PRESS RELEASE **4 DECEMBER 2020**

INTERIM RESULTS ANNOUNCEMENT

The Berkeley Group Holdings plc ("Berkeley") today announces its unaudited interim results for the six months ended 31 October 2020.

Berkeley is the country's leading place-maker, operating principally in London, Birmingham and the South East. We are a proud UK business specialising in the creation of beautiful, successful and sustainable places where communities thrive and people of all ages and backgrounds enjoy a great quality of life.

Rob Perrins, Chief Executive, said:

"Berkeley's performance over the last six months is characterised by four features. First, the resolve and expertise of our people and supply chain who have adapted their working practices to ensure they could continue serving our customers and meeting our commitments to all stakeholders safely and securely within the unprecedented constraints placed upon us all by Covid-19. I would like to express my thanks and admiration to them all.

Secondly, today's resilient results which are in line with Berkeley's guidance of achieving a 15% pre-tax return on equity and maintaining our £280 million annual cash return to shareholders across the cycle, are underpinned by Berkeley's uniquely long-term operating model.

Thirdly, we have continued to invest in the business; adding four new sites covering 2,800 homes to our land holdings that now includes 28 large, complex, long-term regeneration sites; and increasing our investment in build work-in-progress ahead of the growth in annual completions forecast for the next five years. At 11,000, we now have over 10% more people working on our construction sites than prior to the pandemic.

Finally, we have developed a new ten year vision for the business to ensure Berkeley continues to deliver a positive and lasting contribution to society, the economy and natural world, alongside sustainable, risk-adjusted returns for our shareholders. This includes new science-based targets for climate change which ensure Berkeley is fully aligned to the international effort to limit global warming to 1.5°C above pre-industrial levels."

SUMMARY OF EARNINGS, SHAREHOLDER RETURNS AND FINANCIAL POSITION

Earnings	HY to 31-Oct-20	HY to 31-Oct-19	Change per cent
Profit before tax	£230.8m	£276.7m	-16.6%
Earnings per share - basic	149.6p	176.4p	-15.2%
Pre-tax return on equity	14.9%	18.4%	-

Shareholder Returns	HY to 31-Oct-20	HY to 31-Oct-19
Share buy-backs undertaken	£37.1m	£124.6m
Dividends paid	£134.3m	£25.2m
Shareholder returns	£171.4m	£149.8m
Share buy-backs - volume	0.9m	3.3m

Financial Position	As at 31-Oct-20	As at 30-Apr-20	Change absolute
Net cash	£954m	£1,139m	-£185m
Net asset value per share	£24.82	£24.72	+£0.10
Cash due on forward sales (1)	£1,937m	£1,858m	+£79m
Land Holdings - future gross margin	£6,651m	£6,417m	+£234m

(1) Cash due on private exchanged forward sales completing within the next three years

THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2020

OPERATING HIGHLIGHTS

- Investment in Berkeley's unique operating model, delivering large, complex regeneration sites that few others have the requisite resources, expertise and risk appetite to undertake at scale. In the period:
    - Four new sites acquired covering over 2,800 homes; three in London and one in Oxfordshire.
    - Two new planning consents obtained on long-term regeneration developments; Malt Street, Southwark (1,350 homes) and Silk Park, Barnet (1,300 homes).
    - Five sites moved into production, including four long-term regeneration developments; TwelveTrees Park, West Ham (3,800 homes), St William's Poplar Riverside (2,800 homes), Horlicks Quarter, Slough (1,300 homes) and Camden Goods Yard (700 homes).

- Berkeley now has 22 of its 28 long-term complex regeneration developments in production at 31 October 2020, supporting its anticipated 50% increase in housing delivery by 2024/25 from 2018/19 levels.

DELIVERING FOR ALL STAKEHOLDERS

- 1,104 homes delivered (plus 145 in joint ventures) – Berkeley is delivering some 10% of London's new private and affordable homes – supporting approximately 32,000 UK jobs directly and indirectly throughout its supply chain.

- Approximately £120 million of subsidies provided to deliver affordable housing and committed to wider community and infrastructure benefits in the period.

- Maintained industry leading Net Promoter Score (+78.9) and customer satisfaction ratings.

- Recipient of coveted Diamond Award at RoSPA's 2020 Health & Safety Awards.

- Having been carbon neutral in our direct operations since 2017, we have set science-based targets committing Berkeley to reducing emissions from our direct operations by 50% by 2030 and reducing the carbon intensity of our homes by 40% by 2030, against our 2018/19 baseline.

- 40 developments now have net biodiversity gain strategies. Kidbrooke Village, our first development to put our approach into practice, recently won the prestigious Sir David Attenborough Award for Enhancing Biodiversity and the overall President's Award at the Landscape Institute Awards 2020.

- £600,000 made available to support the Berkeley Foundation charity partners during Covid-19.

SHAREHOLDER RETURNS

- On track to deliver a pre-tax ROE of at least 15% on a cumulative basis from 1 May 2019 to 30 April 2025, which broadly equates to annual pre-tax profits of £500 million for the six year period.

- Commitment to £280 million per annum Shareholder Returns up to 30 September 2025 re-affirmed, with next £140 million on track for payment by 31 March 2021, as previously announced.

- £455 million of surplus capital to be allocated to either incremental new land investment or enhanced cash returns to shareholders over the period to 30 April 2023.

Investor and Analyst Presentation:
A pre-recorded presentation by the Directors of Berkeley on the interim results will be made available on the Company's website at 08:00 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

Covid-19 and Future Operating Environment

The health, safety and well-being of our people remains uppermost in our minds at all times. The experience and expertise of our construction teams and subcontractors, supported by our Health and Safety professionals, means that disruption has been minimised and efficiency is now near normal levels. We have intensified our efforts to collaborate with subcontractors and manufacturers in the supply chain to ensure we manage risk, which has been a key part of maintaining these production levels.

Similarly, we have adapted our sales and marketing practices, in order to protect our customers and employees, to operate on an appointment only basis in our marketing suites under revised operating procedures. We have rapidly evolved our deployment of digital technology with customers able to have virtual appointments, fly-through tours of their homes, access to online events and videos sharing construction progress on the site and their home.

There has been much debate over the impact the pandemic will have on the housing market and living trends. We have seen a resilient market during the first half of our financial year, aided by the Government's temporary reduction in stamp duty easing this significant barrier to household mobility.

We are however very conscious of the cyclical nature of the housing market, the stability of which is closely linked to consumer sentiment. The coming months will see further evidence of the impact of Covid-19 on the economy, including the impact of the second national lockdown and tapering of Government support and stimuli, as well as the emergence of the UK's new trading relationships with the European Union and rest of the world, following Brexit.

Notwithstanding these factors, our focus on place-making, nature and community enables Berkeley to create unique and sustainable neighbourhoods at scale with excellent infrastructure and transport connections that meets the aspirations of our customers who, like us, take a long-term view. We have seen this across our portfolio with both home owners and investors prepared to look through the pandemic to secure the home of their choice. Our belief in London and our development approach is resolute and we remain committed to our core markets.

The period has seen important changes in the regulatory framework which will play a significant part in the future operating environment for Berkeley and the delivery of new homes in the UK.

The first of these is the *White Paper: Planning for the Future*. Berkeley welcomes the Government's ambition to improve, simplify and speed up the planning system in its pursuit of delivering 300,000 new homes per annum. Like all new legislation, its implementation will need careful consideration to ensure there is not a hiatus as local authorities and other stakeholders transition between regimes.

In our response to the consultation on the White Paper, Berkeley also highlighted our concerns around the proposals for a new consolidated infrastructure levy. While we recognise this is appropriate for smaller sites, it runs the very real risk of impeding the delivery of large regeneration projects which each have unique challenges that require locally negotiated solutions, with empowered local stakeholders and councils at the table. Berkeley's position is that the infrastructure levy should therefore be removed for sites over 300 homes and replaced with a locally negotiated section 106 agreement which takes account of the very significant additional costs of site specific remediation, infrastructure and other associated works that these strategic sites deliver.

Secondly, the period saw the issue of the draft *Building Safety Bill 2020* which in its own words is a "bill to make provision about the safety of people in or about buildings and the standard of buildings." We are very supportive of Government in its determination to ensure buildings are safe for the people that live in them and as part of our own drive for continuous improvement, we will ensure that our procedures will be compliant with the new legislation ahead of its anticipated implementation, and are well advanced in this regard.

Looking to the future, and having taken a leading role in the establishment of the original EWS1 process to demonstrate the safety of buildings over 18 metres, we continue to engage with MHCLG and other stakeholders to identify a holistic and comprehensive solution, based upon science and risk assessment, to release all safe buildings for mortgage valuation purposes and ensure that the housing market can operate efficiently, effectively and is fair for all.

Finally, we must not lose sight of the risks presented by the resolution of the UK's exit from the European Union. Berkeley continues to work with its supply chain to mitigate, to the extent possible, any temporary disruption to the import of materials and continues to recognise the importance of the UK remaining an open and welcoming place for business.

THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2020

Summary of Performance

Berkeley has delivered pre-tax profit of £230.8 million for the six month period. This is from the sale of 1,104 homes (2019: 1,389) at an average selling price of £799,000 (2019: £644,000), reflecting the mix of properties sold in the period:

Six months ended 31 October	2020 £'m	2019 £'m	Change £'m	 %
Revenue	895.9	930.9	-35.0	-3.8%
Gross profit	289.2	336.3	-47.1	-14.0%
Operating expenses	(61.2)	(79.9)	+18.7	+23.4%
Operating profit	228.0	256.4	-28.4	-11.1%
Net finance (costs)/income	(3.8)	0.9	-4.7	
Share of joint ventures	6.6	19.4	-12.8	
Profit before tax	230.8	276.7	-45.9	-16.6%
Pre-tax return on equity	14.9%	18.4%	-3.5%	
Earnings per share – basic	149.6p	176.4p	-26.8p	-15.2%
Shareholder Returns				
Dividends paid	134.3	25.2	+109.1	
Share buy-backs under the Returns Programme	37.1	124.6	-87.5	
Shareholder return in the period	171.4	149.8	+21.6	

At the start of the financial year, in the midst of the first lockdown, Berkeley anticipated full year pre-tax profits of around £500 million; to be split broadly one third in the first half and two thirds in the second half. With our production recovering quickly, aided by our decision not to furlough any employees, we have delivered pre-tax profits of £230.8 million and therefore now anticipate a more even distribution of profits over the year.

Our long-term guidance remains unchanged which is for a 15% cumulative pre-tax ROE for the six years ending 30 April 2025, equating to an average annual pre-tax profit of approximately £500 million, which we remain firmly on track to deliver this year.

Our earnings outlook is supported by our forward sales which have increased since the year end to £1.94 billion (April 2020: £1.86 billion), whilst net cash is at £954 million (April 2020: £1,139 million). We have continued to invest for the longer-term acquiring four new sites in the period. These site acquisitions, coupled with improvements to existing consents, has led to an increase in the estimated future gross profit in Berkeley's land holdings to £6.65 billion (April 2020: £6.42 billion).

Further underpinning future earnings, we have moved five sites into production in the period, including four long-term regeneration developments; TwelveTrees Park, West Ham (3,800 homes); St William's Poplar Riverside (2,800 homes); Horlicks Quarter, Slough (1,300 homes) and Camden Goods Yard (700 homes). Berkeley now has 22 of its 28 long-term complex regeneration developments in production at 31 October 2020, supporting its anticipated 50% increase in production by 2024/25 compared to 2018/19 delivery levels.

Capital Allocation and Shareholder Returns

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

Large scale brownfield regeneration takes longer and is more complex and capital intensive than traditional housebuilding sites. It typically involves uncertain timing from any one or combination of planning, remediation, clearing of planning conditions, utilities, CPO's, vacant possession and complex infrastructure works. When approached with great care and expertise it returns greater value to stakeholders over the long-term. Berkeley now has 28 of these long-term regeneration sites in its land holdings and is the only developer undertaking major brownfield regeneration at scale in London and the South East.

All of our sites with an implementable planning consent are in production, comprising 66 developments at 31 October 2020, including 22 long-term regeneration developments. Our financial strength, resilient operating performance during 2020 and future visibility gives us the confidence to allocate capital to these sites at this time, underpinning delivery and the Shareholder Returns. As we emerge from the economic impact of the pandemic, Berkeley will continually review its strategy and has flexibility and optionality within its business model to adjust its plans quickly should market conditions change; always prioritising financial strength ahead of annual profits.

The depth and quality of the land holdings means that Berkeley will only acquire land with compelling characteristics, where we can add value over the long-term. We have acquired four new sites in the period and made further investments into existing land interests. This investment in land interests has been ahead of replacement land value in the period (land cost taken through the income statement) by around £50 million. In June we announced the deferral by up to two years of the previously earmarked £455 million surplus capital which was to be delivered in instalments by March 2021. With the support of our shareholders this will now be delivered by 30 April 2023 through either enhanced cash returns to shareholders, incremental land investment or a combination thereof.

Berkeley is able to make its annual Shareholder Returns of £280 million through either share buy-backs or dividends. Since January 2017, when share buy-backs were first introduced, the Company has acquired 15.5 million shares for £551.3 million, at an average price of £35.62 per share and the annual return of £280 million currently equates to £2.25 per share; a 12.5% increase to the initial £2.00 per share.

The next six monthly return of £140.6 million is due to be provided by 31 March 2021. Of this £37.1 million has already been returned via share buy-backs at an average price of £41.59. The amount to be returned as dividend will be announced prior to the end of February 2021, taking account of any further share buy-backs made in the intervening period.

Housing Market

For Berkeley, the value of underlying sales reservations in the last six months has been around 15% lower than the annualised run rate for the previous financial year. Given that the period began in lockdown this is a resilient performance and is at levels which support the business plan and the Shareholder Returns. Importantly, we have seen our cash due on forward sales increase to £1.94 billion at 31 October 2020 (30 April 2020: £1.86 billion). This is a very robust position and provides good visibility over the next three years.

Berkeley has benefited from the marked improvement in housing mobility and activity generated by the Government's temporary stamp duty reduction. This eased a financial barrier that has prevented many households from moving to homes that meet their needs and demonstrates that there is strong underlying demand for housing if the right conditions for growth are in place.

According to the latest quarterly MHCLG data, new starts in London for the 12 months to June 2020 are around 12,000 and have been trending lower for the last two years. Completion volumes have been steady in this period but will inevitably reduce in the near future. By any measure, this is considerably below London's requirements. Berkeley delivers around 10% of London's new homes and this is likely to rise over time, based on current market trends.

In this environment, pricing for Berkeley remains firm, at or above business plan levels. The rate of cancellations remains stable and within the normal range. Berkeley's sales continue to be split broadly evenly between owner occupier and investors, with overseas customers continuing to see value in the London market. Help to Buy reservations accounted for a net 246 sales in the period, including joint ventures.

In the last six months we have launched four new developments to the market; TwelveTrees Park in West Ham, Eden Grove in Staines, and in our joint ventures Highcroft in Wallingford and the Arches in Watford. We have also launched new phases at White City, Royal Arsenal Riverside and Chelsea Creek, amongst others.

Berkeley has added four new sites to its land holdings in the period. In London, the site acquisitions are all unconditional and are at Borough Triangle in Southwark, a land parcel in Paddington adjacent to our West End Gate development and in Sutton. Outside London we have conditionally acquired a site in Wallingford, Oxfordshire. These are all long-term sites which are fantastic additions to our land holdings and provide Berkeley with the opportunity to add value over time. In total, we plan to deliver over 2,800 new homes on these four developments in due course and subject to planning.

On the planning front we have secured two new consents in the period, at Malt Street in Southwark for 1,350 homes and at Silk Park, Barnet for 1,300 new homes. We have also obtained over 20 revisions to existing consents as we continue to evolve our sites.

Build costs have been stable in the period which largely reflects the Government's clear message that the construction industry, including housebuilding, should remain open during any regional tiered restrictions or national lockdown. Materials are generally on extended lead times when compared to those available at the start of 2020, although this has eased. More generally the market is very competitive and we expect this to remain the case, particularly in London with a backdrop of falling supply, and therefore we anticipate build costs to be benign as we move into 2021.

Our Vision

'Our Vision' is our strategy for the business through which we articulate how Berkeley will generate long-term value and have a positive impact on our employees, customers, the environment and society. In the last six months we have continued to progress with our existing commitments whilst preparing an ambitious new strategic agenda set to be launched in the second half of this financial year.

When launched, this will be structured around ten strategic priorities, including new science-based targets which will ensure Berkeley takes a lead sector role in tackling global climate change alongside new targets to increase the use of digital technology and advanced manufacture and building upon our established focus on our people, our customers, nature and community.

Ahead of the launch in 2021, performance highlights during the last six months include:

- **Customers**
  We maintained an Investor in Customers Gold rating across all operating companies during the period. Our six-month rolling average Net Promoter Score (NPS) of 78.9 (on a scale of -100 to +100) significantly outperforms the industry average of 39 (HBF, March 2020 figures).

- **Climate change**
  We have procured 100% renewable electricity for our UK operations and been carbon neutral within our direct activities since May 2017. We are pleased to hold a sector-leading A- score for transparency and action on climate change from the CDP.

  We have now developed science-based targets to ensure Berkeley takes a lead sector role in the international effort to limit global warming to 1.5°C above pre-industrial levels. This commits Berkeley to reducing emissions from our sites, sales suites and offices by 50% by 2030 and to reducing the carbon intensity of the homes we build by 40% by 2030, covering both the energy used by residents over 80 years together with the embodied carbon within the services and materials used to construct the home.

- **Building communities**
  With specialist external support we have developed a tool which sets out a methodology for our teams to quantify, in a financial value, the benefit that our developments yield for society, the economy and the environment. The methodology has been finalised in this period and successfully trialled on ten developments. Consequently, Berkeley will now incorporate the use of the methodology on all new developments from the design stage, helping us maximise the positive impact we make.

- **Nature**
  40 developments now have net biodiversity gain strategies, which will create approximately 480 acres of new or measurably improved natural habitats. We were delighted that our first net biodiversity gain project at Kidbrooke Village recently won the prestigious Sir David Attenborough Award for Enhancing Biodiversity and the overall President's Award at the Landscape Institute Awards 2020.

Berkeley was the first homebuilder to commit to a net biodiversity gain on each development in 2018 with our approach reflected in the Government's Environment Bill which established the intention to mandate net biodiversity gain for all new developments. We will strengthen our target such that we will achieve a 10% net gain within the site boundary. With biodiversity focussing on nature, Berkeley will now broaden its approach to ensure it encompasses other natural aspects such as flood risk and improved air and water quality to ensure we are moving towards achieving net environmental gains on our sites.

- **Inclusive, safe, healthy and considerate working**
  Our latest 12 month rolling Annual Injury Incidence Rate (AIIR) is at 1.07 reportable incidents for every 1,000 people working on our sites and in our offices (2020: 1.17). We are honoured to have been awarded the Diamond Award at the 2020 RoSPA Health and Safety Awards, recognising our achievements, our deeply embedded safety culture and how we have raised standards for the sector.

  We are the only major homebuilder to register every construction site with the Considerate Constructors Scheme. Our six month average site audit score was 43.2/50 (2019: 43.0/50), significantly above the industry average of 37.9/50 for the period.

- **Skills of the future**
  A focus on emerging talent as a means of helping to address the industry skills shortage has resulted in more than 7% of our direct employees being an apprentice, graduate or in formal training in the period and we continue to work with our supply chain to support training and bring new talent into the industry. We were delighted that one of our female apprentices won Best Apprentice Working in the Supply Chain at London Councils' 2020 London Borough Apprenticeship Awards.

- **Digital technology and advanced manufacturing**
  We have continued progressing our Berkeley Modular facility during the period. Our focus is on achieving a consistent, robust and cost effective level of build quality, environmental performance, safety and productivity. First production from the factory is anticipated in 2021.

The Berkeley Foundation

The Berkeley Foundation (the "Foundation"), a registered charity, works in partnership with the voluntary sector to focus the skills, resources and fundraising efforts of Berkeley on helping young people overcome barriers, improve their lives and build a fairer society.

Since the onset of the pandemic the Foundation has made available over £600,000 of emergency Covid-19 funding to its charity partners, which has supported projects including funding food deliveries for families living in poverty and video counselling sessions for young people struggling with their mental health.

The Foundation has maintained its core funding and activities throughout the period and is delighted to have renewed its partnership with Imperial College, which encourages young people to develop STEM skills for the future, and expanded its funding to the Change Foundation to support the award-winning Street Elite programme, that helps young people find pathways into employment, education or training through sport.

Outlook

Berkeley's financial strength, resilient trading and long-term view has seen us invest in four new sites and in construction work in progress, with a net £180 million invested in working capital in the period. The resilient performance in the period reflects Berkeley's clear capital allocation priority which is to preserve its financial strength at all times, investing in our sites to make sustainable risk-adjusted returns to our shareholders. Berkeley's financial strength is articulated through our net cash position of £954 million, forward sales of £1.94 billion and future gross margin in our land holdings of £6.65 billion.

It is encouraging that a route out of the pandemic from a health perspective appears to be emerging, yet the full effect on the economy remains uncertain and is likely to be long lasting. The Government stimuli has undoubtedly boosted activity in the housing market and revealed the true scale of underlying demand for good quality housing. Beginning the second half of this financial year in a robust financial position, we plan to commit further capital to our sites, retaining a vigilant stance given the prevailing volatility, exacerbated by the risk of further disruption as the form of agreement on the future trading relationship with the EU is concluded. Berkeley's business model is founded upon its experience of operating in cyclical markets and has the agility to react quickly to prioritise financial strength ahead of annual profits if necessary.

Our long-term regeneration sites form the backbone of our strategy and we are the only developer undertaking this complex, time consuming brownfield development at scale in London and the South East, which remain under-supplied markets. Berkeley's approach encompasses community based place-making, with collaboration at its heart, with the end result being a development that will endure and offer people of all backgrounds a good quality of life.

We have committed to enable our homes to operate at zero carbon by 2030 and have science-based targets to reduce our own emissions and the embodied carbon in our supply chain. We are also passionate about reversing biodiversity loss, with 40 of our sites committed to a net biodiversity gain on-site, and are expanding this to deliver a broader environmental gain. Sustainably is paramount to Berkeley.

Going forward, Berkeley is well positioned to continue delivering for all its stakeholders and be at the forefront of helping the economy and society recover from the pandemic.

Rob Perrins
Chief Executive

TRADING AND FINANCIAL REVIEW

Trading performance

Revenue of £895.9 million in the period (2019: £930.9 million) arose primarily from the sale of new homes in London and the South East. This included £894.8 million of residential revenue (2019: £912.4 million) and £1.1 million of commercial revenue (2019: £18.5 million).

1,104 new homes (2019: 1,389) were sold across London and the South East at an average selling price of £799,000 (2019: £644,000) reflecting the mix of developments and varying stages thereon, particularly in London.

Revenue of £1.1 million from commercial property includes the disposal of retail and leisure space across two of our London developments. In the comparative period, revenue of £18.5 million included the sale of units at One Blackfriars, Goodman's Fields and Vista amongst others.

The gross margin percentage has decreased to 32.3% (2019: 36.1%), reflecting the mix of properties sold in the period. Overheads of £61.2 million (2019: £79.9 million) decreased by £18.7 million in the period. This reflects reduced LTIP charges as well as operational efficiencies. Consequently, the Group's operating margin has decreased to 25.4% from 27.5% in the equivalent period last year and 24.5% for the full year.

Berkeley's share of the results of joint ventures is a profit of £6.6 million (2019: £19.4 million). St William's profits arose primarily from completions at Prince Of Wales Drive in Battersea, whilst St Edward's profits arose predominately from Green Park Village in Reading and the first completions at Hartland Village in Fleet.

The Group has remained cash positive on a net basis throughout the period. Net finance costs totaled £3.8 million for the period (2019: £0.9 million net finance income) due to facility fees, interest on drawn borrowings and imputed interest on land creditors, which outweighed interest income on cash deposits.

Pre-tax return on equity for the period is 14.9%, compared to 18.4% for the comparative period. Basic earnings per share has decreased by 15.2% from 176.4 pence to 149.6 pence, which takes into account the buy-back of 0.9 million shares at a cost of £37.1 million under the Shareholder Returns programme.

Financial Position

Net assets increased over the six month period by £3.6 million, or 0.1%, to £3,105.2 million (2020: £3,101.6 million). This is after payment of £134.3 million of dividends and £37.1 million of share buy-backs. This equates to a net asset value per share of 2,482 pence, up 0.4% from 2,472 pence at 30 April 2020, given the share buy-backs undertaken in the period.

Inventories have increased by £329.4 million from £3,554.9 million at 30 April 2020 to £3,884.3 million at 31 October 2020. Inventories include £340.1 million of land not under development (30 April 2020: £519.7 million), £3,470.9 million of work in progress (30 April 2020: £2,895.7 million) and £73.3 million of completed stock (30 April 2020: £139.5 million).

The reduction in land not under development reflects the movement of four sites into production in the first half. This outweighed the impact of new sites acquired unconditionally and previously conditional sites which completed, represented by cash and new land creditors. The sites that moved into production, coupled with further investment in build on a number of forward sold London developments, has led to the increase in work in progress inventory in the period. Completed stock is spread across a number of sites and has seen a significant reduction since the year end of around 50%.

Trade and other payables, including lease liabilities, are £2,068.9 million at 31 October 2020 (30 April 2020: £1,934.3 million). These include £837.1 million of on-account receipts from customers (30 April 2020: £783.5 million) and land creditors of £438.8 million (30 April 2020: £372.7 million) reflecting new acquisitions in the period. Of the total £438.8 million land creditor balance, £100.5 million is short-term and £338.3 million is spread over future financial years. Provisions of £124.0 million (30 April 2020: £114.9 million) include post-completion development obligations and other provisions.

The Group ended the period with net cash of £954.3 million (30 April 2020: £1,138.9 million) which consists of cash holdings of £1,254.3 million, net of £300 million of term debt drawn under the Group's banking facilities. During the period Berkeley repaid the £200 million of its £450 million revolving credit facility, which was drawn in March 2020, and the full amount of this facility is now available.

This is a decrease in net cash of £184.6 million during the period (2019: net increase of £85.6 million) as a result of £217.5 million of cash generated from operations (2019: £251.3 million) and a net outflow of £178.1 million in working capital (2019: £97.3 million), before tax and other net cash outflows of £52.6 million (2019: net inflows £81.4 million), share buy-backs of £37.1 million (2019: £124.6 million) and dividends of £134.3 million (2019: £25.2 million).

Banking

The Group has banking facilities which total £750 million, currently comprising a drawn £300 million term loan, and a £450 million undrawn revolving credit facility. The Group has clarity of financing with the facilities in place to November 2023. The Group's cash holdings are placed on deposit with its relationship banks.

Joint Ventures

Investments accounted for using the equity method have increased from £261.8 million at 30 April 2020 to £268.4 million at 31 October 2020. Berkeley's joint ventures include St Edward, a joint venture with M&G, and St William, a joint venture with National Grid plc. The increase in joint venture investments during the period reflects Berkeley's share of undistributed joint venture profits of £6.6 million.

In St Edward, 60 homes were completed in the period at an average selling price of £591,000 (2019: 36 at £711,000). The majority of completions occurred at Green Park Village and Hartland Village.

In total, 5,250 plots (30 April 2020: 5,310 plots) in Berkeley's land holdings relate to six St Edward developments, three in London (Westminster, Kensington and Brentford) and three outside the Capital (Reading, Fleet, and Wallingford). All of the sites are in production apart from Brentford which is contracted on a subject to planning basis.

In St William, 85 homes were completed in the period at an average selling price of £916,000 (2019: 176 at £825,000). The majority of completions were at Prince Of Wales Drive, whilst Fairwood Place, Borehamwood and Elmswater, Rickmansworth were completed in the period.

St William has committed banking facilities of £360 million through to March 2023, with options over an additional two years in one year increments. Borrowings under the facility totaled £130 million at 31 October 2020.

In total, 10,860 plots (30 April 2020: 10,945 plots) in Berkeley's land holdings relate to 16 St William developments which are contracted in the joint venture. Seven of these sites are included in Berkeley's conditional land holdings. Berkeley continues to work closely with National Grid to identify further sites from across its portfolio to bring through into the joint venture.

Land

Berkeley's land holdings comprise 60,327 plots at 31 October 2020 (30 April 2020: 58,413 plots), including joint ventures. Of these land holdings, 53,363 plots (30 April 2020: 50,558) are on 82 sites that are owned and included on the balance sheet of the Group or its joint ventures and 6,964 plots (30 April 2020: 7,855) are on 11 contracted sites which either do not yet have a planning consent or have another conditional element such as vacant possession. The Group also holds a strategic pipeline of long-term options for in excess of 5,000 plots.

The plots in the land holdings at 31 October 2020 have an estimated future gross profit of £6,651 million (30 April 2020: £6,417 million), which includes the Group's 50% share of the anticipated profit on any joint venture development. The increase in the period is due to a combination of new sites acquired, new or revised planning consents and market movements, which has more than offset the gross profit taken through the income statement.

Berkeley has obtained two new planning consents in the period: Silk Park in Barnet and Malt Street in Southwark whilst there have been over 20 revised consents which have sought to improve the development solution for each scheme to add value and/or reduce risk.

Of Berkeley's 82 owned sites, 66 sites (plots: 45,774) have an implementable planning consent and are in construction. A further nine sites (plots: 4,296) have a consent which is not yet implementable; due to practical technical constraints and challenges surrounding, for example, vacant possession, CPO requirements or utilities provision. This means Berkeley has just seven sites (plots: 3,293) which it owns unconditionally that do not have a planning consent and includes two sites acquired in this period at Borough Triangle and in Sutton.

Of the 11 contracted sites, one site has a planning consent and two had achieved resolutions to grant consent by 31 October 2020 but are subject to section 106 agreements. Given the conditional nature of all of these sites, there is low financial risk on the balance sheets of the Group or its joint ventures.

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

Principal risks and uncertainties

The principal business risks and uncertainties facing Berkeley for the next six months are the same as those set out on pages 68 to 79 of the Annual Report for the year ended 30 April 2020. These comprise the impact of Covid-19 on the business, economic and political outlook, the impact of regulation on the business and the wider industry, the availability of land, the planning process, retention of our people, securing sales, mortgage availability, sustainability and climate change considerations, health and safety on the Group's developments, control of build costs and maintaining programmes, product quality and cyber and data risk. In preparing this interim report, full account has been taken of this risk profile and the future outlook for the Group's developments as embraced within the Group's strategy and outlook.

- End -

Statement of Directors' Responsibilities

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

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

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

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The Directors of The Berkeley Group Holdings plc are listed in the Annual Report of The Berkeley Group Holdings plc for the year ended 30 April 2020. 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
4 December 2020

R J Stearn
Finance Director
4 December 2020

Condensed Consolidated Income Statement

	Notes	**Six months ended 31 October 2020 Unaudited £m**	Six months ended 31 October 2019 Unaudited £m	Year ended 30 April 2020 Audited £m
Revenue		**895.9**	930.9	1,920.4
Cost of sales		**(606.7)**	(594.6)	(1,283.0)
Gross profit		**289.2**	336.3	637.4
Net operating expenses		**(61.2)**	(79.9)	(167.7)
Operating profit		**228.0**	256.4	469.7
Finance income	3	**1.9**	7.0	12.4
Finance costs	3	**(5.7)**	(6.1)	(11.7)
Share of results of joint ventures using the equity method		**6.6**	19.4	33.3
Profit before taxation for the period		**230.8**	276.7	503.7
Income tax expense	4	**(43.1)**	(53.0)	(93.6)
Profit after taxation for the period		**187.7**	223.7	410.1
Earnings per share (pence):				
Basic	5	**149.6**	176.4p	324.9
Diluted	5	**146.2**	170.4p	313.4

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 31 October 2020 Unaudited £m	Six months ended 31 October 2019 Unaudited £m	Year ended 30 April 2020 Audited £m
Profit after taxation for the period	**187.7**	223.7	410.1
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Actuarial gain/(loss) recognised in the pension scheme	**1.4**	(0.3)	(1.7)
Total items that will not be reclassified to profit or loss	**1.4**	(0.3)	(1.7)
Other comprehensive income/(expense) for the period	**1.4**	(0.3)	(1.7)
Total comprehensive income for the period	**189.1**	223.4	408.4

Condensed Consolidated Statement of Financial Position

	Notes	**Six months ended 31 October 2020 Unaudited £m**	Six months ended 31 October 2019 Unaudited £m	Year ended 30 April 2020 Audited £m
Assets				
Non-current assets				
Intangible assets		**17.2**	17.2	17.2
Property, plant and equipment		**47.2**	45.1	48.5
Right-of-use assets		**3.1**	5.5	2.5
Investments accounted for using the equity method		**268.4**	247.9	261.8
Deferred tax assets		**42.6**	55.9	53.6
		378.5	371.6	383.6
Current assets				
Inventories		**3,884.3**	3,273.6	3,554.9
Trade and other receivables		**61.6**	79.3	68.3
Current tax assets		**19.4**	19.3	5.1
Cash and cash equivalents	6	**1,254.3**	1,360.6	1,638.9
		5,219.6	4,732.8	5,267.2
Total assets		**5,598.1**	5,104.4	5,650.8
Liabilities				
Non-current liabilities				
Borrowings	6	**(300.0)**	(300.0)	(300.0)
Trade and other payables		**(338.3)**	(60.7)	(263.7)
Lease liability		**(1.4)**	(4.5)	(1.3)
Provisions for other liabilities and charges		**(55.4)**	(52.9)	(60.0)
		(695.1)	(418.1)	(625.0)
Current liabilities				
Borrowings	6	**-**	-	(200.0)
Trade and other payables		**(1,727.6)**	(1,585.7)	(1,668.1)
Lease liability		**(1.6)**	(1.5)	(1.2)
Provisions for other liabilities and charges		**(68.6)**	(52.3)	(54.9)
		(1,797.8)	(1,639.5)	(1,924.2)
Total liabilities		**(2,492.9)**	(2,057.6)	(2,549.2)
Total net assets		**3,105.2**	3,046.8	3,101.6
Equity				
Shareholders' equity				
Share capital		**6.8**	6.8	6.8
Share premium		**49.8**	49.8	49.8
Capital redemption reserve		**24.7**	24.7	24.7
Other reserve		**(961.3)**	(961.3)	(961.3)
Retained earnings		**3,985.2**	3,926.8	3,981.6
Total equity		**3,105.2**	3,046.8	3,101.6

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 2020	**6.8**	**49.8**	**24.7**	**(961.3)**	**3,981.6**	**3,101.6**
Profit after taxation for the period	**-**	**-**	**-**	**-**	**187.7**	**187.7**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**1.4**	**1.4**
Purchase of own shares	**(0.0)**	**-**	**0.0**	**-**	**(37.1)**	**(37.1)**
Transactions with shareholders:						
- Charge in respect of employee share schemes	**-**	**-**	**-**	**-**	**(13.3)**	**(13.3)**
- Deferred tax in respect of employee share schemes	**-**	**-**	**-**	**-**	**(0.8)**	**(0.8)**
- Dividends to equity holders of the Company	**-**	**-**	**-**	**-**	**(134.3)**	**(134.3)**
At 31 October 2020	**6.8**	**49.8**	**24.7**	**(961.3)**	**3,985.2**	**3,105.2**
Unaudited						
At 1 May 2019	7.0	49.8	24.5	(961.3)	3,843.3	2,963.3
IFRS 16 application adjustment at 1 May 2019	-	-	-	-	(0.5)	(0.5)
Profit after taxation for the period	-	-	-	-	223.7	223.7
Other comprehensive expense for the period	-	-	-	-	(0.3)	(0.3)
Purchase of own shares	(0.2)	-	0.2	-	(124.6)	(124.6)
Transactions with shareholders:						
- Charge in respect of employee share schemes	-	-	-	-	(8.0)	(8.0)
- Deferred tax in respect of employee share schemes	-	-	-	-	18.4	18.4
- Dividends to equity holders of the Company	-	-	-	-	(25.2)	(25.2)
At 31 October 2019	6.8	49.8	24.7	(961.3)	3,926.8	3,046.8
Audited						
At 1 May 2019	7.0	49.8	24.5	(961.3)	3,843.3	2,963.3
IFRS 16 application adjustment at 1 May 2019	-	-	-	-	(0.2)	(0.2)
Profit after taxation for the year	-	-	-	-	410.1	410.1
Other comprehensive expense for year	-	-	-	-	(1.7)	(1.7)
Purchase of own shares	(0.2)	-	0.2	-	(130.5)	(130.5)
Transactions with shareholders:						
- Charge in respect of employee share schemes	-	-	-	-	(3.9)	(3.9)
- Deferred tax in respect of employee share schemes	-	-	-	-	14.3	14.3
- Dividends to equity holders of the Company	-	-	-	-	(149.8)	(149.8)
At 30 April 2020	6.8	49.8	24.7	(961.3)	3,981.6	3,101.6

Condensed Consolidated Cash Flow Statement

	Notes	**Six months ended 31 October 2020 Unaudited £m**	Six months ended 31 October 2019 Unaudited £m	Year ended 30 April 2020 Audited £m
Cash flows from operating activities				
Cash generated from operations	6	**39.4**	154.0	395.4
Interest received		**1.9**	6.9	12.4
Interest paid		**(5.7)**	(4.8)	(9.1)
Income tax paid		**(47.1)**	(61.4)	(89.8)
Net cash flow from operating activities		**(11.5)**	94.7	308.9
Cash flows from investing activities				
Purchase of property, plant and equipment		**(1.2)**	(4.4)	(9.7)
Proceeds on disposal of property, plant and equipment		**0.5**	0.4	0.6
Dividends from joint ventures		**-**	148.7	177.7
Movements in loans with joint ventures		**-**	(2.5)	(31.5)
Net cash flow from investing activities		**(0.7)**	142.2	137.1
Cash flows from financing activities				
Lease capital repayments		**(1.1)**	(1.5)	(2.0)
Proceeds associated with settlement of share options		**0.1**	-	0.2
Purchase of own shares		**(37.1)**	(124.6)	(130.5)
Net (decrease)/increase in borrowings		**(200.0)**	-	200.0
Dividends paid to Company's shareholders		**(134.3)**	(25.2)	(149.8)
Net cash flow from financing activities		**(372.4)**	(151.3)	(82.1)
Net (decrease)/increase in cash and cash equivalents		**(384.6)**	85.6	363.9
Cash and cash equivalents at the start of the financial period		**1,638.9**	1,275.0	1,275.0
Cash and cash equivalents at the end of the financial period		**1,254.3**	1,360.6	1,638.9

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 half-yearly financial information was approved for issue on 4 December 2020. 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 2020 were approved by the Board of Directors on 17 June 2020 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not include reference to any matters to which the auditor drew attention by way of emphasis without qualifying their audit report, and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. The Condensed Consolidated Financial Statements have been reviewed, not audited.

2 Basis of preparation

2.1 Introduction

This condensed consolidated interim financial report has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs) as adopted by the European Union and the disclosure requirements of the Listing Rules.

This condensed consolidated half-yearly financial information for the six months ended 31 October 2020 has been prepared in accordance with the Disclosure Guidance and Transparency Rules of Financial Conduct Authority and Accounting Standard IAS 34 "Interim Financial Reporting" as adopted by the European Union.

The comparative figures for the year ended 30 April 2020 do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies.

The accounting policies, presentation and method of computations adopted in the preparation of the interim 2020 Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2020 except in respect of taxation which is based on the expected effective tax rate for the year ending 30 April 2021.

The following amendments to standards and interpretations are applicable to the Group and are mandatory for the first time for the financial year beginning 1 May 2020:

Amendment to IAS 1, 'Presentation of Financial Statements', and IAS 8, 'Accounting Policies, Changes in accounting Estimates and Errors', neither of which had a significant impact on the reported results or position.

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 and existing cash resources. As at 31 October 2020, the Group has net cash of £954.3 million and total liquidity of £1,704.3 million when this net cash is combined with banking facilities of £750 million, which are in place until November 2023. Furthermore, the Group has cash due on forward sales of £1.94 billion, a significant proportion of which covers delivery for the next 18 months.

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

Notes to the Condensed Consolidated Financial Information (continued)

3 Net finance (costs)/income

	Six months ended 31 October 2020 Unaudited £m	Six months ended 31 October 2019 Unaudited £m	Year ended 30 April 2020 Audited £m
Finance income	**1.9**	7.0	12.4
Finance costs			
Interest payable on bank loans and non-utilisation fees	**(4.1)**	(3.6)	(9.1)
Amortisation of facility fees	**(0.5)**	(1.0)	(1.8)
Other finance costs	**(1.1)**	(1.5)	(0.8)
	(5.7)	(6.1)	(11.7)
Net finance (costs)/income	**(3.8)**	0.9	0.7

Finance income predominantly represents interest earned on cash deposits.

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

4 Income tax expense

	Six months ended 31 October 2020 Unaudited £m	Six months ended 31 October 2019 Unaudited £m	Year ended 30 April 2020 Audited £m
Current tax			
UK corporation tax payable	**(37.1)**	(48.2)	(93.3)
Adjustments in respect of previous years	**0.4**	0.1	2.8
	(36.7)	(48.1)	(90.5)
Deferred tax			
Deferred tax movements	**(7.1)**	(4.9)	(0.9)
Adjustments in respect of previous years	**0.7**	-	(2.2)
	(6.4)	(4.9)	(3.1)
	(43.1)	(53.0)	(93.6)

Notes to the Condensed Consolidated Financial Information (continued)

5 Earnings per share

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

	Six months ended 31 October 2020 Unaudited	Six months ended 31 October 2019 Unaudited	Year ended 30 April 2020 Audited
Profit attributable to shareholders (£m)	**187.7**	223.7	410.1
Weighted average no. of shares (m)	**125.5**	126.8	126.2
Basic earnings per share (p)	**149.6**	176.4	324.9

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 2020, the Group had two (2019: two) categories of potentially dilutive ordinary shares: 2.6 million (2019: 4.1 million) share options under the 2011 LTIP and 29,873 (2019: 25,823) share options under the 2015 Bonus Banking plan.

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

	Six months ended 31 October 2020 Unaudited	Six months ended 31 October 2019 Unaudited	Year ended 30 April 2020 Audited
Profit used to determine diluted EPS (£m)	**187.7**	223.7	410.1
Weighted average no. of shares (m)	**125.5**	126.8	126.2
Adjustments for:			
Share options - 2011 LTIP	**2.9**	4.5	4.6
Shares used to determine diluted EPS (m)	**128.4**	131.3	130.8
Diluted earnings per share (p)	**146.2**	170.4	313.4

Notes to the Condensed Consolidated Financial Information (continued)

6 Notes to the Condensed Consolidated Cash Flow Statement

	Six months ended 31 October 2020 Unaudited £m	Six months ended 31 October 2019 Unaudited £m	Year ended 30 April 2020 Audited £m
Profit for the financial period	**187.7**	223.7	410.1
Adjustments for:			
Taxation	**43.1**	53.0	93.6
Depreciation	**3.1**	2.9	4.7
Loss on sale of PPE	**0.1**	-	0.2
Finance income	**(1.9)**	(7.0)	(12.4)
Finance costs	**5.7**	6.1	11.7
Share of results of joint ventures after tax	**(6.6)**	(19.4)	(33.3)
Non-cash charge in respect of share awards	**(13.7)**	(8.0)	(4.1)
Changes in working capital:			
Increase in inventories	**(329.4)**	(158.9)	(440.2)
Decrease/(Increase) in trade and other receivables	**8.2**	(13.8)	(3.8)
Increase in trade and other payables	**143.4**	75.7	369.9
Net change in employee benefit obligations	**(0.3)**	(0.3)	(1.0)
Cash generated from operations	**39.4**	154.0	395.4

Reconciliation of net cash flow to net cash			
Net (decrease)/increase in net cash and cash equivalents, including bank overdraft	**(384.6)**	85.6	363.9
Decrease/(increase) in borrowings	**200.0**	-	(200.0)
Movement in net cash in the financial period	**(184.6)**	85.6	163.9
Opening net cash	**1,138.9**	975.0	975.0
Closing net cash	**954.3**	1,060.6	1,138.9

Net cash			
Cash and cash equivalents	**1,254.3**	1,360.6	1,638.9
Current borrowings	**-**	-	(200.0)
Non-current borrowings	**(300.0)**	(300.0)	(300.0)
Net cash	**954.3**	1,060.6	1,138.9

Notes to the Condensed Consolidated Financial Information (continued)

7 Related party transactions

The Group has entered into the following related party transactions:

Transactions with Directors

During the period, Mr A W Pidgley paid £21,791 (2019: £41,939), Mr R C Perrins paid £178,278 (2019: £41,279), Mr S Ellis paid £26,426 (2019: £101,880) and Mr P Vallone paid £nil (2019: £656,230) to the Group in connection with works carried out at their respective homes at commercial rates in accordance with the relevant policies of the Group. There were no balances outstanding at the period end.

Berkeley Homes plc has an agreement with Langham Homes, a company controlled by Mr T K Pidgley who is the son of the former Group's Chairman, under which Langham Homes will be paid a fee for a land introduction on an arm's length basis. No fees have been paid under this agreement in the period (2019: £300,000), there were no outstanding balances at the period end (2019: £nil) and there are no contingent fees outstanding. Langham Homes has not introduced any new land to the Group in the period.

Transactions with Joint Ventures

During the financial period there were no transactions with joint ventures. The outstanding loan balances with joint ventures at 31 October 2020 total £177.2 million (30 April 2020: £177.2 million).

INDEPENDENT REVIEW REPORT TO THE BERKELEY GROUP HOLDINGS PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2020 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, 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 2020 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

Scope of review

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

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

Directors’ responsibilities

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

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. 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 by the EU.

Our responsibility

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

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

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

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

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

4 December 2020