PRESS RELEASE **21 JUNE 2023**

YEAR END RESULTS ANNOUNCEMENT

STRONG OPERATING PERFORMANCE IN CHALLENGING ENVIRONMENT

ON TARGET TO MEET GUIDANCE FOR NEXT TWO YEARS AND MAINTAIN SHAREHOLDER RETURNS

86% OF HOMES DELIVERED ON BROWNFIELD LAND WITH HIGHEST EVER INVESTMENT IN SOCIO-ECONOMIC BENEFITS

FUTURE DELIVERY OF NEW HOMES JEOPARDISED BY PLANNING ENVIRONMENT AND REGULATORY UNCERTAINTY UNLESS URGENTLY RESOLVED

The Berkeley Group Holdings plc ("Berkeley") today announces its audited results for the year ended 30 April 2023.

Rob Perrins, Chief Executive, said:

"Berkeley has delivered pre-tax profits in line with the guidance provided at the start of the financial year, maintained our shareholder returns programme and increased the net cash position. This is a very strong performance by our sales and construction teams, given market conditions and changing building regulations, and reflects the resilience of Berkeley's business model with its focus on the country's most undersupplied markets.

We continue to see good levels of enquiry for well-located homes built to a high standard of design and quality but recognise that the market is likely to lack urgency until there is more certainty over the trajectory of interest rates.

Berkeley's focus on regenerating long-term brownfield sites has driven lasting positive change within some of the country's most deprived communities and differentiates Berkeley as the only large-scale UK developer aligned with Government's brownfield first agenda. A deeper understanding and recognition of the benefits of, and challenges to, this highly sustainable form of development is required within the planning system to ensure the tremendous opportunity it presents for society, communities and the economy is not missed for future generations.

The challenge is increased when set alongside the uncertainty from a continually evolving and increasingly burdensome regulatory environment. While well-intended, this is constraining investment into brownfield regeneration and homebuilding. If housing delivery is to be maintained the planning system needs to respond to these challenges and certainty is needed in the regulatory environment as a matter of immediate priority.

Looking forward, we are well placed to meet our guidance for the next two financial years and continue investing in our existing regeneration sites, but will remain cautious in committing to new investment until the conditions for growth are in place.

We remain focused on meeting our long-term pre-tax ROE target of 15% across the cycle and delivering against our shareholder returns programme. At the same time, we will continue to serve our customers and the communities in which we work, delivering individually designed, well-connected, nature-rich neighbourhoods with quality new homes across all housing tenures."

SUMMARY OF EARNINGS, SHAREHOLDER RETURNS AND FINANCIAL POSITION

Earnings	30-Apr-23	30-Apr-22	Change %
Profit before tax	£604.0m	£551.5m	+9.5%
Earnings per share – basic	426.8p	417.8p	+2.1%
Pre-tax return on equity	18.7%	17.5%	

Shareholder Returns	30-Apr-23	30-Apr-22
Share buy-backs undertaken	£155.4m	£63.7m
B-Share capital return	-	£451.5m
Dividends paid	£98.5m	-
Shareholder returns	£253.9m	£515.2m
Share buy-backs – volume	4.0m	1.5m
Average price paid for share buy-backs	£38.25	£41.81
Dividends / B-Share Return per share	£0.91	£3.71

Financial Position	As at 30-Apr-23	As at 30-Apr-22	Change absolute
Net cash	£410m	£269m	+£141m
Net asset value per share	£31.01	£28.18	+£2.83
Cash due on forward sales (1)	£2,136m	£2,171m	-£35m
Land Holdings - future gross margin	£7,629m	£8,258m	-£629m
Pipeline sites / (plots (approx.))	14 (14,000)	6 (8,000)	+8 (6,000)

(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

- Forward sales sustained at a healthy £2.1 billion, with the value of reservations for the financial year around 15% lower than the comparative financial year.
- Net cash increased to £410 million, with £1.2 billion of borrowing capacity providing total liquidity of £1.6 billion.
- Sales pricing remains firm and above business plan levels with build cost inflation moderating.
- Berkeley reiterates its guidance of delivering pre-tax profits of at least £1.05 billion across its next two financial years (FY24 and FY25) combined, which is likely to be slightly weighted to the FY24, in line with market consensus and the objective of delivering a sustainable pre-tax ROE of 15% through the cycle.
- Berkeley reaffirms its commitment to £283 million (£2.63 per share) per annum Shareholder Returns up to 30 September 2025.
- Berkeley will continue to be cautious on new investment and sales launches given the volatile operating environment, which includes the current macro-economic, political and regulatory environments.
- One site added to the long-term pipeline and approximately 5,500 plots on future sites transferred from the land holdings to the long-term pipeline due to uncertainty in the planning system; the majority of these sites are at appeal or subject to a call-in.
- 26 of 32 long-term complex regeneration sites in production, sustaining delivery profile for the next 10 years.

DELIVERING FOR ALL STAKEHOLDERS

- 4,043 homes delivered, plus 594 in joint ventures (2022: 3,760, plus 872) – 86% of which are on regenerated brownfield land.
- Approximately £560 million of subsidies provided to deliver affordable housing and committed to wider community and infrastructure benefits in the year.
- Berkeley is delivering some 10% of London’s new private and affordable homes – supporting an average of approximately 27,000 UK jobs per annum directly and indirectly through its supply chain over the last five years.

- Industry leading Net Promoter Score (> 70) and customer satisfaction ratings maintained.

- Since 2017/18 all new planning applications have committed to biodiversity net gain, in total 54 developments which together will create more than 550 acres of new or measurably improved natural habitats.

- Scopes 1 and 2 emissions reduction target met well ahead of the 2030 science-based target and 23 embodied carbon assessments completed as we progress our Climate Action programme and journey towards net zero.

- Rated “A-” by CDP for climate action and transparency and AAA rated in the MSCI global ESG index.

- Gold membership of The 5% Club, with 10% of direct employees in ‘earn and learn’ positions as graduates, apprentices or sponsored students within the year.

Investor and Analyst Presentation:

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

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CHIEF EXECUTIVE'S REVIEW

Purpose, Long-term Strategy and Capital Allocation

Berkeley's purpose is to build 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.

Berkeley is the only large UK homebuilder to align with Government on prioritising brownfield land, as we progress 32 of the country's most challenging regeneration projects, 26 of which are in delivery. Each of these neighbourhoods is uniquely designed in partnership with local councils and communities and includes valuable public amenities alongside tenure-blind private and affordable homes.

It has been hugely exciting to see more of these complex sites transform into popular, inclusive and low carbon communities, including Oval Village in Lambeth, an 8-acre brownfield site which brings together four derelict gasholders and an adjacent supermarket and warehouse. We welcomed our first residents to this emerging mixed use neighbourhood in 2022, which will grow to provide more than 1,300 private and affordable homes and over 1,000 permanent jobs across 160,000 square feet of commercial and community space. All this is set around car-free streets, public squares and biodiverse landscaping. The development was awarded Housing Scheme of the Year at the 2023 Planning Awards.

White City Living also made great progress in the year, where St James has transformed an 11-acre isolated warehouse site into a beautiful open neighbourhood, with a hugely popular community park, pedestrian routes to Westfield Shopping Centre and an Amazon Fresh convenience store. The site will deliver around 2,500 private and affordable homes, with more than 950 delivered so far, of which 400 are affordable homes. The development won Best Regeneration Scheme at the 2022 WhatHouse? Awards.

Alongside this, Berkeley's financial strategy reflects the cyclical nature and complexity of brownfield development, protecting and enhancing long-term value for shareholders and using its development expertise to maximise the returns from its assets, creating the right development solution for each site. Our capital allocation policy is therefore clear and remains unchanged: first, ensure financial strength is appropriate to the prevailing operating environment; second, invest in the business (land and work-in-progress) at the right time; and third, make returns to shareholders through dividends and share buy-backs.

This disciplined approach allows Berkeley to deliver sustainable, risk-adjusted returns over the cycle, targeting a sustained pre-tax return on equity of 15%.

Strategy positioning for today's environment

From the strong trading period that followed the Global Financial Crisis, Berkeley invested strongly in its land holdings, which will sustain the Group's delivery profile for the next ten years, spending some £6 billion on its development activities in the last three years alone. We are forecast to continue investing in our existing regeneration sites with implementable planning consents.

In the near-term, Berkeley has a clear strategy to focus on matching production on existing sites to demand and delivering its forward sales whilst protecting operating margins. We will only invest in new sites very selectively or in partnership with landowners, such as retailers, utilities, local authorities and housing associations or with its joint venture partners. This strategy is centred on cash generation that will provide the optionality to invest further in the business or reassess the level of returns to shareholders, depending upon the characteristics of the prevailing operating environment.

Beyond the near-term, the current operating environment, characterised by record levels of planning tariff within an increasingly complex, uncertain and slow planning system, at a time of high build costs, increased regulation and higher corporation tax, alongside the Residential Property Developer Tax ("RPDT") and proposed new Building Safety Levy, will inevitably continue to see a reduction in supply of new homes in London and the South East.

The delivery of new homes during a year in which there were no new land additions, coupled with the transfer of 5,500 plots to Berkeley's pipeline, offset to some degree by new planning consents and market movements, has led to a reduction in the land holdings future gross margin from £8.26 billion to £7.63 billion at 30 April 2023. This is likely to further moderate in the near-term as Berkeley continues to deliver new homes, without new investment fully replacing production.

Shareholder Returns

Berkeley has in place a shareholder returns programme, based upon an ongoing annual return of £283 million planned through to September 2025. This is delivered through two equal tranches of £141.4 million in the six month periods from 1 October to 31 March and 1 April 30 September each year. It is measured on a cumulative basis and can be made through either dividends or share buy-backs. Shareholder returns during the financial year totalled £253.9 million:

Shareholder Returns	**2023 £'m**	**2022 £'m**
Dividends paid	98.5	-
B-Share capital return	-	451.5
Share buy-backs undertaken	155.4	63.7
Shareholder return in the financial year	253.9	515.2

Dividends paid during the financial year (from 1 May to 30 April) of £98.5 million comprised:

- A £23.3 million dividend in September 2022 (21.25 pence per share) which completed the return of £141.4 million that was due in respect of the six months ended 30 September 2022; and

- A £75.2 million dividend in March 2023 (69.44 pence per share) which completed the return of £141.4 million that was due in respect of the six months ended 31 March 2023.

Berkeley has committed to the next ongoing scheduled shareholder return, which is £141.4 million in respect of the six months ending 30 September 2023, against which £35.2 million has been returned via share buy-backs to date. The total amount returned via share buy-backs in the year is £155.4 million across 4.0 million shares, at an average price of £38.25 per share.

The ongoing annual return of £283 million currently equates to £2.63 per share compared to the initial £2.00 per share initiated in 2016.

Summary of Performance

Berkeley has delivered pre-tax profits of £604.0 million for the year:

Year ended 30 April	**2023 £'m**	**2022 £'m**	**Change £'m**	**%**
Revenue	2,550.2	2,348.0	+202.2	+8.6%
Gross profit	696.8	664.8	+32.0	+4.8%
Operating expenses	(178.5)	(156.9)	-21.6	+13.8%
Operating profit	518.3	507.9	+10.4	+2.0%
Net finance costs	(10.6)	(12.5)	+1.9	
Share of joint ventures	96.3	56.1	+40.2	
Profit before tax	604.0	551.5	+52.5	+9.5%
Pre-tax return on equity	18.7%	17.5%	+1.2%	
Earnings per share – basic	426.8p	417.8p	+9.0p	+2.1%

Based upon current trading, Berkeley reiterates its guidance of delivering pre-tax profits of at least £1.05 billion across its next two financial years (FY24 and FY25) combined, which is likely to be slightly weighted to the FY24, in line with market consensus. Operating margins are expected to be at normal historical levels.

Housing Market and Operating Environment

Sales

Overall, the value of Berkeley's underlying private sales reservations for 2022/23 was around 15% lower than 2021/22 on a like-for-like basis, assuming St William had been owned throughout 2021/22. Berkeley's sales were strong during the first part of the financial year, slightly ahead of the levels secured throughout 2021/22. However, the market weakened markedly following the sharp rise in interest rates in September 2022.

We immediately positioned the business for the prevailing market conditions, adopting a more considered approach to new sales launches and being more cautious on the pace of investment in our ongoing sites. We have been disciplined on pricing, which has remained above business plan levels as we protect operating margins in what has been a highly inflationary cost environment for the past two years.

More recently we have seen expectations for the pace of reduction in inflation and interest rates slow with a consequential rise to mortgage rates. The near-term market outlook is therefore uncertain, much the same as it has been since September 2022. In this type of market there is a lack of urgency and transactions typically stem from owner occupiers with a current motivation to move or investors with immediately available funds, with demand therefore weighted to product which is closer to delivery, as opposed to off-plan sales that do not complete for two to four years. On this basis, at current sales rates, sales for 2023/24 will be around 20% lower than 2022/23.

Berkeley's response to the rapid change to market conditions is facilitated by the healthy forward sales position which, at £2.14 billion at 30 April 2023 (2022: £2.17 billion), is anticipated to moderate over the coming twelve months until sales rates return to more normal levels.

Berkeley has continued to sell to both owner occupiers and investors throughout the year, with investors benefitting from strong rental growth. Cancellation rates have been in the normal range, apart from in the couple of months after September 2022.

The long-term fundamentals of the housing sector and, more importantly, Berkeley's core markets in London and the South East remain compelling. Key to this are London's position as a leading global city and the systemic under-supply in our markets. The latest quarterly Department for Levelling Up, Housing and Communities ("DLUHC") data show new starts in London for the calendar year 2022 of just over 20,000 (including private, PRS and affordable homes), which is broadly consistent with the long-run average over the last ten years. This is substantially below both the current London Plan target of 52,000 new homes per annum and the Government's identified local housing need of 94,000 per annum.

Land and planning

Berkeley has not added any new sites to its land holdings during the year, while one long-term site contracted on a conditional basis in Motspur Park has been added to the pipeline.

On the planning front, Berkeley has secured one new consent in the year, at our site in Worthing, Sussex for around 190 homes and has achieved a number of revisions to existing consents in the year as we continue to progress our sites; most notably at The Green Quarter (Ealing), White City Living, Hartland Village (Fleet), Hareshill (Crookham), The Eight Gardens (Watford) and Lombard Square (Plumstead).

The Levelling Up and Regeneration Bill is now in its final stages, having evolved as it progressed through Parliament with a number of significant amendments tabled in December 2022. These amendments were tabled alongside a commitment from the Secretary of State to launch a review into what further measures could help prioritise the use of brownfield land for housing development and we look forward to seeing these.

We support the core aims of the Government's reform agenda, which are to improve the quality of new homes and places, better engage communities in plans for their area, as well as a renewed focus on brownfield housing delivery. These aims do need to be balanced with the societal need for more homes and the wider benefits they bring.

Like many, we are concerned that December's proposed changes to the NPPF would weaken the presumption in favour of sustainable development and the status of five-year land supply targets will materially reduce the pace of delivery of new homes. Sadly, this has already come to fruition with 55 Local Authorities pausing or abandoning their local plan making process as a consequence of the uncertainty within the planning process.

While the Government's "brownfield first" strategy is unquestionably the right way to deliver the homes the country needs where they are needed most, the planning system is yet to recognise the challenges of this most sustainable form of home-building and is not taking account of today's evolving regulatory environment.

Construction

Build cost inflation has peaked and is beginning to moderate, despite certain materials and trades remaining under pressure, particularly where energy costs are a high component of the input cost. There is improved competition in the supply chain, especially on larger packages, and we continue to anticipate build cost inflation falling to negligible levels by the end of the year, but remain mindful of the cost of ongoing regulatory change.

We are seeing signs of some financial distress in the supply chain as contractors continue to deal with the tail of impacts from Brexit, the pandemic and the ongoing conflict in Ukraine, as well as the current economic backdrop. We are actively working with and supporting our established supply chain partners to ensure sustainability of the supply chain and delivery on our development sites.

The manufacture of Berkeley Modular's first modules for the urban house at Kidbrooke Village is complete with all 96 modules installed on-site. Noting the decision of other parties to exit the industry due to the costs and efficiency impact of regulatory and planning uncertainty on a stable production pipeline, Berkeley's immediate focus is on evolving the product to remove cost, weight and complexity whilst continuing to work with the numerous statutory bodies to achieve the various regulatory approvals required for efficient future delivery. We will not be putting the factory into full production until this is achieved.

Fire Safety

Berkeley has been very supportive of Government in its determination both to ensure buildings are fire-safe for people to live in and mortgageable so they can move home and re-mortgage their properties when they wish. Historically, Berkeley's focus in this area has been on ensuring its buildings achieve the required EWS 1 form certification for mortgage purposes and it has obtained this on 99% of its relevant freehold buildings. Further, on 5th April 2022, Berkeley signed the Pledge Letter prepared by DLUHC.

On 13th March 2023 Berkeley entered into the Self-Remediation Terms and Contract with DLUHC. This formalised the Pledge commitments, requiring signatories to assume responsibility for remediating relevant life critical fire-safety matters in buildings they had constructed over the previous 30 years and to meet certain historic funding commitments made by Government, even where these funded works exceed those necessary to remediate life critical fire-safety matters. It is Berkeley's preference to take full responsibility for all its relevant buildings and to complete any required works itself as this will speed up the overall process of remediation.

Government has undertaken to ensure that all developers and house-builders are treated equally and that all parties involved in the development process are held to account and pay their fair share. Berkeley believes this is fair and equitable, is fully supportive of this approach and looks forward to seeing its implementation. By their commitments under the Self-Remediation Terms and Contract and 4% RPDT Berkeley believes that UK house-builders have played a very full part in resolving this issue and further levies on the industry would be unjust and constrain delivery and innovation. We are therefore concerned that Government is still considering plans to introduce an additional Building Safety Levy with the target of raising an additional £3 billion from the industry.

Looking forward, Berkeley is ensuring its procedures are compliant with new legislation and is supportive of the Building Safety Act which, together with the actions taken to date, should restore trust and confidence to the housing market, enabling it to operate efficiently, effectively and be fair for all.

Pace and impact of regulatory change

We remain concerned over the extent and pace with which new regulation is being consulted upon and subsequent regulatory changes, are being made. These cover important and complex areas, such as planning (NPPF revisions and the Levelling Up and Regeneration Bill), building regulations (including new Parts F, L, O and S) and carbon reduction, which have multiple inter-dependencies. While well-intended, all aspects must be fully considered and balanced with the objective of increasing the supply of quality new homes. The current position is creating uncertainty and delays in the construction of much needed homes, delays for people trying to move and increased barriers to entry for SME developers.

Most recently, the consultation on the incorporation of second staircases into buildings over 30 metres lacked detail on the technical parameters of how this is to be achieved and is requiring many tall buildings, yet to be put into construction, to be redesigned. While the consultation document notes that there is no evidence that existing tall buildings are unsafe, it also notes that this redesign will affect the viability of certain buildings, which will result in lower levels of affordable housing.

Outlook

Berkeley ends the year in a robust position with good visibility of earnings for the next two years, underpinned by £2.1 billion of cash due on secured private sales. We have unrivalled land holdings in the most fantastic city in the world that suffers from a systemic under-supply of new homes, providing resilience to the sales market.

In these uncertain times, Berkeley has a very clear strategy: realising its forward sales; matching supply to demand; adding value to its existing land holdings and pipeline sites; protecting operating margins; and focusing on cash generation ahead of the Income Statement.

These results underline the essential role brownfield land has to play in solving the housing crisis, tackling inequality and re-energising our towns and cities to meet the challenges of tomorrow. The delivery of new private and affordable homes on these sites is a force for good, generating better health outcomes, new jobs and skills, economic growth and social mobility which benefits the whole of society. We are proud to be the country’s leading regeneration specialist and I want to thank our fantastic people and partners for their commitment over the last 12 months.

At a time when our colleagues, customers and communities continue to be faced with ongoing volatility in the domestic and international economy and political landscape, the business is well placed to continue serving all our stakeholders in the years to come.

Rob Perrins
Chief Executive

TRADING AND FINANCIAL REVIEW

Trading performance

Revenue of £2,550.2 million in the year (2022: £2,348.0 million) arose primarily from the sale of new homes in London and the South East. This included £2,508.3 million of residential revenue (2022: £2,302.0 million) and £41.9 million of commercial revenue (2022: £46.0 million).

4,043 new homes (2022: 3,760) were sold across London and the South East at an average selling price of £608,000 (2022: £603,000) reflecting the mix of properties sold in the year.

The gross margin percentage is 27.3% (2022: 28.3%), reflecting the mix of developments on which homes were completed in the year. Overheads of £178.5 million (2022: £156.9 million) include St William overhead following the acquisition in March 2022. The operating margin has decreased to 20.3% (2022: 21.6%), which is within the historic range.

Berkeley's share of the results of joint ventures is a profit of £96.3 million (2022: £56.1 million), with St Edward's profits arising predominately from completions at Royal Warwick Square and Millbank.

Berkeley has remained cash positive on a net basis throughout the year. Interest earned from gross cash holdings slightly outweighed the interest cost of borrowings, with the net finance costs of £10.6 million for the year (2022: £12.5 million) arising due to amortisation of borrowing fees and imputed interest on land creditors.

The taxation charge for the year is £138.3 million (2022: £69.1 million) at an effective tax rate of 22.9% (2022: 12.5%), which incorporates the additional 4% RPDT and the increase to corporation tax from 19% to 25% from 1 April 2023.

Pre-tax return on equity for the year is 18.7% (2022: 17.5%), in line with Berkeley's objective of delivering a sustainable 15% through the cycle.

Basic earnings per share has increased by 2.1% from 417.8 pence to 426.8 pence, which takes account of the buy-back of 4.0 million shares at a cost of £155.4 million under the Shareholder Returns Programme.

Financial Position

The Group's net assets increased by £196.2 million during the year to £3,332.3 million (2022: £3,136.1 million):

Summarised Balance Sheet as at 30 April	**2023** **£'m**	**2022** **£'m**	**Change** **£'m**
Non-current assets	394.9	374.6	+20.3
Inventories	5,302.1	5,134.0	+168.1
Debtors	92.3	150.2	-57.9
Creditors	(2,867.4)	(2,791.6)	-75.8
Capital employed	2,921.9	2,867.2	+54.7
Net cash	410.4	268.9	+141.5
Net assets	3,332.3	3,136.1	+196.2
Shares, net of treasury and EBT	107.5m	111.3m	-3.8m
Net asset value per share	3,101p	2,818p	+283p

Inventory

Inventories of £5,302.1 million include £927.1 million of land not under development (2022: £738.1 million), £4,249.2 million of work in progress (2022: £4,255.1 million) and £125.8 million of completed stock (2022: £140.8 million).

The increase in land not under development in the year arises primarily from the completion during May and June of the acquisition of a further 11 sites into St William as part of the transaction in March 2022, which are represented by land creditors. There is one further St William site which will complete in 2025. No sites have been moved into production during the year.

Creditors

Total creditors of £2,867.4 million include £921.3 million of on-account receipts from customers (2022: £931.4 million) and land creditors of £900.7 million (2022: £800.7 million), with the latter's increase represented by the completion of the acquisition of the St William sites noted above. Of the total £900.7 million land creditor balance, £37.3 million is short-term and £863.4 million is spread over the following nine years.

Creditors also include provisions of £193.6 million (30 April 2022: £161.0 million) which represents post-completion development obligations, including those related to building fire-safety matters, and other provisions.

Net cash

The Group ended the year with net cash of £410.4 million (30 April 2022: £268.9 million), an increase of £141.5 million during the year (2022: net decrease of £859.3 million):

Abridged Cash Flow for year ended 30 April	**2023** **£'m**	**2022** **£'m**
Profit before taxation	604.0	551.5
Taxation paid	(133.7)	(142.6)
Net investment in working capital	(50.1)	(132.6)
Net investment in joint ventures	(33.0)	(82.8)
Other movements	8.2	3.0
Shareholder returns	(253.9)	(515.2)
Acquisition of St William	-	(540.6)
Increase/ (decrease) in net cash	141.5	(859.3)
Opening net cash	268.9	1,128.2
Closing net cash	410.4	268.9

The net cash of £410.4 million consists of gross cash holdings of £1,070.4 million, net of £660.0 million of long-term borrowings.

Net assets and NAVPS

Net assets increased over the year by £196.2 million, or 6.3% to £3,332.3 million (2022: £3,136.1 million) primarily due to the profit after tax for the year of £465.7 million outweighing the shareholder returns of £253.9 million (comprising £155.4 million share buy backs and £98.5 million dividends) and other movements in reserves of £15.6 million.

The shares in issue, net of treasury and EBT shares, closed at 107.5 million compared to 111.3 million at the start of the year. The net reduction of 3.8 million shares comprises two movements:

- The 4.0 million share buy-backs undertaken during the year for £155.4 million (£38.25 per share);
- The issue of 0.2 million shares under the 2011 LTIP.

Consequently, the net asset value per share is 3,101 pence, up 10% from the 2,818 pence at 30 April 2022.

Funding

The Group's borrowing capacity of £1,200 million is unchanged over the course of the year and comprises:

- £400 million unsecured 10-year Green Bonds which mature in August 2031 at a fixed coupon of 2.5% per annum; and
- £800 million bank facility, including a £260 million Green Term loan and a £540 million undrawn revolving credit facility ("RCF").

In February 2023, Berkeley exercised the first of two one-year extensions on its £800 million bank facility, which extended the term thereof to February 2028, with one remaining extension option available.

Berkeley has allocated the proceeds of the Green Bonds and Green Term Loan to its ongoing development activities in accordance with its Green Financing Framework (available on its website).

With total borrowings of £660 million, the Group's gross cash holdings of around £1.1 billion are placed on deposit with its relationship banks.

Joint Ventures

Included within non-current assets are investments in joint ventures accounted for using the equity method which are at £223.4 million at 30 April 2023 (2022: £190.4 million). The net £33.0 million increase in the year arises from Berkeley's 50% share of three movements:

- Profits earned in joint ventures of £96.3 million;
- Dividend distribution from St Edward of £74.9 million; and
- Cash contributions (loans) to site specific joint ventures of £11.6 million.

In St Edward, 594 homes were completed in the year at an average selling price of £885,000 (2022: 303 homes at £898,000). The completions occurred at Royal Warwick Square and Millbank in London, Hartland Village in Fleet, Green Park Village in Reading and Highcroft in Wallingford.

In total, 2,435 plots (30 April 2022: 5,317 plots) in Berkeley's land holdings relate to five St Edward developments, two in London (Westminster and Kensington) and three outside the capital (Reading, Fleet and Wallingford).

The majority of homes on the two sites in London are expected to complete in the year ending 30 April 2024, following which the three sites outside London remain under development. During the year, two sites without planning in Brentford and Guildford, both contracted on a conditional basis, have been transferred to the long-term pipeline as these are subject to a call-in and appeal process, respectively.

Land Holdings and Pipeline

Berkeley's land holdings comprise 58,045 plots at 30 April 2023 (2022: 66,163 plots), including the St Edward joint venture. The three sites (3,165 homes) that were contracted on a subject to planning basis at 30 April 2022 have been transferred to the pipeline during the year to reflect the long-term nature of these sites, particularly in the current planning environment.

Consequently, all of the current land holdings of 58,045 plots across 73 sites that are owned and included on the Balance Sheet of the Group or its joint venture. Berkeley started the year with 86 owned sites (62,998 plots). During the year no new sites have been acquired on an unconditional basis, while nine sites have finished and four owned sites have been transferred to the long-term pipeline.

The pipeline comprises approximately 14,000 plots across 14 sites at 30 April 2023 (2022: 8,000 plots on 6 sites). The increase during the year comprises the transfer from the land holdings of the four owned and three conditionally contracted sites, as noted above, as well as the addition of a long-term site in Motspur Park which has been conditionally contracted in the year.

The plots in the land holdings at 30 April 2023 have an estimated future gross profit of £7.63 billion (30 April 2022: £8.26 billion), which includes the Group's 50% share of the anticipated profit on St Edward's joint venture developments. This is a net reduction in gross profit of £0.63 billion over the course of the year. With over £0.8 billion of gross profit taken through the Income Statement (including St Edward share), the value added through new planning consents and other market movements has more than offset the impact of the seven sites which have transferred to the pipeline.

The estimated future gross margin is 26.2% (2022: 26.5%), a resilient position in the context of the operating and macro-economic environment.

The status of the 73 owned sites is:

- 51 sites (plots: 42,748) have an implementable planning consent and are in production;

- 13 sites (plots: 9,888) have a consent but are not in production, in some cases as they are not yet implementable, due to practical technical constraints and challenges surrounding, for example, vacant possession, CPO requirements or utilities provision; and

- 9 sites (plots: 5,409) do not have a planning consent.

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.

Our Vision 2030: Transforming Tomorrow

Our Vision 2030 is Berkeley's ambitious long-term strategy, which sets 10 strategic priorities for the business over the current decade. It is designed to drive our performance, spur innovation and reinforce our position as the country's most sustainable developer through maximising our positive impacts on society, the economy and the natural world.

External recognition of our strategy includes:

- A- Leadership rating for Climate Action and Transparency from CDP;
- Prime status from the ISS ESG Corporate Rating which is reserved for "industry leaders who fulfil demanding performance expectations";
- Low risk rating with Sustainalytics;
- AAA MSCI rating held for more than five years; and
- Continual FTSE4Good Index listing since 2003.

In May 2023 we were delighted to win Management Today's award for 'Long-Term Business Success' for demonstrating long-term growth not just in financial terms, but culture, values and product. The cross-sector judging panel said Berkeley was a "worthy winner", praising the emphasis and commitment to measuring and improving customer satisfaction, as well as a strong commitment to ESG.

Delivering for our customers

Our independently verified Net Promoter Score (NPS) of +79.2 significantly outperforms the industry average of 42 (HBF, March 2023). 97.5% of our customers said they would 'recommend us to a friend' in 2023. We retain the Investor in Customers Gold rating and this year won In-House Research's Outstanding Achievement Award.

From exceptional service to the quality of our homes, we aim to delight our customers in every last detail. This year, our customers reported that 60% of our homes had zero defects, compared to only 5% of homes on average across the industry (HBF, March 2023). On average, our customers report fewer than three defects which reflects our detailed handover checks, underpinned by our build quality assurance arrangements, with robust training and audit programmes in place.

Driving ambitious climate action

Tackling climate change has been a priority for Berkeley since 2007 and we are proud to be a 1.5 degree aligned business working towards validated science-based targets ("SBTs") for reducing our emissions.

We are pleased to report that we have achieved our absolute scopes 1 and 2 (market-based) emissions target well ahead of the 2030 target, exceeding our 50% reduction target with a 76% decrease since the baseline year of 2019. This reduction has largely been driven by a transition to the use of biodiesel HVO (Hydrotreated Vegetable Oil) on our construction sites, with 95% of fuel directly purchased for use in the year being this low carbon alternative.

We have purchased 100% renewable electricity in the UK since May 2017, backed by Renewable Energy Guarantees of Origin ("REGOs"). We voluntarily offset the remainder of our scopes 1 and 2 emissions through certified schemes. This year our offset payments have supported the new RetrofitCredits programme which utilises funds to decarbonise existing UK affordable housing through the installation of energy efficient measures such as improved insulation.

We recognise that our most significant impacts, around 99%, occur across our value chain (scope 3), including the activities of our supply chain ('embodied carbon') and the energy used by our customers in homes once sold ('low carbon homes'). We have continued to improve our understanding and the data accuracy of these impacts, including undertaking detailed life-cycle assessments of individual buildings to identify materials and processes which drive embodied carbon. We have used this data to create internal guidance on how to design-out these emissions from future developments and set quantitative reduction targets to drive progress. This pioneering approach to tackling embodied carbon was recognised with the Carbon Reduction Award at the National Sustainability Awards in October 2022.

Berkeley continues to implement the requirements of the 2021 Building Regulations (effective June 2022 with a 12-month transitional arrangements) through a fabric-first design approach in combination with the most appropriate technology and infrastructure solution for each site. We continue to engage with industry on this important topic, particularly through the UKGBC's Advancing Net Zero Programme and the Future Homes Hub.

Supporting nature's recovery

As the first homebuilder to commit to delivering a measurable biodiversity net gain on every new site back in 2017 we were delighted to co-host the industry-wide Biodiversity Conference in March 2023 with Natural England and the Local Government Association. This aimed to prepare developers and local authority professionals for the forthcoming mandatory requirement for biodiversity net gain from autumn 2023 and was attended by more than 500 delegates from across the public, private and voluntary sectors.

Since we set our commitment in May 2017 all new planning applications have committed to a biodiversity net gain, with each site targeting a gain in excess of 10% since May 2021. Overall, 54 sites have committed to an on-site biodiversity net gain, which together are set to deliver more than 550 acres of new or measurably improved natural habitats. These natural landscapes are all being delivered on our development sites rather than off-site, helping to improve the areas in which we work and to connect our customers and future residents with nature at their doorstep.

We continue to evolve our approach to biodiversity net gain to include an even more challenging and valuable combination of measurable environmental benefits. Our approach to 'environmental net gain' will focus on four areas where the pressures on the environment are greatest and where we can have most impact: climate, pollution, ecology and water. This year, our Royal Exchange development in Kingston upon Thames is believed to be the first of its kind to achieve water neutrality in a trial completed with Thames Water through retrofitting and upgrading local businesses, homes and schools.

Developing skills for the future and a working environment where people can thrive

During the year Berkeley released a new competency framework for our people to ensure that we are training and upskilling our workforce to meet evolving needs. Our in-house Berkeley Academy, which is an Approved Training Organisation by the Construction Industry Training Board (CITB), has delivered 4,400 trainer hours in the year to upskill our employees.

This year we have developed a new People Framework that fosters a positive working environment defined by respect, support, wellbeing, safety and inclusivity. This is supported by our approach to Equity, Diversity and Inclusion (EDI), which set out a number of action areas including strong leadership, awareness, allyship and celebration. Our efforts are particularly focused on women, ethnicity, disability and LGBTQ+ and work alongside our commitments to social mobility. We are pleased to have expanded our partnerships to support our progress in this area with pledges to the Race at Work Charter and Disability Confident employer scheme. This year 31% of managers are female, together with 37% of our employees.

Berkeley is pleased to have been awarded Gold member status of The 5% Club, and this year have exceeded our pledge with 10% of our workforce consisting of 'earn and learn' roles including apprentices, graduates and sponsored students. On average, we have had 160 direct apprentices and 70 graduates throughout the year and are now listed 16th in TheJobCrowd's Top 50 Graduate Employers in the country.

Championing safer homes and operations

Our Annual Injury Incidence Rate for the year is 79 per 100,000 people, compared to an industry average of 326 (HSE, October 2022). We continue to target zero harm on every site, as we champion health and safety for every employee and contractor working with us. We were proud to have once again been recognised by RoSPA in 2023, winning the Construction Housebuilding and Property Development Industry Sector award.

We aim to extend our influence beyond our direct operations and to make new homes safer places to live, especially for young children and the elderly. Following the co-writing of RoSPA's Safer by Design framework, we have now rolled this out as standard for all new sites and achieved Gold status for 17 developments.

The Berkeley Foundation ("Foundation")

The Foundation continues to be deeply embedded at Berkeley and during the year launched a new Volunteering Hub, encouraging more employees to volunteer their time. Our employees organised 26 major fundraising events and donated through payroll giving, with more than half of our workforce choosing to get involved in the Foundation's work over the last 12 months. We have offered work placements and job opportunities, held careers days to help young people about to start their journey into employment, and shared our expertise.

Over the year, the Foundation contributed £3.9 million to its charity partnerships and programmes through grants and staff fundraising and Give as You Earn. Highlights include the commitment of a further £300,000 for the second year of the Foundation's three-year £900,000 Resilience Fund, aiming to help small to medium sized charities and Community Interest Companies to develop their organisational resilience – whether through improved governance, strengthened people power, better financial planning or stronger systems and strategies. 10 new organisations will receive these funds over two years, alongside a programme of learning and development support.

The Foundation also launched a number of new partnerships, including a new three-year partnership with Groundwork London, supporting young people to kick-start their careers in the green economy through a youth leadership programme.

- End -

Principal risks and uncertainties

The Board is conscious of the ongoing elevated volatility in the operating environment and the Group's business model and risk management approach ensures we are agile and responsive to evolving market conditions. As such, our risk appetite remains dynamic and is respectful of the cyclical nature or our industry and the risks and opportunities this presents.

Financial risk

The financial risks to which Berkeley is exposed include:

- Liquidity risk - the risk that the funding required for the Group to pursue its activities may not be available.
- Market credit risk - the risk that counterparties (mainly customers) will default on their contractual obligations, resulting in a loss to the Group. The Group's exposure to credit risk is comprised of cash and cash equivalents and trade and other receivables.
- Market interest rate risk - the risk that Group financing activities are affected by fluctuations in market interest rates.
- Other financial risks - Berkeley contracts all of its sales and the vast majority of its purchases in sterling, and so has no significant exposure to currency risk, but does recognise that its credit risk includes receivables from customers in a range of jurisdictions who are themselves exposed to currency risk in contracting in sterling.

Management of financial risks

Berkeley adopts a prudent approach to managing these financial risks.

- Treasury policy and central overview - The Board approves treasury policy and senior management control day-to-day operations. Relationships with banks and cash management are co-ordinated centrally as a Group function. The treasury policy is intended to maintain an appropriate capital structure to manage the financial risks identified and provide the right platform for the business to manage its operating risks.
- Low gearing - the Group is currently financing its operations through shareholder equity, supported by £410 million of net cash on the Balance Sheet and debt facilities. This in turn has mitigated its current exposure to interest rate risk.
- Headroom provided by bank facilities - the Group now has £800 million of committed credit facilities maturing in February 2028, with an optional extension to February 2029. This comprises a term loan of £260 million and the revolving credit facility of £540 million. In addition, the Group has listed debt in the form of Green Bonds to the value of £400 million maturing in August 2031. Berkeley has a strong working partnership with the six banks that provide the facilities and this is key to Berkeley's approach to mitigating liquidity risk.
- Forward sales - Berkeley's approach to forward selling new homes to customers provides good visibility over future cash flows, as expressed in cash due on forward sales which stands at £2.14 billion at 30 April 2023. It also helps mitigate market credit risk by virtue of customers' deposits held from the point of unconditional exchange of contracts with customers.
- Land holdings - by investing in land at the right point in the cycle, holding a clear development pipeline in our land holdings and continually optimising our existing holdings, we are not under pressure to buy new land when it would be wrong for the long-term returns for the business.
- Detailed appraisal of spending commitments - a culture which prioritises an understanding of the impact of all decisions on the Group's spending commitments and hence its Balance Sheet, alongside weekly and monthly reviews of cash flow forecasts at operating company, divisional and Group levels, recognises that cash flow management is central to the continued success of Berkeley.

Risk Description and Impact	Approach to Mitigating Risk
Economic Outlook	
As a property developer, Berkeley's business is sensitive to wider economic factors such as changes in interest rates, employment levels and general consumer confidence. Some customers are also sensitive to changes in the sterling exchange rate in terms of their buying decisions or ability to meet their obligations under contracts. Changes to economic conditions in the UK, Europe and worldwide may lead to a reduction in demand for housing which could impact on the Group's ability to deliver its corporate strategy.	Recognition that Berkeley operates in a cyclical market is central to our strategy and maintaining a strong financial position is fundamental to our business model and protects us against adverse changes in economic conditions. Land investment in all market conditions is carefully targeted and underpinned by demand fundamentals and a solid viability case. Levels of committed expenditure are carefully monitored against forward sales secured, cash levels and headroom against our available bank facilities, with the objective of keeping financial risk low to mitigate the operating risks of delivery in uncertain markets. Production programmes are continually assessed, depending upon market conditions. The business is committed to operating at an optimal size, with a strong Balance Sheet, through autonomous businesses to maintain the flexibility to react swiftly, when necessary, to changes in market conditions.
Political Outlook	
Significant political events in the UK and overseas, may impact Berkeley's business through, for example, supply chain disruption or the reluctance of customers to make purchase decisions due to political uncertainty and, subsequently, policies and regulation may be introduced that directly impact our business model.	Whilst we cannot directly influence political events, the risks are taken into account when setting our business strategy and operating model. In addition, we actively engage in the debate on policy decisions.
Regulation	
Adverse changes to Government policy on areas such as taxation, design requirements and the environment could restrict the ability of the Group to deliver its strategy. Failure to comply with laws and regulations could expose the Group to penalties and reputational damage.	Berkeley is primarily focused geographically on London, Birmingham and the South East of England, which limits our risk when understanding and determining the impact of new regulation across multiple locations and jurisdictions. The effects of changes to Government policies at all levels are closely monitored by operating businesses and the Board, and representations made to policy-setters where appropriate. Berkeley's experienced teams are well placed to interpret and implement new regulations at the appropriate time through direct lines of communication across the Group, with support from internal and external legal advisors.

Risk Description and Impact	Approach to Mitigating Risk
Land Availability	
An inability to source suitable land to maintain the Group's land holdings at appropriate margins in a highly competitive market could impact on the Group's ability to deliver its corporate strategy.	Understanding the markets in which we operate is central to Berkeley's strategy and, consequently, land acquisition is primarily focused on Berkeley's core markets of London, Birmingham and the South East of England, markets in which it believes the demand fundamentals are strong. Berkeley has experienced land teams with strong market knowledge in their areas of focus, which gives us the confidence to buy land without an implementable planning consent and, with an understanding of local stakeholders' needs, positions Berkeley with the best chance of securing a viable planning consent. Berkeley's land holdings mean that it has the land in place for its immediate business plan requirements and can therefore always acquire land at the right time in the cycle.
Planning Process	
Delays or refusals in obtaining commercially viable planning permissions could result in the Group being unable to develop its land holdings. This could have a direct impact on the Group's ability to deliver its product and on its profitability.	The Group's strategic geographical focus and expertise place it in the best position to conceive and deliver the right consents for the land acquired. Full detailed planning and risk assessments are performed and monitored for each site without planning permission, both before and after purchase. The planning status of all sites is reviewed at both monthly divisional Board meetings and Main Board meetings. The Group works closely with local communities in respect of planning proposals and strong relationships are maintained with local authorities and planning officers.
Retaining People	
An inability to attract, develop, motivate and retain talented employees could have an impact on the Group's ability to deliver its strategic priorities. Failure to consider the retention and succession of key management could result in a loss of knowledge and competitive advantage.	Two commitments within Our Vision 2030 are designed to help recruit and retain a high calibre work force. The first is 'Employee Experience' which places a specific focus on areas including employee experience and diversity and inclusion, and the second focuses on 'Future Skills' looking at how we can create tangible long-term change within the industry. Succession planning is regularly reviewed at both divisional and Main Board level. Close relationships and dialogue are maintained with key personnel. Remuneration packages are constantly benchmarked against the industry to ensure they remain competitive.

Risk Description and Impact	Approach to Mitigating Risk
Securing Sales	
An inability to match supply to demand in terms of product, location and price could result in missed sales targets and/or high levels of completed stock which in turn could impact on the Group's ability to deliver its corporate strategy.	The Group has experienced sales teams both in the UK and within our overseas sales offices, supplemented by market-leading agents. Detailed market demand assessments of each site are undertaken before acquisition and regularly during delivery of each scheme to ensure that supply is matched to demand in each location. Design, product type and product quality are all assessed on a site-by-site basis to ensure that they meet the target market and customer aspirations in that location. The Group's ability to forward sell reduces the risk of the development cycle where possible, thereby justifying and underpinning the financial investment in each of the Group's sites. Completed stock levels are reviewed regularly.
Liquidity	
Reduced availability of the external financing required by the Group to pursue its activities and meet its liabilities. Failure to manage working capital may constrain the growth of the business and ability to execute the business plan.	The Board approves treasury policy and senior management control day-to-day operations. Relationships with banks and cash management are co-ordinated centrally as a Group function. The treasury policy is intended to maintain an appropriate capital structure to manage the Group's financial risks and provide the right platform for the business to manage its operating risks. Cash flow management is central to the continued success of Berkeley. There is a culture which prioritises an understanding of the impact of all decisions on the Group's spending commitments and hence its Balance Sheet, alongside weekly and monthly reviews of cash flow forecasts at operating company, divisional and Group levels.
Mortgages	
An inability of customers to secure sufficient mortgage finance now or in the future could have a direct impact on the Group's transaction levels.	Berkeley has a broad product mix and customer base which reduces the reliance on mortgage availability across its portfolio. Deposits are taken on all sales to mitigate the financial impact on the Group in the event that sales do not complete due to a lack of mortgage availability.

Risk Description and Impact	Approach to Mitigating Risk
Climate Change	
The effects of climate change could impact Berkeley in different ways. Climate Scenario Analysis has been undertaken to evaluate climate related risks and opportunities. Identified risks and opportunities relating to the transition to a lower carbon economy include: carbon pricing and emissions offsets; evolving planning and design requirements; skills shortage impacting ability to install low carbon technology; technology evolution; increasing raw material cost; and demand supply imbalance. Risks relating to the physical impacts of climate change include: heat stress, drought stress, subsidence, windstorm and flood.	Climate action is a strategic priority within our business strategy, Our Vision 2030, and we have set ambitious SBTs to mitigate our impact, alongside continuing to incorporate adaptation measures within our developments to make them more resilient to the expected future impacts of climate change. We have energy efficiency standards in place that cover the activities of our sites, offices and sales suites and encourage the identification and investment in measures to take action under our scopes 1 and 2 GHG emissions reduction target. In addition, our scope 3 SBT commits us to working with our supply chain to reduce the embodied carbon within the materials and services we procure, and building more efficient homes. To build resilience into our homes and developments, we consider climate change risks and incorporate measures to reduce these through minimum Sustainability Standards. These cover areas such as energy efficiency, water efficiency, rainwater harvesting, sustainable drainage systems (SuDS) and leaving space for nature.
Sustainability	
Berkeley is aware of the environmental and social impact of the homes and places that it builds, both throughout the development process and during occupation and use by customers and the wider community. Failure to address sustainability issues could affect the Group's ability to acquire land, gain planning permission, manage sites effectively and respond to increasing customer demands for sustainable homes and communities, with access to green spaces and nature.	The strategic direction for sustainability is set at a Group level within a dedicated Sustainability Strategy. Three areas of the Sustainability Strategy have been identified as being of material importance and integrated within our business strategy, Our Vision 2030; communities, climate action and nature. We have specific commitments to enhance environmental and social value in the operation of our business and the delivery of our homes and places. Dedicated sustainability teams are in place at Group's Head Office and within each division of the business, providing advice, driving improvement and monitoring performance. Sustainability Standards set out the minimum Berkeley requirements for new developments and the operation of our construction sites, divisional offices and sales suites. These are supported by more detailed procedures within our Sustainability Management System, including a requirement for environmental risk registers for each site and the completion of at least quarterly site sustainability assessments by our internal sustainability professionals.

Risk Description and Impact	Approach to Mitigating Risk
Health and Safety	
Berkeley's operations have a direct impact on the health and safety of its people, contractors and members of the public. A lack of adequate procedures and systems to reduce the dangers inherent in the construction process increases the risk of accidents or site related catastrophes, including fire and flood, which could result in serious injury or loss of life leading to reputational damage, financial penalties and disruption to operations.	Berkeley considers this to be an area of critical importance. Berkeley's health and safety strategy is set by the Board. Dedicated health and safety teams are in place in each division and at Head Office. Procedures, training and reporting are all regularly reviewed to ensure that high standards are maintained and comprehensive accident investigation procedures are in place. Insurance is held to cover the risks inherent in large scale construction projects. The Group continues to implement initiatives to improve health and safety standards on site.
Product Quality and Customers	
Berkeley has a reputation for high standards of quality in its product. If the Group fails to deliver against these standards and its wider development obligations, it could be exposed to reputational damage, as well as reduced sales and increased cost.	Detailed reviews are undertaken of the product on each scheme both during the acquisition of the site and throughout the build process to ensure that product quality is maintained. The Group has detailed quality assurance procedures in place surrounding both design and build to ensure the adequacy of build at each key stage of construction. Customer satisfaction surveys are undertaken on the handover of our homes, and feedback incorporated into the specification and design of subsequent schemes.
Build Cost and Programme	
Build costs are affected by the availability of skilled labour and the price and availability of materials, suppliers and contractors. Declines in the availability of a skilled workforce, and changes to these prices could impact on our build programmes and the profitability of our schemes.	A procurement and programming strategy for each development is agreed by the divisional Board before site acquisition, whilst a further assessment of procurement and programming is undertaken and agreed by the divisional Board prior to the commencement of construction. Build cost reconciliations and build programme dates are presented and reviewed in detail at divisional cost review meetings each month. Our Vision 2030 strategy includes ongoing commitments to training and support across both our employees and our indirect workforce.

Risk Description and Impact	Approach to Mitigating Risk
Cyber and Data Risk	
The Group acknowledges that it places significant reliance upon the availability, accuracy and confidentiality of all of its information systems and the data contained therein. The Group could suffer significant financial and reputational damage because of the corruption, loss or theft of data, whether inadvertent or via a deliberate, targeted cyber attack.	Berkeley's systems and control procedures are designed to ensure that confidentiality, availability and integrity are not compromised. Our Information Security Programme focuses primarily on the detection and prevention of security incidents and potential data breaches. An IT Security Committee meets monthly to address all cyber security matters. The Group operates multiple physical data centres supported by cloud based services thereby reducing centralised risk exposure. An IT disaster recovery plan is regularly assessed. The Group has cyber insurance in place to reduce any potential financial impact.

THE BERKELEY GROUP HOLDINGS PLC

RESULTS FOR THE YEAR ENDED 30 APRIL 2023

Condensed Consolidated Income Statement

For the year ended 30 April	Notes	**2023 £m**	2022 £m
Revenue		**2,550.2**	2,348.0
Cost of sales		**(1,853.4)**	(1,683.2)
Gross profit		**696.8**	664.8
Net operating expenses		**(178.5)**	(156.9)
Operating profit		**518.3**	507.9
Finance income	3	**23.1**	2.5
Finance costs	3	**(33.7)**	(15.0)
Share of results of joint ventures using the equity method		**96.3**	56.1
Profit before taxation for the year		**604.0**	551.5
Income tax expense	4	**(138.3)**	(69.1)
Profit after taxation for the year		**465.7**	482.4
Earnings per share (pence):			
Basic	5	**426.8**	417.8
Diluted	5	**422.4**	411.4

Condensed Consolidated Statement of Comprehensive Income

	2023 £m	2022 £m
Profit after taxation for the year	**465.7**	482.4
Other comprehensive expense		
Items that will not be reclassified to profit or loss		
Actuarial loss recognised in the pension scheme	**(1.3)**	(1.6)
Total items that will not be reclassified to profit or loss	**(1.3)**	(1.6)
Other comprehensive expense for the year	**(1.3)**	(1.6)
Total comprehensive income for the year	**464.4**	480.8

Condensed Consolidated Statement of Financial Position

As at 30 April	Notes	**2023 £m**	2022 £m
Assets			
Non-current assets			
Intangible assets		**17.2**	17.2
Property, plant and equipment		**34.6**	40.5
Right-of-use assets		**5.2**	5.8
Investments accounted for using the equity method		**223.4**	190.4
Deferred tax assets		**114.5**	120.7
		394.9	374.6
Current assets			
Inventories	6	**5,302.1**	5,134.0
Trade and other receivables		**92.3**	145.7
Current tax assets		**-**	4.5
Cash and cash equivalents	7	**1,070.4**	928.9
		6,464.8	6,213.1
Total assets		**6,859.7**	6,587.7
Liabilities			
Non-current liabilities			
Borrowings	7	**(660.0)**	(660.0)
Trade and other payables		**(863.4)**	(719.8)
Lease liability		**(2.9)**	(3.8)
Provisions for other liabilities and charges		**(115.1)**	(98.5)
		(1,641.4)	(1,482.1)
Current liabilities			
Trade and other payables		**(1,801.6)**	(1,904.9)
Current tax liabilities		**(3.7)**	-
Lease liability		**(2.2)**	(2.1)
Provisions for other liabilities and charges		**(78.5)**	(62.5)
		(1,886.0)	(1,969.5)
Total liabilities		**(3,527.4)**	(3,451.6)
Total net assets		**3,332.3**	3,136.1
Equity			
Shareholders' equity			
Share capital		**6.3**	6.5
Share premium		**49.8**	49.8
Capital redemption reserve		**25.2**	25.0
Other reserve		**(961.3)**	(961.3)
Retained earnings		**4,212.3**	4,016.1
Total equity		**3,332.3**	3,136.1

THE BERKELEY GROUP HOLDINGS PLC

RESULTS FOR THE YEAR ENDED 30 APRIL 2023

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
At 1 May 2022	**6.5**	**49.8**	**25.0**	**(961.3)**	**4,016.1**	**3,136.1**
Profit after taxation for the year	**-**	**-**	**-**	**-**	**465.7**	**465.7**
Other comprehensive expense for the year	**-**	**-**	**-**	**-**	**(1.3)**	**(1.3)**
Purchase of own shares	**(0.2)**	**-**	**0.2**	**-**	**(155.4)**	**(155.4)**
Transactions with shareholders:						
- Charge in respect of employee share schemes	**-**	**-**	**-**	**-**	**(4.5)**	**(4.5)**
- Deferred tax in respect of employee share schemes	**-**	**-**	**-**	**-**	**(9.8)**	**(9.8)**
- Dividends to equity holders of the Company	**-**	**-**	**-**	**-**	**(98.5)**	**(98.5)**
At 30 April 2023	**6.3**	**49.8**	**25.2**	**(961.3)**	**4,212.3**	**3,332.3**
At 1 May 2021	6.6	49.8	24.9	(961.3)	4,055.4	3,175.4
Profit after taxation for the year	-	-	-	-	482.4	482.4
Other comprehensive expense for the year	-	-	-	-	(1.6)	(1.6)
Purchase of own shares	(0.1)	-	0.1	-	(63.7)	(63.7)
Transactions with shareholders:						
- Charge in respect of employee share schemes	-	-	-	-	(8.7)	(8.7)
- Deferred tax in respect of employee share schemes	-	-	-	-	3.8	3.8
- Capital Return to equity holders of the Company	-	-	-	-	(451.5)	(451.5)
At 30 April 2022	6.5	49.8	25.0	(961.3)	4,016.1	3,136.1

Condensed Consolidated Cash Flow Statement

For the year ended 30 April	Notes	**2023** **£m**	2022 £m
Cash flows from operating activities			
Cash generated from operations	7	**472.5**	372.4
Consideration paid for 50% share of St William assets		**-**	(355.6)
Interest received		**18.2**	1.9
Interest paid		**(21.4)**	(5.6)
Income tax paid		**(133.7)**	(142.6)
Net cash flow from operating activities		**335.6**	(129.5)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(2.0)**	(1.3)
Proceeds on disposal of property, plant and equipment		**0.8**	0.3
Dividends from joint ventures		**74.9**	-
Movements in loans with joint ventures		**(11.6)**	(26.7)
Net cash flow from investing activities		**62.1**	(27.7)
Cash flows from financing activities			
Lease capital repayments		**(2.3)**	(1.9)
Purchase of own shares		**(155.4)**	(63.7)
Dividends / B-Share payments to Company's shareholders		**(98.5)**	(451.5)
Drawdown of bank borrowings		**-**	260.0
Increase in listed debt borrowings		**-**	400.0
Repayment of bank borrowings		**-**	(300.0)
Repayment of St William bank borrowings		**-**	(185.0)
Net cash flow from financing activities		**(256.2)**	(342.1)
Net increase/(decrease) in cash and cash equivalents		**141.5**	(499.3)
Cash and cash equivalents at the start of the financial year		**928.9**	1,428.2
Cash and cash equivalents at the end of the financial year		**1,070.4**	928.9

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.

2 Basis of preparation

2.1 Introduction

These results do not constitute the Group's statutory accounts for the year ended 30 April 2023 but are derived from those accounts. Statutory accounts for 2022 have been delivered to the Registrar of Companies and those for 2023 will be delivered following the Company's Annual General Meeting. The external auditor has reported on those accounts; its report was unqualified, did not contain an emphasis of matter paragraph and did not contain any statements under section 498 of the Companies Act 2006.

The Consolidated Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and with UK-adopted International Accounting Standards. The statutory accounts have been prepared based on the accounting policies and method of computations consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2022.

2.2 Going concern

The Directors have assessed the business plan and funding requirements of the Group over the medium-term and compared these with the level of committed debt facilities and existing cash resources. As at 30 April 2023, the Group had net cash of £410.4 million and total liquidity of £1,610.4 million when this net cash is combined with banking facilities of £800 million (committed to February 2028), of which £540 million is undrawn, and £400 million listed bonds (which mature in August 2031). Furthermore, the Group has cash due on forward sales of £2,135.7 million, 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 not less than 12 months from the date of approval of these Consolidated Financial Statements. For this reason, it continues to adopt the going concern basis of accounting in preparing its Consolidated Financial Statements.

Notes to the Condensed Consolidated Financial Information (continued)

3 Net finance costs

For the year ended 30 April	**2023** **£m**	2022 £m
Finance income	**23.1**	2.5
Finance costs		
Interest payable on borrowings and non-utilisation fees	**(21.9)**	(12.1)
Amortisation of fees incurred on borrowings	**(1.7)**	(1.8)
Other finance costs	**(10.1)**	(1.1)
	(33.7)	(15.0)
Net finance costs	**(10.6)**	(12.5)

Finance income predominantly represents interest earned on cash deposits.

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

4 Income tax expense

For the year ended 30 April	**2023** **£m**	2022 £m
Current tax including RPDT		
UK current tax payable	**(140.5)**	(148.2)
Adjustments in respect of previous years	**(1.4)**	2.3
	(141.9)	(145.9)
Deferred tax including RPDT		
Deferred tax movements	**2.5**	73.0
Adjustments in respect of previous years	**1.1**	3.8
	3.6	76.8
	(138.3)	(69.1)

The effective tax rate for the year is 22.9% (2022: 12.5%) and includes a £4.7 credit arising from the re-measurement, in part, of the Group's UK deferred tax assets at 29% following the changes to both the corporation tax rate, substantially enacted in May 2021, and the introduction of RPDT at a rate of 4% on 1 April 2022.

5 Earnings per share

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

For the year ended 30 April	**2023**	2022
Profit attributable to shareholders (£m)	**465.7**	482.4
Weighted average no. of shares (m)	**109.1**	115.5
Basic earnings per share (p)	**426.8**	417.8

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 30 April 2023, the Group had one (2022: one) category of potentially dilutive ordinary shares: 1.0 million (2022: 1.6 million) share options under the 2011 LTIP.

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.

For the year ended 30 April	**2023**	2022
Profit used to determine diluted EPS (£m)	**465.7**	482.4
Weighted average no. of shares (m)	**109.1**	115.5
Adjustments for:		
Share options - 2011 LTIP	**1.1**	1.8
Shares used to determine diluted EPS (m)	**110.2**	117.3
Diluted earnings per share (p)	**422.4**	411.4

6 Inventories

Year ended 30 April	**2023 £m**	2022 £m
Land not under development	**927.1**	738.1
Work in progress: Land cost	**1,729.2**	1,952.5
Total land	**2,656.3**	2,690.6
Work in progress: Build cost	**2,520.0**	2,302.6
Completed units	**125.8**	140.8
Total inventories	**5,302.1**	5,134.0

Notes to the Condensed Consolidated Financial Information (continued)

7 Notes to the Condensed Consolidated Cash Flow Statement

For the year ended 30 April	**2023 £m**	2022 £m
Net cash flows from operating activities		
Profit for the financial year	**465.7**	482.4
Adjustments for:		
Taxation	**138.3**	69.1
Depreciation	**5.1**	5.6
Loss on sale of PPE	**3.7**	0.1
Finance income	**(23.1)**	(2.5)
Finance costs	**33.7**	15.0
Share of results of joint ventures after tax	**(96.3)**	(56.1)
Non-cash charge in respect of share awards	**(4.5)**	(8.6)
Changes in working capital:		
Increase in inventories	**(168.1)**	(332.5)
Decrease/(Increase) in trade and other receivables	**57.5**	(61.0)
Increase in trade and other payables	**60.5**	260.9
Cash generated from operations	**472.5**	372.4

Reconciliation of net cash flow to net cash		
Net increase/(decrease) in net cash and cash equivalents, including bank overdraft	**141.5**	(499.3)
Movement in borrowings	**-**	(360.0)
Movement in net cash in the financial year	**141.5**	(859.3)
Opening net cash	**268.9**	1,128.2
Closing net cash	**410.4**	268.9
Net cash		
Cash and cash equivalents	**1,070.4**	928.9
Non-current borrowings	**(660.0)**	(660.0)
Net cash	**410.4**	268.9

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 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.

As at 30 April	**2023**	2022
Net assets (£m)	**3,332.3**	3,136.1
Total shares in issue (million)	**116.5**	120.6
Less:		
Treasury shares held (million)	**(8.9)**	(9.2)
Employee benefit trust shares held (million)	**(0.1)**	(0.1)
Net shares used to determine NAVPS (million)	**107.5**	111.3
Net asset per share attributable to shareholders (pence)	**3,100.5**	2,818.2

Return on capital employed (ROCE)

This measures the profitability and efficiency of capital being used by the Group and is calculated as profit before interest and taxation (including joint venture profit before tax) divided by the average net assets adjusted for (debt)/cash.

As at April	**2023**	2022
Operating profit	**518.3**	507.9
Share of joint ventures using equity method	**96.3**	56.1
Profit used to determine ROCE	**614.6**	564.0
Opening capital employed:		
Net assets	3,136.1	3,175.4
Net cash	(268.9)	(1,128.2)
Opening capital employed	2,867.2	2,047.2
Closing capital employed:		
Net assets	**3,332.3**	3,136.1
Net cash	**(410.4)**	(268.9)
	2,921.9	2,867.2
Average capital employed	**2,894.5**	2,457.2
Return on capital employed (%)	**21.2%**	23.0%

Notes to the Condensed Consolidated Financial Information (continued)

8 Alternative performance measures (continued)

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.

As at 30 April	**2023**	2022
Opening shareholders equity	**3,136.1**	3,175.4
Closing shareholders equity	**3,332.3**	3,136.1
Average shareholders' equity	**3,234.2**	3,155.8
Return on equity before tax:		
Profit before tax	**604.0**	551.5
Return on equity before tax (%)	**18.7%**	17.5%

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, commercial properties and institutional sales as well as 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.