PRESS RELEASE **9 DECEMBER 2022**

INTERIM RESULTS ANNOUNCEMENT

ROBUST RESULTS, STRONG POSITION AND WELL-PLACED WITH GOOD ORDER BOOK VISIBILITY

DELIVERING HOMES ON BROWNFIELD LAND WITH HIGHEST EVER INVESTMENT IN SOCIO-ECONOMIC BENEFITS

READY AND ABLE TO INVEST IN NEW OPPORTUNITIES IF CONDITIONS FOR GROWTH PRESENT THEMSELVES

The Berkeley Group Holdings plc ("Berkeley") today announces its unaudited interim results for the six months ended 31 October 2022.

Rob Perrins, Chief Executive, said:

"These robust results reflect the strength of Berkeley's uniquely long-term operating model and the enduring appeal of high-quality homes and places within London and the South-East – a region which is the country's most under-supplied market – in spite of the uncertain and challenging operating environment.

We ended the period in a strong position having increased net cash from £269 million to £343 million and cash due on forward sales from £2.2 billion to £2.3 billion, while maintaining the estimated gross profit in our unrivalled land holdings above £8 billion. Our guidance for the full year is unchanged, as is our shareholder returns policy.

Sales for the six months have been ahead of the same period last year, demonstrating the resilience of Berkeley's core markets. This includes five weeks of trading since the end of September in which the value of underlying sales has been around 25% lower than the previous five months. Pricing has remained firm throughout.

Our delivery in the period has generated a fantastic mix of social, economic and environmental benefits. £374 million of subsidies have been provided to deliver affordable housing and committed to wider community and infrastructure benefits, which is over 100% of the post-tax profits. This is the highest ever level and supports our conviction that reviving brownfield land within our towns and cities is the most sustainable way to tackle the housing crisis, reenergise the economy and strengthen local communities.

These outcomes have been achieved against an increasingly challenging operating and regulatory environment, which has been brought into even sharper focus by the deteriorating economic outlook as the world comes to terms with the cost of the pandemic, the war in Ukraine and other global events.

While Berkeley is ready and able to invest in new opportunities to increase delivery, we are positioning the business to reflect today's environment until the conditions for growth are present to support responsible, sustainable investment. Future investment decisions will need to take into account the increase in corporation tax of 6%, the 4% RPDT and the proposed additional building safety levy designed to raise a further £3 billion from the industry.

We are experienced at operating in times like these and will focus on generating value from our existing assets with limited new investment, matching supply to demand and cash generation.

London is the most beautiful and dynamic city in the world but is not currently attracting the necessary investment from private or public sources, including for infrastructure and affordable housing grant, to unlock more brownfield sites and address the systemic under-supply of new homes.

Berkeley will continue to work closely with local partners to ensure each site has an appropriate and deliverable solution and we will continue to work constructively with all levels of Government to address the barriers to complex brownfield regeneration and enable housing delivery on the most sustainable land.

I would like to take this opportunity to thank all of our people for their tremendous efforts and commitment."

THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2022

SUMMARY OF EARNINGS, SHAREHOLDER RETURNS AND FINANCIAL POSITION

Earnings	HY to 31-Oct-22	HY to 31-Oct-21	Change per cent
Profit before tax	£284.8m	£290.7m	-2.0%
Earnings per share - basic	200.4p	201.7p	-0.6%
Pre-tax return on equity	18.0%	19.1%	-1.1%

Shareholder Returns	HY to 31-Oct-22	HY to 31-Oct-21
Share buy-backs undertaken	£110.5m	£34.7m
Dividends paid / B-Share payment	£23.3m	£451.5m
Shareholder returns	£133.8m	£486.2m
Share buy-backs - volume	2.9m	0.8m

Financial Position	As at 31-Oct-22	As at 30-Apr-22	Change
Net cash	£343m	£269m	+£74m
Net asset value per share	£29.56	£28.18	+£1.38
Cash due on forward sales (1)	£2,330m	£2,171m	+£159m
Land Holdings - estimated future gross profit	£8,158m	£8,258m	-£100m

(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

- The value of underlying sales secured in the first half was 2% ahead of the equivalent values secured in the financial year to 30 April 2022 on a like-for-like basis, with sales since the end of September around 25% lower than they were for the first five months of the financial year. Pricing has remained firm throughout.

- On target to deliver pre-tax earnings of approximately £600 million for the year ending 30 April 2023.

- Matching supply to demand and, based upon current trading, now targeting pre-tax earnings of at least £1.05 billion for the following two years (previously £1.25 billion), which is likely to be slightly weighted to the first of these, in line with market consensus and the objective of delivering a sustainable pre-tax ROE of 15% through the cycle.

- Commitment to £283 million (£2.60 per share) per annum ongoing Shareholder Returns up to 30 September 2025 re-affirmed, with next £141 million due for the six months ending 31 March 2023, of which £56 million has already been returned via share buy-backs.

- Maintaining target to be working capital neutral over this and the next financial year.

- 26 of 32 long-term complex regeneration developments in production.

DELIVERING FOR ALL STAKEHOLDERS

- 2,080 homes delivered, plus 251 in joint ventures (2021: 1,828, plus 395) – Berkeley is delivering some 10% of London’s new private and affordable homes – supporting approximately 27,000 UK jobs per annum directly and indirectly throughout its supply chain over the last five years.

- Approximately £374 million of subsidies provided to deliver affordable housing and committed to wider community and infrastructure benefits in the period.

- Industry leading Net Promoter Score (+73.9) and customer satisfaction ratings maintained.

- Supporting nature recovery with 49 developments now committed to biodiversity net gain, which together will create more than 500 acres of new or measurably improved natural habitats.

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

- A further 77 apprentices, graduates and trainees joined in the period, with 9% of employees in ‘earn and learn’ positions.

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

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 White City Living, a former warehouse complex, where we have now delivered 840 private and affordable homes, a hugely popular community park, pedestrian routes to Westfield Shopping Centre and an Amazon Fresh convenience store.

At Grand Union we recently joined local residents and councillors to launch a beautiful canal-side public plaza, featuring a restored narrowboat, life-size sculptures inspired by pupils from nearby Alperton Community School and a 5,000 sq ft Community Hub. This regeneration partnership with the London Borough of Brent is transforming the previously derelict Northfield Industrial Estate.

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%.

Current position

From the strong trading period that followed the Global Financial Crisis, Berkeley invested in accumulating its unrivalled portfolio of complex large-scale brownfield regeneration sites in and around London, which will sustain the Group's delivery profile for the next ten years. As investment in the upfront development costs on a number of these sites completes over this and the next financial year, Berkeley's focus will increasingly be on cash generation. This 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. Berkeley is targeting being working capital neutral over this period and will only invest in new sites very selectively or in partnership with landowners; such as retailers, utilities, local authorities and housing associations.

In the near-term, Berkeley will focus on matching production on existing sites to demand and delivering its forward sales over the period to 30 April 2025. Beyond this, the current operating environment, characterised by record levels of planning tariff within an increasingly complex and slow planning system, at a time of high build costs, increased regulation and higher corporation tax, alongside the 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. Berkeley's delivery of new homes will therefore result in a reduction in its land holdings.

While sales prices have been at levels to largely offset increasing costs in recent years, margins may be placed under pressure if these headwinds do not abate sufficiently and as households and businesses come to terms with heightened inflation, increased interest rates and the more protracted recession articulated by the Bank of England in its most recent forecasts.

Shareholder Returns

Berkeley has in place a long-term plan for shareholder returns, based upon an ongoing annual return of £283 million planned through to September 2025, which can be made through either dividends or share buy-backs.

In September, Berkeley paid a dividend of £23 million (21.25 pence per share) which completed the return of £141 million that was due in respect of the six months ended 30 September 2022, with £118 million having been returned via share buy-backs, of which £64 million was returned in the previous financial year and £54 million during this half.

Berkeley has committed to the next ongoing scheduled shareholder return, which is the £141 million in respect of the six months ending 31 March 2023, against which £56 million has been returned via share buy-backs in the first half of the year.

Therefore, the total amount returned via share buy-backs in this period is £110 million across 2.9 million shares, at an average price of £37.61 per share.

The ongoing annual return of £283 million currently equates to £2.60 per share; a 30% increase on the initial £2.00 per share initiated in 2016 following share buy-backs undertaken since that date and the share consolidation in the previous financial year.

Summary of Performance

Berkeley has delivered pre-tax profit of £284.8 million for the six-month period:

Six months ended 31 October	2022 £'m	2021 £'m	Change £'m	%
Revenue	1,200.7	1,220.7	-20.0	-1.6%
Gross profit	323.8	346.5	-22.7	-6.6%
Operating expenses	(89.9)	(75.5)	-14.4	+19.1%
Operating profit	233.9	271.0	-37.1	-13.7%
Net finance costs	(10.6)	(5.0)	-5.6	
Share of joint ventures	61.5	24.7	+36.8	
Profit before tax	284.8	290.7	-5.9	-2.0%
Pre-tax return on equity	18.0%	19.1%	-1.1%	
Earnings per share – basic	200.4p	201.7p	-1.3p	-0.6%
Shareholder Returns				
Dividend paid / B-Share payment	23.3	451.5	-428.2	
Share buy-backs	110.5	34.7	+75.8	
Shareholder return in the period	133.8	486.2	-352.4	

As a result of its forward sales at the start of the financial year and sales rates which have been ahead of last year, Berkeley anticipates delivering full year profits in line with its previous guidance of approximately £600 million.

Berkeley expects its pre-tax earnings for the following two years to be at least £1.05 billion (previously approximately £1.25 billion). This level of profitability is in line with Berkeley's objective of generating a sustainable 15% pre-tax ROE through the cycle, whilst operating margins are expected to be at normal historical levels.

Housing Market and Operating Environment

Sales

For Berkeley, the value of underlying sales reservations for the current six month period to 31 October 2022 is 2% ahead of the levels secured throughout 2021/22 on a like-for-like basis. As noted in June, sales in this comparative period were back to pre-pandemic levels.

Since the end of September, Berkeley's sales have been 25% lower than levels experienced for the first five months of the financial year. This is a resilient performance in the context of the current market volatility and reflects the strength and depth of demand in London.

Pricing has remained above business plan levels throughout this period and into November, with cancellation rates rising from early-teens to around 20% in the last couple of months. Berkeley's sales continue to be split broadly evenly between owner-occupiers and investors.

In line with the strength of the London market during the first half, the Group's cash due on forward sales stands at £2.33 billion as at 31 October 2022, up 7% on the £2.17 billion held at the recent year-end. This represents the cash due on exchanged private sales contracts which will be collected over the next three financial years and excludes secured sales in St Edward and forward sales to housing associations.

The latest quarterly DLUHC data shows new starts in London for the 12 months to June 2022 of 21,500 (including private, PRS and affordable homes). This remains substantially below both the current London Plan target of 52,000 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 in this period, whilst one long-term site contracted on a conditional basis in Motspur Park has been added to the long-term pipeline.

On the planning front, Berkeley has secured one new consent in the period; at St William's site in Worthing, Sussex for around 190 homes. We have obtained numerous revisions to existing consents in the period as we continue to progress our sites; most notably at The Green Quarter (Ealing), White City, Hartland Village (Fleet), Hareshill (Crookham) and The Eight Gardens (Watford).

The Levelling Up and Regeneration Bill has continued to evolve as it progresses through Parliament, with a number of significant amendments tabled in recent weeks. We support the Government's key objectives for reform, which are to further encourage a brownfield first approach, improve the quality of new homes and the new places created, and to better engage communities in the plans made for their area. This does, however, need to be balanced with the societal need for more homes and wider benefits they bring. Consequently, we are concerned that any weakening of the presumption in favour of sustainable development and the status of five year land supply targets will reduce the pace of delivery of new homes. This will create uncertainty, less predictability of outcome and less stability, which will lead to lower investment going forward.

As a brownfield focused developer we welcome the Government's recent announcement of a review into what further measures would prioritise the use of brownfield land. We will continue to make the case for an efficient, delivery focused, planning and regulatory system that is able to meet the needs of local people through bespoke design led negotiations on strategic development sites, for which we believe S106 agreements remain an essential tool.

Similarly, we have consistently argued that design codes make sense for new additions to existing neighbourhoods, but that where a new neighbourhood is being created it is more appropriate to engage in a bespoke, design led, approach. This will better engage the local community than an abstract conversation, it will maximise the benefits of a site, and ensure new development is built to an appropriate density.

Inevitably during a period of transition there is a pause as stakeholders seek to understand the new system. We therefore hope the reform agenda has now reached a settled position that is able to command broad support in order to create a settled planning environment as soon as possible, providing confidence for all stakeholders.

Construction

Material cost inflation has begun to reduce, but this varies considerably by product, with those which are energy-intensive in their manufacture or in high demand remaining at elevated levels. Labour cost inflation has been benign relative to materials inflation and, despite the ongoing wider inflationary environment for consumers, we do not expect labour costs to substantially increase from this point given the softening outlook for the construction sector.

Overall, despite the fact that high increases in some materials will continue, we expect build cost inflation to start to moderate during 2023 from the current elevated levels which have been between up to 10% across our portfolio on a blended basis for some time.

Berkeley Modular continues to produce the first modules at its modular factory in Northfleet, which will be delivered to Kidbrooke Village during the New Year and is working with the numerous statutory bodies to achieve the various regulatory approvals required for efficient future delivery.

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. 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.

Earlier in the year, Berkeley welcomed the withdrawal of the Consolidated Advice Note, which had created much uncertainty in this process, and its replacement by PAS9980, a proportionate risk-based approach that has the support of the wider industry. Based upon this approach and assurances from Government about its fair and equitable implementation, Berkeley signed the Developer Pledge. The Pledge commits signatories to take responsibility for remediating life-critical fire safety issues, based upon the PAS 9980 assessment, on buildings it developed over 30 years which Berkeley is fully committed to and progressing. Berkeley is carrying out PAS9980 assessments on all relevant buildings and will undertake any works necessary to address life-critical fire safety issues.

The Pledge also commits signatories to assume responsibility for remediating buildings accepted by Government into the Building Safety Fund and to meet historic funding commitments Government has made on certain of these buildings. It is Berkeley's preference to take full responsibility for all its buildings and complete any required works ourselves as determined by a PAS9980 assessment as this will speed up the overall process of remediation. There are a number of buildings that Berkeley has been asked to fund where historic funding commitments have been made for works that are not life-critical fire safety issues and we are working through these with the relevant parties.

We are in detailed discussions with DLUHC in respect of the long-form contract that sits alongside the Pledge. It is in the interests of all stakeholders, including leaseholders, local and national government, banks and developers that the long form contract follows the principles of the Pledge and has both a clear standard against which buildings can be assessed for life-critical fire safety issues, and an independent dispute resolution process.

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 and is fully supportive of this approach. With the Developer Pledge and 4% Residential Property Developer Tax ('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 to see recently that Government is continuing with its plans to introduce an additional Building Safety Levy with the target of raising a further £3 billion from the industry, as it will further reduce much needed investment in brownfield regeneration.

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.

Outlook

Berkeley ends the period in a robust position with good visibility of near-term earnings underpinned by £2.3 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.

We will also continue to serve our customers and the communities in which we work, delivering new neighbourhoods on brownfield land that stitch these neglected parts of our cities back into the local fabric, bringing new amenities and using land in the most efficient and sustainable way.

The delivery of new private and affordable homes is a force for good, generating better health outcomes, new jobs and skills, economic growth and social mobility which benefits the whole of society. Its importance needs to be fully recognised.

Rob Perrins
Chief Executive

TRADING AND FINANCIAL REVIEW

Trading performance

Revenue of £1,200.7 million in the period (2021: £1,220.7 million) arose primarily from the sale of new homes in London and the South East. This included £1,185.8 million of residential revenue (2021: £1,199.7 million) and £14.9 million of commercial revenue (2021: £21.0 million).

2,080 new homes (2021: 1,828) were sold across London and the South East at an average selling price of £560,000 (2021: £647,000) reflecting the mix of properties sold in the period.

The gross margin percentage is 27.0% (2021: 28.4%), reflecting the mix of developments. Overheads of £89.9 million (2021: £75.5 million) include St William overhead following the acquisition in March 2022. The operating margin has decreased to 19.5% (2021: 22.2%), moving towards the historic range.

Berkeley's share of the results of joint ventures is a profit of £61.5 million (2021: £24.7 million), with St Edward's profits arising predominately from completions at Royal Warwick Square and Milbank.

The Group has remained cash positive on a net basis throughout the period. Net finance costs were £10.6 million for the period (2021: £5.0 million) due to facility fees, interest on borrowings and imputed interest on land creditors, which continues to outweigh interest income on cash deposits.

The taxation charge for the period is £63.1 million (2021: £50.9 million) which yields an effective tax rate of 22.2% (2021: 17.5%) following the introduction of the additional 4% residential property developer tax (RPDT) in April 2022.

Pre-tax return on equity for the period is 18.0%, compared to 19.1% for the comparative period. Basic earnings per share have decreased marginally to 200.4 pence per share (2021: 201.7 pence per share), which takes account of the buy-back of 2.9 million shares at a cost of £110.5 million under the Shareholder Returns Programme.

Financial Position

The Group's net assets increased over the six-month period by £73.5 million to £3,209.6 million (30 April 2022: £3,136.1 million):

Summarised balance sheet as at	31-Oct-22 £'m	30-Apr-22 £'m	Change £'m
Non-current assets	363.2	374.6	-11.4
Inventories	5,298.2	5,134.0	+164.2
Debtors	82.8	150.2	-67.4
Creditors	(2,877.2)	(2,791.6)	-85.6
Capital employed	2,867.0	2,867.2	-0.2
Net cash	342.6	268.9	+73.7
Net assets	3,209.6	3,136.1	+73.5
Shares, net of treasury and EBT	108.6m	111.3m	-2.7m
Net asset value per share	2,956p	2,818p	+138p

Inventories

Inventories of £5,298.2 million include £919.7 million of land not under development (30 April 2022: £738.1 million), £4,259.6 million of work in progress (30 April 2022: £4,255.1 million) and £118.9 million of completed stock (30 April 2022: £140.8 million).

The increase in land not under development in the period arises from the completion during May and June 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 period.

Creditors

Total creditors of £2,877.2 million include £939.2 million of on-account receipts from customers (30 April 2022: £931.4 million) and land creditors of £929.1 million (30 April 2022: £800.7 million), with the latter's increase represented by the completion of the St William sites noted above. Of the total £929.1 million land creditor balance, £69.8 million is short-term and £859.3 million is spread over the following nine years.

Creditors also include provisions of £175.3 million (30 April 2022: £161.0 million) which represents post-completion development obligations and other provisions.

Net cash

The Group ended the period with net cash of £342.6 million (30 April 2022: £268.9 million), an increase of £73.7 million:

Abridged Cash Flow for the period ended	**31-Oct-22 £'m**
Profit before taxation	284.8
Taxation paid	(67.3)
Net investment in working capital	(13.7)
Net distribution from joint ventures	6.2
Other movements	(2.5)
Shareholder returns	(133.8)
Decrease in net cash	73.7
Opening net cash	268.9
Closing net cash	342.6

The net cash of £342.6 million consists of gross cash holdings of £1,002.6 million, net of £660 million of long-term borrowings.

Net assets and NAVPS

Net assets increased over the six-month period by £73.5 million, or 2.3%, to £3,209.6 million (2022: £3,136.1 million) primarily due to the profit after tax for the period of £221.7 million outweighing the shareholder returns of £133.8 million (comprising £110.5 million share buy backs and £23.3 million dividends) and other movements in reserves of £14.4 million.

The shares in issue, net of treasury and EBT shares, closed at 108.6 million compared to 111.3 million at the start of the period. The net reduction of 2.7 million shares comprises two movements:

- The 2.9 million share buy-backs undertaken during the period for £110.5 million (£37.61 per share);
- The issue of 0.2 million shares under the 2011 LTIP.

Consequently, the net asset value per share is 2,956 pence, up 4.9% from the 2,818 pence at 30 April 2022.

Funding

The Group's borrowing capacity is unchanged from the recent year-end at £1,200 million, comprising:

- £400 million unsecured 10-year Green Bonds which mature in August 2031 at a fixed coupon of 2.5% per annum;
- £800 million banking facilities, comprising a £260 million Green Term loan and a £540 million undrawn revolving credit facility ('RCF'). These facilities are in place for a period of five years to February 2027, with two one-year extension options available.

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

With total borrowings of £660 million, the Group's gross cash holdings of around £1.0 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 £184.2 million at 31 October 2022 (30 April 2022: 190.4 million). The net £6.2 million reduction in the period arises from three movements:

- Berkeley's share of profits earned in St Edward of £61.5 million;
- Berkley's share of cash distribution from St Edward of £74.9 million;
- Berkeley's share of cash contributions to site specific joint ventures of £7.2 million.

In St Edward, 251 homes were completed in the period at an average selling price of £1,036,000 (2021: 109 homes at £889,000). 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, 5,156 plots (30 April 2022: 5,317 plots) in Berkeley's land holdings relate to seven St Edward developments, three in London (Westminster, Kensington and Brentford) and four outside the Capital (Reading, Fleet, Wallingford and Guildford). The sites in Brentford and Guildford are contracted on a conditional basis subject to planning.

Land Holdings and Pipeline

Berkeley's land holdings comprise 64,121 plots at 31 October 2022 (30 April 2022: 66,163 plots), including the St Edward joint venture. Of these land holdings, 60,956 plots (30 April 2022: 62,998) are on 81 sites that are owned and included on the balance sheet of the Group or its joint venture, or is unconditionally contracted in the case of one St William site. The remaining 3,165 plots (30 April 2022: 3,165) are on three contracted sites which either do not yet have a planning consent or have another conditional element such as vacant possession.

The plots in the land holdings at 31 October 2022 have an estimated future gross profit of £8.16 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. The future gross profit has reduced in the period as the gross profit taken through the Income Statement has exceeded optimisation and market movements, with no new sites added in the period. The future gross margin is at 26.5% at the end of the period (30 April 2022: 26.5%).

In addition, Berkeley has approximately 8,500 plots on seven sites (30 April 2022: 8,000 plots on six sites) that constitute its pipeline, having conditionally contracted one long-term site in the period.

The status of the 81 owned and unconditionally contracted sites is:

- 55 sites (plots: 44,680) have an implementable planning consent and are in production;
- 14 sites (plots: 9,175) 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; and
- 12 sites (plots: 7,101) do not have a planning consent.

Of the three contracted sites, one site has a resolution to grant consent, but remains subject to a call-in.

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 ten 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.

Driving ambitious carbon action

Berkeley's climate action programme is driving our progress towards our science-based carbon reduction targets and we were delighted to be recognised with a Carbon Reduction Award at the Better Society Network's cross-sector National Sustainability Awards 2022. We have a CDP Climate Action and Transparency Leadership level rating of "A-".

Direct emissions **-** within our own operations (scopes 1 and 2) we continue to focus on energy efficiency, with a particular emphasis on site set up and out of hours usage. We have purchased biodiesel HVO on 95% of our sites as a lower carbon alternative to diesel, saving 600 tCO2e in this half year period. When combined with our supply chain consumption on our sites, the saving is 2,250 tCO2e in this half year period.

Embodied carbon **-** following the completion of 15 detailed life cycle carbon assessments (scope 3 category 1) last financial year, we have now set quantitative targets to reduce embodied carbon for new developments. Life cycle assessments will now be completed on new developments, helping us to gain further insight and work towards meeting our science-based targets.

We remain committed to a just transition to net zero, which means working collaboratively with our existing UK-based suppliers and the UK energy sector as they decarbonise, rather than switching procurement to countries with a cleaner energy sources and lower embodied carbon products.

Low carbon homes **-** we continue to deliver efficient homes (scope 3 category 11) through a fabric-first design approach, in combination with the most appropriate technology and infrastructure solution for each site. We are implementing the requirements of the 2021 Building Regulations (effective June 2022 with 12-month transitional arrangements) and preparing for the more stringent Future Homes Standard.

We continue to engage with industry to meet this important challenge through participation in the UKGBC's Advancing Net Zero Programme and as Chair of the sector group of the Net Zero Carbon Building Standard Homes Group.

Supporting nature's recovery

We are proud to pioneer nature recovery within our industry and to play a proactive role in reversing biodiversity loss within the communities we serve. We have built up a pipeline of 49 developments committed to biodiversity net gain, which together will deliver over 500 acres of new or measurably improved natural habitats.

We are evolving our approach, having commissioned and embedded new best practice landscape design guidance from the Wildfowl and Wetlands Trust (WWT) on incorporating blue and green infrastructure within our masterplans. This is enabling both our customers and the natural environment to benefit from the wealth of biodiversity supported by these habitats. We are honoured to be a founding member of the WWT's Blue Recovery Leaders Group, working to restore, improve and create more wetland habitats.

Communities and social value

Our ambition on every site is to strengthen the local community, support people's health, wellbeing and quality of life and deliver lasting social value that can be felt both within and beyond our site boundaries.

85% of our projects involve the regeneration of brownfield land in the heart of existing towns and cities. Reviving these well-connected sites helps to reenergise surrounding communities and deliver new homes, jobs, amenities and growth where they are most sustainable and most needed.

Examples include Oval Village, previously a disused gasworks, where we are currently welcoming residents to the first private and affordable homes and delivering 2.5 acres of public space, a 179% biodiversity net gain, a mix of public amenities and flexible employment space to support 1,000 permanent jobs.

Every new masterplan and wider placemaking strategy is informed by our bespoke social value tool and we continue to embed Community Plans on every regeneration site to help connect neighbours and create inclusive, fun and resilient places. Examples of Community Plan initiatives include Royal Arsenal's Platinum Jubilee street party which brought together 2,000 Woolwich residents and mental health awareness events and exercise classes at Hartland Village in Hampshire.

Future skills

We welcomed 77 apprentices, graduates and sponsored students to our future skills programmes in autumn 2022 and currently have 9% of our employees in earn and learn roles, in addition to around 300 trainees working on our sites through our supply chain. This performance secured Gold Member status from The 5% Club.

We continue to promote careers in the built environment sector and inspire new talent to join our hugely rewarding and varied industry through a range of programmes and events. Recent initiatives include partnering with Young Professionals to bring 150 students to West End Gate in Westminster to experience a live regeneration site and learn about built environment career opportunities. We are also supporting the Royal Borough of Greenwich and SHCH Sixth Form to help young people with learning disabilities take their first steps into employment.

Increasing the diversity of our workforce is a priority and we continue to apply the principles and commitments of the Mayor's Fund for London's Diversity Pledge and work in partnership with Women Into Construction.

The Berkeley Foundation

The Berkeley Foundation (the "Foundation") is our 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.

We are acutely aware that high inflation is putting added pressure on vulnerable households and the fantastic voluntary sector partners which support them. The Berkeley Foundation has continued to support our charity partners over the period, which work closely with the communities around our sites to tackle inequalities and create opportunities for those in greatest need.

Highlights for the Foundation within the period include the launch of a new three-year partnership with Groundwork London to engage disadvantaged young people to enhance local green community spaces and prepare them for careers in the green economy.

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 87 to 101 of The Berkeley Group Holdings plc Annual Report for the year ended 30 April 2022. These comprise the 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 consolidated 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 United Kingdom and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, 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 year ended 30 April 2022. 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
9 December 2022

R J Stearn
Finance Director
9 December 2022

Condensed Consolidated Income Statement

	Notes	**Six months ended 31 October 2022 Unaudited £m**	Six months ended 31 October 2021 Unaudited £m	Year ended 30 April 2022 Audited £m
Revenue		**1,200.7**	1,220.7	2,348.0
Cost of sales		**(876.9)**	(874.2)	(1,683.2)
Gross profit		**323.8**	346.5	664.8
Net operating expenses		**(89.9)**	(75.5)	(156.9)
Operating profit		**233.9**	271.0	507.9
Finance income	3	**6.0**	0.7	2.5
Finance costs	3	**(16.6)**	(5.7)	(15.0)
Share of results of joint ventures using the equity method		**61.5**	24.7	56.1
Profit before taxation for the period		**284.8**	290.7	551.5
Income tax expense	4	**(63.1)**	(50.9)	(69.1)
Profit after taxation for the period		**221.7**	239.8	482.4
Earnings per share (pence):				
Basic	5	**200.4**	201.7	417.8
Diluted	5	**197.9**	197.9	411.4

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 31 October 2022 Unaudited £m	Six months ended 31 October 2021 Unaudited £m	Year ended 30 April 2022 Audited £m
Profit after taxation for the period	**221.7**	239.8	482.4
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss			
Actuarial (loss)/gain recognised in the pension scheme	**(1.7)**	0.7	(1.6)
Total items that will not be reclassified to profit or loss	**(1.7)**	0.7	(1.6)
Other comprehensive (expense)/income for the period	**(1.7)**	0.7	(1.6)
Total comprehensive income for the period	**220.0**	240.5	480.8

Condensed Consolidated Statement of Financial Position

As at	Notes	**31 October 2022 Unaudited £m**	31 October 2021 Unaudited £m	30 April 2022 Audited £m
Assets				
Non-current assets				
Intangible assets		**17.2**	17.2	17.2
Property, plant and equipment		**40.4**	42.2	40.5
Right-of-use assets		**5.0**	2.8	5.8
Investments accounted for using the equity method		**184.2**	333.1	190.4
Deferred tax assets		**116.4**	40.7	120.7
		363.2	436.0	374.6
Current assets				
Inventories	6	**5,298.2**	3,710.0	5,134.0
Trade and other receivables		**78.2**	74.1	145.7
Current tax assets		**4.6**	10.8	4.5
Cash and cash equivalents	7	**1,002.6**	1,245.5	928.9
		6,383.6	5,040.4	6,213.1
Total assets		**6,746.8**	5,476.4	6,587.7
Liabilities				
Non-current liabilities				
Borrowings	7	**(660.0)**	(400.0)	(660.0)
Trade and other payables		**(859.3)**	(320.2)	(719.8)
Lease liability		**(3.1)**	(1.2)	(3.8)
Provisions for other liabilities and charges		**(117.2)**	(66.9)	(98.5)
		(1,639.6)	(788.3)	(1,482.1)
Current liabilities				
Trade and other payables		**(1,837.3)**	(1,700.6)	(1,904.9)
Lease liability		**(2.2)**	(1.6)	(2.1)
Provisions for other liabilities and charges		**(58.1)**	(61.8)	(62.5)
		(1,897.6)	(1,764.0)	(1,969.5)
Total liabilities		**(3,537.2)**	(2,552.3)	(3,451.6)
Total net assets		**3,209.6**	2,924.1	3,136.1
Equity				
Shareholders' equity				
Share capital		**6.3**	6.6	6.5
Share premium		**49.8**	49.8	49.8
Capital redemption reserve		**25.2**	25.0	25.0
Other reserve		**(961.3)**	(961.3)	(961.3)
Retained earnings		**4,089.6**	3,804.0	4,016.1
Total equity		**3,209.6**	2,924.1	3,136.1

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 2022	**6.5**	**49.8**	**25.0**	**(961.3)**	**4,016.1**	**3,136.1**
Profit after taxation for the period	**-**	**-**	**-**	**-**	**221.7**	**221.7**
Other comprehensive expense for the period	**-**	**-**	**-**	**-**	**(1.7)**	**(1.7)**
Purchase of own shares	**(0.2)**	**-**	**0.2**	**-**	**(110.5)**	**(110.5)**
Transactions with shareholders:						
- Charge in respect of employee share schemes	**-**	**-**	**-**	**-**	**(4.3)**	**(4.3)**
- Deferred tax in respect of employee share schemes	**-**	**-**	**-**	**-**	**(8.4)**	**(8.4)**
- Dividends to equity holders of the Company	**-**	**-**	**-**	**-**	**(23.3)**	**(23.3)**
At 31 October 2022	**6.3**	**49.8**	**25.2**	**(961.3)**	**4,089.6**	**3,209.6**
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
- Surplus Capital Return via B Share Scheme	-	-	-	-	(451.5)	(451.5)
At 31 October 2021	6.6	49.8	25.0	(961.3)	3,804.0	2,924.1
Audited						
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
- Surplus Capital Return via B Share Scheme	-	-	-	-	(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

	Notes	**Six months ended 31 October 2022 Unaudited £m**	Six months ended 31 October 2021 Unaudited £m	Year ended 30 April 2022 Audited £m
Cash flows from operating activities				
Cash generated from operations	7	**218.8**	286.8	372.4
Consideration paid for 50% share of St William assets		**-**	-	(355.6)
Interest received		**4.3**	0.7	1.9
Interest paid		**(13.0)**	(4.0)	(5.6)
Income tax paid		**(67.3)**	(51.7)	(142.6)
Net cash flow from operating activities		**142.8**	231.8	(129.5)
Cash flows from investing activities				
Purchase of property, plant and equipment		**(1.7)**	(0.8)	(1.3)
Proceeds on disposal of property, plant and equipment		**-**	-	0.3
Dividends from joint ventures		**74.9**	-	-
Movements in loans with joint ventures		**(7.2)**	(26.7)	(26.7)
Net cash flow from investing activities		**66.0**	(27.5)	(27.7)
Cash flows from financing activities				
Lease capital repayments		**(1.3)**	(0.9)	(1.9)
Proceeds associated with settlement of share options		**-**	0.1	-
Purchase of own shares		**(110.5)**	(34.7)	(63.7)
Dividends / B-Share payments to shareholders		**(23.3)**	(451.5)	(451.5)
Drawdown of bank borrowings		**-**	-	260.0
Increase in listed borrowings		**-**	400.0	400.0
Repayment in bank borrowings		**-**	(300.0)	(300.0)
Repayment of St William bank borrowings		**-**	-	(185.0)
Net cash flow from financing activities		**(135.1)**	(387.0)	(342.1)
Net increase/(decrease) in cash and cash equivalents		**73.7**	(182.7)	(499.3)
Cash and cash equivalents at the start of the financial period		**928.9**	1,428.2	1,428.2
Cash and cash equivalents at the end of the financial period		**1,002.6**	1,245.5	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.

This condensed consolidated interim financial information was approved for issue on 9 December 2022. 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 2022 were approved by the Board of Directors on 22 June 2022 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 Interim Financial Statements have been reviewed, not audited.

2 Basis of preparation

2.1 Introduction

This condensed consolidated interim financial information for the six months ended 31 October 2022 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 2022 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 UK-adopted International Financial Reporting Standards (IFRS) and were delivered to the Registrar of Companies.

The accounting policies, presentation and method of computations adopted in the preparation of the 31 October 2022 Condensed Consolidated Interim Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2022 except in respect of taxation which is based on the expected effective tax rate for the year ending 30 April 2023.

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 2022:

- IAS 16, Property, Plant and Equipment: Proceeds before Intended Use;
- IAS 37, Onerous Contracts: Cost of Fulfilling a Contract;
- IFRS 3, Business Combinations: References to the Conceptual Framework; and
- Annual Improvements to IFRS 9 Financial Instruments and IFRS 16 Leases.

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

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 2022, the Group has net cash of £342.6 million and total liquidity of £1,542.6 million, when this net cash is combined with banking facilities of £800 million (which lapse in February 2027) and £400 million green listed bonds (which mature in August 2031). Furthermore, the Group has cash due on forward sales of £2.33 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 Interim Financial Statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the Group's Condensed Consolidated Interim Financial Statements.

3 Net finance costs

	Six months ended 31 October 2022 Unaudited £m	Six months ended 31 October 2021 Unaudited £m	Year ended 30 April 2022 Audited £m
Finance income	**6.0**	0.7	2.5
Finance costs			
Interest payable on borrowings and non-utilisation fees	**(10.5)**	(4.8)	(12.1)
Amortisation of facility fees	**(0.8)**	(0.6)	(1.8)
Other finance costs	**(5.3)**	(0.3)	(1.1)
	(16.6)	(5.7)	(15.0)
Net finance costs	**(10.6)**	(5.0)	(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.

Notes to the Condensed Consolidated Financial Information

4 Income tax expense

	Six months ended 31 October 2022 Unaudited £m	Six months ended 31 October 2021 Unaudited £m	Year ended 30 April 2022 Audited £m
Current tax including RPDT			
UK corporation tax payable	**(67.4)**	(53.6)	(148.2)
Adjustments in respect of previous years	**(1.9)**	-	2.3
	(69.3)	(53.6)	(145.9)
Deferred tax including RPDT			
Deferred tax movements	**4.3**	2.7	73.0
Adjustments in respect of previous years	**1.9**	-	3.8
	6.2	2.7	76.8
	(63.1)	(50.9)	(69.1)

The Residential Property Developer Tax ("RPDT") is 4% and was introduced on 1 April 2022.

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 2022 Unaudited	Six months ended 31 October 2021 Unaudited	Year ended 30 April 2022 Audited
Profit attributable to shareholders (£m)	**221.7**	239.8	482.4
Weighted average no. of shares (m)	**110.6**	118.9	115.5
Basic earnings per share (p)	**200.4**	201.7	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 31 October 2022, the Group had one (2021: one) category of potentially dilutive ordinary shares: 1.2 million (2021: 1.9 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.

Notes to the Condensed Consolidated Financial Information

5 Earnings per share (continued)

	Six months ended 31 October 2022 Unaudited	Six months ended 31 October 2021 Unaudited	Year ended 30 April 2022 Audited
Profit used to determine diluted EPS (£m)	**221.7**	239.8	482.4
Weighted average no. of shares (m)	**110.6**	118.9	115.5
Adjustments for:			
Share options - 2011 LTIP	**1.4**	2.3	1.8
Shares used to determine diluted EPS (m)	**112.0**	121.2	117.3
Diluted earnings per share (p)	**197.9**	197.9	411.4

6 Inventories

	Six months ended 31 October 2022 Unaudited	Six months ended 31 October 2021 Unaudited	Year ended 30 April 2022 Audited
Land not under development	**919.7**	396.8	738.1
Work in progress: Land cost	**1,897.5**	1,076.4	1,952.5
Total land	**2,817.2**	1,473.2	2,690.6
Work in progress: Build cost	**2,362.1**	2,080.6	2,302.6
Completed units	**118.9**	156.2	140.8
Total inventories	**5,298.2**	3,710.0	5,134.0

Notes to the Condensed Consolidated Financial Information

7 Notes to the Condensed Consolidated Cash Flow Statement

	Six months ended 31 October 2022 Unaudited £m	Six months ended 31 October 2021 Unaudited £m	Year ended 30 April 2022 Audited £m
Profit for the financial period	**221.7**	239.8	482.4
Adjustments for:			
Taxation	**63.1**	50.9	69.1
Depreciation	**2.9**	2.8	5.6
Loss on sale of PPE	**-**	-	0.1
Finance income	**(6.0)**	(0.7)	(2.5)
Finance costs	**16.6**	5.7	15.0
Share of results of joint ventures after tax	**(61.5)**	(24.7)	(56.1)
Non-cash charge in respect of share awards	**(4.3)**	(8.1)	(8.6)
Changes in working capital:			
Increase in inventories	**(164.3)**	(54.8)	(332.5)
Decrease/(increase) in trade and other receivables	**67.9**	2.2	(61.0)
Increase in trade and other payables	**82.7**	74.1	260.9
Net change in employee benefit obligations	**-**	(0.4)	-
Cash generated from operations	**218.8**	286.8	372.4

Reconciliation of net cash flow to net cash			
Net increase/(decrease) in net cash and cash equivalents, including bank overdraft	**73.7**	(182.7)	(684.3)
Increase in borrowings	**-**	(100.0)	(660.0)
Decrease in borrowings	**-**	-	485.0
Movement in net cash in the financial period	**73.7**	(282.7)	(859.3)
Opening net cash	**268.9**	1,128.2	1,128.2
Closing net cash	**342.6**	845.5	268.9

Net cash			
Cash and cash equivalents	**1,002.6**	1,245.5	928.9
Non-current borrowings	**(660.0)**	(400.0)	(660.0)
Net cash	**342.6**	845.5	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 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

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 2022 Unaudited	Six months ended 31 October 2021 Unaudited	Year ended 30 April 2022 Audited
Net assets (£m)	**3,209.6**	2,924.1	3,136.1
Total shares in issue (million)	**117.7**	121.3	120.6
Less:			
Treasury shares held (million)	**(9.0)**	(9.2)	(9.2)
Employee benefit trust shares held (million)	**(0.1)**	(0.1)	(0.1)
Net shares used to determine NAVPS (million)	**108.6**	112.0	111.3
Net asset per share attributable to shareholders (pence)	**2,955.7**	2,610.7	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.

	Six months ended 31 October 2022 Unaudited	Six months ended 31 October 2021 Unaudited	Year ended 30 April 2022 Audited
Operating profit	**233.9**	271.0	507.9
Share of joint ventures using equity method	**61.5**	24.7	56.1
Profit used to determine ROCE	**295.4**	295.7	564.0
Opening capital employed:			
Net assets	**3,136.1**	3,175.4	3,175.4
Net cash	**(268.9)**	(1,128.2)	(1,128.2)
Opening capital employed	**2,867.2**	2,047.2	2,047.2
Closing capital employed:			
Net assets	**3,209.6**	2,924.1	3,136.1
Net cash	**(342.6)**	(845.5)	(268.9)
	2,867.0	2,078.6	2,867.2
Average capital employed	**2,867.1**	2,062.9	2,457.2
Return on capital employed (%)	**20.6%**	28.7%	23.0%

Notes to the Condensed Consolidated Financial Information

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.

	Six months ended 31 October 2022 Unaudited	Six months ended 31 October 2021 Unaudited	Year ended 30 April 2022 Audited
Opening shareholders equity	**3,136.1**	3,175.4	3,175.4
Closing shareholders equity	**3,209.6**	2,924.1	3,136.1
Average shareholders' equity	**3,172.8**	3,049.7	3,155.8
Return on equity before tax:			
Profit before tax	**284.8**	290.7	551.5
Return on equity before tax (%)	**18.0%**	19.1%	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 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.

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 £35,698 (2021: £21,792) to the Group in connection with works carried out at his home at commercial rates in accordance with the relevant policies of the Group. There were no balances outstanding at the period end (2021: £nil).

Transactions with Joint Ventures

During the financial period, the joint ventures paid management fees and other recharges to the Group of £9.0 million (2021: £22.7 million). Other transactions in the period include the movements in loans of £7.2 million (2021: £26.7 million) and the receipt of dividends of £74.9 million (2021: £nil).

The outstanding loan balances with joint ventures at 31 October 2022 total £36.6 million (30 April 2022: £29.3 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 2022 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 2022 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued 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.

Conclusions relating to going concern

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

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

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 UK-adopted international accounting 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 as adopted for use in the UK.

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

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

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. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

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.

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

9 December 2022