	25	**(2.4)**	6.6
Movement in fair value of hedging instruments	25	**1.2**	(3.5)
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain on defined benefit pension schemes	21	**0.8**	3.2
Tax (charge)/credit on items taken directly to other comprehensive income	14	**(0.2)**	0.7
Other comprehensive (expense)/income for the year		**(0.6)**	7.0
Profit for the year		**349.0**	643.6
Total comprehensive income for the year		**348.4**	650.6

All of the comprehensive income for the year is attributable to the equity holders of the Parent Company.

Consolidated balance sheet

at 31 December 2023

	Note	2023 £m	2022 £m
Non-current assets			
Intangible assets	11	**2.6**	4.2
Property, plant and equipment	12	**22.0**	17.3
Right-of-use assets	19	**37.8**	26.3
Interests in joint ventures	13	**70.5**	74.0
Trade and other receivables	16	**28.1**	12.2
Other financial assets	21	**10.3**	10.0
Deferred tax assets	14	**23.4**	26.0
		194.7	170.0
Current assets			
Inventories	15	**5,169.6**	5,169.6
Trade and other receivables	16	**124.4**	191.2
Cash and cash equivalents	16	**764.9**	952.3
		6,058.9	6,313.1
Total assets		**6,253.6**	6,483.1
Current liabilities			
Trade and other payables	18	**(992.8)**	(1,130.8)
Lease liabilities	19	**(8.8)**	(7.3)
Bank and other loans	17	**–**	(88.5)
Tax payables		**(1.6)**	(7.2)
Provisions	22	**(124.9)**	(106.7)
		(1,128.1)	(1,340.5)
Net current assets		**4,930.8**	4,972.6
Non-current liabilities			
Trade and other payables	18	**(295.8)**	(407.3)
Lease liabilities	19	**(31.0)**	(19.7)
Bank and other loans	17	**(87.0)**	–
Retirement benefit obligations	21	**(26.5)**	(29.9)
Provisions	22	**(161.8)**	(183.6)
		(602.1)	(640.5)
Total liabilities		**(1,730.2)**	(1,981.0)
Net assets		**4,523.4**	4,502.1

	Note	2023 £m	2022 £m
Equity			
Share capital	23	**291.3**	291.3
Share premium	24	**777.9**	777.9
Own shares	26	**(29.7)**	(43.1)
Other reserves	25	**544.4**	545.6
Retained earnings		**2,939.5**	2,930.4
Total equity		**4,523.4**	4,502.1

The financial statements of Taylor Wimpey plc (registered number: 296805) were approved by the Board of Directors and authorised for issue on 27 February 2024. They were signed on its behalf by:

J Daly
Director

C Carney
Director

Consolidated statement of changes in equity

for the year to 31 December 2023

	Note	Share capital £m	Share premium £m	Own shares £m	Other reserves £m	Retained earnings £m	Total £m
Total equity at 1 January 2022		292.2	777.5	(14.6)	541.6	2,717.3	4,314.0
Other comprehensive income for the year		–	–	–	3.1	3.9	7.0
Profit for the year		–	–	–	–	643.6	643.6
Total comprehensive income for the year		–	–	–	3.1	647.5	650.6
New share capital subscribed		–	0.4	–	–	–	0.4
Own shares acquired and cancelled	23	(0.9)	–	(33.8)	0.9	(117.5)	(151.3)
Utilisation of own shares		–	–	5.3	–	–	5.3
Cash cost of satisfying share options		–	–	–	–	(5.5)	(5.5)
Share-based payment credit	29	–	–	–	–	14.0	14.0
Tax charge on items taken directly to statement of changes in equity	14	–	–	–	–	(1.6)	(1.6)
Dividends approved and paid	31	–	–	–	–	(323.8)	(323.8)
Total equity at 31 December 2022		291.3	777.9	(43.1)	545.6	2,930.4	4,502.1
Other comprehensive (expense)/income for the year		**–**	**–**	**–**	**(1.2)**	**0.6**	**(0.6)**
Profit for the year		**–**	**–**	**–**	**–**	**349.0**	**349.0**
Total comprehensive (expense)/income for the year		**–**	**–**	**–**	**(1.2)**	**349.6**	**348.4**
Utilisation of own shares		**–**	**–**	**13.4**	**–**	**–**	**13.4**
Cash cost of satisfying share options		**–**	**–**	**–**	**–**	**(12.6)**	**(12.6)**
Share-based payment credit	29	**–**	**–**	**–**	**–**	**8.9**	**8.9**
Tax credit on items taken directly to statement of changes in equity	14	**–**	**–**	**–**	**–**	**1.1**	**1.1**
Dividends approved and paid	31	**–**	**–**	**–**	**–**	**(337.9)**	**(337.9)**
Total equity at 31 December 2023		**291.3**	**777.9**	**(29.7)**	**544.4**	**2,939.5**	**4,523.4**

Consolidated cash flow statement

for the year to 31 December 2023

	Note	2023 £m	2022 £m
Profit on ordinary activities before financing		**467.8**	827.5
Adjustments for:			
Depreciation and amortisation		**12.7**	14.5
Pension contributions in excess of charge to the income statement		**(3.8)**	(4.8)
Share-based payment charge		**8.9**	14.0
Loss on disposal of property, plant and equipment		**0.3**	0.3
Increase in provisions excluding exceptional payments		**17.3**	90.9
Operating cash flows before movements in working capital		**503.2**	942.4
Increase in inventories		**(148.7)**	(280.4)
Decrease/(increase) in receivables		**40.2**	(9.9)
(Decrease)/increase in payables		**(105.8)**	52.9
Cash generated from operations		**288.9**	705.0
Payments related to exceptional charges		**(20.8)**	(45.9)
Income taxes paid		**(126.5)**	(176.9)
Interest paid		**(12.0)**	(4.7)
Net cash generated from operating activities		**129.6**	477.5
Investing activities			
Interest received	8	**26.4**	6.9
Dividends received from joint ventures		**11.7**	3.1
Proceeds on disposal of property, plant and equipment		**–**	1.5
Purchase of property, plant and equipment	12	**(6.8)**	(1.7)
Purchase of software	11	**(0.1)**	(0.4)
Amounts (invested in)/repaid by joint ventures		**(3.8)**	24.2
Net cash generated from investing activities		**27.4**	33.6

	Note	2023 £m	2022 £m
Financing activities			
Lease capital repayments	19	**(7.9)**	(7.6)
Cash received on exercise of share options		**3.0**	0.3
Purchase of own shares		**–**	(151.3)
Repayment of borrowings		**(87.0)**	–
Proceeds from borrowings		**87.0**	–
Dividends paid	31	**(337.9)**	(323.8)
Net cash used in financing activities		**(342.8)**	(482.4)
Net (decrease)/increase in cash and cash equivalents		**(185.8)**	28.7
Cash and cash equivalents at beginning of year		**952.3**	921.0
Effect of foreign exchange rate changes		**(1.6)**	2.6
Cash and cash equivalents at end of year	27	**764.9**	952.3

Notes to the consolidated financial statements

1 Accounting policies

Basis of preparation

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except as otherwise stated below.

The significant accounting policies adopted, which have been applied consistently, except as otherwise stated, are set out below.

Adoption of new and revised standards

The Group has adopted and applied the following standards and amendments in the year, which are relevant to its operations, none of which had a material impact on the financial statements.

- IAS 1 'Presentation of Financial Statements' (amendments) – disclosure of accounting policies
- IAS 12 'Income Taxes' (amendments) – deferred tax related to assets and liabilities arising from a single transaction and international tax reform – Pillar Two model rules
- IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (amendments) – definition of accounting estimates
- IFRS 17 'Insurance Contracts'

At the date of authorisation of these financial statements, the Group has not applied the following new or revised standards and interpretations that have been issued but are not yet effective:

- IAS 1 'Presentation of Financial Statements' (amendments) – classification of liabilities as current or non-current and non-current liabilities with covenants
- IFRS 16 'Leases' (amendments) – lease liability in a sale and leaseback
- IFRS 7 'Financial Instruments: Disclosures' & IAS 7 'Statement of Cash Flows' (amendments) – supplier finance arrangements

The Directors do not expect that the adoption of the standards, amendments and interpretations listed above will have a material impact on the financial statements of the Group.

Going concern

Group forecasts have been prepared that have considered the Group's current financial position and current market circumstances. The forecasts were subject to sensitivity analysis including a severe but plausible scenario together with the likely effectiveness of mitigating actions.

The assessment considered sensitivity analysis based on a number of realistically possible, but severe and prolonged, changes to principal assumptions. In determining these, the Group included macroeconomic and industry-wide projections, as well as matters specific to the Group.

The severe but plausible downside scenario reflects the aggregated impact of sensitivities, taking account of a further decline in volumes compared with that experienced during 2023. To arrive at the stress test the Group has drawn on experience gained managing the business through previous economic downturns and the COVID-19 pandemic. As a result, the Group has stress tested the business against the following severe but plausible downside scenario which can be attributed back to the Group's Principal Risks that have been identified as having the most impact on the longer term prospects and viability of the Group.

The impact of the Principal Risk "Natural resources and climate change" is not deemed to be material within the forecast period, as costs associated with the regulatory changes have been included in the modelling (e.g. Future Homes Standard).

- Volume – a further decline in total volumes of 10% in 2024 from 2023 levels, before recovering back to 2023 levels by 2026
- Price – a reduction to current selling prices of 10%, remaining at these levels across 2024 and 2025 before recovering to 2023 levels by 2026
- One-off costs – a one-off exceptional charge and cash cost of £150 million for an unanticipated event, change in government regulations or financial penalty has been included in 2024

Notes to the consolidated financial statements continued

1 Accounting policies continued

Mitigations to this sensitivity analysis include a continued reduction in land investment, a reduction in the level of production and work in progress held and optimising the overhead base to ensure it is aligned with the scale of the operations through the cycle. If this scenario were to occur, the Directors also have a range of additional options to maintain financial strength, including: a more severe reduction in land spend and work in progress, the sale of assets, reducing the dividend, and/or raising debt.

At 31 December 2023, the Group had a cash balance of £765 million and had access to £600 million from a fully undrawn revolving credit facility, together totalling £1,365 million. The combination of both of these is sufficient to absorb the financial impact of each of the risks modelled in the stress and sensitivity analysis, individually and in aggregate.

Based on these forecasts, it is considered that there are sufficient resources available for the Group to conduct its business, and meet its liabilities as they fall due, for at least the next 12 months from the date of these consolidated financial statements. Consequently the consolidated financial statements have been prepared on a going concern basis.

Basis of accounting

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards as applied in conformity with the provisions of the Companies Act 2006.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company:

- has power over the investee;
- governs the financial and operating policies of the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition. The interest of non-controlling shareholders is stated at the non-controlling interest's proportion of the fair value of the assets and liabilities recognised. Subsequently, all comprehensive income is attributed to the owners and the non-controlling interests.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where a subsidiary is disposed of which constituted a major line of business, it is disclosed as a discontinued operation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Notes to the consolidated financial statements continued

1 Accounting policies continued

Joint ventures

Undertakings are deemed to be a joint venture when the Group has joint control of the rights and assets of the undertaking via either voting rights or a formal agreement which includes that unanimous consent is required for strategic, financial and operating decisions. Joint ventures are consolidated under the equity accounting method. Loans to joint ventures form part of the Group's net investment which is assessed for recoverability on a periodic basis or when there is an indication of possible loss. On transfer of land and/or work in progress to joint ventures, the Group recognises only its share of any profits or losses. Joint operations arise where the Group has joint control of an operation but has rights to only its own assets and obligations related to the operation. These assets and obligations, and the Group's share of revenues and costs, are included in the Group's results.

Joint ventures and joint operations are entered into to develop specific sites. Each arrangement is site or project specific and once the development or project is complete the arrangement is wound down.

Segmental reporting

The Group operates in the United Kingdom and Spain. The United Kingdom is split into five geographical operating segments, each managed by a Divisional Chair who sits on the Group Management Team. In addition, there are central operations covering the corporate functions and Strategic Land.

The Group aggregates the UK operations into a single reporting segment on the basis that they share similar economic characteristics. In addition each Division builds and delivers residential homes, uses consistent methods of construction, sells homes to both private customers and local housing associations, follows a single UK sales process and operating framework, is subject to the same macroeconomic factors including mortgage availability and has the same cost of capital arising from the utilisation of central banking and debt facilities.

As a result, the Group has the following reporting segments:

- United Kingdom
- Spain

Revenue

Revenue is recognised when the performance obligation associated with the sale is completed. The transaction price comprises the fair value of the consideration received or receivable, net of value added tax, rebates and discounts and after eliminating sales within the Group. Revenue and profit are recognised as follows:

a. Housing and land sales

Revenue is recognised in the income statement when control is transferred to the customer. This is deemed to be when title of the property passes to the customer on legal completion and the performance obligation associated with the sale is completed.

Revenue in respect of the sale of residential properties, whether under the Government's Help to Buy scheme or not, is recognised at the fair value of the consideration received or receivable on legal completion.

b. Long term contracts

Revenue arising on contracts which give the customer control over properties as they are constructed, and for which the Group has a right to payments for work performed, is recognised over time. Revenue and costs are recognised over time with reference to the stage of completion of the contract activity at the balance sheet date where the outcome of a long term contract can be estimated reliably. This is normally measured by surveys of work performed to date. Variations in contract work, claims and incentive payments are included to the extent that it is highly probable that they will result in revenue and they are capable of being reliably measured. When land is transferred at the start of a long term contract, revenue is not recognised until control has been transferred to the customer which includes legal title being passed to them.

Where the outcome of a long term contract cannot be estimated reliably, contract revenue where recoverability is probable is recognised to the extent of contract costs incurred. The costs associated with fulfilling a contract are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Notes to the consolidated financial statements continued

1 Accounting policies continued

c. Part exchange

In certain instances, property may be accepted in part consideration for a sale of a residential property. The fair value is established by independent surveyors, reduced for costs to sell. Proceeds generated from the subsequent sale of part exchange properties are recorded as other income and the cost as other expenses. The original sale is recorded in the normal way, with the fair value of the exchanged property replacing cash receipts.

d. Cash incentives

The transaction price may include cash incentives. These are considered to be a discount from the purchase price offered to the acquirer and are therefore accounted for as a reduction to revenue.

Cost of sales

The Group determines the value of inventory charged to cost of sales based on the total budgeted current cost of developing the site. Once the total expected costs of development are established, they are allocated to individual plots to achieve a consistent margin for the site. To the extent that additional costs or savings are identified, including experienced inflation, as the site progresses, these are recognised over the remaining plots unless they are specific to a particular plot, in which case they are recognised in the income statement at the point of sale.

Exceptional items

Exceptional items are defined as items of income or expenditure which, in the opinion of the Directors, are material or unusual in nature or of such significance that they require separate disclosure on the face of the income statement in accordance with IAS 1 'Presentation of Financial Statements'. Should these items be reversed, disclosure of this would also be as exceptional items.

Finance income

Interest income on bank deposits is recognised on an accruals basis. Also included in interest receivable are interest and interest-related payments the Group receives on other receivables.

Finance costs

Borrowing costs are recognised on an effective interest rate basis and are payable on the Group's borrowings and lease liabilities. Also included are the amortisation of fees associated with the arrangement of the financing.

Finance charges, including premiums payable on settlement or redemption, and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Capitalised finance costs are held in other receivables and amortised over the period of the facility.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies other than the functional currency are retranslated at the rates prevailing at the balance sheet date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the net profit or loss for the period.

On consolidation, the assets and liabilities of the Group's overseas operation are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at an appropriate average rate for the year. Exchange differences arising are recognised within other comprehensive income and transferred to the Group's translation reserve. Such translation differences are recognised as income or expenses in the income statement in the period in which the operation is disposed of.

The Group uses foreign currency borrowings to hedge its net investment exposure to certain overseas subsidiaries.

Notes to the consolidated financial statements continued

1 Accounting policies continued

Leases

The Group as a lessee

The Group assesses at inception whether a contract is, or contains, a lease. A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assessment includes whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the contract period; and
- the Group has the right to direct the use of the asset.

At the commencement of a lease, the Group recognises a right-of-use asset along with a corresponding lease liability.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option based on operational needs and contractual terms. Subsequently, the lease liability is measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability and reducing it by the lease payments made. The lease liability is remeasured when the Group changes its assessment of whether it will exercise an extension or termination option.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, estimated asset retirement obligations, lease incentives received and initial direct costs. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability. Depreciation is calculated on a straight-line basis over the length of the lease.

The Group has elected to apply exemptions for short term leases and leases for which the underlying asset is of low value. For these leases, payments are charged to the income statement on a straight-line basis over the term of the relevant lease.

Right-of-use assets are presented within non-current assets on the face of the balance sheet, and lease liabilities are shown separately on the balance sheet in current liabilities and non-current liabilities depending on the length of the lease term.

Intangible assets

Software

Costs that are directly associated with the acquisition or production of identifiable and unique software controlled by the Group, and that generate economic benefits beyond one year, are recognised as intangible assets. Software development costs recognised as assets are amortised on a straight-line basis over three to five years from the time of implementation and are stated at cost less accumulated amortisation and any accumulated impairment losses.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is not depreciated. Buildings are depreciated over 50 years.

Plant and equipment is stated at cost less depreciation.

Depreciation is charged to expense the cost or valuation of assets over their estimated useful lives. Other assets are depreciated using the straight-line method, on the following bases:

- Plant and equipment: 20-33% per annum
- Leasehold improvements: over the term of the lease

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds, less any selling expenses, and the carrying amount of the asset. This difference is recognised in the income statement.

Notes to the consolidated financial statements continued

1 Accounting policies continued

Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in the income statement.

Where an impairment loss subsequently reverses, due to a change in circumstances or in the estimates used to determine the asset's recoverable amount, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, so long as it does not exceed the original carrying value prior to the impairment being recognised. A reversal of an impairment loss is recognised as income immediately in the income statement.

Dividends paid

Dividends are charged to retained earnings in the period of payment in respect of an interim dividend, and in the period in which shareholders' approval is obtained in respect of the final dividend.

Financial instruments

Financial assets

Financial assets are initially recognised at fair value and subsequently classified into one of the following measurement categories:

- Measured at amortised cost
- Measured at fair value through profit or loss (FVTPL)
- Measured at fair value through other comprehensive income (FVOCI)

The classification of financial assets depends on the Group's business model for managing the asset and the contractual terms of the cash flows. Assets that are held for the collection of contractual cash flows that represent solely payments of principal and interest are measured at amortised cost, with any interest income recognised in the income statement using the effective interest rate method.

Financial assets that do not meet the criteria to be measured at amortised cost are classified by the Group as measured at FVTPL. Fair value gains and losses on financial assets measured at FVTPL are recognised in the income statement and presented within net operating expenses.

The Group currently has no financial assets measured at FVOCI.

Trade and other receivables

Trade and other receivables are measured at amortised cost, less any loss allowance.

Shared equity loans

Shared equity loans were provided to certain customers to facilitate a house purchase. The contractual cash flows on shared equity loans are linked to a national house price index. Under IFRS 9, financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Accordingly, shared equity loans are classified as FVTPL with fair value gains and losses arising on the remeasurement of the loan presented in the income statement within net operating expenses.

Notes to the consolidated financial statements continued

1 Accounting policies continued

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short term bank deposits with an original maturity of three months or less from inception and are subject to insignificant risk of changes in value.

Financial liabilities

Financial liabilities are initially recognised at fair value and subsequently classified into one of the following measurement categories:

- Measured at amortised cost
- Measured at fair value through profit or loss (FVTPL)

Non-derivative financial liabilities are measured at FVTPL when they are considered held for trading or designated as such on initial recognition. The Group has no non-derivative financial liabilities measured at FVTPL.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost.

Trade and other payables

Trade and other payables are measured at amortised cost. When the acquisition of land has deferred payment terms a land creditor is recognised. Payables are discounted to present value when repayment is due more than one year after initial recognition or the impact is material.

Customer deposits

Customer deposits, measured at amortised cost, are recorded as a liability on receipt and released to the income statement as revenue upon legal completion.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Parent Company are recorded as the proceeds are received, net of direct issue costs.

Derivative financial instruments and hedge accounting

The Group uses foreign currency borrowings and derivatives to hedge its net investment exposure to movements in exchange rates on translation of certain individual financial statements denominated in foreign currencies other than Sterling, which is the functional currency of the Parent Company.

Derivative financial instruments are measured at fair value. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of net investments in foreign operations are recognised directly in other comprehensive income and the ineffective portion, if any, is recognised immediately in the income statement.

For an effective hedge of an exposure to changes in fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with the corresponding entry in the consolidated income statement. Gains or losses from remeasuring the derivative, or for non-derivatives the foreign currency component of its carrying amount, are also recognised in the income statement.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Hedge accounting is discontinued if the hedged item is sold or no longer qualifies for hedge accounting, at which point any cumulative gain or loss on the hedging instrument accumulated in other comprehensive income is transferred to the income statement for the period.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Notes to the consolidated financial statements continued

1 Accounting policies continued

Inventories

Inventories are initially stated at cost and held at the lower of this initial amount and net realisable value. Costs comprise direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Land is recognised in inventory when the significant risks and rewards of ownership have been transferred to the Group.

Non-refundable land option payments are initially recognised in inventory. They are reviewed regularly and written off to the income statement when it is probable that the option will not be exercised.

Taxation

The tax charge represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are also recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will vest after adjusting for the effect of non-market vesting conditions.

Employee benefits

For defined benefit plans a finance charge is determined on the net defined benefit pension liability. The operating and financing costs of such plans are recognised separately in the income statement; past service costs are recognised as an expense at the earlier of when the plan is amended or curtailment occurs, at the same time as which the entity will recognise related restructuring costs or termination benefits. Certain liability management costs and financing costs are recognised in the periods in which they arise. Actuarial gains and losses are recognised immediately in the statement of comprehensive income.

The retirement benefit obligation recognised in the consolidated statement of financial position represents either the net deficit position of the scheme or, should the scheme be in an IAS 19 accounting surplus, the IFRIC 14 liability equal to the present value of future committed cash contributions.

Payments to defined contribution schemes are charged as an expense as they fall due.

Notes to the consolidated financial statements continued

2 Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. Management has considered whether there are any such sources of estimation or accounting judgements in forming the financial statements and highlight the following areas. In identifying these areas, management has considered the size of the associated balance and the potential likelihood of changes due to macroeconomic factors.

Critical accounting judgements

Management has not made any individual critical accounting judgements that are material to the Group.

Key sources of estimation uncertainty

Key sources of estimation uncertainty are those which present a significant risk of potential material misstatement to carrying amounts of assets or liabilities within the next financial year.

Employee benefits

The value of the defined benefit plan liabilities is determined by using various assumptions, including discount rate, future rates of inflation, growth, yields, returns on investments and mortality rates. As actual changes in these values may differ from those assumed, this is a key source of estimation uncertainty within the financial statements. Changes in these assumptions over time and differences to the actual outcome will be reflected in the statement of comprehensive income. Note 21 details the main assumptions in accounting for the Group's defined benefit pension scheme, along with sensitivities of the liabilities to changes in these assumptions.

Other sources of estimation uncertainty

Cost allocation

In order to determine the profit that the Group is able to recognise on its developments in a specific period, the Group has to allocate site-wide development costs between units built in the current year and in future years. It also has to estimate costs to complete, including those driven by climate related regulation, and make estimates relating to future sales prices and margins on those developments and units. In making these assessments, there is a degree of inherent uncertainty. The Group has developed internal controls to assess and review carrying values and the appropriateness of estimates made.

Cladding fire safety provision

In 2018 the Group established an exceptional provision for the cost of replacing ACM on a small number of legacy developments, which was increased in 2020 to reflect the latest estimate of costs to complete the planned works. Following the guidance issued by RICS in 2021, the Group announced an additional £125.0 million provision to fund cladding fire safety improvements. In 2022 the Group signed up to the Government's Building Safety Pledge for Developers and recognised an additional provision of £80.0 million. The Group estimates the provision based on the buildings that may require works and the costs to carry out the identified works. In determining the total cost of works across a number of different buildings, management initially used internal QS estimates, which have increasingly been supported by externally sourced quotations, where available, both of which contain inherent estimation uncertainty. However, it is not anticipated that any reasonable possible changes would lead to a material adjustment in the value of the provision. The scope of works may also be impacted by future industry guidance or regulations.

3 General information

Taylor Wimpey plc is a public company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act and is registered in England and Wales. The Company's registered office is Taylor Wimpey plc, Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 1 to 88.

These financial statements are presented in pounds Sterling as the currency of the primary economic environment in which the Group operates.

Notes to the consolidated financial statements continued

4 Revenue

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

	2023 £m	2022 £m
Private sales	3,103.5	3,886.1
Partnership housing	395.6	476.4
Land & other	15.4	57.4
	3,514.5	4,419.9

Other revenue includes income from the sale of commercial properties developed as part of larger residential developments. The Group's revenue includes revenue from construction contracts that are recognised over time by reference to the stage of completion of the contract with the customer. All other revenue is recognised at a point in time once control of the property is transferred to the customer.

	2023 £m	2022 £m
Recognised at a point in time	3,101.7	3,983.1
Recognised over time	412.8	436.8
	3,514.5	4,419.9

At 31 December 2023, the aggregate amount of the transaction price allocated to unsatisfied performance obligations on construction contracts was £812.4 million (2022: £677.6 million), of which approximately 40% is expected to be recognised as revenue during 2024.

5 Operating segments

The Group operates in two countries, the United Kingdom and Spain, and has two reportable segments of those countries. Revenue in Spain arises entirely on private sales.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1.

Segment information about these businesses is presented below:

	2023			2022		
	UK £m	Spain £m	Total £m	UK £m	Spain £m	Total £m
Revenue						
External sales	3,371.7	142.8	3,514.5	4,295.5	124.4	4,419.9
Result						
Profit before joint ventures, finance income/(costs) and exceptional items	432.5	35.3	467.8	874.9	32.6	907.5
Share of results of joint ventures	2.4	–	2.4	15.9	–	15.9
Operating profit (Note 32)	434.9	35.3	470.2	890.8	32.6	923.4
Exceptional items (Note 6)	–	–	–	(80.0)	–	(80.0)
Profit before net finance income/(costs)	434.9	35.3	470.2	810.8	32.6	843.4
Net finance income/(costs)			3.6			(15.5)
Profit before taxation			473.8			827.9
Taxation charge			(124.8)			(184.3)
Profit for the year			349.0			643.6

Notes to the consolidated financial statements continued

5 Operating segments continued

	2023			2022		
	UK £m	**Spain £m**	**Total £m**	UK £m	Spain £m	Total £m
Assets and liabilities						
Segment operating assets	**5,153.2**	**241.6**	**5,394.8**	5,222.9	207.9	5,430.8
Joint ventures	**70.5**	**–**	**70.5**	74.0	–	74.0
Segment operating liabilities	**(1,494.0)**	**(147.6)**	**(1,641.6)**	(1,767.2)	(118.1)	(1,885.3)
Net operating assets	**3,729.7**	**94.0**	**3,823.7**	3,529.7	89.8	3,619.5
Net current taxation			**(1.6)**			(7.2)
Net deferred taxation (Note 14)			**23.4**			26.0
Net cash (Note 27)			**677.9**			863.8
Net assets			**4,523.4**			4,502.1

	2023			2022		
	UK £m	**Spain £m**	**Total £m**	UK £m	Spain £m	Total £m
Other information						
Property, plant and equipment additions	**6.6**	**0.2**	**6.8**	1.6	0.1	1.7
Right-of-use asset additions	**20.7**	**0.4**	**21.1**	7.1	0.1	7.2
Software additions	**0.1**	**–**	**0.1**	0.4	–	0.4
Property, plant and equipment depreciation	**(1.7)**	**(0.1)**	**(1.8)**	(4.2)	(0.1)	(4.3)
Right-of-use asset depreciation	**(8.9)**	**(0.3)**	**(9.2)**	(7.2)	(0.2)	(7.4)
Amortisation of intangible assets	**(1.7)**	**–**	**(1.7)**	(2.8)	–	(2.8)

6 Net operating expenses and profit on ordinary activities before financing

Profit on ordinary activities before financing for continuing operations has been arrived at after charging/(crediting):

	2023 £m	2022 £m
Administration expenses	**232.7**	220.7
Other expenses	**101.7**	70.1
Other income	**(85.7)**	(65.9)
Exceptional items	**–**	80.0
Net operating expenses	**248.7**	304.9

The majority of the other income and other expenses shown above relates to the income and associated costs arising on the sale of part exchange properties. Also included in other income and other expenses are profit/loss on the sale of property, plant and equipment, the revaluation of certain shared equity mortgage receivables and abortive land acquisition costs.

Exceptional items:	**2023 £m**	2022 £m
Provision in relation to cladding fire safety	**–**	80.0
Exceptional items	**–**	80.0

Cladding fire safety

In 2018 the Group established an exceptional provision for the cost of replacing ACM on a small number of legacy developments, which was increased in 2020 to reflect the latest estimate of costs to complete the planned works. Following the guidance issued by RICS in 2021, the Group announced an additional £125.0 million provision to fund cladding fire safety improvements and, in line with Group policy, recognised it as an exceptional item.

In April 2022 the Group signed up to the Government's Building Safety Pledge for Developers, extending the period covered to all buildings constructed by the Group since 1992, as well as committing to reimburse any funds allocated or used for Taylor Wimpey buildings over 18 metres from the Building Safety Fund. In the year to 31 December 2022 the Group recognised an increase in the provision of £80.0 million, as an exceptional expense; no further amounts were recognised in the year to 31 December 2023.

Notes to the consolidated financial statements continued

6 Net operating expenses and profit on ordinary activities before financing continued

Profit on ordinary activities before financing has been arrived at after charging:

	2023 £m	2022 £m
Cost of inventories recognised as an expense in cost of sales	**2,646.8**	3,155.7
Property, plant and equipment depreciation (Note 12)	**1.8**	4.3
Right-of-use asset depreciation (Note 19)	**9.2**	7.4
Amortisation of intangible assets (Note 11)	**1.7**	2.8

The remuneration paid to the Group's external auditors is as follows:

	2023 £m	2022 £m
Fees payable for the audit of the Company's annual accounts and consolidated financial statements	**0.2**	0.2
Fees payable to the Company's auditors and its associates for other services to the Group:		
The audit of the Company's subsidiaries pursuant to legislation	**0.9**	0.8
Total audit fees	**1.1**	1.0
Other assurance services	**0.1**	0.1
Total non-audit fees	**0.1**	0.1
Total fees	**1.2**	1.1

Non-audit services in 2023 and 2022 predominantly relate to work undertaken as a result of PricewaterhouseCoopers LLP's role as auditors, or work resulting from knowledge and experience gained as part of the role. In 2023 and 2022 the fees relating to other assurance services primarily related to the review of the interim statements and also included £2,000 for a subscription service providing factual updates and changes to applicable law, regulation or accounting and auditing standards. In 2023 £2,000 was also incurred for agreed upon procedures work performed in Spain.

7 Staff costs

	2023 Number	2022 Number
Monthly average number employed		
United Kingdom	**4,618**	5,140
Spain	**101**	96
	4,719	5,236

	2023 £m	2022 £m
Remuneration		
Wages and salaries	**270.7**	290.0
Redundancy costs	**6.0**	0.4
Social security costs	**29.4**	31.8
Other pension costs	**15.1**	15.4
	321.2	337.6

The information relating to Director and Senior Management remuneration required by the Companies Act 2006 and the Listing Rules of the Financial Conduct Authority is contained in Note 30 and pages 131 to 152 in the Directors' Remuneration Report.

8 Finance income and finance costs

Finance income	2023 £m	2022 £m
Interest receivable	**29.5**	8.6
	29.5	8.6

Finance costs	2023 £m	2022 £m
Interest on bank and other loans	**(8.3)**	(4.8)
Foreign exchange loss	**(0.5)**	–
	(8.8)	(4.8)
Unwinding of discount on land creditors and other items	**(14.8)**	(18.3)
Interest on lease liabilities (Note 19)	**(1.0)**	(0.4)
Net interest on pension liability (Note 21)	**(1.3)**	(0.6)
	(25.9)	(24.1)

Notes to the consolidated financial statements continued

9 Taxation charge

Tax (charged)/credited in the income statement is analysed as follows:

		2023 £m	2022 £m
Current tax:			
UK:	Current year	**(116.6)**	(179.3)
	Adjustment in respect of prior years	**1.8**	0.5
Overseas:	Current year	**(6.7)**	(5.4)
	Adjustment in respect of prior years	**0.1**	(0.5)
		(121.4)	(184.7)
Deferred tax:			
UK:	Current year	**(2.5)**	0.4
	Adjustment in respect of prior years	**(0.2)**	(0.1)
Overseas:	Current year	**(0.7)**	(1.7)
	Adjustment in respect of prior years	**–**	1.8
		(3.4)	0.4
		(124.8)	(184.3)

Corporation tax is calculated at 27.5% (2022: 22.0%) of the estimated assessable profit for the year in the UK. This includes corporation tax at the rate of 23.5% (2022: 19.0%) for the year and residential property developer tax (RPDT) at the rate of 4.0% (2022: 4.0% with effect from 1 April 2022) on profits arising from residential property development activities. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions. The tax charge for the prior year includes an exceptional credit of £17.6 million relating to the cladding fire safety provision.

The charge for the year can be reconciled to the profit per the income statement as follows:

	2023 £m	2022 £m
Profit before tax	**473.8**	827.9
Tax at the UK corporation tax rate of 27.5% (2022: 22.0%)	**(130.3)**	(182.1)
Net over provision in respect of prior years	**1.7**	1.7
Net impact of items that are not taxable or deductible	**0.1**	(5.6)
Recognition of deferred tax asset relating to Spanish business	**1.0**	1.0
Other rate impacting adjustments	**2.7**	0.7
Tax charge for the year	**(124.8)**	(184.3)

Owing to its size and multinational operations, the Group is within the scope of the OECD Pillar Two model rules which are designed to ensure that large multinational groups incur a 15% minimum effective tax rate in each jurisdiction in which they operate. Pillar Two legislation was enacted in the UK in June 2023 and applies to periods beginning on or after 31 December 2023. As a result, the legislation was not effective for the current year and the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the Group is liable to pay a top-up tax for the difference between its effective tax rate per jurisdiction and the 15% minimum rate. Although work to assess the impact of the new provisions is ongoing, it is expected that the Group will meet the safe harbour provisions, meaning that no additional tax is expected to be due once the provisions become effective.

Notes to the consolidated financial statements continued

10 Earnings per share

	2023	2022
Basic earnings per share	**9.9p**	18.1p
Diluted earnings per share	**9.9p**	18.0p
Adjusted basic earnings per share	**9.9p**	19.8p
Adjusted diluted earnings per share	**9.9p**	19.7p
Weighted average number of shares for basic earnings per share – million	**3,530.4**	3,564.8
Weighted average number of shares for diluted earnings per share – million	**3,537.5**	3,576.5

Adjusted basic and adjusted diluted earnings per share, which exclude the impact of exceptional items and any associated net tax amounts, are presented to provide a measure of the underlying performance of the Group. A reconciliation of earnings attributable to equity shareholders used for basic and diluted earnings per share to that used for adjusted earnings per share is shown below.

	2023 £m	2022 £m
Earnings for basic and diluted earnings per share	**349.0**	643.6
Adjust for exceptional items (Note 6)	**–**	80.0
Adjust for tax on exceptional items	**–**	(17.6)
Earnings for adjusted basic and adjusted diluted earnings per share	**349.0**	706.0

	2023 Million	2022 Million
Weighted average number of shares for basic earnings per share	**3,530.4**	3,564.8
Dilution from share options	**7.1**	11.7
Weighted average number of shares for diluted earnings per share	**3,537.5**	3,576.5

11 Intangible assets

	Brands £m	**Software £m**	**Total £m**
Cost			
At 1 January 2022	140.2	23.3	163.5
Additions	–	0.4	0.4
At 31 December 2022	140.2	23.7	163.9
Additions	**–**	**0.1**	**0.1**
At 31 December 2023	**140.2**	**23.8**	**164.0**
Accumulated amortisation			
At 1 January 2022	(140.2)	(16.7)	(156.9)
Charge for the year	–	(2.8)	(2.8)
At 31 December 2022	(140.2)	(19.5)	(159.7)
Charge for the year	**–**	**(1.7)**	**(1.7)**
At 31 December 2023	**(140.2)**	**(21.2)**	**(161.4)**
Carrying amount			
At 31 December 2023	**–**	**2.6**	**2.6**
At 31 December 2022	–	4.2	4.2

The amortisation of software is recognised within administration expenses in the income statement.

Notes to the consolidated financial statements continued

12 Property, plant and equipment

	Freehold land and buildings £m	Plant, equipment and leasehold improvements £m	Total £m
Cost			
At 1 January 2022	16.5	29.8	46.3
Additions	–	1.7	1.7
Disposals	(2.2)	–	(2.2)
Exchange movements	–	0.1	0.1
At 31 December 2022	14.3	31.6	45.9
Additions	**–**	**6.8**	**6.8**
Disposals	**–**	**(1.4)**	**(1.4)**
Exchange movements	**–**	**–**	**–**
At 31 December 2023	**14.3**	**37.0**	**51.3**
Accumulated depreciation			
At 1 January 2022	(4.1)	(20.5)	(24.6)
Charge for the year	(0.5)	(3.8)	(4.3)
Disposals	0.4	–	0.4
Exchange movements	–	(0.1)	(0.1)
At 31 December 2022	(4.2)	(24.4)	(28.6)
Charge for the year	**(0.5)**	**(1.3)**	**(1.8)**
Disposals	**–**	**1.1**	**1.1**
Exchange movements	**–**	**–**	**–**
At 31 December 2023	**(4.7)**	**(24.6)**	**(29.3)**
Carrying amount			
At 31 December 2023	**9.6**	**12.4**	**22.0**
At 31 December 2022	10.1	7.2	17.3

13 Interests in joint ventures

	2023 £m	2022 £m
Share of net assets	**35.3**	43.5
Loans to joint ventures	**35.2**	30.5
Total interests in joint ventures	**70.5**	74.0

Loans to joint ventures includes £(9.7) million (2022: £(8.5) million) relating to the Group's share of losses recognised under the equity method in excess of the investment in ordinary shares.

The Group has four (2022: five) material joint ventures whose principal activity is residential housebuilding or development. The Group considers a joint venture to be material when it is financially or strategically important to the Group. Chobham Manor completed the majority of its development in the prior year and as a result is no longer considered to be a material joint venture.

The particulars of the material joint ventures for 2023 are as follows:

Joint venture	Country of incorporation	Interest in the issued ordinary share capital*
Greenwich Millennium Village Limited	United Kingdom	50%
Winstanley and York Road Regeneration LLP	United Kingdom	50%
Whitehill & Bordon Development Company Phase 1a Limited	United Kingdom	50%
Whitehill & Bordon Regeneration Company Limited	United Kingdom	50%

* Interests held by subsidiary undertakings.

Further information on the particulars of joint ventures can be found on pages 220 to 221.

Notes to the consolidated financial statements continued

13 Interests in joint ventures continued

The following two tables show summary financial information for the material joint ventures and in total for the immaterial joint ventures. Unless specifically indicated, this information represents 100% of the joint venture before intercompany eliminations.

	Greenwich Millennium Village 2023 £m	Winstanley and York Road Regeneration 2023 £m	Whitehill & Bordon Development Company Phase 1a 2023 £m	Whitehill & Bordon Regeneration Company 2023 £m	Immaterial Joint Ventures 2023 £m	Total 2023 £m
Non-current assets	–	4.5	0.1	53.3	0.8	58.7
Current assets excluding cash	50.7	82.2	29.1	6.3	24.6	192.9
Cash and cash equivalents	22.6	2.1	0.2	–	4.5	29.4
Current financial liabilities	(6.2)	(3.5)	(2.0)	(24.7)	(13.2)	(49.6)
Current other liabilities	(1.3)	–	–	–	–	(1.3)
Non-current financial liabilities*	(2.6)	(104.6)	(24.6)	(31.7)	(14.7)	(178.2)
Net assets/(liabilities) (100%)	63.2	(19.3)	2.8	3.2	2.0	51.9
Group share of net assets/(liabilities)	31.6	(9.7)	1.4	1.6	0.7	25.6
Loans to joint ventures	–	43.2	–	0.1	1.6	44.9
Total interests in joint ventures	31.6	33.5	1.4	1.7	2.3	70.5
Revenue	50.9	27.9	0.9	15.1	6.9	101.7
Interest expense	–	(4.9)	(0.2)	(0.3)	(1.7)	(7.1)
Income tax (expense)/credit	(2.6)	–	0.1	0.1	0.4	(2.0)
Profit/(loss) for the year	8.6	(2.2)	(0.2)	(0.2)	(1.1)	4.9
Group share of profit/(loss) for the year	4.3	(1.1)	(0.1)	(0.1)	(0.6)	2.4

* Non-current financial liabilities include amounts owed to joint venture partners.

Notes to the consolidated financial statements continued

13 Interests in joint ventures continued

	Greenwich Millennium Village 2022 £m	Chobham Manor 2022 £m	Winstanley and York Road Regeneration 2022 £m	Whitehill & Bordon Development Company Phase 1a 2022 £m	Whitehill & Bordon Regeneration Company 2022 £m	Immaterial Joint Ventures 2022 £m	Total 2022 £m
Non-current assets	–	–	4.4	0.5	41.0	0.6	46.5
Current assets excluding cash	54.8	7.8	70.9	8.6	6.5	21.4	170.0
Cash and cash equivalents	21.3	21.5	8.1	2.3	0.6	2.2	56.0
Current financial liabilities	(13.3)	(1.4)	(5.3)	(0.6)	(10.7)	(10.0)	(41.3)
Current other liabilities	–	–	–	(1.2)	(0.2)	–	(1.4)
Non-current financial liabilities*	(8.2)	(0.4)	(95.1)	(6.5)	(33.8)	(15.6)	(159.6)
Net assets/(liabilities) (100%)	54.6	27.5	(17.0)	3.1	3.4	(1.4)	70.2
Group share of net assets/(liabilities)	27.3	13.8	(8.5)	1.6	1.7	(0.9)	35.0
Loans to joint ventures	–	–	37.4	–	0.1	1.5	39.0
Total interests in joint ventures	27.3	13.8	28.9	1.6	1.8	0.6	74.0
Revenue	78.6	103.5	17.7	25.4	24.5	–	249.7
Interest expense	(0.4)	–	(5.0)	(0.3)	(0.2)	(1.1)	(7.0)
Income tax (expense)/credit	(3.3)	–	–	(1.2)	(0.2)	0.3	(4.4)
Profit/(loss) for the year	13.9	17.3	(4.4)	5.2	0.7	(0.9)	31.8
Group share of profit/(loss) for the year	7.0	8.6	(2.2)	2.6	0.4	(0.5)	15.9

* Non-current financial liabilities include amounts owed to joint venture partners.

During the current and prior year, no entity charged depreciation or amortisation. No entity had discontinued operations or items of other comprehensive income.

Notes to the consolidated financial statements continued

14 Deferred tax

	Share-based payments £m	Capital allowances £m	Temporary differences on overseas provisions £m	Retirement benefit obligations £m	Losses and other temporary differences £m	Total £m
At 1 January 2022	3.9	2.4	5.5	8.8	5.6	26.2
(Charge)/credit to income	(1.7)	0.4	0.2	(0.9)	2.4	0.4
Credit to other comprehensive income	–	–	–	0.7	–	0.7
Charge to statement of changes in equity	(1.6)	–	–	–	–	(1.6)
Foreign exchange	–	–	0.3	–	–	0.3
At 31 December 2022	0.6	2.8	6.0	8.6	8.0	26.0
Credit/(charge) to income	**0.2**	**(0.8)**	**(0.6)**	**(0.7)**	**(1.5)**	**(3.4)**
Charge to other comprehensive income	**–**	**–**	**–**	**(0.2)**	**–**	**(0.2)**
Credit to statement of changes in equity	**1.1**	**–**	**–**	**–**	**–**	**1.1**
Foreign exchange	**–**	**–**	**(0.1)**	**–**	**–**	**(0.1)**
At 31 December 2023	**1.9**	**2.0**	**5.3**	**7.7**	**6.5**	**23.4**

Closing deferred tax on temporary differences has been calculated at the tax rates that are expected to apply for the period when the asset is realised or liability is settled. Accordingly, deferred tax on UK temporary differences has been calculated at 29% (31 December 2022: between 25% and 29%). Deferred tax on Spanish temporary differences has been calculated at 25% (31 December 2022: 25%).

The net deferred tax balance is analysed into assets and liabilities as follows:

	2023 £m	2022 £m
Deferred tax assets	**25.0**	27.4
Deferred tax liabilities	**(1.6)**	(1.4)
	23.4	26.0

The Group has not recognised temporary differences relating to tax losses carried forward and other temporary differences amounting to £2.0 million (2022: £2.4 million) in the UK and £19.4 million (2022: £23.8 million) in Spain. The UK temporary differences have not been recognised as they are predominantly non-trading in nature and insufficient certainty exists as to their future utilisation. The temporary differences in Spain have not been recognised due to uncertainty of sufficient taxable profits in the future against which to utilise these amounts.

At the balance sheet date, the Group has unused UK capital losses of £269.7 million (2022: £269.5 million). No deferred tax asset has been recognised in respect of the capital losses at 31 December 2023 (2022: £nil) because the Group does not believe that it is probable that these capital losses will be utilised in the foreseeable future.

Notes to the consolidated financial statements continued

15 Inventories

	2023 £m	2022 £m
Land	**3,269.5**	3,428.3
Development and construction costs	**1,871.0**	1,725.9
Part exchange and other	**29.1**	15.4
	5,169.6	5,169.6

The markets in our core geographies, which are the primary drivers of our business, continue to trade positively. At 31 December 2023, the Group completed a net realisable value assessment of inventory, considering each site individually and based on estimates of sales price, costs to complete and costs to sell. At 31 December 2023, the provision held in the United Kingdom was £26.5 million (2022: £16.0 million) and £32.4 million in Spain (2022: £35.5 million). The table below details the movements on the inventory provision recorded in the year.

	2023 £m	2022 £m
1 January	**51.5**	54.8
Net additions/(utilised)	**8.0**	(5.1)
Foreign exchange	**(0.6)**	1.8
31 December	**58.9**	51.5

16 Other financial assets

Trade and other receivables

	Current		Non-current	
	2023 £m	2022 £m	2023 £m	2022 £m
Trade receivables	**82.5**	136.8	**21.7**	9.6
Other receivables	**41.9**	54.4	**6.4**	2.6
	124.4	191.2	**28.1**	12.2

Included within trade receivables are mortgage receivables of £6.3 million (2022: £10.2 million), including shared equity loans. Shared equity loans were provided to certain customers to facilitate their house purchase and are measured at fair value through profit or loss. Included within trade receivables is £33.0 million (2022: £34.5 million) of contract assets arising on construction contracts.

Cash and cash equivalents

	2023 £m	2022 £m
Cash and cash equivalents	**764.9**	952.3

£15.7 million (2022: £10.7 million) of cash and cash equivalents held in Spain from customer deposits can only be used for development expenditure on the sites to which the deposits relate. Further information on financial assets can be found in Note 20.

17 Bank and other loans

	2023 £m	2022 £m
€100.0 million 2.02% Senior Loan Notes 2023	**–**	88.5
€100.0 million 5.08% Senior Loan Notes 2030	**87.0**	–
	87.0	88.5

	2023 £m	2022 £m
Amounts due for settlement within one year	**–**	88.5
Amount due for settlement after one year	**87.0**	–
Total borrowings	**87.0**	88.5

Further information on loan facilities can be found in Note 20.

Notes to the consolidated financial statements continued

18 Trade and other payables

	Current		Non-current	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Trade payables	**299.9**	376.4	**21.8**	17.1
Land creditors	**301.2**	395.0	**214.9**	330.6
Social security and other taxes	**8.3**	9.6	**–**	–
Customer deposits	**80.3**	89.7	**11.8**	10.4
Accruals	**266.4**	230.8	**1.7**	–
Deferred income	**25.5**	23.7	**38.1**	39.2
Other payables	**11.2**	5.6	**7.5**	10.0
	992.8	1,130.8	**295.8**	407.3

Revenue recognised in the current year that was included in the customer deposit balance brought forward at the beginning of the period was £89.7 million (2022: £82.4 million). Other payables include £9.2 million (2022: £11.1 million) of repayable grants.

Land creditors are denominated as follows:

	2023 £m	2022 £m
Sterling	**478.2**	696.1
Euros	**37.9**	29.5
	516.1	725.6

Land creditors of £397.4 million (2022: £493.0 million) are secured against land acquired for development.

Further information on financial liabilities can be found in Note 20.

19 Leases

The Group as a lessee

The Group's leases consist primarily of premises and equipment.

Right-of-use assets:	**Premises £m**	**Equipment £m**	**Total £m**
At 1 January 2023	17.0	9.3	26.3
At 31 December 2023	**25.7**	**12.1**	**37.8**
Additions during the year	**12.7**	**8.4**	**21.1**

Lease liabilities:	**2023 £m**	2022 £m
At 1 January	**27.0**	27.4
Additions	**21.1**	7.2
Disposals	**(0.5)**	–
Interest charge	**1.0**	0.4
Payments	**(8.9)**	(8.0)
Foreign exchange	**0.1**	–
At 31 December	**39.8**	27.0
Current	**8.8**	7.3
Non-current	**31.0**	19.7
Total	**39.8**	27.0

Amounts recognised in the income statement:	**2023 £m**	2022 £m
Depreciation charged on right-of-use premises	**4.0**	3.2
Depreciation charged on right-of-use equipment	**5.2**	4.2
Interest on lease liabilities	**1.0**	0.4
Total	**10.2**	7.8

Notes to the consolidated financial statements continued

20 Financial instruments and fair value disclosures

Capital management

The Group's policy is to maintain a strong balance sheet and to have an appropriate funding structure. Shareholders' equity and term debt are used to finance non-current assets and the medium to long term inventories. Revolving credit facilities are used to finance net current assets, including development and construction costs. The Group's financing facilities contain the usual financial covenants, including minimum interest cover and maximum gearing. The Group met these requirements throughout the year and up to the date of the approval of the financial statements. The Ordinary Dividend Policy is to return c.7.5% of net assets to shareholders annually, which will be at least £250 million per annum, in two equal instalments.

Financial assets and financial liabilities

Categories of financial assets and financial liabilities are as follows:

Financial assets	Fair value hierarchy	Carrying value 31 December 2023 £m	Carrying value 31 December 2022 £m	Fair value 31 December 2023 £m	Fair value 31 December 2022 £m
Cash and cash equivalents	a	**764.9**	952.3	**764.9**	952.3
Land receivables	a	**2.8**	16.3	**2.8**	16.3
Other financial assets	a	**10.3**	10.0	**10.3**	10.0
Trade and other receivables	a	**100.1**	136.4	**100.1**	136.4
Mortgage receivables	b	**6.3**	10.2	**6.3**	10.2
		884.4	1,125.2	**884.4**	1,125.2

a. The Directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements to approximate their fair value.

b. Mortgage receivables relate to sales incentives, including shared equity loans, and are measured at fair value through profit or loss. The fair value is established based on a publicly available national house price index, being significant other observable inputs (level 2).

Land receivables and trade and other receivables are included in the balance sheet as trade and other receivables for current and non-current amounts. Current and non-current trade and other receivables, as disclosed in Note 16, include £43.3 million (2022: £40.5 million) of non-financial assets.

Financial liabilities	Fair value hierarchy	Carrying value 31 December 2023 £m	Carrying value 31 December 2022 £m	Fair value 31 December 2023 £m	Fair value 31 December 2022 £m
Bank and other loans	a	**87.0**	88.5	**84.6**	87.2
Land creditors	b	**516.1**	725.6	**516.1**	725.6
Trade and other payables	b	**608.4**	639.9	**608.4**	639.9
Lease liabilities	b	**39.8**	27.0	**39.8**	27.0
		1,251.3	1,481.0	**1,248.9**	1,479.7

a. The fair value of the €100 million fixed rate loan notes has been determined by reference to external interest rates and the Directors' assessment of the margin for credit risk (level 2).

b. The Directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements to approximate their fair value.

Land creditors and trade and other payables are included in the balance sheet as trade and other payables for current and non-current amounts. Current and non-current trade and other payables, as disclosed in Note 18, include £164.1 million (2022: £172.6 million) of non-financial liabilities.

The Group has designated the carrying value of €79.0 million of foreign currency borrowings (2022: €79.0 million) as a net investment hedge, equating to £68.7 million (2022: £69.9 million).

The Group has no financial instruments with fair values that are determined by reference to significant unobservable inputs (level 3), nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

Forward contracts have been entered into to offset the foreign exchange movements on intra-Group loans to buy/(sell) against Sterling: €30.5 million (2022: €30.5 million), equivalent to £26.5 million (2022: £27.0 million). The fair value of the forward contracts is not material as they were entered into on or near 31 December in each year and mature less than one month later, hence the value of the derivative is negligible.

Notes to the consolidated financial statements continued

20 Financial instruments and fair value disclosures continued

Market risk

The Group's activities expose it to the financial risks of changes in both foreign currency exchange rates and interest rates. The Group aims to manage the exposure to these risks using fixed or variable rate borrowings, foreign currency borrowings and derivative financial instruments.

(a) Interest rate risk management

The Group can be exposed to interest rate risk as the Group borrows funds, when required, at variable interest rates. The exposure to variable rate borrowings can fluctuate during the year due to the seasonal nature of cash flows relating to housing sales and the less certain timing of land payments. Group policy is to manage the volatility risk of interest rates on borrowings by a combination of fixed rate borrowings and interest rate swaps such that the sensitivity to potential changes in variable rates is within acceptable levels. Group policy does not allow the use of derivatives to speculate against changes to future interest rates and they are only used to manage exposure to volatility. Interest rate hedging using derivatives has not taken place in the current or previous year. This policy has not changed during the year.

To measure the risk, variable rate borrowings and the expected interest cost for the year are forecast monthly and compared to budget using management's expectations of a possible change in interest rates. Interest expense volatility remained within acceptable limits throughout the year.

Interest rate sensitivity

The effect on both income and equity, based on exposure to non-derivative floating rate instruments and cash and cash equivalents at the balance sheet date, is shown in the table below. The Group does not currently have any outstanding interest rate derivatives. The 1.00% (2022: 1.00%) change represents a reasonably possible change in interest rates over the next financial year. The table assumes all other variables remain constant in accordance with IFRS 7.

	Income sensitivity 2023 £m	**Equity sensitivity 2023 £m**	Income sensitivity 2022 £m	Equity sensitivity 2022 £m
1.00% (2022: 1.00%) increase in interest rates	**7.6**	**7.6**	9.5	9.5

	Income sensitivity 2023 £m	**Equity sensitivity 2023 £m**	Income sensitivity 2022 £m	Equity sensitivity 2022 £m
1.00% (2022: 1.00%) decrease in interest rates	**(7.6)**	**(7.6)**	(9.5)	(9.5)

(b) Foreign currency risk management

The Group's overseas activities expose it to the financial risks of changes in foreign currency exchange rates. Its Spanish subsidiary is the only foreign operation of the Group.

The Group is not materially exposed to transaction risks as all Group companies conduct their business in their respective functional currencies. Group policy requires that transaction risks are hedged to the functional currency of the subsidiary using foreign currency borrowings or derivatives where appropriate.

The Group is exposed to the translation risk from accounting for both the income and the net investment held in a functional currency other than Sterling. The net investment risk may be hedged using foreign currency borrowings and derivatives. Assets and liabilities denominated in non-functional currencies are retranslated each month using the latest exchange rates. Income is also measured monthly using the latest exchange rates and compared with a budget held at historical exchange rates. Other than the natural hedge provided by foreign currency borrowings, the translation risk of income is not hedged using derivatives. The policy is kept under periodic review and has not changed during the year.

Notes to the consolidated financial statements continued

20 Financial instruments and fair value disclosures continued

Hedge accounting
Hedging activities are evaluated periodically to ensure that they are in line with Group policy.

The Group has designated the carrying value of €79.0 million of foreign currency borrowings (2022: €79.0 million) held at the balance sheet date as a net investment hedge of part of the Group's investment in Euro denominated assets, equating to £68.7 million (2022: £69.9 million).

The change in the carrying value of £(1.2) million (2022: £3.5 million) of the borrowings designated as a net investment hedge offset the exchange movement on the foreign currency net investments and are presented in the statement of comprehensive income.

Foreign currency sensitivity
The Group is exposed to the Euro due to its Spanish operations. The following table details how the Group's income and equity would increase/(decrease) on a before tax basis following a 5% (2022: 10%) change in the currency's value against Sterling, all other variables remaining constant. The 5% change represents a reasonably possible change in the specified Euro exchange rates in relation to Sterling.

	Income sensitivity 2023 £m	**Equity sensitivity 2023 £m**	Income sensitivity 2022 £m	Equity sensitivity 2022 £m
Euro weakens against Sterling	**(0.4)**	**2.9**	(0.9)	5.5
Euro strengthens against Sterling	**0.5**	**(3.2)**	1.0	(6.8)

Credit risk
Credit risk is the risk of financial loss where counterparties are not able to meet their obligations.

Group policy is that surplus cash, when not used to repay borrowings, is placed on deposit with the Group's main relationship banks and with other banks or money market funds based on a minimum credit rating and maximum exposure. There is no significant concentration of risk to any single counterparty.

Land receivables arise from sales of surplus land on deferred terms. If the credit risk is not acceptable, then the deferred payment must have adequate security, either by an appropriate guarantee or a charge over the land. The fair value of any land held as security is considered by management to be sufficient in relation to the carrying amount of the receivable to which it relates.

Trade and other receivables comprise mainly amounts receivable from various housing associations, other housebuilders and corporate investors. Management considers that the credit quality of the various receivables is good in respect of the amounts outstanding and therefore credit risk is considered to be low. There is no significant concentration of risk.

Mortgage receivables, including shared equity loans, are in connection with various historical sales promotion schemes and are measured at fair value through profit or loss. The mortgages are secured by a second charge over the property with a low level of experienced credit losses due to non-payment.

The carrying amount of financial assets, as detailed above, represents the Group's maximum exposure to credit risk at the reporting date assuming that any security held has no value.

Liquidity risk
Liquidity risk is the risk that the Group does not have sufficient financial resources available to meet its obligations as they fall due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, matching the expected cash flow timings of financial assets and liabilities with the use of cash and cash equivalents, borrowings, overdrafts and committed revolving credit facilities with a minimum of 12 months to maturity. Future borrowing requirements are forecast on a monthly basis and funding headroom is maintained above forecast peak requirements to meet unforeseen events. At 31 December 2023, the Group's borrowings and facilities had a range of maturities with a weighted average life of 4.8 years (2022: 1.9 years).

In December 2022 the Group entered into an agreement to refinance the €100 million 2.02% senior loan notes due June 2023 with €100 million 5.08% senior loan notes due June 2030. In July 2023 the Group renewed its revolving credit facility, increasing it to £600 million with a maturity of July 2028 and the option to request an extension for two further years. The borrowings and facilities contain financial covenants based on minimum tangible net worth, maximum gearing and minimum interest cover. The revolving credit facility contains sustainability-linked performance targets based on reducing emissions and wastage. At the balance sheet date, the total unused committed amount was £600.0 million (2022: £550.0 million) and cash and cash equivalents were £764.9 million (2022: £952.3 million).

Notes to the consolidated financial statements continued

20 Financial instruments and fair value disclosures continued

The maturity profile of the anticipated future cash flows including interest, using the latest applicable relevant rate, based on the earliest date on which the Group can be required to pay financial liabilities on an undiscounted basis, is as follows:

	Bank and other loans £m	Land creditors £m	Trade and other payables £m	Lease liabilities £m	Total £m
On demand	–	–	–	–	–
Within one year	4.4	307.7	577.4	10.1	899.6
More than one year and less than two years	4.4	139.2	15.2	9.8	168.6
More than two years and less than five years	13.3	58.1	12.0	15.4	98.8
More than five years	93.5	30.5	3.8	9.7	137.5
31 December 2023	**115.6**	**535.5**	**608.4**	**45.0**	**1,304.5**

	Bank and other loans £m	Land creditors £m	Trade and other payables £m	Lease liabilities £m	Total £m
On demand	–	–	–	–	–
Within one year	89.4	401.5	612.8	7.7	1,111.4
More than one year and less than two years	–	216.6	14.8	7.0	238.4
More than two years and less than five years	–	100.6	9.1	11.0	120.7
More than five years	–	31.0	3.2	2.6	36.8
31 December 2022	89.4	749.7	639.9	28.3	1,507.3

21 Retirement benefit obligations

Total retirement benefit obligations of £26.5 million (2022: £29.9 million) comprise a defined benefit pension liability of £26.3 million (2022: £29.6 million) and a post-retirement healthcare liability of £0.2 million (2022: £0.3 million).

The Group operates the Taylor Wimpey Pension Scheme (TWPS), a defined benefit pension scheme, which is closed to both new members and to future accrual. The Group also operates defined contribution pension arrangements in the UK, which are available to new and existing UK employees.

Defined contribution pension plan

A defined contribution plan is an arrangement under which the Group pays contributions to an independently administered fund or policy; such contributions are based on a fixed percentage of employees' pay. The Group has no legal or constructive obligations to pay further contributions to the fund/policy once the contributions have been paid. Employees' benefits are determined by the amount of contributions paid by the Group and the employee, together with investment returns earned on the contributions arising from the performance of each individual's chosen investments and the type of pension the employee chooses to buy at retirement. As a result, actuarial risk (that benefits will be lower than expected) and investment risk (that invested assets will not perform in line with expectations) fall on the employee.

The Group's contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group's defined contribution plan, the Taylor Wimpey Personal Choice Plan (TWPCP), is offered to all new and existing monthly paid employees and is provided by Scottish Widows. The People's Pension is used for auto enrolment purposes for all weekly paid employees and those monthly paid employees not participating in the TWPCP. The People's Pension is provided by People's Partnership, one of the UK's largest providers of financial benefits to construction industry employers and individuals.

The Group made contributions to its defined contribution arrangements of £15.1 million in the year (2022: £15.4 million), which is included in the income statement charge.

21 Retirement benefit obligations continued

Defined benefit pension scheme

The Group's defined benefit pension scheme in the UK is the TWPS. The TWPS is a funded defined benefit pension scheme which provides benefits to beneficiaries in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on an individual member's length of service and their salary in the final years leading up to retirement or date of ceasing active accrual if earlier. Pension payments are generally increased in line with inflation. The TWPS is closed to new members and future accrual.

The Group operates the TWPS under the UK regulatory framework. Benefits are paid to members from a Trustee-administered fund and the Trustee is responsible for ensuring that the TWPS is well managed and that members' benefits are secure. Scheme assets are held in trust.

The TWPS Trustee's other duties include managing the investment of scheme assets, administration of scheme benefits and exercising of discretionary powers. The Group works closely with the Trustee to manage the TWPS. The Trustee of the TWPS owes fiduciary duties to the TWPS' beneficiaries. The appointment of the Directors to the Trustee Board is determined by the TWPS trust documentation.

The most recent triennial valuation of the TWPS was undertaken with a reference date of 31 December 2019. The table below sets out the key assumptions agreed as part of this valuation.

Assumptions	
Discount rate (pre-retirement)	2.35% per annum above the yield on the nominal gilt yield curve. Illustrative rate of 3.51% using the 15-year spot rate from the curve
Discount rate (post-retirement)	0.50% per annum above the yield on the nominal gilt yield curve. Illustrative rate of 1.66% using the 15-year spot rate from the curve
RPI inflation	Implied inflation gilt yield curve. Illustrative rate of 3.40% using the 15-year spot rate from the curve
CPI inflation	RPI less 0.8%. Illustrative rate of 2.60% using the 15-year spot rate from the curve
Mortality	104% of S3PxA tables, CMI_2019 improvements with 1.50% long term trend rate, a smoothing factor of 7 and an initial addition parameter of 0.5%

The result of this valuation was a Technical Provisions deficit at 31 December 2019 of £36.0 million. In March 2021, a new funding arrangement was agreed with the TWPS Trustee that committed the Group to paying up to £20.0 million per annum into an escrow account between April 2021 and March 2024. The first six months of contributions (£10.0 million) between 1 April 2021 and 30 September 2021 were guaranteed. From 1 October 2021, payments into the escrow account are subject to a quarterly funding test with the first funding test having an effective date of 30 September 2021. Contributions to the escrow are suspended should the TWPS Technical Provisions funding level at any quarter-end be 100% or more and would restart only if the funding level subsequently falls below 98%. The funding test at 30 September 2021 showed a funding level of 103% and it has remained above 98% since then and therefore escrow payments were suspended on, and from, 1 October 2021. The Group continues to contribute £5.1 million per annum from the Pension Funding Partnership and £2.0 million per annum to cover scheme expenses.

During 2023, the Group has engaged with the TWPS Trustee on the triennial valuation of the pension scheme with a reference date of 31 December 2022. At the current time, discussions are ongoing with the TWPS Trustee to agree the valuation as well as future contributions (if applicable). Legislation requires that the valuation must be concluded by 31 March 2024.

The escrow account, over which the TWPS Trustee holds a fixed charge, is recognised in other financial assets and at 31 December 2023 was £10.3 million (31 December 2022: £10.0 million), with interest earned by the escrow account being retained within the escrow account. Transfers out of the escrow account (either to the TWPS or the Group) are subject to the 2019 triennial funding arrangement entered into between the Group and the Trustee and as such the funds are restricted from use by the Group for other purposes and are therefore not classified as cash or cash equivalents.

On an IAS 19 accounting basis the underlying surplus in the TWPS at 31 December 2023 was £76.7 million (2022: £76.6 million). The terms of the TWPS are such that the Group does not have an unconditional right to a refund of surplus. As a result, the Group recognised an adjustment to the underlying surplus in the TWPS on an IAS 19 accounting basis of £103.0 million (2022: £106.2 million), resulting in an IFRIC 14 deficit of £26.3 million (2022: £29.6 million), which represented the present value of future contributions under the funding plan.

Notes to the consolidated financial statements continued

21 Retirement benefit obligations continued

In 2013, the Group introduced a £100.0 million Pension Funding Partnership that utilises the Group's show homes, as well as six offices, in a sale and leaseback structure. This provides an additional £5.1 million of annual funding for the TWPS. The assets held within the Pension Funding Partnership do not affect the IAS 19 figures (before IFRIC 14) as they remain assets of the Group, and are not assets of the TWPS. At 31 December 2023 there was £79.9 million of property and £32.7 million of cash held within the structure (2022: £75.2 million of property and £39.8 million of cash). The current terms of the Funding Partnership are such that, should the TWPS be in a Technical Provisions deficit at 31 December 2028, then a bullet payment will be due to the TWPS equal to the lower of £100.0 million or the Technical Provisions deficit at that time.

The Group continues to work closely with the Trustee in managing pension risks, including management of interest rate, inflation and longevity risks. The TWPS assets are approximately 98% (2022: 96%) hedged against changes in both interest rates and inflation expectations on the scheme's long term funding basis that is currently used for investment strategy purposes. The TWPS also benefits from a bulk annuity contract which covers some of the largest liabilities in the scheme, providing protection against interest rate, inflation and longevity risk.

The weighted average duration of the defined benefit obligation at the end of the year is approximately 12 years (2022: approximately 12 years).

Accounting assumptions

The assumptions used in calculating the accounting costs and obligations of the TWPS, as detailed below, are set by the Directors after consultation with independent actuaries. The basis for these assumptions is prescribed by IAS 19 and they do not reflect the assumptions that may be used in future funding valuations of the TWPS.

The discount rate used to determine the present value of the obligations is set by reference to market yields on high-quality corporate bonds with regard for the duration to the TWPS liabilities. The assumption for RPI inflation is set by reference to the Bank of England's implied inflation curve with regard to the duration of the TWPS liabilities, with appropriate adjustments to reflect distortions due to supply and demand for inflation-linked securities. CPI inflation is set by reference to RPI inflation as no CPI-linked bonds exist to render implied CPI inflation directly observable.

The mortality assumption is based on 102% of S3PxA tables, CMI_2022 improvements with a 1% long term trend rate, a smoothing factor of 7, an initial addition parameter of 0.25%, a w2020 and w2021 parameter of 10% and a w2022 parameter of 35%. The mortality assumption used in 2022 was 102% of S3PxA tables, CMI_2021 improvements with a 1.25% long term trend rate, a smoothing factor of 7, an initial addition parameter of 0.25% and a w2020 and w2021 parameter of 10%.

Accounting valuation assumptions	2023	2022
At 31 December:		
Discount rate for scheme liabilities	**4.60%**	4.95%
General pay inflation	**n/a**	n/a
Deferred pension increases	**2.15%**	2.30%
Pension increases*	**1.90%-3.70%**	2.10%-3.65%

* Pension increases depend on the section of the TWPS of which each member is a part.

The current life expectancies (in years) underlying the value of the accrued liabilities for the TWPS are:

	2023		2022	
Life expectancy	Male	Female	Male	Female
Member currently aged 65	**86**	**89**	87	89
Member currently aged 45	**87**	**90**	88	91

The table below shows the impact to the present value of scheme liabilities of movements in key assumptions, measured using the same method as the defined benefit scheme.

Assumption	Change in assumption	Impact on scheme liabilities	Impact on scheme liabilities (%)
Discount rate	Decrease by 0.5% p.a.	Increase by £90m	5.4
Rate of inflation*	Increase by 0.5% p.a.	Increase by £51m	3.0
Life expectancy	Members live 1 year longer	Increase by £66m	3.9

* Assumed to affect deferred revaluation and pensioner increases in payment.

The sensitivity of increasing life expectancy has been reduced by the medically underwritten buy-in. See the section on risks and risk management at the end of this note.

Notes to the consolidated financial statements continued

21 Retirement benefit obligations continued

31 December 2023 Fair value of scheme assets of the TWPS	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**	**Percentage of total scheme assets**
Equity[a]	**–**	**76.4**	**–**	**76.4**	**4.6%**
Diversified growth funds[b]	**–**	**228.5**	**–**	**228.5**	**13.8%**
Multi-asset credit	**6.5**	**202.3**	**–**	**208.8**	**12.6%**
Direct lending	**3.9**	**–**	**124.5**	**128.4**	**7.8%**
Fixed income	**2.8**	**193.3**	**–**	**196.1**	**11.9%**
Liability driven investment[d]	**56.6**	**615.7**	**–**	**672.3**	**40.7%**
Insurance policies in respect of certain members	**–**	**–**	**136.0**	**136.0**	**8.2%**
Cash	**7.0**	**–**	**–**	**7.0**	**0.4%**
	76.8	**1,316.2**	**260.5**	**1,653.5**	**100.0%**

31 December 2022 Fair value of scheme assets of the TWPS	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Percentage of total scheme assets
Equity[a]	–	38.3	–	38.3	2.3%
Diversified growth funds[b]	–	139.3	–	139.3	8.5%
Hedge funds[c]	–	–	220.3	220.3	13.4%
Property	0.1	–	2.3	2.4	0.1%
Multi-asset credit	32.5	152.1	–	184.6	11.2%
Direct lending	0.1	–	142.5	142.6	8.7%
Fixed income	6.0	172.2	–	178.2	10.8%
Liability driven investment[d]	165.0	428.8	–	593.8	36.1%
Insurance policies in respect of certain members	–	–	142.0	142.0	8.6%
Cash	4.8	–	–	4.8	0.3%
	208.5	930.7	507.1	1,646.3	100.0%

(a) This amount relates to Volatility Controlled Equities (VCE). This fund has 2.5 – 8x leverage exposure, with a target of 4x. The leverage at 31 December 2023 was 3.5x (31 December 2022: 5.2x).

(b) This amount relates to the Scheme's Diversified Risk Premia (DRP) allocation. The net leverage on the two funds in the DRP allocation at 31 December 2023 was 1.4x (31 December 2022: 0.2x) and 1.0x. The latter fund was a new investment over 2023. The net leverage on the previous DRP fund as at 31 December 2022 was 0.5x.

(c) The leverage on this fund at 31 December 2022 was 0.7x. As at 31 December 2023 the Scheme was no longer invested in this fund.

(d) The bespoke Liability Driven Investment (LDI) fund is designed to protect the Scheme against movements in interest rates and inflation. The overall leverage on the LDI fund at 31 December 2023 was approximately 2.8x (31 December 2022: 3.7x).

The value of the annuities held by the TWPS are set equal to the value of the liabilities which these annuities match. All other fair values are provided by the fund managers and collated by Northern Trust as custodian, who independently price the securities from their preferred vendor sources where the data is publicly available and rely on investment manager data where this information is not available. Where available, the fair values are quoted prices (e.g. listed equity). Unlisted investments (e.g. private equity) are included at values provided by the fund manager in accordance with relevant guidance. Other significant assets are valued based on observable inputs.

There are no investments in respect of the Group's own securities.

Notes to the consolidated financial statements continued

21 Retirement benefit obligations continued

The table below details the movements in the TWPS pension liability and assets recorded through the income statement and other comprehensive income.

	2023			2022		
	Present value of obligation £m	Fair value of scheme assets £m	Asset/(liability) recognised on balance sheet £m	Present value of obligation £m	Fair value of scheme assets £m	Asset/(liability) recognised on balance sheet £m
At 1 January	**(1,675.9)**	**1,646.3**	**(29.6)**	(2,482.3)	2,445.3	(37.0)
Administration expenses	**–**	**(3.3)**	**(3.3)**	–	(2.3)	(2.3)
Interest (expense)/income	**(80.3)**	**79.0**	**(1.3)**	(44.9)	44.3	(0.6)
Total amount recognised in income statement	**(80.3)**	**75.7**	**(4.6)**	(44.9)	42.0	(2.9)
Remeasurement gain/(loss) on scheme assets	**–**	**29.7**	**29.7**	–	(746.1)	(746.1)
Change in demographic assumptions	**27.1**	**–**	**27.1**	(20.0)	–	(20.0)
Change in financial assumptions	**(34.9)**	**–**	**(34.9)**	758.8	–	758.8
Experience loss	**(29.5)**	**–**	**(29.5)**	(73.6)	–	(73.6)
Adjustment to liabilities for IFRIC 14	**8.4**	**–**	**8.4**	84.1	–	84.1
Total remeasurements in other comprehensive income	**(28.9)**	**29.7**	**0.8**	749.3	(746.1)	3.2
Employer contributions	**–**	**7.1**	**7.1**	–	7.1	7.1
Employee contributions	**–**	**–**	**–**	–	–	–
Benefit payments	**105.3**	**(105.3)**	**–**	102.0	(102.0)	–
At 31 December	**(1,679.8)**	**1,653.5**	**(26.3)**	(1,675.9)	1,646.3	(29.6)

Accounting valuation	**2023 £m**	2022 £m
Fair value of scheme assets	**1,653.5**	1,646.3
Present value of scheme obligations	**(1,576.8)**	(1,569.7)
Surplus in scheme	**76.7**	76.6
IFRIC 14 limitation on recognition of surplus	**(103.0)**	(106.2)
Deficit after IFRIC 14 adjustment	**(26.3)**	(29.6)

Notes to the consolidated financial statements continued

21 Retirement benefit obligations continued

Risks and risk management

The TWPS, in common with the majority of such defined benefit pension schemes in the UK, has a number of areas of risk. These areas of risk, and the ways in which the Group has sought to manage them, are set out in the table below.

The risks are considered from both a funding perspective, which drives the cash commitments of the Group, and from an accounting perspective, i.e. the extent to which such risks affect the amounts recorded in the Group's financial statements.

Although investment decisions in the UK are the responsibility of the TWPS Trustee, the Group takes an active interest to ensure that the pension scheme risks are managed efficiently. The Group has regular meetings with the Trustee to discuss investment performance, regulatory changes and proposals to actively manage the position of the TWPS.

Risk	Description
Asset volatility	The TWPS strategy remains well diversified through its exposure to a range of asset classes, including volatility-controlled equities, direct loans, government bonds and a broad spectrum of corporate bonds and other fixed income exposures. The TWPS invests across a number of managers to reduce manager concentration risk. The TWPS does not target a specific asset allocation but instead bases its strategic asset allocation on the return objectives and risk constraints agreed upon by the Trustee. In response to the significant increases in bond yields over 2022, the Trustee took prudent steps to ensure that the TWPS continued to have sufficient collateral in support of the liability-hedging programme. During the course of 2023, the Company and Trustee have rebalanced the portfolio into more liquid assets with the appointment of two new managers during the year, both of which have daily dealing terms and which are reflected in the asset allocation at the end of the reporting period.
Changes in bond yields	Falling bond yields tend to increase the funding and accounting liabilities. However, the investment in bond and liability-matching derivatives offers a significant degree of matching, i.e. the movement in assets arising from changes in bond yields substantially matches the movement in the funding or accounting liabilities. In this way, the exposure to movements in bond yields is reduced.
Investing in foreign currency	To maintain appropriate diversification of investments within the TWPS assets and to take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies while having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.
Asset/liability mismatch	In order to manage the TWPS' economic exposure to interest rates and inflation rates, a liability-hedging programme has been put in place. Derivatives are used to hedge changes in the TWPS' assets from changes in its liabilities, substantially reducing asset/liability mismatch risk. However, it is only possible to target matching of the assets with the liabilities assessed on one measure. Due to its relevance in driving Company contributions, the current policy is to assess the matching against the TWPS' long term funding basis. This can lead to a slight mis-match between the assets and the liabilities assessed on the Company's accounting basis, in particular if there is a change in corporate bond yield spreads.

21 Retirement benefit obligations continued

Risk	Description
Liquidity	The TWPS requires sufficient liquidity to meet benefit payments, and to ensure sufficient collateral to support the liability-hedging programme. Market volatility in Q3/Q4 2022 required use of TWPS' liquid assets to ensure sufficient collateral was maintained. Although the existing processes ensured sufficient liquidity throughout the volatility, these processes were updated to provide further liquidity, and now include holding sufficient assets within the liability-hedging programme to cover the impact of a further 4.0% increase in yields. The manager of the liability-hedging programme also has direct access to further liquid assets should they be required. Across the portfolio, the TWPS has liquid assets which could be sold at short notice if required. In particular, 75% are managed in either segregated accounts or daily/weekly dealt pooled funds and can be realised within a few business days under normal market conditions, and 7% are invested in pooled funds with monthly redemption dates. Of the remaining assets, 2% could be redeemed within approximately six to nine months of notification in normal market conditions, and the rest are made up of illiquid assets including insurance policies and illiquid debt (which include commercial real estate debt and direct lending bonds).
Life expectancy	The majority of the TWPS obligations are to provide a pension for the life of the member on retirement, so increases in life expectancy will result in an increase in the TWPS' liabilities. The inflation-linked nature of the majority of benefit payments from the TWPS increases the sensitivity of the liabilities to changes in life expectancy. During 2014, the Group reached agreement with Partnership Life Assurance Company Limited (now Just Group plc) to insure the benefits of 10% of members with the greatest anticipated liabilities through a medically underwritten buy-in. By insuring these members, the Group has removed more than 10% of longevity risk from the TWPS by significantly reducing the longevity risk in relation to a large proportion of the liabilities.
Climate risk	The TWPS Trustee recognises that climate change is a financial risk affecting the TWPS assets. The TWPS Trustee integrates the monitoring of appropriate climate risk metrics into its risk management framework and considers these metrics when making investment decisions. The TWPS Trustee requires its appointed investment managers to integrate climate change risks and opportunities into their investment processes as applied to the assets of the TWPS.

Notes to the consolidated financial statements continued

22 Provisions

	Cladding fire safety £m	Leasehold £m	Other £m	Total £m
At 1 January 2022	144.5	53.6	47.0	245.1
Additions	80.0	–	23.9	103.9
Utilisation	(15.8)	(30.1)	(7.6)	(53.5)
Released	–	–	(5.4)	(5.4)
Foreign exchange	–	–	0.2	0.2
At 31 December 2022	208.7	23.5	58.1	290.3
Additions	**–**	**–**	**24.3**	**24.3**
Utilisation	**(16.8)**	**(4.0)**	**(7.0)**	**(27.8)**
Released	**–**	**–**	**–**	**–**
Foreign exchange	**–**	**–**	**(0.1)**	**(0.1)**
At 31 December 2023	**191.9**	**19.5**	**75.3**	**286.7**

	2023 £m	2022 £m
Current	**124.9**	106.7
Non-current	**161.8**	183.6
31 December	**286.7**	290.3

In 2018 the Group established an exceptional provision for the cost of replacing ACM on a small number of legacy developments, which was increased by £10.0 million in 2020 to reflect the latest estimate of costs to complete the planned works. Following the guidance issued by RICS in 2021, the Group announced an additional £125.0 million provision to fund cladding fire safety improvements and in 2022 recognised a further £80.0 million (see Note 6). It is expected that around a third of the remaining provision will be utilised over the next 12 months.

In 2017 the Group launched an assistance scheme to help certain customers restructure their ground rent agreements with their freeholder and established an associated provision of £130.0 million to fund this. Following the agreement of voluntary undertakings with the CMA, the Group expects that the majority of the remaining provision will be utilised within the next 12 months.

Other provisions consist of a remedial work provision covering various obligations on a limited number of sites across the Group. Other provisions also include amounts for legal claims and other contract-related costs associated with various matters arising across the Group, the majority of which are anticipated to be settled within a three-year period; however, there is some uncertainty regarding the timing of these outflows due to the nature of the claims and the length of time it can take to reach settlement.

23 Share capital

	2023 £m	2022 £m
Authorised:		
22,200,819,176 (2022: 22,200,819,176) ordinary shares of 1p each	**222.0**	222.0
1,158,299,201 (2022: 1,158,299,201) deferred ordinary shares of 24p each	**278.0**	278.0
31 December	**500.0**	500.0

	Number of ordinary shares	Number of deferred ordinary shares	£m
Issued and fully paid:			
31 December 2022	3,556,985,103	1,065,566,274	291.3
31 December 2023	**3,556,985,103**	**1,065,566,274**	**291.3**

The Placing, Retail and Subscription shares placed rank pari passu in all respects with the existing ordinary shares of the Company, including, without limitation, the right to receive all dividends and other distributions declared, made or paid after the date of issue.

During the year, the Company issued nil (2022: 0.3 million) ordinary shares to satisfy option exercises. During the prior year, the Group purchased 116,942,362 of its own ordinary shares, of which 25,000,000 were transferred to be held in treasury and the remainder cancelled. The average share price of the purchased shares was 128.27 pence for a total cost, including expenses, of £151.3 million.

The Company has two classes of shares:

- Ordinary shares of 1p, each of which carries the right to one vote at general meetings of the Company and such other rights and obligations as are set out in the Company's Articles of Association.
- Deferred ordinary shares of 24p, which carry no voting rights and no entitlement to any dividend. The deferred ordinary shares were issued as part of a capital reorganisation in 2009 and have not subsequently changed.

Notes to the consolidated financial statements continued

24 Share premium

	2023 £m	2022 £m
At 1 January	**777.9**	777.5
Shares issued in year	**–**	0.4
At 31 December	**777.9**	777.9

25 Other reserves

	Capital redemption reserve £m	Translation reserve £m	Other £m	Total other reserves £m
Balance at 1 January 2022	31.5	6.1	504.0	541.6
Exchange differences on translation of foreign operations	–	6.6	–	6.6
Movement in fair value of hedging instruments	–	(3.5)	–	(3.5)
Shares repurchased and cancelled in year	0.9	–	–	0.9
Balance at 31 December 2022	32.4	9.2	504.0	545.6
Exchange differences on translation of foreign operations	**–**	**(2.4)**	**–**	**(2.4)**
Movement in fair value of hedging instruments	**–**	**1.2**	**–**	**1.2**
Balance at 31 December 2023	**32.4**	**8.0**	**504.0**	**544.4**

Capital redemption reserve

The capital redemption reserve arose on a redemption of the Company's shares and is not distributable.

Translation reserve

The translation reserve consists of exchange differences arising on the translation of overseas operations. It also includes changes in the fair value of hedging instruments where such instruments are designated and effective as hedges of investment in overseas operations.

Other reserves

£499.1 million of other reserves arose on the cash box placing that occurred in June 2020 and qualified for merger relief under Section 612 of the Companies Act 2006.

Notes to the consolidated financial statements continued

26 Own shares

	£m
Balance at 1 January 2022	14.6
Shares acquired	33.8
Disposed of on exercise of options	(5.3)
Balance at 31 December 2022	43.1
Disposed of on exercise of options	**(13.4)**
Balance at 31 December 2023	**29.7**

The own shares reserve represents the cost of shares in Taylor Wimpey plc purchased in the market, those held as treasury shares and those held by the Taylor Wimpey Employee Share Ownership Trusts to satisfy options and conditional share awards under the Group's share plans.

Million shares	2023	2022
Ordinary shares held in trust and treasury for bonus, option and performance award plans	**21.9**	30.9

During the current and prior year, Taylor Wimpey plc purchased none of its own shares to be held in the ESOTs and in the prior year purchased £33.8 million of its own shares to be held in treasury. The market value of the shares held in the ESOT and treasury at 31 December 2023 was £32.2 million (2022: £31.4 million) and their nominal value was £0.2 million (2022: £0.4 million). Dividends on these shares have been waived except for a nominal aggregate amount in pence.

ESOTs are used to hold the Company's shares which have been acquired on the market. These shares and those held in treasury are used to meet the valid exercise of options and/or vesting of conditional awards and/or award of shares under the Executive Incentive Scheme, Bonus Deferral Plan, Performance Share Plan, Savings-Related Share Option Scheme and the matching award of shares under the Share Incentive Plan.

The ESOTs' entire holding of shares and those held in treasury at 31 December 2023 were covered by outstanding options and conditional awards over shares at that date.

27 Notes to the cash flow statement

Cash and cash equivalents comprise cash at bank and other short term highly liquid investments with an original maturity of three months or less.

Movement in net cash

	Cash and cash equivalents £m	Bank and other loans £m	Total net cash £m
Balance at 1 January 2022	921.0	(84.0)	837.0
Net cash flow	28.7	–	28.7
Foreign exchange	2.6	(4.5)	(1.9)
Balance at 31 December 2022	952.3	(88.5)	863.8
Net cash flow	**(185.8)**	**–**	**(185.8)**
Foreign exchange	**(1.6)**	**1.5**	**(0.1)**
Balance at 31 December 2023	**764.9**	**(87.0)**	**677.9**

In December 2022, the Group entered into an agreement to refinance the €100 million loan notes maturing in June 2023. The new loan notes were issued in June 2023, maturing June 2030. For movements in lease liabilities in the year see Note 19. Inventory working capital movements in the cash flow statement include the related movements in land debtors and land creditors.

28 Contingent liabilities and capital commitments

The Group in the normal course of business has given guarantees and entered into counter-indemnities in respect of bonds relating to the Group's own contracts and has given guarantees in respect of the Group's share of certain contractual obligations of joint ventures. The possibility of any outflow in settlement for these is considered to be remote.

The Group has entered into counter-indemnities in the normal course of business in respect of performance bonds.

Provision is made for the Directors' best estimate of all known 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 where the Directors consider, based on that advice, that the action is unlikely to succeed.

The Group has no significant capital commitments at 31 December 2023 (2022: none).

Notes to the consolidated financial statements continued

29 Share-based payments

Equity-settled share option plan

Details of equity-settled share-based payment arrangements are set out in the Directors' Remuneration Report on pages 131 to 152. The tables below show the movements in the schemes in the year as well as their weighted average exercise price (WAEP).

	2023		2022	
Sharesave (SAYE):	**Options**	**WAEP (in £)**	Options	WAEP (in £)
Outstanding at the beginning of the year	**29,408,740**	**0.95**	24,020,334	1.11
Granted during the year	**7,746,227**	**0.91**	15,785,250	0.83
Forfeited during the year	**(7,516,682)**	**1.03**	(9,591,033)	1.11
Exercised during the year	**(3,725,149)**	**0.98**	(805,811)	1.30
Outstanding at the end of the year	**25,913,136**	**0.91**	29,408,740	0.95
Exercisable at the end of the year	**2,294,076**	**1.00**	2,245,075	1.24

The remaining Sharesave options outstanding at 31 December 2023 had a range of exercise prices from £0.83 to £1.42 (2022: £0.83 to £1.59) and a weighted average remaining contractual life of 2.91 years (2022: 3.03 years).

	2023		2022	
Share Incentive Plan (SIP):	**Options**	**WAEP (in £)**	Options	WAEP (in £)
Outstanding at the beginning of the year	**7,288,698**	**–**	6,496,507	–
Granted during the year	**1,866,218**	**–**	2,012,970	–
Forfeited during the year	**(883,601)**	**–**	(713,665)	–
Exercised during the year	**(995,545)**	**–**	(507,114)	–
Outstanding at the end of the year	**7,275,770**	**–**	7,288,698	–
Exercisable at the end of the year	**3,419,633**	**–**	3,288,991	–

The table above represents shares that are granted to employees on a matching basis; when the employee joins the scheme, purchased shares are matched on a 1:1 basis and these awards do not expire.

	2023		2022	
Performance Share Plan (PSP):	**Options**	**WAEP (in £)**	Options	WAEP (in £)
Outstanding at the beginning of the year	**10,543,277**	**–**	15,731,848	–
Granted during the year	**2,019,637**	**–**	1,891,265	–
Forfeited during the year	**(4,845,594)**	**–**	(5,700,993)	–
Exercised during the year	**(1,838,605)**	**–**	(1,378,843)	–
Outstanding at the end of the year	**5,878,715**	**–**	10,543,277	–
Exercisable at the end of the year	**–**	**–**	–	–

The conditional awards outstanding at 31 December 2023 had a weighted average remaining contractual life of 1.77 years (2022: 1.24 years).

Notes to the consolidated financial statements continued

29 **Share-based payments** continued

The average share price at the date of exercise across all options exercised during the period was £1.25 (2022: £1.32). For share plans granted during the current and preceding year, the fair value of the awards at the grant date was determined as follows:

	Share awards with no market conditions		Share awards with market conditions	
	2023	2022	**2023**	2022
Model	**Binomial**	Binomial	**Monte Carlo**	Monte Carlo
Weighted average share price	**£1.17**	£0.93	**£1.28**	£1.30
Weighted average exercise price	**£0.79**	£0.77	**Nil**	Nil
Expected volatility	**36%**	41%	**42%**	42%
Expected life	**3/5 years**	3/5 years	**3 years**	3 years
Risk-free rate	**4.4%**	4.2%	**3.79%**	1.46%
Expected dividend yield	**7.65%**	4.24%	**0.0%**	0.0%
Weighted average fair value of options granted in year	**£0.42**	£0.34	**£0.76**	£0.72

Expected volatility was determined by calculating the historical volatility of the Group's share price over the expected term. The expected life used in the model was based on historical exercise patterns.

The Group recognised a share-based payment expense of £11.1 million in the year (2022: £14.1 million), which was composed of £8.9 million in relation to equity settled schemes and £2.2 million in relation to cash settled elements (2022: £14.0 million and £0.1 million).

Notes to the consolidated financial statements continued

30 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The pension schemes of the Group are related parties. Arrangements between the Group and its pension schemes are disclosed in Note 21. Transactions between the Group and its joint ventures are disclosed below. The Group has loans with joint ventures that are detailed in Note 13.

Trading transactions

During the year, Group sales to joint ventures totalled £5.2 million (2022: £17.2 million) and purchases totalled £7.0 million (2022: £5.4 million). Interest received from joint ventures was £2.0 million (2022: £1.8 million). At 31 December 2023 receivables from joint ventures were £45.7 million (31 December 2022: £40.5 million) and payables were £0.2 million (31 December 2022: £0.9 million).

Remuneration of key management personnel

The key management personnel of the Group are the members of the Group Management Team (GMT) as presented on page 95.

The remuneration information for the Executive Directors is set out in the Remuneration Report on page 141. The aggregate compensation for the other members of the GMT is as follows:

	2023 £m	2022 £m
Short term employee benefits	**4.5**	4.2
Post-employment benefits	**0.3**	0.3
Total (excluding share-based payments charge)	**4.8**	4.5

In addition to the amounts above, a share-based payment charge of £1.0 million (2022: £2.1 million) related to share options held by members of the GMT.

31 Dividends

	2023 £m	2022 £m
Proposed		
Interim dividend 2023: 4.79p (2022: 4.62p) per ordinary share of 1p each	**169.1**	162.9
Final dividend 2023: 4.79p (2022: 4.78p) per ordinary share of 1p each	**169.4**	169.0
	338.5	331.9
Amounts recognised as distributions to equity holders		
Paid		
Final dividend 2022: 4.78p (2021: 4.44p) per ordinary share of 1p each	**168.8**	160.9
Interim dividend 2023: 4.79p (2022: 4.62p) per ordinary share of 1p each	**169.1**	162.9
	337.9	323.8

The Directors recommend a final dividend for the year ended 31 December 2023 of 4.79 pence per share (2022: 4.78 pence per share) subject to shareholder approval at the Annual General Meeting, with an equivalent final dividend charge of c.£169 million based on the number of shares in issue at the end of the year (2022: £168.8 million). The final dividend will be paid on 10 May 2024 to all shareholders registered at the close of business on 2 April 2024.

In accordance with IAS 10 'Events after the Reporting Period', the proposed final dividend has not been accrued as a liability at 31 December 2023.

Notes to the consolidated financial statements continued

32 Alternative performance measures

The Group uses a number of alternative performance measures (APMs) which are not defined within UK-adopted international accounting standards. The Directors use these measures in order to assess the underlying operational performance of the Group and, as such, these measures should be considered alongside statutory measures. The following APMs are referred to throughout the year end results.

Profit before taxation and exceptional items and profit for the period before exceptional items

The Directors consider the removal of exceptional items from the reported results provides more clarity on the performance of the Group. They are reconciled to profit before tax and profit for the period on the face of the consolidated income statement.

Operating profit and operating profit margin

Throughout the Annual Report and Accounts operating profit is used as one of the main measures of performance. Operating profit is defined as profit on ordinary activities before financing, exceptional items and tax, after share of results of joint ventures. The Directors consider this to be an important measure of the underlying performance of the Group. Operating profit margin is calculated as operating profit divided by total revenue.

	2023	2022
Profit on ordinary activities before financing (£m)	**467.8**	827.5
Adjusted for:		
Share of results of joint ventures (£m) (Note 13)	**2.4**	15.9
Exceptional items (£m) (Note 6)	**–**	80.0
Operating profit (£m)	**470.2**	923.4
Revenue (£m) (Note 4)	**3,514.5**	4,419.9
Operating profit margin	**13.4%**	20.9%

Net operating assets

Net operating assets is defined as basic net assets less net cash, excluding net taxation balances and accrued dividends. Average net operating assets is the average of the opening and closing net operating assets of the 12-month period. With return on net operating assets, the Directors consider this to be an important measure of the underlying operating efficiency and performance of the Group.

	2023	2022	2021
Basic net assets (£m)	**4,523.4**	4,502.1	4,314.0
Adjusted for:			
Cash (£m) (Note 16)	**(764.9)**	(952.3)	(921.0)
Borrowings (£m) (Note 17)	**87.0**	88.5	84.0
Net taxation (£m)	**(21.8)**	(18.8)	(26.4)
Accrued dividends (£m)	**–**	–	–
Net operating assets (£m)	**3,823.7**	3,619.5	3,450.6
Average basic net assets (£m)	**4,512.8**	4,408.1	
Average net operating assets (£m)	**3,721.6**	3,535.1	

Return on net operating assets

Return on net operating assets is defined as rolling 12-month operating profit divided by the average of opening and closing net operating assets. The Directors consider this to be an important measure of the underlying operating efficiency and performance of the Group.

	2023	2022
Operating profit (£m)	**470.2**	923.4
Average net operating assets (£m)	**3,721.6**	3,535.1
Return on net operating assets	**12.6%**	26.1%

Notes to the consolidated financial statements continued

32 Alternative performance measures continued

Tangible net assets per share

This is calculated as net assets before any accrued dividends, excluding intangible assets, divided by the number of ordinary shares in issue at the end of the period. The Directors consider this to be a good measure of the value intrinsic within each ordinary share.

	2023	2022
Basic net assets (£m)	**4,523.4**	4,502.1
Adjusted for:		
Intangible assets (£m) (Note 11)	**(2.6)**	(4.2)
Tangible net assets (£m)	**4,520.8**	4,497.9
Ordinary shares in issue (millions)	**3,557.0**	3,557.0
Tangible net assets per share (pence)	**127.1**	126.5

Adjusted basic and diluted earnings per share

This is calculated as earnings attributed to shareholders of the Parent, excluding exceptional items and tax on exceptional items, divided by the weighted average number of shares in issue during the period. The Directors consider this provides an important measure of the underlying earnings capacity of the Group. Note 10 shows a reconciliation from basic and diluted earnings per share to adjusted basic and diluted earnings per share.

Net operating asset turn

This is defined as 12-month rolling total revenue divided by the average of opening and closing net operating assets. The Directors consider this to be a good indicator of how efficiently the Group is utilising its assets to generate value for shareholders.

	2023	2022
Revenue (£m) (Note 4)	**3,514.5**	4,419.9
Average net operating assets (£m)	**3,721.6**	3,535.1
Net operating asset turn	**0.94**	1.25

Net cash

Net cash is defined as total cash less total borrowings (bank and other loans). This is considered by the Directors to be the best indicator of the financing position of the Group. This is reconciled in Note 27.

Cash conversion

This is defined as cash generated from operations, which excludes payments relating to exceptional charges, divided by operating profit on a rolling 12-month basis. The Directors consider this measure to be a good indication of how efficiently the Group is turning profit into cash.

	2023	2022
Cash generated from operations (£m)	**288.9**	705.0
Operating profit (£m)	**470.2**	923.4
Cash conversion	**61.4%**	76.3%

Adjusted gearing

This is defined as adjusted net debt divided by basic net assets. The Directors consider this to be a more representative measure of the Group's gearing levels. Adjusted net debt is defined as net cash less land creditors.

	2023	2022
Cash (£m) (Note 16)	**764.9**	952.3
Loans (£m) (Note 17)	**(87.0)**	(88.5)
Net cash (£m)	**677.9**	863.8
Land creditors (£m) (Note 18)	**(516.1)**	(725.6)
Adjusted net debt (£m)	**161.8**	138.2
Basic net assets (£m)	**4,523.4**	4,502.1
Adjusted gearing	**(3.6)%**	(3.1)%

33 Post balance sheet events

There were no material subsequent events affecting the Group after 31 December 2023.

Company balance sheet

at 31 December 2023

	Note	2023 £m	2022 £m
Non-current assets			
Investments in Group undertakings	4	**4,509.5**	4,500.6
Trade and other receivables	5	**67.6**	63.4
		4,577.1	4,564.0
Current assets			
Trade and other receivables	5	**686.2**	512.9
Cash and cash equivalents		**666.4**	868.3
		1,352.6	1,381.2
Current liabilities			
Trade and other payables	6	**(798.8)**	(766.5)
Bank and other loans	7	**–**	(88.5)
		(798.8)	(855.0)
Net current assets		**553.8**	526.2
Total assets less current liabilities		**5,130.9**	5,090.2
Non-current liabilities			
Trade and other payables	6	**–**	–
Bank and other loans	7	**(87.0)**	–
Provisions		**(1.0)**	(1.0)
Net assets		**5,042.9**	5,089.2
Equity			
Share capital	8	**291.3**	291.3
Share premium	9	**777.9**	777.9
Own shares	10	**(29.7)**	(43.1)
Other reserves	11	**536.0**	536.0
Retained earnings	12	**3,467.4**	3,527.1
Total equity		**5,042.9**	5,089.2

As permitted by Section 408 of the Companies Act 2006, Taylor Wimpey plc has not presented its own income statement. The profit of the Company for the financial year was £278.4 million (2022: £897.6 million).

The financial statements were approved by the Board of Directors and authorised for issue on 27 February 2024. They were signed on its behalf by:

J Daly
Director

C Carney
Director

Company statement of changes in equity

for the year to 31 December 2023

	Note	Share capital £m	Share premium £m	Own shares £m	Other reserves £m	Retained earnings £m	Total £m
Total equity at 1 January 2022		292.2	777.5	(14.6)	535.1	3,060.4	4,650.6
Profit for the year		–	–	–	–	897.6	897.6
Total comprehensive income for the year		–	–	–	–	897.6	897.6
New share capital subscribed		–	0.4	–	–	–	0.4
Own shares acquired and cancelled	8	(0.9)	–	(33.8)	0.9	(117.5)	(151.3)
Utilisation of own shares		–	–	5.3	–	–	5.3
Cash cost of satisfying share options		–	–	–	–	(3.6)	(3.6)
Capital contribution on share-based payments		–	–	–	–	14.0	14.0
Dividends approved and paid	15	–	–	–	–	(323.8)	(323.8)
Total equity at 31 December 2022		291.3	777.9	(43.1)	536.0	3,527.1	5,089.2
Profit for the year		**–**	**–**	**–**	**–**	**278.4**	**278.4**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**278.4**	**278.4**
Utilisation of own shares		**–**	**–**	**13.4**	**–**	**–**	**13.4**
Cash cost of satisfying share options		**–**	**–**	**–**	**–**	**(9.1)**	**(9.1)**
Capital contribution on share-based payments		**–**	**–**	**–**	**–**	**8.9**	**8.9**
Dividends approved and paid	15	**–**	**–**	**–**	**–**	**(337.9)**	**(337.9)**
Total equity at 31 December 2023		**291.3**	**777.9**	**(29.7)**	**536.0**	**3,467.4**	**5,042.9**

Notes to the Company financial statements

1 Accounting policies

The following accounting policies have been used consistently, unless otherwise stated, in dealing with items which are considered material.

Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council as applied in conformity with the provisions of the Companies Act 2006 and under the historical cost convention except as otherwise stated below.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

The principal accounting policies adopted are set out below.

Going concern

The Group, which the Company heads, has prepared forecasts, including certain sensitivities, taking into account the Principal Risks identified on pages 74 to 77. Having considered these forecasts, the Directors remain of the view that the Group's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months. Accordingly, the Company financial statements have been prepared on a going concern basis.

Critical accounting judgements and key sources of estimation uncertainty

Management has not made any individual accounting judgements that are material to the Company and does not consider there to be any key sources of estimation uncertainty.

Investments in Group undertakings

Investments are included in the balance sheet at cost less any provision for impairment. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount of the investment. If the recoverable amount is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is expensed immediately. Where an impairment loss subsequently reverses, due to a change in circumstances or in the estimates used to determine the asset's recoverable amount, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, so long as it does not exceed the original carrying value prior to the impairment being recognised.

The Company values its investments in subsidiary holding companies based on a comparison between the net assets recoverable by the subsidiary company and the investment held. Where the net assets are lower than the investment an impairment is recorded. For trading subsidiaries, the investment carrying value in the Company is assessed against the net present value of the cash flows of the subsidiary.

Taxation

The tax charge represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Any liability or credit in respect of group relief in lieu of current tax is also calculated using corporation tax rates that have been enacted or substantively enacted by the balance sheet date unless a different rate (including a nil rate) has been agreed within the Group.

Notes to the Company financial statements continued

1 Accounting policies continued

Foreign currencies

Transactions denominated in foreign currencies are recorded in Sterling at actual rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end.

Any gain or loss arising from a change in exchange rates after the date of the transaction is included as an exchange gain or loss in profit and loss.

Trade and other receivables

Trade and other receivables are measured at amortised cost, less any loss allowance based on expected credit losses. The measurement of expected credit losses is based on the probability of default and the magnitude of the loss if there is a default. The assessment of probability of default is based on historical data adjusted for any known factors that would influence the future amount to be received in relation to the receivable.

Trade and other payables

Trade and other payables are measured at amortised cost.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost.

Share-based payments

The Company issues equity-settled share-based payments to certain employees of its subsidiaries. Equity-settled share-based payments are measured at fair value at the grant date. The fair value is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will vest. The cost of equity-settled share-based payments granted to employees of subsidiary companies is borne by the employing company, without recharge. As such the Company's investment in the subsidiary is increased by an equivalent amount.

Own shares

The cost of the Company's investment in its own shares, which comprise shares held in treasury by the Company and shares held by employee benefit trusts for the purpose of funding certain of the Company's share option plans, is shown as a reduction in shareholders' equity.

Dividends paid

Dividends are charged to the Company's retained earnings reserve in the period of payment in respect of an interim dividend, and in the period in which shareholders' approval is obtained in respect of the Company's final dividend.

2 Particulars of employees

	2023 Number	2022 Number
Directors	**2**	2

The Executive Directors received all of their remuneration, as disclosed in the Annual Report on Remuneration on pages 131 to 152, from Taylor Wimpey UK Limited. This remuneration is reflective of the Directors' service to the Company and all its subsidiaries.

3 Auditors' remuneration

	2023 £m	2022 £m
Total audit fees	**0.2**	0.2
Non-audit fees	**–**	–
Total	**0.2**	0.2

A description of other services is included in Note 6 of the Group financial statements.

Notes to the Company financial statements continued

4 Investments in Group undertakings

	Shares £m
Cost	
At 1 January 2023	**7,425.2**
Capital contribution relating to share-based payments	**8.9**
At 31 December 2023	**7,434.1**
Provision for impairment	
At 1 January 2023	**(2,924.6)**
At 31 December 2023	**(2,924.6)**
Carrying amount	
At 31 December 2023	**4,509.5**
At 31 December 2022	**4,500.6**

All investments are unlisted and information about all subsidiaries is listed on pages 219 to 225.

5 Trade and other receivables

	Current		Non-current	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Due from Group undertakings	**683.0**	510.1	**64.0**	62.3
Other receivables	**3.2**	2.8	**3.6**	1.1
	686.2	512.9	**67.6**	63.4

Amounts due from Group undertakings are unsecured, repayable on demand and are predominantly interest bearing.

6 Trade and other payables

	Current		Non-current	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Due to Group undertakings	**789.9**	762.6	**–**	–
Other payables	**1.0**	3.2	**–**	–
Corporation tax creditor	**7.9**	0.7	**–**	–
	798.8	766.5	**–**	–

Amounts due to Group undertakings are unsecured, repayable on demand and are predominantly interest bearing.

7 Bank and other loans

	2023 £m	2022 £m
€100.0 million 2.02% Senior Loan Notes 2023	**–**	88.5
€100.0 million 5.08% Senior Loan Notes 2030	**87.0**	–
	87.0	88.5

	2023 £m	2022 £m
Amounts due for settlement within one year	**–**	88.5
Amount due for settlement after one year	**87.0**	–
Total borrowings	**87.0**	88.5

Notes to the Company financial statements continued

8 Share capital

	2023 £m	2022 £m
Authorised:		
22,200,819,176 (2022: 22,200,819,176) ordinary shares of 1p each	222.0	222.0
1,158,299,201 (2022: 1,158,299,201) deferred ordinary shares of 24p each	278.0	278.0
	500.0	500.0

	Number of ordinary shares	Number of deferred ordinary shares	£m
Issued and fully paid:			
31 December 2022	3,556,985,103	1,065,566,274	291.3
31 December 2023	**3,556,985,103**	**1,065,566,274**	**291.3**

The Company has two classes of shares:

- Ordinary shares of 1p, each of which carries the right to one vote at general meetings of the Company and such other rights and obligations as are set out in the Company's Articles of Association.
- Deferred ordinary shares of 24p, which carry no voting rights and no entitlement to any dividend. The deferred ordinary shares were issued as part of a capital reorganisation in 2009 and have not subsequently changed.

During the year, the Company issued nil (2022: 0.3 million) ordinary shares to satisfy option exercises. During the prior year the Company purchased 116,942,362 of its own ordinary shares, of which 25,000,000 were transferred to be held in treasury and the remainder cancelled. The average share price of the purchased shares was 128.27 pence for a total cost, including expenses, of £151.3 million.

9 Share premium

	2023 £m	2022 £m
At 1 January	777.9	777.5
Shares issued in year	–	0.4
At 31 December	777.9	777.9

10 Own shares

	2023 £m	2022 £m
Own shares	29.7	43.1

These comprise ordinary shares of the Company:	Number	Number
Ordinary shares held in trust and treasury for bonus, option and performance award plans	21.9m	30.9m

During the current and prior year, Taylor Wimpey plc purchased none of its own shares to be held in the ESOTs and in the prior year purchased £33.8 million of its own shares to be held in treasury. The market value of the shares held in the ESOT and treasury at 31 December 2023 was £32.2 million (2022: £31.4 million) and their nominal value was £0.2 million (2022: £0.4 million). Dividends on these shares have been waived except for a nominal aggregate amount in pence.

ESOTs are used to hold the Company's shares which have been acquired on the market. These shares and those held in treasury are used to meet the valid exercise of options and/or vesting of conditional awards and/or award of shares under the Executive Incentive Scheme, Bonus Deferral Plan, Performance Share Plan, Savings-Related Share Option Scheme and the matching award of shares under the Share Incentive Plan.

The ESOTs' entire holding of shares and those held in treasury at 31 December 2023 were covered by outstanding options and conditional awards over shares at that date.

Notes to the Company financial statements continued

11 Other reserves

	2023 £m	2022 £m
At 1 January	**536.0**	535.1
Shares repurchased and cancelled in year	**–**	0.9
At 31 December	**536.0**	536.0

£499.1 million of other reserves arose on the cash box placing that occurred in June 2020 and qualified for merger relief under Section 612 of the Companies Act 2006. Other reserves also includes £32.4 million (2022: £32.4 million) in respect of the redemption of the Company's shares, which is non distributable.

12 Retained earnings

Retained earnings of £3,467.4 million (2022: £3,527.1 million) includes profit for the year of £278.4 million (2022: £897.6 million), of which £266.0 million (2022: £1,010.5 million) is dividends received from subsidiaries. Included in retained earnings is £934.4 million (2022: £923.7 million) which is not distributable.

13 Share-based payments

The Company has taken advantage of the FRS 101 disclosure exemption in relation to share-based payments. Details of share awards granted by the Company to employees of subsidiaries, and that remain outstanding at the year end over the Company's shares, are set out in Note 29 of the Group financial statements. The Company did not recognise any expense related to equity-settled share-based payment transactions in the current or preceding year.

14 Contingent liabilities

The Company has, in the normal course of business, given guarantees and entered into counter-indemnities in respect of bonds relating to the Group's own contracts. The possibility of any outflow in settlement for these is considered to be remote.

Provision is made for the Directors' best estimate of known legal claims and legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed.

The Company has in issue a guarantee in respect of the Taylor Wimpey Pension Scheme (TWPS), which had an underlying IAS 19 surplus of £76.7 million at 31 December 2023 (2022: £76.6 million). This guarantee commits the Company to ensuring that the participating subsidiary meets its obligations under any schedule of contributions agreed with the TWPS Trustee from time to time. Following the 2019 valuation, Taylor Wimpey UK Limited is required to contribute up to £20.0 million per annum into an escrow account between April 2021 and March 2024. The first six months of contributions (£10.0 million) between 1 April 2021 and 30 September 2021 were guaranteed. From 1 October 2021, payments into the escrow account are subject to a quarterly funding test with the first funding test having an effective date of 30 September 2021. In addition, £5.1 million per annum from the Pension Funding Partnership and £2.0 million per annum to cover scheme expenses is due.

Notes to the Company financial statements continued

15 Dividend

	2023 £m	2022 £m
Proposed		
Interim dividend 2023: 4.79p (2022: 4.62p) per ordinary share of 1p each	**169.1**	162.9
Final dividend 2023: 4.79p (2022: 4.78p) per ordinary share of 1p each	**169.4**	169.0
	338.5	331.9
Amounts recognised as distributions to equity holders		
Paid		
Final dividend 2022: 4.78p (2021: 4.44p) per ordinary share of 1p each	**168.8**	160.9
Interim dividend 2023: 4.79p (2022: 4.62p) per ordinary share of 1p each	**169.1**	162.9
	337.9	323.8

The Directors recommend a final dividend for the year ended 31 December 2023 of 4.79 pence per share (2022: 4.78 pence per share) subject to shareholder approval at the Annual General Meeting, with an equivalent final dividend charge of c.£169 million based on the number of shares in issue at the end of the year (2022: £168.8 million). The final dividend will be paid on 10 May 2024 to all shareholders registered at the close of business on 2 April 2024.

In accordance with IAS 10 'Events after the Reporting Period', the proposed final dividend has not been accrued as a liability at 31 December 2023.

Particulars of subsidiaries, associates and joint ventures

The entities listed below are companies incorporated in the United Kingdom and the registered office is Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR. All of the below are 100% subsidiaries of the Group, either directly or indirectly held by Taylor Wimpey plc, and only have ordinary share capital.

Admiral Developments Limited
Admiral Homes (Eastern) Limited
Admiral Homes Limited
Ashton Park Limited
BGS (Pentian Green) Holdings Limited
Bryad Developments Limited
Bryant Country Homes Limited
Bryant Group Services Limited
Bryant Homes Central Limited
Bryant Homes East Midlands Limited
Bryant Homes Limited
Bryant Homes North East Limited
Bryant Homes Northern Limited
Bryant Homes South West Limited
Bryant Homes Southern Limited
Bryant Properties Limited
Candlemakers (TW) Limited
Clipper Investments Limited
Compine Developments (Wootton) Limited
Dormant Nominees One Limited
Dormant Nominees Two Limited
Farrods Water Engineers Limited
Flyover House Limited
George Wimpey Limited
George Wimpey Bristol Limited
George Wimpey City Limited
George Wimpey City 2 Limited
George Wimpey East Anglia Limited
George Wimpey East London Limited
George Wimpey East Midlands Limited
George Wimpey Manchester Limited
George Wimpey Midland Limited
George Wimpey North East Limited
George Wimpey North London Limited
George Wimpey North Midlands Limited
George Wimpey North West Limited
George Wimpey North Yorkshire Limited
George Wimpey South East Limited
George Wimpey South Midlands Limited
George Wimpey South West Limited
George Wimpey South Yorkshire Limited
George Wimpey Southern Counties Limited
George Wimpey West London Limited
George Wimpey West Midlands Limited
George Wimpey West Yorkshire Limited
Globe Road Limited
Grand Union Vision Limited
Groveside Homes Limited
Hamme Construction Limited
Hanger Lane Holdings Limited
Hassall Homes (Cheshire) Limited
Hassall Homes (Mercia) Limited
Hassall Homes (Southern) Limited
Hassall Homes (Wessex) Limited
Haverhill Developments Limited
J.R. Young (Assemblies) Limited
Jim 1 Limited
Jim 3 Limited
Jim 4 Limited
Jim 5 Limited
L. & A. Freeman Limited
Laing Homes Limited
Laing Land Limited
LandTrust Developments Limited
Limebrook Manor LLP
MCA Developments Limited
MCA East Limited
MCA Holdings Limited
MCA Land Limited
MCA Leicester Limited
MCA London Limited
MCA Northumbria Limited
MCA Partnership Housing Limited
MCA South West Limited
MCA West Midlands Limited
MCA Yorkshire Limited
McLean Homes Limited
McLean Homes Bristol & West Limited
McLean Homes Southern Limited
McLean TW Estates Limited
McLean TW (Chester) Limited
McLean TW (Northern) Limited
McLean TW (Southern) Limited
McLean TW (Yorkshire) Limited
McLean TW Group Limited
McLean TW Holdings Limited
McLean TW Limited
McLean TW No. 2 Limited
Melbourne Investments Limited
Pangbourne Developments Limited
Prestoplan Limited
River Farm Developments Limited
South Bristol (Ashton Park) Limited
Spinks & Denning Limited
St. Katharine By The Tower Limited
St. Katharine Haven Limited
Stone Pit Restoration Limited
Stonepit Limited
Tawnywood Developments Limited
Taylor Wimpey Capital Developments Limited
Taylor Wimpey Commercial Properties Limited
Taylor Wimpey Developments Limited
Taylor Wimpey Garage Nominees No 1 Limited
Taylor Wimpey Garage Nominees No 2 Limited
Taylor Wimpey Holdings Limited
Taylor Wimpey International Limited
Taylor Wimpey Property Company Limited
Taylor Wimpey Property Management Limited
Taylor Wimpey SH Capital Limited
Taylor Wimpey UK Limited
Thameswey Homes Limited
The Garden Village Partnership Limited
The Wilson Connolly Employee Benefit Trust Limited
Thomas Lowe and Sons, Limited
Thomas Lowe Homes Limited
TW NCA Limited
TW Springboard Limited
Twyman Regent Limited
Valley Park Developments Limited
Whelmar (Chester) Limited
Whelmar (Lancashire) Limited
Whelmar (North Wales) Limited
Whelmar Developments Limited
Wilcon Homes Anglia Limited
Wilcon Homes Eastern Limited
Wilcon Homes Midlands Limited
Wilcon Homes Northern Limited
Wilcon Homes Southern Limited
Wilcon Homes Western Limited
Wilcon Lifestyle Homes Limited
Wilfrid Homes Limited
Wilson Connolly Holdings Limited
Wilson Connolly Investments Limited
Wilson Connolly Limited
Wilson Connolly Properties Limited
Wilson Connolly Quest Limited
Wimgrove Developments Limited
Wimgrove Property Trading Limited
Wimpey Construction Developments Limited
Wimpey Construction Overseas Limited
Wimpey Corporate Services Limited
Wimpey Dormant Investments Limited
Wimpey Geotech Limited
Wimpey Group Services Limited
Wimpey Gulf Holdings Limited

Particulars of subsidiaries, associates and joint ventures continued

The entities listed below, with the Group's ownership share, are companies incorporated in the United Kingdom and the registered office is Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR.

Company Name	% Owned
Academy Central LLP	62%
Bordon Developments Holdings Limited	50%
Chobham Manor LLP	50%
Chobham Manor Property Management Limited	50%
Falcon Wharf Limited	50%
GWNW City Developments Limited	50%
Paycause Limited	66.67%
Taylor Wimpey Pension Trustees Limited	99%
Triumphdeal Limited	50%
Vumpine Limited	50%
Whitehill & Bordon Development Company BV Limited	50%
Whitehill & Bordon Development Company Phase 1a Limited	50%
Whitehill & Bordon Regeneration Company Limited	50%
Wimpey Laing Overseas Limited	50%
Wimpey Laing Limited	50%
Winstanley & York Road Regeneration LLP	50%

The entities listed below, with the Group's ownership share, are companies incorporated in the United Kingdom and the registered office is Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ.

Company Name	% Owned
Bryant Homes Scotland Limited	100%
George Wimpey East Scotland Limited	100%
George Wimpey West Scotland Limited	100%
London and Clydeside Estates Limited	100%
London and Clydeside Holdings Limited	100%
Strada Developments Limited	50%
Taylor Wimpey (General Partner) Limited	100%
Taylor Wimpey (Initial LP) Limited	100%
Taylor Wimpey Scottish Limited Partnership	100%
Whatco England Limited	100%
Wilcon Homes Scotland Limited	100%

Particulars of subsidiaries, associates and joint ventures continued

Other entities incorporated in the United Kingdom, unless otherwise stated, and the Group's ownership share are shown below.

Company Name	% Owned	Registered Office
Bishops Park Limited	50%	11 Tower View, Kings Hill, West Malling, ME19 4UY
Bishop's Stortford North Consortium Limited	33.14%	Bath House, 6-8 Bath Street, Bristol, BS1 6HL
Bromley Park (Holdings) Limited Bromley Park Limited	50%	Kent House, 14-17 Market Place, London, W1W 8AJ
Countryside 27 Limited	50%	Countryside House, The Drive, Great Warley, Brentwood, CM13 3AT
Emersons Green Urban Village Limited	54.44%	250 Aztec West, Almondsbury, Bristol, BS32 4TR
Gallagher Bathgate Limited	50%	Gallagher House, Gallagher Business Park, Warwick, CV34 6AF
Greenwich Millennium Village Limited	50%	Countryside House, The Drive, Great Warley, Brentwood, CM13 3AT
Haydon Development Company Limited	19.27%	6 Drakes Meadow, Penny Lane, Swindon, SN3 3LL
Morrison Land Development Inc	100%	9366, 49 St NW, Edmonton, AB T6B 2L7, Canada
Newcastle Great Park (Estates) Limited	50%	3rd Floor Citygate, St. James' Boulevard, Newcastle upon Tyne, NE1 4JE
North Swindon Development Company Limited	28.35%	6 Drakes Meadow, Penny Lane, Swindon, SN3 3LL
Padyear Limited	50%	Second Floor, Arena Court, Crown Lane, Maidenhead, SL6 8QZ
Quedgeley Urban Village Limited	50%	250 Aztec West, Almondsbury, Bristol, BS32 4TR
St George Little Britain (No.1) Limited St George Little Britain (No.2) Limited	50%	Berkeley House, 19 Portsmouth Road, Cobham, KT11 1JG
Taylor Wimpey de España S.A.U.	100%	C/Aragón 223-223A, 07008 Palma de Mallorca, Spain
Taylor Woodrow (Gibraltar) Limited	100%	17 Bayside Road, Gibraltar
Wisley Property Investments Limited	100%	190 Elgin Avenue, George Town, KY1-9008, Cayman Islands

Particulars of subsidiaries, associates and joint ventures continued

The following entities are Management Companies that are limited by guarantee (unless otherwise stated) and are temporary parts of the Group. All are incorporated in the United Kingdom and their assets are not held for the benefit of the Group. The Group holds all of the issued share capital of each entity, where relevant, unless otherwise shown.

Company Name	Reference
Ada Gardens Resident Management Company Limited	26
Admiral Park (Tongham) Management Company Limited	26
Albion Lock (Sandbach) Management Company Limited	12
Alyn Meadows Management Company Limited	12
Apsham Grange (Topsham) Management Company Limited	4
Barker Butts Lane Management Company Limited	1
Barry Waterfront Residents Management Company Limited	4
Battersea Exchange Management Company Limited	1
Biggleswade Management Company Limited*[1]	2
Billington Grove (SM) Management Company Limited	3
Bishop Stortford NPB Limited	28
Bishop Stortford NPE Limited	28
Bramcote Residents Management Company Limited	29
Bramley Park Management Company Limited	1
Brantham Residential Estate Management Company Limited	1
Broadleaf Park (Rownhams) Management Company Limited	4
Broadway Fields Residents Management Company Limited	1
Broken Stone Road (Blackburn) Residents Management Company Limited	17
Broughton Gate (Milton Keynes) Management Company Limited	3
Brunswick Dock (Liverpool) Management Company Limited*	25
Buckingham Park (Weedon Hill) Management Company Limited	3
Buckton Fields (Northampton) Apartment Management Company Limited	18
Buckton Fields (Northampton) Estate Management Company Limited	18
Burdon Lane (Ryhope) Residents Management Company Limited	18
Canford Vale Management Company Limited	17
Capital Court Property Management Limited*[2]	10
Cherrywood Gardens Residents Management Company Limited	29
Cliddesdon Reach Management Company Limited	1
Clipstone Park (Leighton Buzzard) Management Company Limited	3
Clover House (Cranbrook) Management Company Limited	4
Coatham Vale and Berrymead Gardens Residents Management Company Limited	18
Coed Issa Management Company Limited	8
Colney Manor Resident Management Company Limited	8
Concept (EA) Management Company Limited	3
Coopers Grange (Bishop Stortford) Residents Management Company Ltd	8
Coppice Place Management Company Limited	3
Coronation Square Residents Management Company Limited	3
Cotswold View Residents Association Limited	1

Company Name	Reference
Cromwell Place Residents Management Company Limited	19
Crookham Park (Church Crookham) Management Company Limited*[6]	26
Cwm Gelli (Blackwood) Residents Management Company Limited	1
Denne Road Management Company Limited	1
Diglis Water Estate Management Company Limited	1
Dunton Green Management Company (No.1) Limited	1
Dunton Green Management Company (No.2) Limited	1
Earls Court Farm Worcester Residents Management Company Limited	14
Edlogan Wharf Community Interest Company	1
Elgar Place Management Company Limited	1
Emberton Grange Management Company Limited	19
Evergreens (Beaufort Park) Management Company Limited	28
Forge Wood (Crawley) Management Company Limited	30
Foxwood Garden Village Residents Management Company Limited	17
Franklin Park (Stevenage) Residents Management Company Limited	15
Glasdir Management Company Limited	1
Great Hall Park Residents Association Limited	1
Greenfields Park (EA) Management Company Limited	5
Gresley Meadow Management Company Limited	16
Handley Chase (Sleaford) Residents Management Company Limited	13
Handley Gardens (Lancaster Avenue) Block Management Company Limited	3
Handley Gardens Management CIC	6
Hanwell Fields 3B Management Company Limited	1
Harebell Meadows and Hartburn Grange Residents Management Company Limited	17
Hastings Manor (Hugglescote) Residents Management Company Limited	7
Hay Common Management Company Limited	4
Haybridge (Wells) Management Company Limited	4
Hayes Green Management Company Limited	3
Heritage Park Gravesend Residents Association (No.1) Limited	1
Heritage Park Gravesend Residents Association (No.2) Limited	1
Heritage Park Gravesend Residents Association (No.3) Limited	1
Heritage Park Gravesend Residents Association (No.4) Limited	1
Heritage Park Gravesend Residents Association (No.5) Limited	1
Herrington View Residents Management Company Limited	18
Hethersett Residents Management Company Limited	8
Humberstone Residents Estate Management Company Limited	7
Hunters Meadow Residents Association Limited	3
Jasmine Park (Whirley) Management Company Limited	1

Particulars of subsidiaries, associates and joint ventures continued

Company Name	Reference
K Reach (EA) Management Company Limited	3
Kentmere Place Residents Association Limited	1
Kesgrave K Management Company Limited	1
Kingsbourne (Nantwich) Community Management Company Limited	8
Kingsley Grange (Wickford) Residents Association Limited	8
Leawood (Management) Company Limited*	1
Lindridge Chase Residents Management Company Limited	16
Lion Mills (EA) Management Company Limited	3
Longridge Farm and Greendale Park Residents Management Company Limited	18
Longshore and Shoreview Residents Management Company Limited	18
Macintosh Mills Car Park (Management) Limited	1
Maidenfields Estate Residents Management Company Limited	19
Manor Court (Prescot) Management Company Limited	1
Manor Park Sprowston Residents Management Company Limited	8
Manor Rise Block C Management Company Limited	26
Manor View (East Grinstead) Residents Management Company Limited	31
Mayfield Gardens Management Company Limited	3
Melton Manor (Melton Mowbray) Residents Company Limited	7
Millers Brow Management Company Limited	1
Millstream Meadows (Middlewich) Management Company Limited	35
Monmore Grange Management Company Limited	3
Mountbatten Mews (Honiton) Management Company Limited	4
Netherton Grange Residents Management Company Limited	3
Newbridge Gardens Management Company (No 1) Limited	5
Newbridge Gardens Management Company (No 2) Limited	5
Newcastle Great Park (Estates) Limited*3	20
Newcastle Great Park Management Company Limited*5	20
NGP Management Company (Cell A) Limited*3	20
NGP Management Company (Cell D) Limited*3	20
NGP Management Company (Cell E) Limited*3	20
NGP Management Company (Cell F) Limited*3	20
NGP Management Company (Commercial) Limited*3	20
NGP Management Company (Town Centre) Limited*3	20
NGP Management Company Residential (Cell G) Limited*	20
Nightingale Park Residents Association Limited	8
North Wharf Gardens Management Company Limited	1
Nunnery Fields (Management No.1) Limited	5
Nunnery Fields (Management) Limited	5
Oak Park (Cheddar) Management Company Limited	3
Oakapple 2 Resident Management Company Limited	11
Oaklands Residents Management Company Limited	19

Company Name	Reference
Ockley Park (Hassocks) (Block E) Residents Management Company Limited	26
Ockley Park (Hassocks) (Blocks A & B) Residents Management Company Limited	26
Ockley Park (Hassocks) Residents Management Company Limited	26
Orchard Grove (Comeytrowe) Management Company Limited	4
Orsett Village Residents Association Limited	8
Pages Priory Phase Two (Leighton Buzzard) Management Company Limited	3
Palace View Apartments Management Company Limited	1
Parc Nedd Residents Association Limited	1
Park Farm (South East) Management Company Limited	21
Parklands (Woburn Two) Management Company Limited	3
Parsons Chain Residents Management Company Limited	16
Pathfinder Place (Melksham) Management Company Limited	4
Peartree Village Management Limited	9
Plas Brymbo Landscaping Management Company Limited	33
Plas Brymbo Management Company Limited	1
Poppyfields (Benwick) Residents Association Limited	1
Postmark Residents Management Company Limited	1
Q.Hill (EA2) Management Company Limited	8
Queen Eleanor's Heights Residents Association Limited	1
Redhill Gardens Residents Management Company Limited	1
Redhill Park Limited*3	27
Regency Place (Shiplake) Management Company Limited	1
Robin Gardens Management Company Limited	7
Romans Gate (Old Stratford) Residents Association Limited	1
Saxon Park Management Company Limited	1
Seagrave Park Residents Management Company Limited	7
Sherdley Green Residents Management Company Limited	17
Sherford 1A Parcel 4 Management Company Limited	3
Sherford 1A Parcel 5 Management Company Limited	3
Sherford 1B Parcel EFGJ Management Company Limited	3
Sherford Estate Management Company Limited	3
Shopwyke Lakes Chichester (Management) Company Limited	4
Southgate Maisonettes (27 and 28) Limited	1
Speakman Gardens Residents Association Limited	1
St Augustines Place Herne Bay Management Company Limited	4
St Crispin Area H Management Company Limited	1
St Dunstans Apartment Management Company Limited*	1
Stanbury View (Parklands) Management Company Limited	26
Stanhope Gardens (Wellesley) (Block A) Residents Management Company Limited	26
Stanhope Gardens (Wellesley) (Blocks B-D) Residents Management Company Limited	26
Stanhope Gardens (Wellesley) (Block F) Residents Management Company Limited	26

Particulars of subsidiaries, associates and joint ventures continued

Company Name	Reference
Stanhope Gardens (Wellesley) (Block G) Residents Management Company Limited	26
Stonebrooke Gardens Management Company Limited	22
Stortford Fields Estate Management Company Limited	11
Stour Valley Management Phase 1 Limited	34
Summer Downs Residents Management Company Limited	1
Sunderland House (Handley Gardens) Resident Management Company Limited	3
Telford Millennium Management Company Limited	1
Tent 1 Management Company Limited	12
Thamesview (Plots 425 to 560) Residents Association Limited	1
The Apartments at Lindridge Chase Residents Management Company Limited	16
The Arboretum (Haverhill) Residents Management Company Limited	8
The Asps Residents Management Company Limited	17
The Atrium (Overstone) Residents Management Company Limited	8
The Avenue Number 4 Management Company Limited	1
The Avenue Number 5 Management Company Limited	1
The Beaumont Park Management Company Limited*	1
The Breme Park (Bromsgrove) Management Company Limited	1
The Burleigh Rise Management Company Limited*	1
The Coach Houses (Northampton) Residents Association Limited	1
The Copse (Mawsley) Management Company Limited	7
The Grange at Newton Management Company Limited	3
The Grange Number One Desborough Management Company Limited	1
The Heath RMC Limited	3
The Highgate (Durham) Management Company Limited*	1
The Junction Flat Management Company Limited*	1
The Laurels (Kirby Cross) Management Company Limited	19
The Merriemont Management Company Limited*	1
The Middlefield Springs Management Company Limited	3
The Orchard (Hadham) Residents Management Company Limited	8
The Orchard (Willow Street) Management Company Limited	1
The Orchard Grove (Playground) Management Company Limited*	1
The Pennington Wharf Community Management Company Limited	8
The Quarters Quedgeley Management Company Limited	3
The Ruxley Towers Management Company Limited*	1
The Seasons Residents Association Limited	1
The Silverdale 9 Flats Management Company Limited	1
The Silverdale 9 Houses Management Company Limited	1
The Skylarks (Warfield) Management Company Limited	26
The Spinney Residents Management Company Limited*	1
The Swan Gardens Management Company Limited*	1
The Vale RMC Limited	3

Company Name	Reference
The Weekley Wood Management Company Limited*	1
The Wharf Lane (Solihull) No.1 Management Company Limited	1
The Willowfields Management Company Limited*	1
The Woodlands At Shevington Management Company Limited	12
The Woodway Gate Management Company No.1 Limited	1
Vision at Meanwood Residents Management Company Limited	17
Watton Management Company Limited*4	32
Webheath (Redditch) Management Company Limited	3
Wellington Paddocks (Walmer) Management Company Limited	1
Westbridge Park (Auckley) Management Company Limited	12
Whalley Road (Barrow) Management Company Limited	8
White House Farm (Emersons Green) Management Company Limited	4
Whitehouse Farm Apartments (Emersons Green) Management Company Limited	19
Willow Lake (Bletchley One) Management Company Limited	3
Willow Lake (Bletchley Two) Management Company Limited	3
Willowcroft (SM) Management Company Limited	7
Windermere Grange Residents Management Company Limited	16
Winnington Village Community Management Company Limited	12
Woodside Vale (Leeds) Residents Management Company Limited	17
Wool Gardens (Crewkerne) Management Company Limited	4
Wootton Meadows Residents Association Limited	1
Worlebury House Apartments Residents Management Company Limited	23
Wrexham Road Garden Village Management Company Limited	8
Wyrley View Residents Management Company Limited	24

* Private Limited Company.
1 60% Ownership.
2 17.2% Ownership.
3 50% Ownership.
4 33.3% Ownership.
5 11.11% Ownership.
6 Group representatives on Board only.

Particulars of subsidiaries, associates and joint ventures continued

Reference	Registered Address
1	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR
2	Newton House, 2 Sark Drive, Newton Leys, Milton Keynes, MK3 5SD
3	Queensway House, 11 Queensway, New Milton, BH25 5NR
4	Fisher House, 84 Fisherton Street, Salisbury, SP2 7QY
5	94 Park Lane, Croydon, CR0 1JB
6	1 London Road, Brentwood, Essex, CM14 4QP
7	2 Hills Road, Cambridge, CB2 1JP
8	RMG House, Essex Road, Hoddesdon, EN11 0DR
9	Countryside House, The Drive, Great Warley, Brentwood, Essex, CM13 3AT
10	4 Capital Court, Bitten Road, Sowton Industrial Estate, Exeter, EX2 7FW
11	Gateway House, 10 Coopers Way, Southend-On-Sea, SS2 5TE
12	Chiltern House, 72-74 King Edward Street, Macclesfield, Cheshire, SK10 1AT
13	Unit 2, The Osiers Business Park, Laversall Way, Leicester, LE19 1DX
14	Redrow House, St Davids Park, Ewloe, Flintshire, CH5 3RX
15	Imperial Place, Building 2, Maxwell Road, Borehamwood, WD6 1JN
16	Second Floor, Fore 2, Fore Business Park, Solihull, B90 4SS
17	Unit 7, Portal Business Park, Easton Lane, Tarporley, Cheshire, CW6 9DL
18	Cheviot House, Beaminster Way, Newcastle upon Tyne, NE3 2ER

Reference	Registered Address
19	Vantage Point, 23 Mark Road, Hemel Hempstead, HP2 7DN
20	3rd Floor, Citygate, St. James' Boulevard, Newcastle upon Tyne, NE1 4JE
21	Foundation House, Coach & Horses Passage, Tunbridge Wells, TN2 5NP
22	Boulton House, 17-21 Chorlton Street, Manchester, M1 3HY
23	730 Waterside Drive, Aztec West, Almondsbury, Bristol, BS32 4SD
24	137 Newhall Street, Birmingham, B3 1SF
25	384a Deansgate, Manchester, Greater Manchester, M3 4LA
26	Victoria House, 178-180 Fleet Road, Fleet, GU51 4DA
27	5 Market Yard Mews, 194-204 Bermondsey Street, London, SE1 3TQ
28	Suite 35, Interchange Business Centre, Howard Way, Newport Pagnell, MK16 9PY
29	Unit 2, Tournament Court, Edgehill Drive, Warwick, CV34 6LG
30	Unit 8, The Forum, Minerva Business Park, Peterborough, PE2 6FT
31	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ
32	11th Floor, Two Snow Hill, Birmingham, B4 6WR
33	Carvers Warehouse, 77 Dale Street, Manchester, M1 2HG
34	13a, Building Two, Canonbury Yard, 190 New North Road, London, N1 7BJ
35	1 Lumsdale Road, Stretford, Manchester, M32 0UT

Five year review (unaudited)

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Revenue	**3,514.5**	4,419.9	4,284.9	2,790.2	4,341.3
Profit on ordinary activities before financing	**467.8**	827.5	698.2	282.4	856.8
Adjust for: Share of results of joint ventures	**2.4**	15.9	5.4	7.9	8.0
Adjust for: Exceptional items	**–**	80.0	125.0	10.0	(14.3)
Operating profit	**470.2**	923.4	828.6	300.3	850.5
Net finance income/(costs)	**3.6**	(15.5)	(24.0)	(25.9)	(28.9)
Profit for the financial year before taxation and exceptional items	**473.8**	907.9	804.6	274.4	821.6
Exceptional items	**–**	(80.0)	(125.0)	(10.0)	14.3
Taxation charge including taxation on exceptional items	**(124.8)**	(184.3)	(124.1)	(47.4)	(162.0)
Profit for the financial year	**349.0**	643.6	555.5	217.0	673.9
Balance sheet					
Intangible assets	**2.6**	4.2	6.6	8.1	7.0
Property, plant and equipment	**22.0**	17.3	21.7	24.0	25.6
Right-of-use assets	**37.8**	26.3	26.5	27.5	27.4
Interests in joint ventures	**70.5**	74.0	85.4	82.2	55.3
Other financial assets	**10.3**	10.0	10.0	–	–
Non-current trade and other receivables	**28.1**	12.2	27.5	26.3	43.7
Non-current assets (excluding tax)	**171.3**	144.0	177.7	168.1	159.0
Inventories	**5,169.6**	5,169.6	4,945.7	4,534.7	4,196.0
Other current assets (excluding tax and cash)	**124.4**	191.2	168.2	189.1	161.0
Trade and other payables excluding land creditors	**(691.6)**	(735.8)	(587.7)	(571.4)	(634.9)
Land creditors	**(301.2)**	(395.0)	(314.2)	(347.9)	(339.9)
Lease liabilities	**(8.8)**	(7.3)	(7.0)	(6.4)	(7.6)
Provisions	**(124.9)**	(106.7)	(125.4)	(70.6)	(72.7)
Net current assets (excluding tax and net cash)	**4,167.5**	4,116.0	4,079.6	3,727.5	3,301.9

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Trade and other payables excluding land creditors	**(80.9)**	(76.7)	(137.1)	(131.8)	(110.4)
Land creditors	**(214.9)**	(330.6)	(492.2)	(328.0)	(389.3)
Retirement benefit obligations	**(26.5)**	(29.9)	(37.3)	(89.5)	(85.0)
Lease liabilities	**(31.0)**	(19.7)	(20.4)	(21.6)	(20.3)
Provisions	**(161.8)**	(183.6)	(119.7)	(59.9)	(55.7)
Non-current liabilities (excluding debt)	**(515.1)**	(640.5)	(806.7)	(630.8)	(660.7)
Cash and cash equivalents	**764.9**	952.3	921.0	823.0	630.4
Bank and other loans	**(87.0)**	(88.5)	(84.0)	(103.6)	(84.7)
Taxation balances	**21.8**	18.8	26.4	32.6	(38.1)
Basic net assets	**4,523.4**	4,502.1	4,314.0	4,016.8	3,307.8
Statistics					
Basic earnings per share	**9.9p**	18.1p	15.3p	6.3p	20.6p
Adjusted basic earnings per share	**9.9p**	19.8p	18.0p	6.5p	20.3p
Tangible net assets per share	**127.1p**	126.5p	118.1p	110.0p	100.5p
Dividends paid (pence per share)	**9.57**	9.06	8.28	–	18.34
Number of ordinary shares in issue at the year end (millions)	**3,557.0**	3,557.0	3,648.6	3,645.4	3,283.1
UK short term landbank (plots)	**80,323**	82,830	85,376	77,435	75,612
UK average selling price (£000)	**324**	313	300	288	269
UK completions (homes including JVs)	**10,438**	13,773	14,087	9,609	15,719