PRESS RELEASE **8 DECEMBER 2021**

INTERIM RESULTS ANNOUNCEMENT

The Berkeley Group Holdings plc ("Berkeley") today announces its unaudited interim results for the six months ended 31 October 2021.

Berkeley has transformed over the last five years by investing in large-scale, complex sites in London and the South East to create a unique and unrivalled business. It has a passion to create new neighbourhoods which truly add to existing local communities, and is leading on creating social value, enhancing nature and tackling the climate and skills challenges.

Rob Perrins, Chief Executive, said:

"This is a strong set of results, including enhanced returns for our shareholders. High standards of design and place-making continue to differentiate our homes and neighbourhoods, excite customers and deliver a range of positive outcomes for our stakeholders.

The performance reflects Berkeley's conviction and investment in its strategy over the last 18 months, which is focused on London and the South East, the country's most under-supplied housing markets, in spite of the challenges presented by the pandemic, supply chain constraints and regulatory environment. Over this time, we have continued to deliver in line with our uniquely long-term operating model, progressing construction across our portfolio of 64 live projects. These include 30 long-term, highly complex regeneration sites, of which 25 are now in delivery.

The visibility this provides, coupled with a resilient sales market, now enables Berkeley to increase its earnings guidance for the current financial year by 5%. Thereafter, we anticipate 5% annual pre-tax profit growth for the next three years which will see Berkeley deliver approximately £625 million profit in 2024/25, by when we will have increased our volumes by 50% from pre-pandemic levels.

Berkeley is unique in having the capital, resources and expertise to regenerate this number of highly complex large-scale sites, with each one requiring a bespoke and holistic place-making strategy to stitch it back into its surrounding community and unlock its potential in terms of economic, environmental and social value.

The significant majority of our sites under construction (83%) are located on brownfield land and we warmly welcome the Government's renewed focus on supporting brownfield regeneration through its anticipated planning reforms. To be successful, these will need to address the regulatory barriers to brownfield regeneration.

I am delighted to report on our progress against our industry leading sustainable business strategy, Our Vision 2030, including important early steps towards our 1.5ºC aligned science-based carbon reduction targets. Highlights include expanding our use of low carbon biofuels and hybrid machinery, embedding heat pump solutions within development design and completing our first site-specific embodied carbon studies to help us identify and mitigate carbon intensive processes and materials within the full life cycle of our developments.

The period also saw the Environment Bill pass into law, confirming the welcome news that all new developments will be required to deliver a net biodiversity gain (NBG) of at least 10%. Berkeley is very proud to have laid the path for this hugely positive change, having put NBG into practice on 43 sites and proved that homebuilding can be a powerful driver for nature's recovery. Our first 43 NBG strategies will create around 500 acres of new or measurably improved natural habitats, an area larger than Hyde Park.

I would like to take this opportunity to thank all of our people for their tremendous efforts and commitment to achieve these results in what remains such a difficult time for all."

THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2021

SUMMARY OF EARNINGS, SHAREHOLDER RETURNS AND FINANCIAL POSITION

Earnings	HY to 31-Oct-21	HY to 31-Oct-20	Change per cent
Profit before tax	£290.7m	£230.8m	+26.0%
Earnings per share - basic	201.7p	149.6p	+34.8%
Pre-tax return on equity	19.1%	14.9%	-

Shareholder Returns	HY to 31-Oct-21	HY to 31-Oct-20
Share buy-backs undertaken	£34.7m	£37.1m
B-Share Scheme Return / Dividends paid	£451.5m	£134.3m
Shareholder returns	£486.2m	£171.4m
Share buy-backs - volume	0.8m	0.9m

Financial Position	As at 31-Oct-21	As at 30-Apr-21	Change
Net cash	£846m	£1,128m	-£282m
Net asset value per share	£26.11	£26.12	-£0.01
Cash due on forward sales [1]	£1,703m	£1,712m	-£9m
Land Holdings - future gross profit	£6,944m	£6,884m	+£60m

[1] Cash due on private exchanged forward sales completing within the next three years
See Note 8 of the condensed consolidated financial information for a reconciliation of alternative performance measures

INCREASING INVESTMENT AND DELIVERY

- Investment in Berkeley's unique operating model, delivering large, complex regeneration sites that few others have the requisite resources, expertise and risk appetite to undertake at scale. In the period:
  - Two new regeneration sites acquired in Peckham and Woolwich covering 1,500 homes.
  - One new major planning consent obtained at St William's site in Leyton (570 homes).
  - Four sites moved into production, including two long-term regeneration developments; Bermondsey Place in Southwark (1,300 homes) and The Eight Gardens in Watford (1,200 homes).

- Berkeley now has 25 of its 30 long-term complex regeneration developments in production at 31 October 2021, supporting its anticipated 50% increase in housing delivery by 2024/25 from 2018/19 levels (around 4,000 homes, including joint ventures).

- In addition, Berkeley has some 7,000 plots on sites it is currently advancing that it anticipates will come into the land holdings by the end of next financial year, providing good visibility on achieving the long-term ambition of increasing estimated future gross profit in the land holdings to £7.5 billion.

- Berkeley issued £400 million of unsecured Green Bonds maturing in 10 years in August 2031 at a coupon of 2.5% per annum, specifically in connection with the transformation of our complex large-scale regeneration sites and development of green buildings (energy efficient homes).

- In support of this issuance, Fitch Ratings Ltd published a Long-term Issuer Default Rating and senior unsecured rating of BBB- with a Stable Outlook, along with a BBB- rating for the Green Bonds.

DELIVERING FOR ALL STAKEHOLDERS

- 1,828 homes delivered (plus 395 in joint ventures) – Berkeley is delivering some 10% of London's new private and affordable homes – supporting approximately 28,000 UK jobs per annum directly and indirectly throughout its supply chain over the last five years.

- Approximately £90 million of subsidies provided to deliver affordable housing and committed to wider community and infrastructure benefits in the period.

- Maintained industry leading Net Promoter Score (+76.2) and customer satisfaction ratings.

- 43 developments have committed net biodiversity gain strategies that will deliver around 500 acres of new or measurably improved natural habitats.

- Berkeley is rated "A-" by CDP for its carbon climate action and transparency and has recently once again been AAA rated in the MSCI global ESG index.

- More than 60 construction management apprentices and 30 graduates joined the business in the period, bringing Berkeley's employed trainees to 298 (approximately 10%).

- Berkeley currently has over 11,000 people working on its construction sites, consistent with year-end and more than pre-pandemic levels.

SHAREHOLDER RETURNS

- Earnings expectations for the current financial year ending 30 April 2022 raised by around 5% from the current guidance which is for pre-tax profits to be at a similar level to last financial year (2020/21: £518.1 million).

- Earnings guidance thereafter raised with pre-tax profits to increase by 5% per annum for the next three financial years. Berkeley to deliver approximately £625 million of pre-tax profit for the year ending 30 April 2025.

- Commitment to £282 million (£2.52 per share) per annum ongoing Shareholder Returns up to 30 September 2025 re-affirmed, with next £141 million due for the six months ending 30 September 2022.

- Cash payment of £229 million, representing the first half of £455 million surplus capital, made to shareholders in September 2021. The remaining £226 million is expected to be allocated to expenditure on new, including pipeline, sites and existing land interests.

- This £229 million was combined with the remaining £222 million of the ongoing scheduled annual return for 2021/22 to create a £451 million B-share return of capital in September 2021, which was followed by a share consolidation.

- Since September, £35 million of the £141 million to be returned to shareholders by 30 September 2022 has been spent on share buy-backs.

A pre-recorded presentation by the Directors of Berkeley on the interim results will be made available on the Company's website at 11:00 today - https://www.berkeleygroup.co.uk/about-us/investor-information/results-and-announcements.

For further information please contact:

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CHIEF EXECUTIVE'S REVIEW

Strategy and Capital Allocation

Berkeley's purpose is to create quality homes, strengthen communities and improve lives, using its sustained commercial success to make valuable and enduring contributions to society, the economy and natural world. To achieve this, the Company's long-term strategy is to invest in opportunities with the right risk-adjusted returns, while ensuring that its financial strength reflects the prevailing macro environment, and to make returns to the shareholders who support the Company to achieve its purpose, through either dividends or share buy-backs.

Berkeley is the only large UK homebuilder focused on the regeneration of complex large-scale brownfield projects at scale. We have built up the breadth of expertise, financial strength and holistic place-making approach needed to patiently transform these challenging sites into highly connected, accessible and welcoming neighbourhoods, where homes are conveniently served by a high concentration of new and existing local infrastructure and amenities. Reviving these under-used spaces is vital to re-energising our cities and town centres and creates an increasingly sustainable, socially inclusive and lower carbon model of modern living, in which land, energy, resources and infrastructure are used more efficiently and responsibly.

We now have 25 of our 30 long-term regeneration sites in production which underpin delivery and shareholder returns. As we continue to allocate capital to these sites, Berkeley will see its housing delivery rise by 50% by 2024/25 from 2018/19 levels (around 4,000 homes, including joint ventures). In this period, Berkeley has replaced the land used in production, maintaining the estimated future gross profit in its land holdings at £6.9 billion (30 April 2021: £6.9 billion) across 63,302 plots (30 April 2021: 63,270 plots).

Berkeley also controls a near-term pipeline of a further 7,000 homes which includes a strategic land site in Milton Keynes, a retail park in Kew and two St William regeneration sites in London. This means Berkeley has the visibility to achieve its ambition of increasing the estimated future gross profit in its land holdings to £7.5 billion by 30 April 2025.

Shareholder Returns and Surplus Capital

Berkeley has in place a long-term plan for shareholder returns, based upon an ongoing annual return of £282 million planned through to September 2025 which can be made through either dividends or share buy-backs. In addition, Berkeley has previously identified £455 million of surplus capital to be returned by 30 April 2023 through either a combination of enhanced cash returns to shareholders or incremental land investment.

In September, Berkeley returned the first half (£228.9 million) of this surplus capital as part of a £451 million B-share return to shareholders. The balance of the £451 million comprised the remaining £222.6 million of the ongoing scheduled annual return for 2021/22, with £59.3 million having already been returned through share buy-backs in the year ended 30 April 2021. The B-share return was equivalent to £3.71 per share and was followed by a share consolidation which reduced the Company's share capital, net of treasury and EBT shares, by 7.65% from 121.6 million to 112.3 million shares at the time of the consolidation.

The Company has committed to the next ongoing scheduled shareholder return which is the £141 million in respect of the six months ending 30 September 2022, against which £34.7 million has been spent on share buy-backs in the period, at an average price of £42.89 per share.

In line with its strategy and as set out at the financial year end, Berkeley anticipates that the second half of the surplus capital return (a further £226.1 million), which is due by 30 April 2023, will be allocated to expenditure on new, including pipeline sites, and existing land interests.

Since January 2017, when share buy-backs were first introduced, Berkeley has acquired 19.8 million shares for £737.6 million, at an average price of £37.23 per share and, following these buy-backs and the recent share consolidation, the ongoing annual return of £282 million currently equates to £2.52 per share; a 26% increase on the initial £2.00 per share initiated in 2016.

Summary of Performance

Berkeley has delivered pre-tax profit of £290.7 million for the six month period. This is from the sale of 1,828 homes (2020: 1,104) at an average selling price of £647,000 (2020: £799,000), reflecting the mix of properties sold:

Six months ended 31 October	2021 £'m	2020 £'m	Change £'m	Change %
Revenue	1,220.7	895.9	+324.8	+36.3%
Gross profit	346.5	289.2	+57.3	+19.8%
Operating expenses	(75.5)	(61.2)	-14.3	+23.4%
Operating profit	271.0	228.0	+43.0	+18.9%
Net finance costs	(5.0)	(3.8)	-1.2	
Share of joint ventures	24.7	6.6	+18.1	
Profit before tax	290.7	230.8	+59.9	+26.0%
Pre-tax return on equity	19.1%	14.9%	+4.2%	
Earnings per share – basic	201.7p	149.6p	+52.1p	+34.8%
Shareholder Returns				
B-Share Scheme Return / Dividends paid	451.5	134.3	+317.2	
Share buy-backs under the Returns Programme	34.7	37.1	-2.4	
Shareholder return in the period	486.2	171.4	+314.8	

This strong performance enables Berkeley to raise its earnings expectation for the current financial year by 5% from the current guidance which is for pre-tax profits to be at a similar level to last financial year (2020/21: £518.1 million).

The excellent visibility in our delivery pipeline, particularly through the long-term sites in land holdings which are in production, and the recovery of sales to pre-pandemic levels, will see Berkeley increase its profit before tax by around 5% per annum for the next three financial years. This sees Berkeley on a path to delivering approximately £625 million of pre-tax profit for the year ending 30 April 2025.

Berkeley remains in an investment phase as it brings forward its portfolio of regeneration sites and anticipates a net investment of £700 million into the balance sheet over the next two and a half years, split evenly between land and work in progress.

Housing Market and Operating Environment

Sales

For Berkeley, the value of underlying sales reservations in the last six months has been slightly ahead of the two years preceding the pandemic. The 20% reduction experienced in sales for the 2020/21 financial year compared to 2019/20 has therefore fully reversed in this six month period.

Consequently, notwithstanding a high period of revenue delivery, the Group's cash due on forward sales is currently at £1.70 billion compared to £1.71 billion at 30 April 2021. These represent the cash due on exchanged private sales contracts which will be collected over the next three financial years. As we look forward to our delivery programme for the next three financial years, this level of forward sales places Berkeley in a very robust position and supports the enhanced earnings expected during this period.

As sentiment in London has improved, Berkeley has gradually released more homes to the market during the first half. This includes new developments at Poplar Riverside (St William), Westmont (adjacent to White City), Harcourt Gardens (next building at South Quay Plaza), as well as new phases on a number of established developments such as Oval Village, Grand Union, Prince of Wales Drive, Royal Exchange in Kingston and London Dock, amongst others. Outside London we have launched Sunningdale Park in Berkshire and Hareshill in Fleet.

Berkeley continues to sell at prices which are above its business plan level. The rate of cancellations remains stable and within the normal range. Berkeley's sales continue to be split broadly evenly between owner occupier and investors, with both domestic and overseas customers continuing to see the positive long-term fundamentals of the London market.

According to the latest quarterly DLUHC data, new starts in London for the 12 months to June 2021 are around 17,000. This is still a third lower than the peak volumes reported in 2015 and materially below the Mayor of London's current London Plan target of 52,000 per annum and the Government's most recently identified indicative local housing need of over 93,500 per annum (December 2020). Completion volumes have increased over the last year, but will inevitably reduce in the near future as the compounding shortfall in starts materialises through completion volumes. Berkeley delivers around 10% of London's new homes and this is likely to rise over time, based on current market trends.

Land and planning

Berkeley has added two new sites to its land holdings in the period. These are both in London; firstly, a shopping centre in Peckham acquired unconditionally where we are targeting the delivery of over 900 new homes and a new supermarket and secondly, a conditional site adjacent to Royal Arsenal Riverside where we will seek consent to develop over 500 new homes.

On the planning front Berkeley has secured one new major consent in the period; at St William's site in Leyton where we will be delivering 570 homes and we continue to work towards concluding section 106 agreements on two long-term regeneration sites in our joint ventures where we have received resolutions to grant consent at Committee. We have obtained over 25 revisions to existing consents as we continue to evolve our sites, most notably at Grand Union (Brent), Beaufort Park (Hendon) and The Green Quarter (Ealing) in the period.

Berkeley is at appeal at two sites outside London and is anticipating two further sites going to appeal in the second half of the year. In London, we have two sites that are subject to call-ins. The planning system is under pressure from a lack of resources which is causing delays in processing time. This, coupled with the debate around the proposed changes to the National Planning framework and difficulties in preparing local five-year plans, is resulting in a hiatus in new planning consents being granted.

We have moved four new sites into production in the period which include two long-term regeneration sites; at Bermondsey Place in Southwark (1,300 homes) and Eight Gardens in Watford (1,200 homes).

Construction

Throughout this period we have seen build cost rises of around 5% per annum. These have centred on materials, however we have begun to see a gradual easing of the supply constraints for most materials with lead times stabilising. Shipping and transport constraints represent ongoing challenges for the supply chain alongside the recent increase in wholesale gas and electricity prices. Berkeley continues to have sufficient labour, with over 11,000 people working on our sites during October. Overall, Berkeley's secured sales pricing is offsetting the impact of cost increases.

Berkeley is very supportive of the Government in its determination both to ensure buildings are safe for the people that live in them and to implement the recommendations of Dame Judith Hackitt's review of building safety. The Fire Safety Act 2021 amends the Regulatory Reform (Fire Safety) Order 2005 and, along with the Building Safety Bill, which is not expected to come into force until 2023, is intended to strengthen and improve different elements of the building safety regime. The Group is ensuring that its procedures are compliant with the new legislation and it continues to engage with DLUHC and other stakeholders to identify a stable, holistic and comprehensive long-term process that will allow the safety of buildings to be assessed, based upon science and risk assessment. This will ensure the housing market can operate efficiently, effectively and is fair for all.

With effect from April 2022, the Government has introduced a new 4% tax on the profits of large residential property developers to help fund the removal of unsafe cladding as part of the Government's Building Safety Package. This is in addition to the 6% increase in corporation tax that applies to all companies with effect from 1 April 2023.

Our Vision 2030: Transforming Tomorrow

Earlier this year Berkeley unveiled its new strategy for the business, Our Vision 2030, which sets a holistic approach to its activities, while maximising the Group's positive impacts on society, the economy and natural world.

Driving ambitious carbon action

We have continued to drive our holistic climate action programme designed to progress us towards our 1.5ºC aligned science-based carbon reduction targets. This includes driving down our direct emissions through procuring 100% renewable electricity in the UK and increasing the use of biofuels, as well as electric and hybrid machinery, as lower carbon alternatives to gas oil. A recent four-month trial of Hydro-treated Vegetable Oil (HVO) fuel at Kidbrooke Village delivered an 89% reduction in emissions compared to gas oil.

Reducing embodied carbon is a key challenge for the built environment sector and we have undertaken detailed Life Cycle Assessments to measure the embodied emissions within nine pilot sites. This has created development-specific insights targeting the most carbon intensive materials and processes.

We continue to focus on the energy efficiency of our homes, drawing reference from the emerging Future Homes Standard. We take a fabric-first design approach, in combination with the most appropriate technology and infrastructure solution for each site. We are now trialling exhaust air heat pumps and air source heat pumps, with heat exchangers transferring waste heat within the home, which has the potential to reduce emissions and lower energy costs.

Our leading approach to climate action is reflected in our CDP Climate Action and Transparency Leadership level rating of "A-" and membership of the UN backed Race to Zero campaign.

Supporting nature's recovery

We have continued to champion net biodiversity gain within the development industry, with 43 sites now committed to measurably enhancing nature. In total, these projects will create around 500 acres of new or measurably improved natural habitats.

As we look to evolve our approach we have commissioned the Wildfowl and Wetlands Trust (WWT) to create best practice design guidance on incorporating blue and green infrastructure into our developments and we are also commencing a water neutrality trial.

We continue to engage local communities in the design, management and stewardship of the natural landscapes we create, with 200 children from local primary schools visiting The Green Quarter in July to learn about the new public park. In partnership with the London Wildlife Trust we held an event at Kidbrooke Village to explain how 86 acres of biodiverse parkland is helping nature to recover. We have also joined the Get Nature Positive campaign, led by the Council for Sustainable Business (CSB) and DEFRA, to champion nature recovery alongside other leading UK businesses.

Communities and social value

We remain focused on regenerating brownfield land, with 83% of live developments involving the revival of previous developed sites, which are being patiently revived and stitched back into the communities around them.

We have continued to evolve our holistic placemaking model through the roll out of our unique social value tool, which enables our teams to quantify and compare the relative benefits of different development features and design decisions. The tool, which is gradually being applied to all new developments, considers more than 30 indicators, around five central themes: the build form; active and sustainable transport; community and public spaces; improving access to nature; and developments with low environmental impact.

Modernising production

After an extensive period of prototyping and testing, Berkeley Modular has very recently begun to produce its first modules for our Kidbrooke Village development. Our manufacturing process is digitally enabled and highly automated, turning raw materials and components into fitted and finished housing modules.

We are focused on increasing digitalisation throughout our business, with work progressing with our new project collaboration tool which aims to digitally capture the Golden Thread of safety and quality information from pre-construction to post-completion.

Future skills

In September, we welcomed more than 60 new construction management apprentices to the business, representing one of our largest ever single intakes of trainees. Our bespoke apprenticeship programme, delivered in partnership with two training organisations, has attracted a diverse cohort; one quarter are women and more than a third are from ethnic minority backgrounds. Berkeley currently employs 147 direct apprentices.

30 new graduates also joined the business in September and in June 2021 we were named by The JobCrowd as one of the 50 best companies for graduates to work for. Through our membership of 'The 5% Club' we commit to developing at least 5% of our workforce as either graduates, apprentices or sponsored students. Over the last six months we have averaged 7% and currently have 298 employees (10%) in these earn and learn roles. In addition, there are 236 trainees working on Berkeley's sites through our supply chain.

We continue to encourage aspiring young people to join our industry, opening up several of our sites for the Open Doors initiative in early October, run by Build UK and CITB. A group of students from Langley College saw first-hand the wide range of expertise needed on a regeneration site like the Horlicks Quarter in Slough. In May 2021, a New Community Training Hub opened at Hartland Village in Fleet, serving the local community as a new teaching centre for construction skills.

The Berkeley Foundation

The Berkeley Foundation (the "Foundation") is the registered charity established to support young people and their communities in the areas where we work. The Foundation enables Berkeley to channel its skills, resources and fundraising efforts towards ambitious, impactful voluntary sector partnerships.

The Foundation continues to develop and deepen its charity partnerships. In the period, the Foundation renewed its support for MyBnk, committing a further £1 million to the award-winning Money House programme, which prevents homelessness by helping young people leaving care to build the skills for independent living. It has also renewed its partnership with the Street Elite programme in Birmingham, which helps marginalised young people find pathways into employment, education or training. Berkeley directly employed a further three Street Elite graduates within the business this year.

In October 2021, the Foundation launched its new Resilience Fund which aims to support small-to-medium sized charities to develop their organisational resilience in the wake of the pandemic. £900,000 will be invested in voluntary sector resilience, through this fund, over the next four years.

Outlook

Berkeley has an ambitious plan, articulated through "Our Vision 2030: Transforming Tomorrow" that will yield valuable benefits for all of our stakeholders, whilst seeing the number of homes we deliver increase significantly. Our strategy is firmly focussed on brownfield regeneration within urban areas which is inherently sustainable, due to the proximity to public transport and local amenities.

Our commitment to London is undimmed and has been rewarded as the initial impact of the pandemic has been tempered by people's natural desire to enjoy the benefits and enduring attributes that London, as a truly global city, has to offer. London is the engine room of the nation's economy and its strength and global attraction a pre-requisite of recovery from the pandemic and the broader levelling up the country needs. London requires many thousands more quality homes to be delivered over the next decade than are currently being started. This in turn requires collaboration and trust between the public and private sectors in a supportive operating and regulatory environment that encourages the necessary investment in planning, infrastructure, transport and amenities.

Berkeley is in a great position to deliver on its ambitions with land holdings covering 94 sites, including 30 long-term regeneration sites, with a combined £6.9 billion of future gross profit and a near-term pipeline of a further 7,000 homes that will see Berkeley achieve its objective of growing the land holdings to £7.5 billion of future gross profit.

These land holdings, and specifically the progress we have made in recent years in bringing our regeneration sites through planning and into production, provide Berkeley with fantastic visibility over delivery. Sales have recovered to pre-pandemic levels and this performance has enabled Berkeley to increase its earnings guidance for this financial year by 5%, and anticipate 5% annual profit growth for the next three years.

The wider operating environment remains complex with a number of regulatory and other headwinds, not least the challenges in the supply chain and continued uncertainty presented by the pandemic. Berkeley therefore expects the operating environment to remain volatile. However, it is assured in its ability to navigate through and deliver its business plan and committed shareholder returns, against the backdrop of the deeply under-supplied London and South East markets in which it operates, its significant and differentiated land holdings, skilled and experienced operating teams and financial strength.

Rob Perrins
Chief Executive

TRADING AND FINANCIAL REVIEW

Trading performance

Revenue of £1,220.7 million in the period (2020: £895.9 million) arose primarily from the sale of new homes in London and the South East. This included £1,199.7 million of residential revenue (2020: £894.8 million) and £21.0 million of commercial revenue (2020: £1.1 million).

1,828 new homes (2020: 1,104) were sold across London and the South East at an average selling price of £647,000 (2020: £799,000) reflecting the mix of developments and varying stages thereon. Revenue of £21.0 million from commercial property includes the sale of retail, office and leisure space primarily at Oval Village, Grand Union and Beaufort Park in the period. There were no significant commercial sales in the comparative period.

The gross margin percentage is 28.4% (2020: 32.3%), reflecting the mix of properties sold in the period, and compares to 28.8% delivered for the financial year ended 30 April 2021. Overheads of £75.5 million (2020: £61.2 million) increased by £14.3 million in the period. The comparative period benefitted from reduced LTIP charges. Consequently, the Group's operating margin has decreased to 22.2% from 25.4% in the equivalent period last year. Berkeley's share of the results of joint ventures is a profit of £24.7 million (2020: £6.6 million).

The Group has remained cash positive on a net basis throughout the period. Net finance costs totalled £5.0 million for the period (2020: £3.8 million) due to facility fees, interest on borrowings and imputed interest on land creditors, which continues to outweigh interest income on cash deposits.

Pre-tax return on equity for the period is 19.1%, compared to 14.9% for the comparative period. Basic earnings per share has increased by 34.8% from 149.6 pence to 201.7 pence, which takes into account the share consolidation undertaken in the period as well as the share buy-backs of 0.8 million shares at a cost of £34.7 million under the Shareholder Returns Programme.

Financial Position

Net assets decreased over the six month period by £251.3 million, or 7.9%, to £2,924.1 million (2021: £3,175.4 million). The profit after tax for the period of £239.8 million is more than outweighed by the cash return of £451.5 million to shareholders via a B-Share scheme, the £34.7 million of share buy-backs and other small movements.

The net asset value per share is 2,611 pence at 31 October 2021 and remains in line with the 2,612 pence at 30 April 2021, due to the impact of the share consolidation undertaken in the period and share buy-backs which reduced the number of shares in issue, net of shares held in treasury and by the EBT, from 121.6 million at the start of the financial year to 112.0 million.

Summarised balance sheet as at	**31-Oct-21** **£'m**	**30-Apr-21** **£'m**	**Change** **£'m**
Non-current assets	436.0	388.2	+47.8
Inventories	3,710.0	3,652.5	+57.5
Debtors	84.9	83.3	+1.6
Creditors	(2,152.3)	(2,076.8)	-75.5
Capital employed	2,078.6	2,047.2	+31.4
Net cash	845.5	1,128.2	-282.7
Net assets	2,924.1	3,175.4	-251.3
Shares, net of treasury and EBT	112.0m	121.6m	-9.6m
Net asset value per share	2,611p	2,612p	-1p

Inventories total £3,710.0 million at 31 October 2021, up £57.5 million from £3,652.5 million at the recent year end. Inventories include £396.8 million of land not under development (30 April 2021: £331.4 million), £3,157.0 million of work in progress (30 April 2021: £3,215.7 million) and £156.2 million of completed stock (30 April 2021: £105.4 million).

The increase in land not under development reflects the addition of new sites acquired in the period and previously conditional sites that completed, represented by cash and new land creditors, which has outweighed sites moved into production in the first half. Completed stock is spread across a number of sites and is within a normal historical range, most recently at this level in 2019.

Total creditors are £2,152.3 million at 31 October 2021, up £75.5 million from £2,076.8 million at the recent year end. These include £777.5 million of on-account receipts from customers (30 April 2021: £790.6 million) and land creditors of £367.5 million (30 April 2021: £388.2 million), with the reduction reflecting settlement during the period. Of the total £367.5 million land creditor balance, £47.3 million is short-term and £320.2 million is spread over future financial years. Creditors also include provisions of £128.7 million (30 April 2021: £128.1 million) which represents post-completion development obligations and other provisions.

The Group ended the period with net cash of £845.5 million (30 April 2021: £1,128.2 million) which consists of cash holdings of £1,245.5 million, net of £400 million of long-term debt from the issue of Green Bonds during the period. During the period, Berkeley repaid its £300 million term loan.

There is a decrease in net cash of £282.7 million during the period (2020: £184.6 million) as a result of £265.7 million of cash generated from operations (2020: £217.5 million) and a net inflow of £21.1 million in working capital (2020: outflow of £178.1 million), before tax and other net cash outflows of £83.3 million (2020: net inflows £52.6 million), share buy-backs of £34.7 million (2020: £37.1 million) and cash returns to shareholders of £451.5 million (2020: £134.3 million).

Funding

Berkeley started the financial year with banking facilities totaling £750 million, comprising a drawn £300 million term loan and a £450 million undrawn revolving credit facility (RCF).

In the period, the Group issued £400 million of unsecured Green Bonds maturing in 10 years in August 2031 at a coupon of 2.5% per annum. Berkeley has allocated the proceeds of the Green Bonds to its ongoing development activities in accordance with its Green Bond Framework (available on its website); specifically in connection with the development of green buildings (energy efficient homes) on its complex large-scale regeneration sites.

In support of the issuance, Fitch Ratings Ltd published a Long-term Issuer Default Rating and senior unsecured rating of BBB- with a Stable Outlook, along with a BBB- rating for the Green Bonds.

Following the issuance of the Green Bonds, Berkeley repaid its £300 million term loan and increased its RCF from £450 million to £750 million, which is in place to November 2023. The RCF facility is undrawn at 31 October 2021.

The Group's cash holdings are placed on deposit with its relationship banks.

Joint Ventures

Investments accounted for using the equity method have increased from £281.7 million at 30 April 2021 to £333.1 million at 31 October 2021. Berkeley's joint ventures include St Edward, a joint venture with M&G, and St William, a joint venture with National Grid plc. The increase in joint venture investments during the period reflects Berkeley's share of undistributed joint venture profits of £24.7 million and contributions to joint ventures of £26.7 million.

In St Edward, 109 homes were completed in the period at an average selling price of £889,000 (2020: 60 homes at £591,000). The completions occurred at Royal Warwick Square in London, Hartland Village in Fleet, Green Park Village in Reading and Highcroft in Wallingford.

In total, 5,030 plots (30 April 2021: 5,139 plots) in Berkeley's land holdings relate to six St Edward developments, three in London (Westminster, Kensington and Brentford) and three outside the Capital as set out above. All of the sites are in production apart from Brentford, which is contracted on a subject to planning basis and is part of the Group's 30 long-term regeneration developments.

In St William, 286 homes were completed in the period at an average selling price of £432,000 (2020: 85 homes at £916,000). The completions were at Prince of Wales Drive and Clarendon in London, Courtyard Gardens in Oxted, and The Arches in Watford.

St William has committed banking facilities of £360 million through to March 2024, with one remaining option over an additional year. Borrowings under the facility totalled £170 million at 31 October 2021.

In total, 12,814 plots (30 April 2021: 13,056 plots) in Berkeley's land holdings relate to 19 ongoing St William developments which are contracted in the joint venture. 11 of these sites are included in Berkeley's conditional land holdings. A further two sites are included within Berkeley's near-term pipeline of around 7,000 homes. Berkeley continues to work closely with National Grid to identify further sites from across its portfolio to bring through into the joint venture.

Land

Berkeley's land holdings comprise 63,302 plots at 31 October 2021 (30 April 2021: 63,270 plots), including joint ventures. Of these land holdings, 55,020 plots (30 April 2021: 52,080) are on 80 sites that are owned and included on the balance sheet of the Group or its joint ventures and 8,282 plots (30 April 2021: 11,190) are on 14 contracted sites which either do not yet have a planning consent or have another conditional element such as vacant possession.

The Group expects a number of development opportunities to come into the land holdings over the business plan period from its near-term pipeline which represent a further 7,000 homes and also holds a strategic pipeline of long-term options for in excess of 5,000 plots.

The plots in the land holdings at 31 October 2021 have an estimated future gross profit of £6.94 billion (30 April 2021: £6.88 billion), which includes the Group's 50% share of the anticipated profit on any joint venture development. The land holdings future gross profit has increased slightly in the period as the impact of new sites added, coupled with optimisation and market movements, has exceeded the gross profit taken through the Income Statement.

Of Berkeley's 80 owned sites, 64 sites (plots: 46,449) have an implementable planning consent and are in construction. A further nine sites (plots: 4,420) have a consent which is not yet implementable; due to practical technical constraints and challenges surrounding, for example, vacant possession, CPO requirements or utilities provision. This means Berkeley has just seven sites (plots: 4,151) which it owns unconditionally that do not have a planning consent.

Of the 14 contracted sites, one has a planning consent whilst three have achieved resolutions to grant consent by 31 October 2021, but remain subject to section 106 agreements. Given the conditional nature of all of these sites, there is low financial risk on the balance sheets of the Group or its joint ventures.

The estimated future gross margin represents management's risk-adjusted assessment of the potential gross profit for each site, taking account of a wide range of factors, including: current sales and input prices; the political and economic backdrop; the planning regime; and other market forces; all of which could have a significant effect on the eventual outcome.

Principal risks and uncertainties

The principal business risks and uncertainties facing Berkeley for the next six months are the same as those set out on pages 78 to 95 of The Berkeley Group Holdings Annual Report for the year ended 30 April 2021. These comprise the impact of COVID-19 on the business, economic and political outlook, the impact of regulation on the business and the wider industry, the availability of land, the planning process, retention of our people, securing sales, liquidity and working capital management, mortgage availability, climate change and sustainability considerations, health and safety on the Group's developments, product quality, control of build costs and maintaining programmes, and cyber and data risk. In preparing this interim report, full account has been taken of this risk profile and the future outlook for the Group's developments as embraced within the Group's strategy and outlook.

- End -

Statement of Directors' Responsibilities

This statement, which should be read in conjunction with the independent review of the auditors set out at the end of these condensed interim financial statements (the "interim financial statements"), is made to enable shareholders to distinguish the respective responsibilities of the Directors and the auditors in relation to the interim financial statements which the Directors confirm have been presented on a going concern basis. The Directors consider that the Group has used appropriate accounting policies, consistently applied and supported by reasonable and appropriate judgements and estimates.

A copy of the interim financial statements of the Group is placed on the website of The Berkeley Group Holdings plc: www.berkeleygroup.co.uk. The Directors are responsible for the maintenance and integrity of the information on the website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Directors confirm that this condensed set of interim financial statements has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The Directors of The Berkeley Group Holdings plc are listed in the Annual Report of The Berkeley Group Holdings plc for the period ended 31 October 2021. A list of current Directors is maintained on The Berkeley Group Holdings plc's website.

On behalf of the Board

R C Perrins
Chief Executive
8 December 2021

R J Stearn
Finance Director
8 December 2021

Condensed Consolidated Income Statement

	Notes	**Six months ended 31 October 2021 Unaudited £m**	Six months ended 31 October 2020 Unaudited £m	Year ended 30 April 2021 Audited £m
Revenue		**1,220.7**	895.9	2,202.2
Cost of sales		**(874.2)**	(606.7)	(1,566.9)
Gross profit		**346.5**	289.2	635.3
Net operating expenses		**(75.5)**	(61.2)	(133.0)
Operating profit		**271.0**	228.0	502.3
Finance income	3	**0.7**	1.9	3.0
Finance costs	3	**(5.7)**	(5.7)	(9.6)
Share of results of joint ventures using the equity method		**24.7**	6.6	22.4
Profit before taxation for the period		**290.7**	230.8	518.1
Income tax expense	4	**(50.9)**	(43.1)	(95.4)
Profit after taxation for the period		**239.8**	187.7	422.7
Earnings per share (pence):				
Basic	5	**201.7**	149.6	339.4
Diluted	5	**197.9**	146.2	332.5

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 31 October 2021 Unaudited £m	Six months ended 31 October 2020 Unaudited £m	Year ended 30 April 2021 Audited £m
Profit after taxation for the period	**239.8**	187.7	422.7
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gain recognised in the pension scheme	**0.7**	1.4	2.7
Total items that will not be reclassified to profit or loss	**0.7**	1.4	2.7
Other comprehensive income for the period	**0.7**	1.4	2.7
Total comprehensive income for the period	**240.5**	189.1	425.4

Condensed Consolidated Statement of Financial Position

As at	Notes	**31 October 2021 Unaudited £m**	31 October 2020 Unaudited £m	30 April 2021 Audited £m
Assets				
Non-current assets				
Intangible assets		**17.2**	17.2	17.2
Property, plant and equipment		**42.2**	47.2	46.0
Right-of-use assets		**2.8**	3.1	3.2
Investments accounted for using the equity method		**333.1**	268.4	281.7
Deferred tax assets		**40.7**	42.6	40.1
		436.0	378.5	388.2
Current assets				
Inventories	6	**3,710.0**	3,884.3	3,652.5
Trade and other receivables		**74.1**	61.6	75.4
Current tax assets		**10.8**	19.4	7.9
Cash and cash equivalents	7	**1,245.5**	1,254.3	1,428.2
		5,040.4	5,219.6	5,164.0
Total assets		**5,476.4**	5,598.1	5,552.2
Liabilities				
Non-current liabilities				
Borrowings	7	**(400.0)**	(300.0)	(300.0)
Trade and other payables		**(320.2)**	(338.3)	(330.8)
Lease liability		**(1.2)**	(1.4)	(1.7)
Provisions for other liabilities and charges		**(66.9)**	(55.4)	(62.3)
		(788.3)	(695.1)	(694.8)
Current liabilities				
Trade and other payables		**(1,700.6)**	(1,727.6)	(1,614.7)
Lease liability		**(1.6)**	(1.6)	(1.5)
Provisions for other liabilities and charges		**(61.8)**	(68.6)	(65.8)
		(1,764.0)	(1,797.8)	(1,682.0)
Total liabilities		**(2,552.3)**	(2,492.9)	(2,376.8)
Total net assets		**2,924.1**	3,105.2	3,175.4
Equity				
Shareholders' equity				
Share capital		**6.6**	6.8	6.6
Share premium		**49.8**	49.8	49.8
Capital redemption reserve		**25.0**	24.7	24.9
Other reserve		**(961.3)**	(961.3)	(961.3)
Retained earnings		**3,804.0**	3,985.2	4,055.4
Total equity		**2,924.1**	3,105.2	3,175.4

Condensed Consolidated Statement of Changes in Equity

	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserve £m	Retained earnings £m	Total equity £m
Unaudited						
At 1 May 2021	**6.6**	**49.8**	**24.9**	**(961.3)**	**4,055.4**	**3,175.4**
Profit after taxation for the period	**-**	**-**	**-**	**-**	**239.8**	**239.8**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**0.7**	**0.7**
Purchase of own shares	**(0.0)**	**-**	**0.1**	**-**	**(34.7)**	**(34.6)**
Transactions with shareholders:						
- Charge in respect of employee share schemes	**-**	**-**	**-**	**-**	**(8.3)**	**(8.3)**
- Deferred tax in respect of employee share schemes	**-**	**-**	**-**	**-**	**2.6**	**2.6**
- Dividends to equity holders of the Company	**-**	**-**	**-**	**-**	**(451.5)**	**(451.5)**
At 31 October 2021	**6.6**	**49.8**	**25.0**	**(961.3)**	**3,804.0**	**2,924.1**
Unaudited						
At 1 May 2020	6.8	49.8	24.7	(961.3)	3,981.6	3,101.6
Profit after taxation for the period	-	-	-	-	187.7	187.7
Other comprehensive income for the period	-	-	-	-	1.4	1.4
Purchase of own shares	(0.0)	-	0.0	-	(37.1)	(37.1)
Transactions with shareholders:						
- Charge in respect of employee share schemes	-	-	-	-	(13.3)	(13.3)
- Deferred tax in respect of employee share schemes	-	-	-	-	(0.8)	(0.8)
- Dividends to equity holders of the Company	-	-	-	-	(134.3)	(134.3)
At 31 October 2020	6.8	49.8	24.7	(961.3)	3,985.2	3,105.2
Audited						
At 1 May 2020	6.8	49.8	24.7	(961.3)	3,981.6	3,101.6
Profit after taxation for the year	-	-	-	-	422.7	422.7
Other comprehensive income for the year	-	-	-	-	2.7	2.7
Purchase of own shares	(0.2)	-	0.2	-	(188.6)	(188.6)
Transactions with shareholders:						
- Charge in respect of employee share schemes	-	-	-	-	(11.9)	(11.9)
- Deferred tax in respect of employee share schemes	-	-	-	-	(5.6)	(5.6)
- Dividends to equity holders of the Company	-	-	-	-	(145.5)	(145.5)
- At 30 April 2021	6.6	49.8	24.9	(961.3)	4,055.4	3,175.4

Condensed Consolidated Cash Flow Statement

	Notes	**Six months ended 31 October 2021 Unaudited £m**	Six months ended 31 October 2020 Unaudited £m	Year ended 30 April 2021 Audited £m
Cash flows from operating activities				
Cash generated from operations	7	**286.8**	39.4	419.4
Interest received		**0.7**	1.9	3.0
Interest paid		**(4.0)**	(5.7)	(8.1)
Income tax paid		**(51.7)**	(47.1)	(90.1)
Net cash flow from operating activities		**231.8**	(11.5)	324.2
Cash flows from investing activities				
Purchase of property, plant and equipment		**(0.8)**	(1.2)	(2.4)
Proceeds on disposal of property, plant and equipment		**-**	0.5	0.8
Dividends from joint ventures		**-**	-	7.5
Movements in loans with joint ventures		**(26.7)**	-	(5.0)
Net cash flow from investing activities		**(27.5)**	(0.7)	0.9
Cash flows from financing activities				
Lease capital repayments		**(0.9)**	(1.1)	(1.8)
Proceeds associated with settlement of share options		**0.1**	0.1	0.1
Purchase of own shares		**(34.7)**	(37.1)	(188.6)
Increase in borrowings		**400.0**	-	-
Decrease in borrowings		**(300.0)**	(200.0)	(200.0)
Dividends paid to Company's shareholders		**(451.5)**	(134.3)	(145.5)
Net cash flow from financing activities		**(387.0)**	(372.4)	(535.8)
Net decrease in cash and cash equivalents		**(182.7)**	(384.6)	(210.7)
Cash and cash equivalents at the start of the financial period		**1,428.2**	1,638.9	1,638.9
Cash and cash equivalents at the end of the financial period		**1,245.5**	1,254.3	1,428.2

Notes to the Condensed Consolidated Financial Information

1 General information

The Berkeley Group Holdings plc (the "Company") is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG. The Company and its subsidiaries (together the "Group") are engaged in residential led, mixed-use property development.

This condensed consolidated half-yearly financial information was approved for issue on 8 December 2021. It does not comprise statutory accounts within the meaning of Section 434(3) of the Companies Act 2006. Statutory accounts for the year ended 30 April 2021 were approved by the Board of Directors on 23 June 2021 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not include reference to any matters to which the auditor drew attention by way of emphasis without qualifying their audit report, and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. The Condensed Consolidated Financial Statements have been reviewed, not audited.

2 Basis of preparation

2.1 Introduction

This condensed consolidated interim financial report for the six months ended 31 October 2021 has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted for use in the UK and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority.

The comparative figures for the year ended 30 April 2021 do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 and have been extracted from the statutory accounts, which were prepared in accordance with International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006 and EU-adopted International Financial Reporting Standards (IFRS) and were delivered to the Registrar of Companies.

On 31 December 2020, EU-adopted IFRS was brought into UK law and became UK-adopted International Accounting Standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. The consolidated financial statements transitioned to UK-adopted international accounting standards for the financial period beginning 1 May 2021. There were no impact or changes in accounting policies from the transition. UK adopted International Accounting Standards differs in certain respects from International Financial Reporting Standards as adopted by the EU. The differences have no material impact on the Group's condensed financial statements for the periods presented, which therefore also comply with International Reporting Standards as adopted by the EU.

The accounting policies, presentation and method of computations adopted in the preparation of the interim 2021 Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2021 except in respect of taxation which is based on the expected effective tax rate for the year ending 30 April 2021.

The following amendments to standards and interpretations are applicable to the Group and are mandatory for the first time for the financial year beginning 1 May 2021:

- Amendments to IFRS 16, 'Leases' for Covid Related Rent Concessions
- Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The Group did not have to change its accounting policies or make retrospective adjustments as a result of these amendments.

Notes to the Condensed Consolidated Financial Information (continued)

2.2 Going concern

The Directors have assessed the business plan and future funding requirements of the Group over the medium-term and compared these with the level of committed loan facilities, listed debt and existing cash resources. As at 31 October 2021, the Group has net cash of £845.5 million and total liquidity of £1,995.5 million, when this net cash is combined with undrawn banking facilities of £750 million (which expire in November 2023) and £400 million green listed bonds (with a term to August 2031). Furthermore, the Group has cash due on forward sales of £1.70 billion, a significant proportion of which covers delivery for the next 18 months.

In making this assessment, consideration has been given to the uncertainty inherent in future financial forecasts and where applicable, severe but plausible sensitivities have been applied to the key factors affecting the financial performance of the Group. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future period, and not less than 12 months from the date of these Condensed Consolidated Financial Statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the Group's Condensed Consolidated Financial Statements.

3 Net finance costs

	Six months ended 31 October 2021 Unaudited £m	Six months ended 31 October 2020 Unaudited £m	Year ended 30 April 2021 Audited £m
Finance income	**0.7**	1.9	3.0
Finance costs			
Interest payable on bank loans, bond and non-utilisation fees	**(4.8)**	(4.1)	(7.7)
Amortisation of facility fees	**(0.6)**	(0.5)	(0.9)
Other finance costs	**(0.3)**	(1.1)	(1.0)
	(5.7)	(5.7)	(9.6)
Net finance costs	**(5.0)**	(3.8)	(6.6)

Finance income predominantly represents interest earned on cash deposits.

Other finance costs represent imputed interest on taxation, on land purchased on deferred settlement terms and lease interest.

4 Income tax expense

	Six months ended 31 October 2021 Unaudited £m	Six months ended 31 October 2020 Unaudited £m	Year ended 30 April 2021 Audited £m
Current tax			
UK corporation tax payable	**(53.6)**	(37.1)	(93.1)
Adjustments in respect of previous years	**-**	0.4	1.9
	(53.6)	(36.7)	(91.2)
Deferred tax			
Deferred tax movements	**2.7**	(7.1)	(5.4)
Adjustments in respect of previous years	**-**	0.7	1.2
	2.7	(6.4)	(4.2)
	(50.9)	(43.1)	(95.4)

Notes to the Condensed Consolidated Financial Information (continued)

5 Earnings per share

Basic earnings per share are calculated as the profit for the financial period attributable to shareholders of the Group divided by the weighted average number of shares in issue during the period.

	Six months ended 31 October 2021 Unaudited	Six months ended 31 October 2020 Unaudited	Year ended 30 April 2021 Audited
Profit attributable to shareholders (£m)	**239.8**	187.7	422.7
Weighted average no. of shares (m)	**118.9**	125.5	124.6
Basic earnings per share (p)	**201.7**	149.6	339.4

For diluted earnings per ordinary share, the weighted average number of shares in issue is adjusted to assume the conversion of all potentially dilutive ordinary shares.

At 31 October 2021, the Group had one (2020: two) category of potentially dilutive ordinary shares: 1.9 million (2020: 2.6 million) share options under the 2011 LTIP (2020: 29,873 share options under the 2015 Bonus Banking plan).

A calculation is undertaken to determine the number of shares that could have been acquired at fair value based on the aggregate of the exercise price of each share option and the fair value of future services to be supplied to the Group, which is the unamortised share-based payments charge. The difference between the number of shares that could have been acquired at fair value and the total number of options is used in the diluted earnings per share calculation.

	Six months ended 31 October 2021 Unaudited	Six months ended 31 October 2020 Unaudited	Year ended 30 April 2021 Audited
Profit used to determine diluted EPS (£m)	**239.8**	187.7	422.7
Weighted average no. of shares (m)	**118.9**	125.5	124.6
Adjustments for:			
Share options - 2011 LTIP	**2.3**	2.9	2.5
Shares used to determine diluted EPS (m)	**121.2**	128.4	127.1
Diluted earnings per share (p)	**197.9**	146.2	332.5

6 Inventories

	Six months ended 31 October 2021 Unaudited	Six months ended 31 October 2020 Unaudited	Year ended 30 April 2021 Audited
Land not under development	**396.8**	340.1	331.4
Work in progress: Land cost	**1,076.4**	1,270.5	1,134.7
Total land	**1,473.2**	1,610.6	1,466.1
Work in progress: Build cost	**2,080.6**	2,200.4	2,081.0
Completed units	**156.2**	73.3	105.4
Total inventories	**3,710.0**	3,884.3	3,652.5

Notes to the Condensed Consolidated Financial Information (continued)

7 Notes to the Condensed Consolidated Cash Flow Statement

	Six months ended 31 October 2021 Unaudited £m	Six months ended 31 October 2020 Unaudited £m	Year ended 30 April 2021 Audited £m
Profit for the financial period	**239.8**	187.7	422.7
Adjustments for:			
Taxation	**50.9**	43.1	95.4
Depreciation	**2.8**	3.1	5.9
Loss on sale of PPE	**-**	0.1	-
Finance income	**(0.7)**	(1.9)	(3.0)
Finance costs	**5.7**	5.7	9.6
Share of results of joint ventures after tax	**(24.7)**	(6.6)	(22.4)
Non-cash charge in respect of pension scheme	**-**	-	0.7
Non-cash charge in respect of share awards	**(8.1)**	(13.7)	(12.3)
Changes in working capital:			
Increase in inventories	**(54.8)**	(329.4)	(97.6)
Decrease/(Increase) in trade and other receivables	**2.2**	8.2	(5.1)
Increase in trade and other payables	**74.1**	143.4	25.5
Net change in employee benefit obligations	**(0.4)**	(0.3)	-
Cash generated from operations	**286.8**	39.4	419.4

Reconciliation of net cash flow to net cash			
Net decrease in net cash and cash equivalents, including bank overdraft	**(182.7)**	(384.6)	(210.7)
Net (increase)/decrease in borrowings	**(100.0)**	200.0	200.0
Movement in net cash in the financial period	**(282.7)**	(184.6)	(10.7)
Opening net cash	**1,128.2**	1,138.9	1,138.9
Closing net cash	**845.5**	954.3	1,128.2
Net cash			
Cash and cash equivalents	**1,245.5**	1,254.3	1,428.2
Non-current borrowings	**(400.0)**	(300.0)	(300.0)
Net cash	**845.5**	954.3	1,128.2

8 Alternative performance measures

Berkeley uses a number of alternative performance measures (APMs) which are not defined by IFRS. The Directors consider these measures useful to assess the underlying performance of the Group alongside the relevant IFRS financial information. They are referred to as Financial KPIs throughout the interim results. The information below provides a definition of APMs and reconciliation to the relevant IFRS information, where required:

Net cash

Net cash is defined as cash and cash equivalents, less total borrowings. This is reconciled in note 7.

Notes to the Condensed Consolidated Financial Information (continued)

8 Alternative performance measures (continued)

Net assets per share attributable to shareholders (NAVPS)

This is defined as net assets attributable to shareholders divided by the number of shares in issue, excluding shares held in treasury and shares held by the employee benefit trust.

	Six months ended 31 October 2021 Unaudited	Six months ended 31 October 2020 Unaudited	Year ended 30 April 2021 Audited
Net assets (£m)	**2,924.1**	3,105.2	3,175.4
Total shares in issue (million)	**121.3**	135.8	132.2
Less:			
Treasury shares held (million)	**(9.2)**	(10.6)	(10.5)
Employee benefit trust shares held (million)	**(0.1)**	(0.1)	(0.1)
Net shares used to determine NAVPS (million)	**112.0**	125.1	121.6
Net asset per share attributable to shareholders (pence)	**2,610.7**	2,482.4	2,612.1

Return on equity (ROE) before tax

This measures the efficiency of returns generated from shareholder equity before taxation and is calculated as profit before taxation attributable to shareholders as a percentage of the average of opening and closing shareholders' funds.

	Six months ended 31 October 2021 Unaudited	Six months ended 31 October 2020 Unaudited	Year ended 30 April 2021 Audited
Opening shareholders equity	**3,175.4**	3,101.6	3,101.6
Closing shareholders equity	**2,924.1**	3,105.2	3,175.4
Average shareholders' equity	**3,049.7**	3,103.4	3,138.5
Return on equity before tax:			
Profit before tax	**290.7**	230.8	518.1
Return on equity before tax (%)	**19.1%**	14.9%	16.5%

Cash due on forward sales

This measures cash still due from customers, with a risk adjustment, at the relevant Balance Sheet date during the next three years under unconditional contracts for sale. It excludes forward sales of affordable housing and commercial properties and forward sales within the Group's joint ventures.

Future gross margin in land holdings

This represents management's risk-adjusted assessment of the potential gross profit for each of the Group's sites, including the proportionate share of its joint ventures, taking account of a wide range of factors, including: current sales and input prices; the economic and political backdrop; the planning regime; and other market factors; all of which could have a significant effect on the eventual outcome.

Notes to the Condensed Consolidated Financial Information (continued)

9 Related party transactions

The Group has entered into the following related party transactions:

Transactions with Directors

During the period, Mr R C Perrins paid £21,792 (2020: £178,278) and Mr S Ellis paid £19,922 (2020: £26,426) to the Group in connection with works carried out at their respective homes at commercial rates in accordance with the relevant policies of the Group. There were no balances outstanding at the period end.

Transactions with Joint Ventures

During the financial period the joint ventures paid management fees and other recharges to the Group of £22.7 million (2020: £20.9 million). Other transactions in the period include the movements in loans of £26.7 million (2020: £nil).

The outstanding loan balances with joint ventures at 31 October 2021 total £208.9 million (30 April 2021: £182.2 million).

INDEPENDENT REVIEW REPORT TO THE BERKELEY GROUP HOLDINGS PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2021 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2021 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

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

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

Directors' responsibilities

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

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34.

Our responsibility

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

INDEPENDENT REVIEW REPORT TO THE BERKELEY GROUP HOLDINGS PLC (continued)

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

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

Michael Harper
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

8 December 2021