

Audit Committee report

Audit Committee summary

The Committee is chaired by Humphrey Singer. All members of the Committee are independent Non Executive Directors as required by the UK Corporate Governance Code (the Code). The Board has determined that Humphrey Singer has recent and relevant financial experience as required by the Code.

Committee meetings were also attended, by invitation, by the Chairman, Chief Executive, Group Finance Director, Group Operations Director, other Non Executive Directors, Group General Counsel and Company Secretary, Assistant Company Secretary, Group Financial Controller, Head of Internal Audit, Senior Internal Audit Manager, Head of Tax, Head of Group Reporting, Head of Risk, Group IT Director, Head of IT Services, and the external Auditors.

Committee members	Meetings attended
Humphrey Singer (Chair)	3/3
Scilla Grimble ^(a)	2/2
Angela Knight	3/3
Robert Noel	3/3

(a) Appointed to the Committee on 1 March 2021.

Main objective

- To assist the Board in fulfilling its corporate governance responsibilities relating to the Group's risk management and internal control framework; internal audit process; financial reporting practices including the key accounting judgements and estimates; and external audit process

2022 key areas of focus

- Continue to ensure that the IT operating environment remains robust, supporting the business needs in a year of planned changes to core systems and also that key systems are protected against cyber and other threats
- Gain assurance on required changes to key processes and controls that may be affected by known legislative changes impacting the industry through 2022 and 2023, in particular the New Homes Ombudsman Service and the Future Homes Standard
- Oversee the adoption of any financial governance changes in 2022 resulting from the ongoing Department for Business, Energy and Industrial Strategy (BEIS) consultation



Humphrey Singer
Chair of the Audit Committee

- To gain assurance that new systems and processes related to the customer journey are implemented within a robust framework

The Committee's review of progress against these key areas of focus concluded that they were all satisfactorily addressed during 2021.

Internal and external audit

The Committee continues to hold individual meetings with the external Auditors and with the Head of Internal Audit, independent of the Executive Directors, to discuss matters within its remit and any issues arising from the audits.

The audit of the 2021 financial results has been the first by PricewaterhouseCoopers LLP (PwC) following shareholders' approval of their appointment at the 2021 Annual General Meeting (AGM). The Committee has monitored their progress and is satisfied with their performance, which will be subject to formal review, as in previous years, to identify whether there are any areas of potential improvement and to allow feedback to be shared mutually.

Continuing compliance

Throughout the year the Committee met the Financial Reporting Council (FRC) guidance on Audit Committees which was incorporated into the Code. The aim of the guidance is to further improve good governance around the Committee's competence; induction for new members; audit rotation; independent assessment of areas of judgement; and sufficiency of resourcing for the Committee; all with the aim of ensuring that the Committee is able to perform its primary function of protecting shareholders' interests in relation to the Company's financial reporting and internal control.

Potential new compliance areas

A significant development during 2021 was the BEIS consultation, entitled 'Restoring Trust in Audit and Corporate Governance'. The consultation proposed a number of reforms and new processes designed to improve communications and engagement between Boards, their Audit Committees and shareholders. The Committee will monitor the progress of these proposals and will report on their outcome and the implications for the Company at the appropriate time.

The Committee will continue to ensure that all applicable regulations are complied with, and we remain confident that the business continues to operate in a controlled and well-managed way.

Humphrey Singer
Chair of the Audit Committee

2 March 2022

Committee activities during 2021

The March 2022 meeting concluded the Committee's activities with regard to the Company's 2021 reporting cycle which have been included in the table below.

Topic	Activity / review	February 2021	July 2021	December 2021	March 2022
Financial reporting	Reviewed year end matters including the draft Annual Report and Accounts (and assessed the processes which ensure it is fair, balanced and understandable), significant accounting and audit issues, the draft full year results announcement and the going concern statement	●			●
	Reviewed the draft half year statement, including significant accounting issues, materiality and the external Auditor's report on the statement		●		
	Reviewed Accounting Issues and Accounting Standards in preparation for year end reporting			●	
	Reviewed the proposed TCFD reporting			●	●
External audit	Reviewed the terms of business and audit engagement letter for PwC's audit of 2021 reporting	●			
	Recommended to the Board the appointment of PwC as external Auditors	●			
	Reviewed PwC's plan for the audit of the 2021 accounts and the progress of the audit to date		●	●	
	Reviewed PwC's report on the scope of the audit of the 2021 accounts, including key audit risks and regional checks conducted around the business			●	
	Disclosed relevant audit information to the external Auditors and the required evidence in support of it	●	●	●	●
	Reviewed the final report from PwC following completion of the audit of the 2021 accounts				●
Internal control and risk	Reviewed the fraud incident and response report	●	●	●	●
	Concluded the prior year's risk review including agreeing Principal Risks, consideration of emerging risks, and monitoring progress on mitigation actions	●			●
	Completed a detailed review of Principal, key and emerging risks, together with mitigation and assessment against the Company's risk appetite		●	●	●
	Conducted the half year risk review		●		
	Reviewed the viability model	●		●	●

Committee activities during 2021 continued

Topic	Activity / review	February 2021	July 2021	December 2021	March 2022
Committee governance	Reviewed the Committee's performance against its Terms of Reference and objectives for the previous year and set objectives for the next year	●			●
	Reviewed progress on the Committee's areas of focus		●	●	●
	Reviewed and agreed the Committee's annual plan for the next year, designed to ensure it met its objectives and Terms of Reference			●	
Internal audit	Received activity reports from Internal Audit	●	●	●	●
	Agreed Internal Audit's programme of work for the next year	●			●
	Reviewed updates to the Internal Audit Charter		●		
	Reviewed progress against Internal Audit priorities and work plan for the year		●	●	●
	Received and considered the External Quality Assessment report on the Internal Audit Department and processes and agreed the resulting actions		●		
	Reviewed progress to date in achieving agreed actions flowing from the External Quality Assessment report			●	●
Data and systems security	Received an update on the Company's data and systems security, technology, cyber resilience and further protective measures in relation to key business systems		●	●	
Distributions	Advised the Board regarding the appropriateness of the proposed final dividend for 2020	●			
	Advised the Board regarding the appropriateness of the proposed interim dividend for 2021		●		
Compliance	Received an update on legal and regulatory compliance requirements across the business and confirmation that these continued to be met		●		

In carrying out these activities, the Committee relied on regular reports from Management, Internal Audit and from the external Auditors. In monitoring the financial reporting practices, the Committee reviewed accounting policies, areas of judgement highlighted by Management and the external Auditors, the going concern assumptions and compliance with accounting standards and the requirements of the Code.

Committee meetings

The Committee met with the Head of Internal Audit and with representatives from the external Auditors during each Committee meeting in 2021, in order to discuss any matters which either may wish to raise in confidence, with only the Secretary being present.

Committee purpose and responsibilities

The Committee's purpose and responsibilities are, in line with the requirements of the Code:

- To establish formal and transparent policies and procedures to ensure the independence and effectiveness of the Internal Audit function and the external audit and satisfy itself as to the integrity of financial and narrative statements.
- To ensure the Annual Report and Accounts and half year results each present a fair, balanced and understandable assessment of the Company's position and prospects.
- To establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the Principal Risks the Company is willing to take in order to achieve its long term strategic objectives.

Committee competence

A key requirement of the FRC's guidance on Audit Committees is that each Committee member should have sufficient knowledge, training and expertise to contribute effectively to the Committee's deliberations.

Humphrey Singer, the Committee Chair, has been a member of the Audit Committee since December 2015 and its Chair since February 2018. He has extensive experience of the financial reporting requirements of FTSE 100 companies, of financial reporting preparation and compliance for public companies, and of dealing with internal and external auditors, from his current role as Chief Financial Officer of Belron Group and from previous roles with Marks and Spencer Group plc and Dixons Carphone plc. This depth of experience has given Humphrey insight into key areas of shareholder concern and independent experience of robustly challenging and holding to account Management, the external Auditors and the Head of Internal Audit.

The Committee Chair is assisted on the Committee by the knowledge and experience of three other Non Executive Directors:

- Scilla Grimble has over 15 years' executive experience in corporate finance; is currently the Chief Financial Officer of Moneysupermarket.com Group plc; and brings significant financial and risk-related experience.
 - Angela Knight has broad experience of financial services and banking and has extensive non executive director experience.
 - Robert Noel has considerable experience of the property sector and wide commercial experience as Chair of Hammerson plc and previously as Chief Executive of Land Securities Group PLC.
- As announced on 31 January 2022, Angela Knight will be stepping down from the Board and the Committee at the conclusion of the AGM. The search process for new Non Executive Directors is underway and an assessment of their suitability to join the Committee upon appointment will be undertaken.
- The Committee is confident that its members collectively have the necessary competence relevant for the housebuilding sector and that the composition, balance, and expertise of the Committee can give shareholders confidence that the financial, reporting, risk, and control processes of the Company are subjected to the appropriate level of independent, robust and challenging oversight.

As described in the Nomination and Governance Committee report on page 91, there is a formal process of induction for new Directors which includes specific reference to supporting competence in relevant Committee areas through exposure to the appropriate areas of the Company's operations and performance. Scilla Grimble's induction included meetings with the Committee Chair; the Group Finance Director and the other Executive Directors; members of the GMT; both the former and current external Auditors; the Head of Internal Audit; the IT Director; and appropriate external bodies such as the Company's Brokers in relation to financial reporting. The same thorough induction process will be undertaken by any new Non Executive Directors appointed to the Committee.

Committee evaluation

The Board evaluation for 2021, which is described more fully on page 92, included an appraisal of the performance of the Audit Committee and individually of its Chair and other members.

The outcome of the appraisal was that the Committee was considered to continue to operate effectively, with the necessary level of expertise and independent challenge, and with no specific actions arising requiring further improvement.

It was also noted that Humphrey performs his role of Chair of the Audit Committee particularly effectively, with members noting that he manages each Committee meeting in a way that ensures a good level of debate and positive challenge.

Risk management and internal control

The Group has an established ongoing process of risk management, which is detailed further on pages 59 to 65 and which was in place from the start of the financial year to the date on which the 2021 Annual Report and Accounts were approved and is consistent with the FRC's Guidance on Risk Management, Internal Control and Related Business Reporting. The Committee monitors the Group's risk management and internal control systems, including their effectiveness, on behalf of the Board and provides advice to the Board in connection with the Board's own risk review.

The Committee's objectives in relation to risk are:

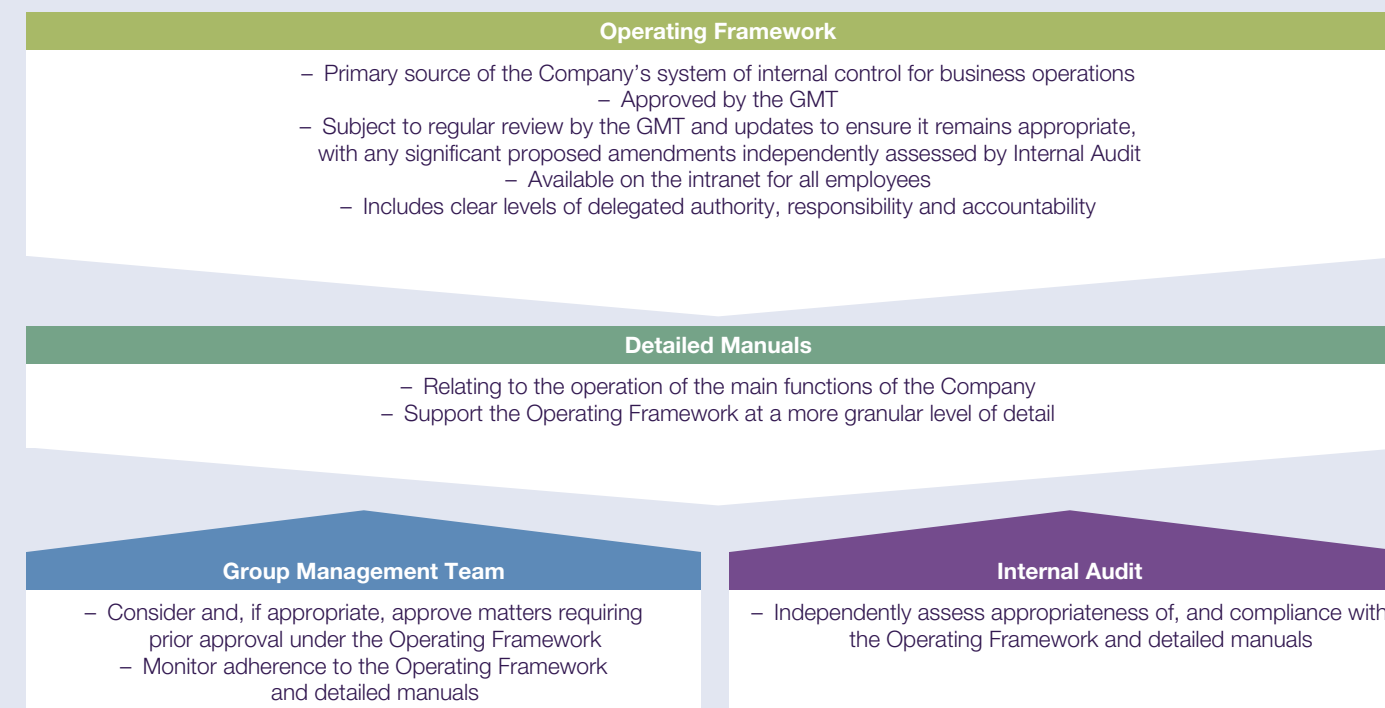
- To ensure the Group's risk profile remains within its agreed risk appetite and tolerance levels and is adequately monitored and reviewed as appropriate to reflect external and internal changes.
- To give early consideration to the Government's proposals in relation to a new regime for internal controls over financial reporting.

- To continue to develop the Group's risk processes in light of evolving best practice.
- To consider emerging risks that could impact on the Group's longer term strategy.

To achieve these objectives, the Committee undertook the following during 2021:

- Detailed risk reviews were conducted twice during the year, at the Committee's July (half year) and December (full year) meetings and covered both the systems used and the reported risks.
- The Committee agreed the addition of two new Principal Risks (details on page 61) to reflect the changing risk landscape.
- Consideration was given to the continuing impact of COVID-19 on the Principal Risks of the Group, together with the mitigations implemented to address the specific issues identified.
- Regular updates were received on the continuing review of relevant historic and current developments and actions taken by the Company to comply with recent changes to the Government guidance on fire safety. This included assessing and advising the Board on the proposed additional provision, made and announced during 2021 of £125 million, and reviewing updates on usage and the balance of the provision during the year.

Internal control



Corporate governance: Audit, risk and internal control continued

- Received updates on key information technology (IT) risks, as a consequence of the continuing potential impact of COVID-19 in this area. Including the resilience of the Group's systems to cyber attack and action taken to maintain security of systems and data.
- Advised the Board in its assessment of emerging risks, including potential velocity and impact on the Group's longer term strategy, further details of which can be found on page 60.
- Oversaw the further embedding across the Company of improvements identified in last year's Audit Committee report in the area of risk, relating to the processes for identifying, assessing, monitoring, reporting, and managing the residual elements of risk, including the enhanced reporting of action plans and target risk for the identified key risks. Key further enhancements during 2021 were the issue of a standalone risk management manual and the introduction of risk management onboarding.

The Board holds a formal risk review once each year, with detailed updates provided at two Audit Committee meetings during the year and also routinely considers risk at each Board meeting, as appropriate. It makes its assessment of risk after overseeing, with advice from the Committee, a bottom-up and top-down review of risk in all areas of the business, including taking account of environmental, social and governance considerations, including climate change, over various time horizons. The assessments use an established methodology and include regularly reviewing the effectiveness of the Group's system of internal control in providing a responsible assessment and mitigation of risks. Action to mitigate the effect of each risk is led by the Chief Executive in conjunction with the relevant member of the Group Management Team (GMT).

The Board's monitoring of risk, its management and reporting, covers all controls, including financial, operational, compliance and assurance systems.

Those systems cannot eliminate risks but rather seek to manage both the likelihood of their occurrence and the extent of their impact and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Principal Risks facing the Company and the Group, as assessed by the Board, are set out on pages 61 to 65 together with information on the mitigations for each risk. The Committee also oversees the actions being taken to monitor IT initiatives which aim to either directly protect against and reduce the risk of cyber-related type attacks and fraud; support and enhance the current IT environment including data protection; or that are crucial in their contribution to key business initiatives aiming to enhance the experience of customers, suppliers and employees.

During 2021, the Group Finance Director has led the GMT in undertaking a review of the Government's developing proposals for further enhancement to UK companies' internal controls through proposals set out in the BEIS consultation document for reforms to the UK's corporate governance, audit and reporting regime. Since it is generally expected that these will become legal or regulatory requirements to some extent, the Company has been undertaking necessary and appropriate preparatory actions to enable it to comply within the expected time frame for changes. These actions have been monitored by the Committee during 2021 and will continue to be monitored into 2022, when we expect to be able to report in greater detail as to their scope and impact upon the Company; its assurance processes; and its future financial reporting.

At its meeting in March 2022, the Board, having conducted its own review and after reviewing more detailed assessments from the Audit Committee, remained satisfied that the systems of internal control continued to be effective in identifying, assessing, and ranking the various risks facing the Company; and in monitoring and reporting progress in mitigating their potential impact on the Company. The Board also approved the statement of the Principal Risks and uncertainties set out on pages 61 to 65.

External Auditors**Re-appointment of PwC**

Last year's Annual Report advised that the Company's external Auditors were to change, in accordance with statutory legislation and guidance issued by the Financial Reporting Council (FRC) as to the maximum duration of an external auditor's appointment. Full details of the tender process and the proposal to appoint PwC were set out in the 2020 Annual Report and Accounts, which can be found on the Company's website.

That proposal was subsequently approved by shareholders at the Company's 2021 AGM and PwC succeeded the Company's former external Auditors, Deloitte LLP (Deloitte), for the audit of the Company's 2021 and future reporting.

The Committee considers that the relationship with PwC is well established and is satisfied with the effectiveness of the overall external audit process. PwC's performance during the handover of responsibilities from Deloitte, and in undertaking the first full year's audit, for 2021, has been kept under regular review by the Committee and reported to the Board as appropriate.

As 2021 was the first year of PwC's appointment as external Auditors, a full evaluation of their performance was not performed during 2021 and instead the Committee considered the key work performed by PwC to date and confirmed that the audit process continues to be effective and the quality and sufficiency of

the resources provided by the engagement team remains appropriate.

The Committee intends to undertake a formal assessment during 2022 of the performance of PwC, as the external Auditors, in relation to the audit work carried out in 2021. This will include a questionnaire being distributed to the Board and key stakeholders in the audit process to evaluate the effectiveness of the external audit process.

In addition, the Committee considered whether PwC had appropriately challenged Management estimates and judgements. The external Auditor's report (starting on page 128) details the key matters that were considered as part of the year end audit. This includes details of the procedures performed by PwC to assess the estimates and judgements made by Management.

In particular the Committee noted during the course of the audit that the external Auditors challenged Management's judgements and assertions on the following matters:

- Margin recognition and site forecasting
- Cladding fire safety and leasehold provisions
- Defined Benefit Pension valuations

In relation to each of these judgements the external Auditors confirmed that the approach adopted by Management in accounting for these in the financial statements was appropriate.

Based upon its interim assessment, as set out above, the Committee recommended to the Board, which in turn is recommending to shareholders in Resolution 10 at the 2022 AGM (on page 185), that PwC should be re-appointed as external Auditors to the Company.

The Company will of course keep the matter under regular review, taking into account the annual performance review to be conducted by the Committee. The recommendation of PwC was free from influence by a third party and no contractual term of the kind mentioned in Article 16(6) of the Audit Regulation has been imposed on the Company whereby there would be a restriction on the choice to certain categories or lists of audit firms in the Company's selection of its external auditors.

Appointment of the external Auditors for non-audit services

The Committee has a formal policy, reviewed on a regular basis, as to whether the Company's external Auditors should be employed to provide services other than audit services. In line with the Code, the Committee has regard to the relevant regulation and ethical guidance regarding the provision of non-audit services by PwC.

A review of the policy has been undertaken and it was confirmed that the policy is in accordance with the Revised Ethical

Standard 2019 (the Standard) issued in December 2019 by the FRC. The Standard limits the circumstances in which an audit firm carrying out statutory audits of public interest entities (including the Company, as a FTSE 100 listed company) may provide defined services as set out in the Standard.

The Board, acting on guidance from the Committee following its review of the continuing effectiveness of this policy, is satisfied that it meets the Standard, and will be conducive to the maintenance of good governance, best practice and auditor independence and objectivity.

PwC undertook non-audit services in the form of assurance work carried out in connection with the announcement of the Company's 2021 half year results, which is of direct benefit to shareholders although it is not regarded as audit work for reporting purposes. PwC also made available access to their subscription service providing online technical resources such as factual updates and changes to applicable law, regulation, and accounting and auditing standards, at a notional value of £2,000.

The Committee recognises and supports the importance of the independence of external auditors. It reviewed PwC's performance of non audit services during 2021 and is satisfied that it did not, and will not go forward, impair the independence of the external Auditors. As a result, the value of non-audit services work by PwC was £0.1 million in 2021 (2020: £0.2 million by former external Auditors, Deloitte) which represents approximately 13% of the audit fee as set out in Note 6 to the Accounts on page 149.

Internal Audit

Internal Audit's primary role is to support the Board and the GMT to protect the assets, reputation and sustainability of the Group. The function is led by the Head of Internal Audit who directly reports to the Chair of the Committee, with a secondary reporting line to the Group Finance Director, and has regular direct contact with the Chairman of the Board, the Chief Executive and other Executive Directors, as required. The reporting line to the Chair of the Committee protects the function's independence. In addition, the Chair of the Committee, and the independent evaluation carried out during 2021 described below, each assessed the independence of the Head of Internal Audit and confirmed that she has maintained independence.

Internal Audit reviews the effectiveness and efficiency of the systems of internal control in place to safeguard the assets; to quantify, price, transfer, avoid or mitigate risks; and to monitor the activities of the Group in accomplishing established objectives.

The Internal Audit plan, and the individual audits conducted in line with the audit plan, are driven primarily by the Group's strategy and its key risks. Following each review, an

Internal Audit report is provided to both the Management responsible for the area reviewed and the GMT. These reports outline Internal Audit's opinion of the management control framework in place together with actions proposed or made, as appropriate, where improvements are recommended. The Chief Executive, the GMT and senior management consider the reports on a regular basis and are responsible for ensuring that improvements are made as agreed. A database of audit recommendations and improvement initiatives is maintained. Follow-up and escalation processes ensure that such improvements are implemented and fully embedded in a timely manner. Summaries of all Internal Audit reviews and other key activities and resulting reports are also provided to the Committee for review and discussion.

The Company belongs to and participates in industry-wide forums and other initiatives aimed at combating fraud within the housebuilding and construction industry.

The Internal Audit function also reviews proposed related party transactions, including employees' house purchases from the Company, to provide assurance that the formal policy and proper procedures are followed.

Internal Audit works with the Company Secretariat Department to consider any longer-term revisions to the governance processes and working environment. The learnings and improvements from this activity are being woven into the ongoing control and risk processes and this activity will continue through 2022.

An independent evaluation of the Internal Audit function was carried out in 2021 by the Chartered Institute of Internal Auditors (CIIA) on behalf of the Committee and included consideration of the recommendations included in the Internal Audit Code of

Practice for effective internal audit in the private and third sectors. The finding of this independent evaluation was that Internal Audit conforms to the CIIA's professional standards as set out in the International Professional Practice Framework. Continuous improvement initiatives were agreed with the Committee and progressed subsequently to ensure the Internal Audit function continues to meet both current best practice and the evolving needs of the Group.

Cyber security

An area newly recognised as a Principal Risk during 2021 was the potential vulnerability of the Group's IT systems to the various forms of cyber attack. This received considerable focus during 2021, as a result of being given an enhanced relative risk rating, as explained in more detail on page 65. The Committee reviewed throughout the year the plans and progress in mitigating against its occurrence and impact.

Read more about cyber security risks and our response and mitigation processes on pages 61 and 65.



Corporate governance: Audit, risk and internal control continued**Going concern**

The Group has prepared forecasts, including various sensitivities, taking into account the Principal Risks and uncertainties identified on pages 61 to 65. 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. The Committee reviewed the forecasts and the Directors' expectations based thereon and agreed that they were reasonable. Accordingly, the consolidated financial statements of the Company and of the Group have each been prepared on a going concern basis.

Read more about our Principal Risks on pages 61 to 65.

Viability Statement

The Viability Statement is designed to be a longer term view of the sustainability of the Company's strategy and business model and related resourcing, in light of projected wider economic and market developments. The Committee considered whether there should be any change to the five year period chosen for the Statement but remained of the opinion that this continued to be appropriate, taking into account the balance sheet strength and confirmation from the Executive Directors that this period continues to broadly align to the development cycle for new land. The Committee also reviewed the Executive Directors' expectations, the criteria upon which they were based, and the sensitivities applied, including how these linked to the Principal Risks faced by the business, and agreed that they were reasonable.

The statement appears on pages 70 to 71 together with details of the processes, assumptions, and testing which underpin it.

Annual Report and Accounts 2021**Fair, balanced and understandable**

A key requirement of our financial statements is that they are fair, balanced and understandable, and that they include the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

The Committee monitors the integrity of the Group's reporting process and financial management, and reviews in detail the work of the external Auditors and any significant financial judgements and estimates made by Management.

It considers the output from the above and reviews the full year and half year financial statements before proposing them to the Board for consideration.

The review of the Company's Annual Report and Accounts took the form of a detailed assessment of the collaborative process of

drafting them, which involves the Company's Investor Relations, Company Secretariat, and Finance functions, with guidance and input from other relevant functions and external advisers. It ensured that there is a clear and unified link between this Annual Report and Accounts and the Company's other external reporting, and between the three main sections of the Annual Report and Accounts.

In particular, the Committee:

- Reviewed all material matters.
- Ensured that it correctly reflected the Company's performance in the reporting year.
- Ensured that it presented a consistent message throughout.
- Ensured that it correctly reflected the Company's business model.
- Ensured that it correctly described the Company's strategy.
- Ensured that it fairly reflected the impact to date, and the extent of the continuing impact, of the COVID-19 pandemic on the Company's business, position, and prospects.
- Considered whether it presented the information in a clear and concise manner, illustrated by appropriate KPIs, to facilitate shareholders' access to relevant information.

Significant items

The items below are those that the Committee has considered in discharging its duties and in considering the financial reporting of the Group:

Margin recognition and site forecasting

The cost allocation framework used across the Group controls the way in which inventory is costed and allocated across each development. It also ensures that any costs incurred in excess of the original budget are recognised appropriately as the site progresses.

The Committee reviewed reports from Management in relation to areas of the business recognising cost excesses, and also reviewed the work undertaken by PwC which included testing of the Group-wide controls to monitor cost allocation. The Committee gave careful consideration to the judgements and assumptions involved, challenging Management where appropriate.

Following these reviews, together with enquiries of the GMT and the external Auditors, the Committee concluded that there continues to be appropriate systems and internal controls in place, which ensured that consistent principles were applied, the treatment and presentation on the income statement of the costs incurred by the business were appropriate, and that the external Auditors agreed with the conclusions reached.

Defined Benefit Pension valuations

The Committee reviewed the funding position of the Taylor Wimpey Pension Scheme and discussed and agreed the market-based assumptions used to establish the net pension deficit recognised on the balance sheet as at 31 December 2021.

Cladding fire safety and leasehold provisions

The Committee reviewed Management's assessment of the costs to bring all Taylor Wimpey apartment buildings constructed in the twenty year period to January 2021 into line with current EWS1 guidance, covering cladding and the whole of the external wall systems including balconies. The Committee also reviewed updates on the progress of the rectification of buildings identified with Aluminium Composite Material cladding, together with utilisation and estimates of the remaining provision. In addition the Committee reviewed the level of applications received in respect of the Ground Rent Review Assistance Scheme, the utilisation of the provision and the outcome of the CMA investigation, and the assessment of the costs of the undertakings entered into.

Recommendation to the Board

The outcome of the above processes, together with the views presented by PwC, was that the Committee recommended, and in turn the Board confirmed, that the 2021 Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the necessary information for shareholders to assess the Company's position, performance, business model and strategy.

Statement of compliance

The Company has complied throughout the reporting year with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.