

The Berkeley Group Holdings plc
(Registered Number: 05172586)

Annual Report
30 April 2024



Homes Communities People

2024 ANNUAL REPORT

OUR VISION
2030
TRANSFORMING TOMORROW



Berkeley
Group

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Cover images: The Green Quarter, Ealing

See our portfolio
pages 10 to 11

Homes

Communities

People

Who we are

Berkeley builds homes and neighbourhoods across London, Birmingham and the South of England.

Our purpose

Our passion and purpose is to build quality **homes**, strengthen **communities** and make a positive difference to **people's** lives.

We use our sustained commercial success to make valuable and enduring contributions that benefit all of our stakeholders.

Fulfilling our purpose through brownfield regeneration

We believe reviving brownfield land is the most sustainable way to solve the housing crisis, strengthen left behind places and breathe new life into our towns and cities.

We are the only major UK homebuilder focused on regenerating brownfield land, as we take forward 32 of the UK's most challenging urban sites.

Oval Village

Highlights of the year

Financial highlights

Profit before tax

£557m

2023 | £604m

Net asset value per share¹

£33.63

2023 | £31.01

Pre-tax return on equity¹

16.2%

2023 | 18.7%

Cash due on forward sales¹

£1,701m

2023 | £2,136m

Net cash

£532m

2023 | £410m

Future gross margin
in land holdings¹

£6,929m

2023 | £7,629m

Homes

Brownfield

87%

homes delivered during the year are on regenerated brownfield land

Quality

63%

homes had zero defects reported by customers, compared to just 5% across the industry (HBF, March 2024)

Homes delivered

3,521

homes delivered (plus 406 in joint ventures), including some 10% of London's new private and affordable homes

¹ Read more about our alternative performance measures on pages 214 to 216 (note 2.24)

See our trading and financial review on pages 29 to 31

Communities

Regeneration

32

long-term regeneration sites,
of which 27 are under
construction

Regreening cities

>580

acres of new or measurably
improved natural habitats across
56 biodiversity net gain sites

Community benefit

£370m

of subsidies provided to
deliver affordable housing and
committed to wider community
and infrastructure benefit

People

Customers

+80.2

Net Promoter Score (NPS)
from our customers, compared
to an industry average of 44
(HBF, March 2024)

Employees

9.5%

of our employees are graduates,
apprentices or sponsored
students

Workforce

26,000

UK jobs supported per annum
over the last five years, an
average of 6.6 jobs per
completed home

See our ESG performance on
pages 66 to 67

Accreditations

CDP Climate Change

2023

A rated

ISS ESG Corporate Rating

2024

Prime status

MSCI ESG Rating

2023

AAA

FTSE4Good

Listed since 2003

S&P Global Corporate Sustainability Assessment 2023

Sustainability Yearbook
Member and Industry Mover

Sustainalytics ESG Risk Rating 2024

Low risk rating

Creating quality homes where they are needed most

Our urban regeneration sites deliver thousands of high quality private and affordable homes in and around our towns and cities.

3,927

homes delivered
(including joint ventures)

87%

homes delivered
on brownfield land

Clarendon, Haringey

63%

homes had zero defects reported by customers, compared to 5% across industry (HBF, March 2024)

Poplar Gasworks

See more on Poplar Gasworks on **page 11**

Every neighbourhood we create is individually designed and built with great care and attention to detail. This is the only way to create places of lasting quality and benefit.

All of our homes, private and affordable, are tenure blind by design and delivered to the same high quality and safety standards.

Our focus on quality drives all of our teams on a daily basis from the initial planning of each development, through to detailed design, construction and completion. We are proud to outperform industry both in terms of the quality of the homes and the service received, as rated by our customers.

DELIVERING OUR PURPOSE THROUGH BROWNFIELD REGENERATION

Creating strong and connected communities

We focus on challenging urban regeneration sites, working closely with local people and councils to stitch left-behind places back into their local fabric. This means we directly invest into disadvantaged communities and help tackle the inequalities and challenges facing these places.

White City Living

>580

acres of new or
improved natural
habitats being created

Royal Arsenal Riverside, Woolwich

White City Living

We are long-term placemakers. This means patiently transforming underused land to create green and welcoming neighbourhoods where people of all backgrounds can enjoy a great quality of life.

Community engagement is key to our approach and we work hard to understand and engage with the communities around our sites. Then we work in partnership to design places which reflect local priorities and character.

Our neighbourhoods are safe, low carbon and rich in nature and biodiverse. They provide private and affordable homes, beautiful public spaces and the amenities a healthy community needs.

Bringing neighbours together is a priority for us and we use Community Plans to help people mix, meet, have fun, support each other and get involved in community life. This helps to create more friendly, happy and resilient places.

£370m
of affordable housing
subsidies and community
infrastructure contributions

25
Community Plans being
delivered in partnership
with our residents and
neighbours

DELIVERING OUR PURPOSE THROUGH BROWNFIELD REGENERATION

Making a positive difference to people's lives

Our regeneration projects bring important benefits to urban communities, including affordable and private homes, public amenities such as schools and parks, and a lasting supply of jobs and training.

+80.2

Net Promoter Score from
our customers on a scale
of -100 to +100

Berkeley Group apprentices and
graduates at Royal Arsenal Riverside

Mental Health Awareness Week at Oval Village

9.5%

of our employees are graduates,
apprentices or sponsored students

26,000

UK jobs supported on average
per annum

Our regeneration sites demonstrate the wide-ranging social benefits that come from transforming underused urban land into green and welcoming neighbourhoods. Many of these projects are helping to catalyse a wider cycle of investment and renewal.

Social mobility is important to us and we work hard to ensure people of all ages and backgrounds can reach their potential and build a lasting career on our sites. We provide a mix of high-quality training pathways, including apprenticeship and graduate schemes.

We work in partnership with councils, schools and colleges to ensure training and career pathways really work at a local level and reach people in greatest need. This delivers valuable social and economic legacies for communities around our sites.

Through the Berkeley Foundation we go even further to achieve our purpose, funding long-term social impact programmes that make a lasting positive difference to thousands of disadvantaged people within the communities in which we operate.

Brownfield regeneration at scale

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 projects, 27 of which are in delivery.

○ In production 1 250 City Road, Islington 2 Beaufort Park, Hendon 3 Bermondsey Place, Southwark 4 Bow Green 5 Camden Goods Yard 6 Chelsea Creek 7 Clarendon, Haringey 8 Grand Union, Brent 9 Green Park Village, Reading			● Future sites 1 Aylesham Centre, Peckham 2 Borough Triangle 3 Romford* 4 Sutton 5 Syon Lane, Brentford*		
10 Hartland Village, Fleet 11 Horlicks Quarter, Slough 12 Kidbrooke Village, Greenwich 13 King's Road Park, Fulham 14 Lombard Square, Plumstead 15 London Dock, Wapping 16 Oval Village 17 Poplar Riverside 18 Prince of Wales Drive, Wandsworth			19 Royal Arsenal Riverside, Woolwich 20 Silkstream, Barnet 21 South Quay Plaza, Docklands 22 The Eight Gardens, Watford 23 The Green Quarter, Ealing 24 TwelveTrees Park, Newham 25 West End Gate, Paddington 26 White City Living 27 Woodberry Down, Finsbury Park		

* Pipeline sites

Grand Union

Unlocking this 22-acre industrial estate in Brent required an upfront capital investment of £170 million, complex enabling infrastructure and close engagement with the council and surrounding community to shape a unique masterplan which meets local needs.

Grand Union is now a popular canal-side neighbourhood, which will deliver 3,350 private and affordable homes, 10 acres of public space, up to 400 permanent jobs and 200 apprenticeships, community amenities and an innovative multi-storey industrial workspace.

Scan the code
for more information

Poplar Riverside

Part of the Lower Lea Valley Opportunity Area, this 20-acre former gasworks is being transformed into a welcoming riverside neighbourhood with more than 2,500 private and affordable homes.

The open landscape will include a public square, 2.4 acres of parkland, playspace and walking routes, including a riverside walk, along with a secondary school, crèche, shops, cafés, restaurants and flexible commercial space for employment, enterprise and leisure.

Scan the code
for more information

Our business model

Long-term sustainable added-value model

Berkeley is a unique asset-focused development business that seeks to manage risk and generate value through market cycles, with its inherent latent value rooted in its unrivalled land holdings.

We seek to find the optimum development solution for each site in terms of both the social, natural and economic value for all stakeholders, and the returns we deliver to our shareholders. We firmly believe these two are mutually compatible and reinforcing.

The pace at which homes are delivered from the land holdings is determined by the prevailing operating environment and Berkeley will always adopt a long-term approach, prioritising financial strength above annual profit targets.

Capital allocation policy

First, ensure financial strength reflects the cyclical nature and complexity of brownfield development and is appropriate for the prevailing operating environment. Second, invest in the business (land and work-in-progress) at the right time. Third, make returns to shareholders through dividends and share buy-backs.

Read more about our investment case on [page 19](#)

Our brands 100% owned:

	Joint venture:

Our values

- Excellence through detail
- Be passionate
- Respect people
- Think creatively
- Have integrity

For more information
www.berkeleygroup.co.uk

Read more about our culture and values on [pages 112 to 113](#)

Land acquisition

- Acquire land at the right time in the cycle, targeting sites where we can add value over the long-term through our regeneration and place-making expertise
- Adopt an innovative approach to partnering with land owners, such as with joint venture partners and local authorities
- Focus on complex, large-scale brownfield sites in undersupplied markets where we can take a bespoke approach to each development

Designing and planning new homes

- Reputation for successful regeneration delivery underpins the planning process
- Embrace a highly collaborative approach to placemaking
- Design unique and beautiful places in partnership with local authorities and communities
- Continually evolve development plans to generate the best outcome for all stakeholders

Building new homes and places

- Consistent health and safety, building safety and quality standards embedded into operations
- Highly experienced and expert in-house site management teams and direct partnerships with building trades, rather than main contractor-led sites
- Utilising modern methods of construction and investing in digital technologies to enhance and modernise our production processes

Marketing and selling new homes

- Berkeley's brand leadership and reputation for lasting product quality provides a clear competitive advantage in core markets
- Diversified sales channels across owner-occupiers, private and institutional investors, retirement living and affordable housing providers

Placekeeping and stewardship

- Demonstrable long-term track record of high levels of customer service and satisfaction
- Long-term strategies for effective estate and community management, working in partnership with residents and managing agents

Sustainability and climate change

- Ambitious, sustainable and long-term business strategy Our Vision 2030: Transforming Tomorrow
- Strong focus on climate action, nature recovery and strengthening communities
- Focus on urban brownfield regeneration, which is inherently sustainable, socially inclusive and supports a lower carbon model for modern living

Read more about creating long-term sustainable value on **pages 14 to 15**

Creating long-term sustainable value

Berkeley delivers long-term value on every new development and ensures that we make lasting contributions that enable communities and people to thrive.

These outcomes demonstrate the impact of our long-term investment and placemaking strategies.

Creation of high quality new homes

Leading the industry in producing high quality, safe homes

19,608

Berkeley built 3,927 homes in 2023/24 and a total of 19,608 over the last five years (including joint ventures).

10%

Berkeley has delivered 10% of the homes built in London over the past five years.

30

Berkeley has had a strategic partnership with RoSPA for five years, helping to create the Safer by Design framework. 30 developments have now achieved Gold status.

93%

Berkeley has a long-standing reputation for quality homes. 93% of homes built in the last five years have had fewer than five defects reported by customers, with an average of just two.

Place creation and impact on services

Collaborative placemaking to revive under-used spaces

Community creation

Ensuring relationships are underpinned by trust and partnership

>17,000

Berkeley has built more than 17,000 homes on brownfield land over the past five years. 87% of completed homes have been on brownfield land.

£2.0bn

Berkeley made a community contribution of £0.4 million in 2023/24 and around £2.0 billion over the last five years; £1.4 billion in affordable housing subsidies and additional payments of £0.6 billion to help pay for a wide range of facilities and services for local communities.

515

Berkeley is delivering 515 public amenities on our developments currently under construction, including indoor community spaces, grocery and retail stores, sports facilities and children's play spaces.

>40%

The Berkeley Foundation develops long-term, transformational partnerships to ensure a sustained investment in our local communities. More than 40% of Berkeley Foundation Partners have been supported for more than five years.

EY completes an Economic Impact Assessment each year based on Berkeley's financial data as well as publicly available statistics.

Promoting local skills and employment

Providing good, local jobs and inspiring people to join the built environment sector

26,000

Berkeley has supported on average, 26,000 jobs per annum directly and indirectly through its supply chain over the last five years.

2,500

Berkeley has supported 2,500 apprentices in the past five years, including 700 directly and 1,800 gaining experience working on our sites through our contractor workforce.

Development with low environmental impact

Creating sustainable homes and places

>15%

Berkeley incorporates water saving measures in new homes. On average, in the last five years homes have been 15% more water efficient than the requirements of the Building Regulations.

13,600

Berkeley incorporates sustainable transport measures on all sites. Infrastructure is being installed for 13,600 electric vehicle charging points across our developments under construction.

Economic Contribution

On average, every new home built by Berkeley in the last five years has generated £290,000 of value to the state through taxation and contributions to the community.

£13.3bn

Berkeley's contribution to UK GDP was £2.5 billion in 2023/24 and £13.3 billion for the last five years.

£3.6bn

Berkeley's total UK tax contribution was £0.8 billion in 2023/24 and £3.6 billion during the last five years. This includes taxes paid by its customers and suppliers as a result of Berkeley activities.

Improving access to nature

Connecting people with nature and making a measurable contribution to the natural environment

>580

Berkeley has committed or delivered more than 580 acres of new or measurably improved natural habitats across 56 biodiversity net gain sites over a seven year period since we made our commitment in 2017.

246

Berkeley has committed or delivered 246 acres of woodland over a seven year period since we made our commitment in 2017, together with 160 acres of nature-rich grassland and 56 acres of green roofs.

Chairman's statement

”

Berkeley's performance over the last year is testament to the strength and resilience of our business model.

Michael Dobson | Chairman

In the financial year ended 30 April 2024 Berkeley delivered positive outcomes for all its stakeholders.

Pre-tax profits of £557.3 million were slightly in excess of the guidance we had given at the beginning of the year. With interest rates remaining high, demand has been subdued and we have seen a significant decline in sales volumes. We achieved these results, therefore, due to the resilience of our long term business model with a high level of forward sales, a continuous commitment to quality and stringent cost management.

We met our shareholder returns target through dividends and share buybacks totalling £170.4 million, and announced a 33 pence per share dividend to be paid in July and a special dividend of £184 million, or 174 pence per share, to be paid in September along with a share consolidation, subject to shareholder approval.

Our vision is to transform challenging sites into exceptional places and to maximise the positive impacts we can have on society, the economy and the natural world.

Last year we delivered £370 million of value by way of affordable housing subsidies and infrastructure contributions to the communities in which we work. Notably, 87% of the homes we sold were on regenerated brownfield land, underscoring our commitment to this most sustainable form of development.

Although the current environment is challenging, going into 2024/25 we are well positioned for continued success. We have already secured 80% of our projected sales for the year, we have a strong cash position and land holdings of £6.9 billion represent a solid foundation for future growth. We are ready and willing to invest further, as soon as we see the right opportunities and conditions for growth.

Recognising the acute shortage of high quality rental accommodation in our core markets, we believe there is a compelling opportunity to establish a build to rent platform which will accelerate the delivery on our existing assets, and ensure optimal value creation from them as we build a substantial portfolio over coming years. This aligns with our goals of addressing housing needs and enhancing long term shareholder value.

Berkeley's performance over the past year is testament to the strength and resilience of our business model. We have successfully navigated a challenging environment and delivered on our financial targets. We will continue to invest in high quality developments, maintain our focus on operational excellence and drive innovation across the business. Looking ahead, we remain confident that this strategy, a strong financial position and an outstanding management team will deliver sustainable growth.

The results achieved over the past year and our strong position today are due to the commitment of the entire Berkeley team to putting customers first and doing everything to the highest quality. On behalf of the Board, I would like to extend our sincere thanks for their hard work.

Michael Dobson | Chairman
19 June 2024

Unlocking brownfield sites

Berkeley is currently the only UK homebuilder with the skills and resources to deliver urban brownfield regeneration at scale.

What are the challenges?

- **Building trust;** with local communities and councils
- **Planning and regulatory regimes;** which are highly complex and uncertain
- **Capital;** high up-front investment
- **Land assembly;** with multiple land ownerships
- **Design challenges;** to address unique site-specific constraints
- **Infrastructure delivery;** such as new roads, bridges and stations
- **Operations;** building in complex urban environments

How do we solve them?

- **Partnership working;** based on strong relationships with local stakeholders
- **Diverse inhouse expertise;** to work through complex challenges
- **Design-led solutions;** to unlock sites and create high quality neighbourhoods
- **Patient placemaking;** to help shape strong and engaged communities
- **Strong capital base;** to deliver multiple capital intensive programmes
- **Long term sustainable operating model;** to create value through market cycles

Before regeneration: Battersea gasworks

After regeneration: Prince of Wales Drive

Chief Executive's review

”

We are the only large-scale UK homebuilder focused on brownfield regeneration, which is a vital driver of growth and a powerful force for good in our towns and cities.

Rob Perrins | Chief Executive

- Strong performance in continued challenging operating conditions and ready to increase investment once the conditions for growth are re-established
- £283 million annual shareholder return to be completed by 33 pence per share ordinary dividend in July and 174 pence per share special dividend to be paid in September and accompanied by a share consolidation
- FY25 guidance increased by 5% to £525 million
- 87% of homes delivered by Berkeley in FY24 were on brownfield land with some £370 million investment in socio-economic benefits
- Berkeley is establishing its own Build to Rent platform, alongside its core trading business, adopting a strategic approach to maximising returns from its long-term regeneration sites

Berkeley has delivered pre-tax profits of £557 million in line with the guidance provided at the start of the year and increased its net cash position to over £500 million. This is a strong performance in a challenging and volatile operating environment, demonstrating the resilience of Berkeley's business model with its focus on the country's most undersupplied markets.

We continue to see good levels of enquiry for well-located homes built to a high standard of design and quality but recognise that the current lack of urgency in the market is likely to remain until the long-anticipated reduction in interest rates commences. Berkeley continues to benefit from a strong order book and has already secured 80% of its sales for next year, underpinning today's 5% increase in guidance for FY25's pre-tax profit to £525 million, with guidance for FY26 re-affirmed at £450 million.

In the year, we have delivered 3,500 new private and affordable homes, of which 87% are on regenerated brownfield land, and provided over £370 million in subsidies to deliver affordable housing and commitments to wider community and infrastructure benefits.

Recognising the strong occupational and institutional investment demand for high quality, well-managed rental homes in London and the South East, Berkeley is establishing its own Build to Rent ("BTR") platform to maximise returns in today's market conditions.

Berkeley has identified some 4,000 homes across 17 of its sustainable and well-connected brownfield regeneration sites as an initial portfolio for this platform.

Developed over the next ten years, and broadly representing a 10% increase in delivery, the portfolio will be financed by a combination of internally generated funds (over and above annual scheduled shareholder returns), debt secured against rental properties once income generating, and the introduction of third-party capital at the appropriate time, thereby fully supporting Berkeley's long-term corporate 15% pre-tax ROE target.

Berkeley's passion and purpose is to build quality homes, strengthen communities and make a positive difference to people's lives. We stand out as the only large-scale UK homebuilder focussed on brownfield regeneration, which is a vital driver for growth and a powerful force for good in our towns and cities.

We are heartened by the strong political consensus behind increasing the delivery of new homes across the country and the recognition that regenerating brownfield land is the most sustainable and popular way to deliver this vital goal. The next step is to ensure that brownfield sites can come forward at real scale and pace.

For this to happen, planning policy and public funding needs to prioritise the provision of affordable homes over the other significant financial demands placed upon the development industry through the planning, taxation and regulatory regimes. The industry has absorbed many regulatory changes over recent years and, while all well-intended, when taken together they have stifled investment, housing delivery and growth. In terms of corporation tax alone, the industry's rate has increased by 10% (from 19% to 29%) over the last two years, including the 4% RPDT.

We are supportive of the initiatives being discussed to provide customers with greater access to higher loan to value mortgages and to reduce stamp duty. We believe that all surcharges on stamp duty should be removed as, ultimately, these constrain supply.

I would like to thank all of Berkeley's people for their hard work, resilience and steadfast focus on our customers and communities to achieve the best possible outcomes for all stakeholders in this exceptionally challenging environment.

Investment Case

Berkeley has a strong track record of delivery, profitability and cash generation through market cycles, reflecting its uniquely long-term business model, which is underpinned by five key features:

Grand Union, Brent

1

Only large UK homebuilder focused on brownfield regeneration at scale

- Delivering sustainable homes and neighbourhoods on brownfield land with significant socio-economic benefits
- Aligned with Government's brownfield first agenda
- Each project individually designed in partnership with local authorities and communities

2

Core London and South East markets are systematically under supplied

- London has global appeal, with deep and proven demand
- Berkeley delivers over 10% of London's new private and affordable homes each year

3

Significant financial strength giving the business strategic optionality

- Net cash of £532 million, with £1,200 million of available debt facilities
- Cash due on private forward sales under exchanged contracts of £1.7 billion
- Land holdings estimated future gross margin of £6.9 billion across 54,000 homes

4

Unrivalled land holdings sustaining delivery profile for the next 10 years

- Not under pressure to buy land
- Over 70% of homes are in London
- 90% of homes have outline or full planning consent

5

Added value developer focused on maximising returns on every site

- Bottom-up approach which identifies the best development solution and maximises absolute returns from each site
- Sales volumes important on a site-by-site basis, but are not the sole determinant for creating value
- Long-term value is created through the land and planning strategy at any point in the cycle
- Risk managed through land approach and forward selling
- Agile and responsive to the prevailing operating environment

Sustained Shareholder Returns

526% TSR

(Total Shareholder Return) since 1 January 2007

Chief Executive's review continued

Planning and Regulatory Environment

The operating environment has become increasingly uncertain over recent years as a high number of well-intended regulatory and policy changes came into effect. This contributed to a marked decrease in private and affordable homebuilding activity, with SME developers and housing associations particularly impacted.

This significant decline in housing delivery has been acknowledged by policymakers at all levels and triggered a renewed focus on addressing barriers within the regulatory and planning system. This positive response has carried through to the General Election campaign and we are greatly encouraged by the tone and substance of manifesto commitments in support of homebuilding and urban regeneration.

Berkeley continues to work alongside industry partners, including other leading urban regeneration specialists and housing associations, to make the case for a stable and efficient regulatory environment which enables all parts of the market to invest with confidence.

Our core asks for the next Government include:

- refraining from a further round of major reforms in favour of a focussed effort to resolve a number of relatively small operational challenges within the planning and regulatory system to make it faster and more predictable;
 - greater resources for severely overstretched local authorities and statutory bodies so they can operate the system more effectively;
 - stronger policy support for well-designed, high density neighbourhoods on sustainable brownfield sites close to transport and employment hubs;
- replacing fixed CIL tariffs (which fund off-site infrastructure) with locally negotiated S106 agreements which prioritise on-site affordable housing and public amenities;
 - refinancing under pressure housing associations so they can get back into the market and perform their key role in driving housing delivery; and
 - simplify the complex Government grant funding regimes so they can become faster and more flexible.

”

We continue to take action on our ambitious long-term strategy, Our Vision 2030, helping to drive our performance, spur innovation and maximise our positive impacts on society, the economy and the natural world.

Rob Perrins | Chief Executive

For more detail
see pages 36 to 57

Strategy Positioning and Establishment of Rental Fund

Core Business Strategy

In December, Berkeley set out a medium-term plan to respond to the extended period of volatility in the housing market, that began with the sharp increase in interest rates in September 2022, which also reflects the wider challenges presented by the planning and regulatory environment. Despite this challenging backdrop, Berkeley's long-term business model continues to be resilient with good forward visibility:

Near-term (FY25 and FY26)

- Having met its guidance for FY24, Berkeley is targeting at least £975 million of pre-tax profit across the next two years with the guidance for FY25 increased by 5% to £525 million.
- Operating margins are expected to be within the long-term historical range (17.5% to 19%) following a 7.7% reduction in operating costs in FY24 and targeting no increase in FY25.

- While the sales market remains subdued, cash due on private forward sales remains strong at £1.7 billion but will continue to moderate until transaction volumes recover. Consequently, Berkeley will carry higher completed stock levels than in recent years over this period.
- Berkeley will continue to review the development solution on all its sites to achieve the optimum outcome for all stakeholders, including accommodating our best current assessment of the impact of evolving regulations, such as the requirements surrounding second staircases in buildings over 18 metres.
- In the absence of material new land investment, the land holdings future gross margin will be targeted at around £6 billion at the end of this period.
- Pre-tax ROE will be above 15% for the period as a whole but is likely to fall slightly below this for FY26.

Medium-term (FY27, FY28 and FY29)

- Until the planning and regulatory environments unlock, alongside an inflection in the sales market, pre-tax profitability is anticipated to remain around the level to be delivered in FY26.
- The focus will be on maintaining operating margin through our added-value approach to each site's development solution and ensuring our operating costs are aligned to the size of the business.

Capital allocation flexibility

- We are on track to continue with the current shareholder returns programme into the future but remain agile and are ready to switch our capital allocation emphasis to invest in value accretive opportunities should these present themselves.

Chief Executive's review continued

- Berkeley's position has always been that, if it cannot deploy capital to deliver appropriate risk-adjusted returns, it will return surplus capital to shareholders. With the creation of the BTR platform, the surplus capital that we indicated in December would be available to make additional returns from 2027, should no new investment opportunities arise, will now be allocated to the development of the rental portfolio.
- Berkeley sees this as an attractive opportunity to accelerate delivery of its existing assets by building a best-in-class London and South-East focused BTR residential portfolio and platform that will enable us to maximise value on our brownfield regeneration sites from this growing market segment to the benefit of both society and shareholders.

Establishment of Berkeley Build to Rent ("BTR") Platform

Recognising the severe shortage of high-quality rental accommodation, Berkeley is today announcing a natural extension of its strategy that will see the establishment of its own BTR platform, which will be developed over the next ten years, comprising some 4,000 new homes across 17 of the Group's well-connected, nature-rich, low-carbon brownfield urban regeneration developments.

This will represent additional delivery of around 10% of much needed new homes, when compared to the plan set out in December with the Company's interim results, along with the acceleration of place-making and affordable homes on these sites.

There is strong, unsatisfied demand for quality residential rental property built at scale in and around London, the country's most under-supplied market, from institutional capital which is attracted to its inflation-correlated attributes. Having sold over 1,000 homes across five sites in the last three years to institutional investors on a forward commitment basis, we now believe that adopting a more strategic route to this market will drive best value for these assets by creating a portfolio of scale, professionally managed, with proven income levels stabilised prior to disposal.

With strong demand and a systemic under-supply of high-quality homes to rent in and around London, upward pressure on rents is forecast to remain. We will be locking in build costs early in the investment cycle and with yields linked to long-term interest rates, there is strong potential to drive value accretion over the next ten years, as well as incremental income while the properties in the portfolio remain owned by Berkeley.

Drawing on our experience in 2011–2014 when we developed and managed a portfolio of 900 homes, and utilising our ongoing site presence, we will create our own operating and management platform to provide tenants with the high levels of customer service experienced by our purchasers.

The establishment of the portfolio will be financed by a combination of internally generated funds (over and above annual scheduled shareholder returns), debt secured against rental properties once income generating, and the introduction of third-party capital at the appropriate time, thereby enhancing the efficiency of Berkeley's balance sheet and fully supporting the long-term 15% pre-tax ROE target. It will not inhibit new land investment in the core business when appropriate opportunities arise.

The platform being established is flexible, ensuring Berkeley is able to dispose of the properties individually or in stand-alone blocks at any time should this become the more compelling exit route for any reason over the course of the next ten years.

Shareholder Returns

The current shareholder returns framework is based upon an annual return of £283 million through to September 2025 (as the shareholder returns year runs from 1 October to 30 September each year), which can be made through either dividends or share buy-backs, subject to a dividend underpin of 66 pence per share (approximately £70 million).

Shareholder returns during the financial year totalled £170.4 million:

Shareholder Returns for the year ending 30 April:	2024 £m	2023 £m
Dividends paid	98.1	98.5
Share buy-backs undertaken	72.3	155.4
Shareholder return in the financial year	170.4	253.9

Dividends paid during the financial year of £98.1 million comprised:

- A £63.1 million dividend in September 2023 (59.30 pence per share) which completed the return of £283 million for the year ended 30 September 2023; and
- A £35.0 million dividend in March 2024 (33.00 pence per share) representing half of the dividend underpin in respect of the scheduled return of £283 million for the year ending 30 September 2024.

The total amount returned via share buy-backs in the financial year was £72.3 million across 1.8 million shares at an average price of £39.62 per share.

This includes £29.2 million in respect of the year annual return to 30 September 2024. When combined with the £35.0 million dividend paid in March, there is currently £218.9 million still due for return by 30 September 2024. This will be completed by:

- A further £34.9 million (33.00 pence per share) interim dividend to be paid on 26 July 2024 to shareholders on the Company's register of members at close of business on 28 June 2024. The ex-dividend date is 27 June 2024; and
- A special dividend of £184.0 million (174 pence per share) to be paid in September 2024 accompanied by a share consolidation, subject to approval by shareholders at the September AGM.

Any further share buy-backs undertaken in the intervening period will therefore count towards the £283 million return for the year to 30 September 2025, which currently equates to £2.67 per share and compares to the initial £2.00 per share initiated in 2016.

Housing Market and Operations

Sales

Throughout the year, the value of underlying private reservations has been consistently around a third lower than FY23, reflecting the ongoing macroeconomic and geopolitical uncertainty and, in particular, the prolonged period of elevated interest rates. Sales prices have been largely stable across our sites and above business plan levels, with cancellation levels in the normal range.

Our core markets are underpinned by the systemic under-supply of new homes, the related strong rental growth of recent years and a supportive mortgage market. Enquiry levels remain robust, with the slow-moving nature of the second-hand market impacting transaction timescales for sale-dependent owner-occupiers. We anticipate sales reservations will remain around current levels until we see the first reduction in interest rates and customers have confidence in the trajectory for rates and the wider economy. We continue to benefit from a strong order book. Cash due on exchanged private forward sales stands at £1.70 billion, down from £2.14 billion at the start of the year, with 80% of private sales for FY25 already secured. This level will moderate over the course of the coming year while the prevailing sales rates continue. Equally, and as anticipated, Berkeley's completed stock has increased in this environment, providing readily available homes for those currently in the zone to move and for when the market conditions normalise.

Positively, inflation is now abating, and the market expectation is for measured interest rate reductions over the near term against a backdrop of full employment levels and resilient wage growth which has improved affordability in real terms. Nonetheless, Berkeley is mindful of the ongoing uncertainty on a number of macro fronts which weighs on market sentiment.

Chief Executive's review continued

Berkeley is therefore positioned for sales rates to remain subdued for the near-term but is alert to the prospect of these responding decisively to evolving market conditions.

More fundamentally, Berkeley's core markets in London and the South East are under-supplied. Focussing on the capital, the latest DLUHC data is new-build starts for the 12 months to December 2023 of just under 17,000 (including private, PRS and affordable homes) below both the current London Plan target of 52,000 per annum and Government's identified local housing need of 94,000 per annum.

Land and planning

Following extended planning processes and timescales, Berkeley has secured five new consents during the year:

- 199 homes in Spring Hill, Maidenhead;
- 470 homes in Guildford, Surrey (St Edward);
- 550 homes adjacent to West End Gate, Marylebone;
- 970 homes in Chalk Gardens, Sutton; and
- 2,150 homes at Syon Lane, Brentford (St Edward).

The sites in Maidenhead and Guildford have been added to the land holdings during the year, with the former a strategic land site and the latter transferred from the pipeline. While consent was secured in December 2023 for the large-scale regeneration development in Brentford, the site will remain in the pipeline while Berkeley re-plans the development to reflect building regulation changes, notably to accommodate second staircases, that have arisen since the application was called-in by central Government in late 2021. In addition, Berkeley has obtained some 30 amendments to planning consents on existing sites.

At 30 April 2024, Berkeley's land holdings comprise 54,081 plots across 70 developments (30 April 2023: 58,045 plots across 73 developments), including those in the St Edward joint venture.

The plots in the land holdings have an estimated future gross profit of £6.93 billion (30 April 2023: £7.63 billion), which includes the Group's 50% share of the anticipated profit on St Edward's joint venture developments. The net reduction in future gross profit of £0.70 billion principally arises through the gross profit taken through the Income Statement, with the two new sites added partly mitigating the impact of market movements and regulatory changes on the anticipated future gross profit in the land holdings. Consequently, the estimated future gross margin is 25.1% (30 April 2023: 26.2%).

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.

The pipeline comprises approximately 13,500 plots across 13 sites at 30 April 2024 (30 April 2023: 14,000 plots on 14 sites) following the transfer of the Guildford site to the land holdings.

Construction

For Berkeley, build cost inflation in today's market is at negligible levels apart from some isolated trades where demand is high, reflecting a combination of reduced energy prices, the reversal of the very high materials inflation of recent years and reduction in new homes starts and construction output more broadly. For the early trades and those most impacted by the decline in orders we are already seeing some reductions in current tender pricing. We expect these market-led dynamics to continue placing downward pressure on build costs, but this will continue to be balanced by the costs associated with ongoing regulatory change. These include the impacts of evolving building regulations, the introduction of the new building safety regime and the requirements for second staircases in buildings above 18 metres.

We continue to work with and support our established supply chain partners to ensure sustainability of the supply chain and delivery on our development sites as the market continues to adjust to these changing dynamics.

Land holdings as at	30 April 24	Change	30 April 23
Owned	53,600	-4,445	58,045
Contracted	481	+481	-
Plots	54,081	-3,964	58,045
Sales value	£27.6bn	-£1.6bn	£29.2bn
Average selling price (ASP)*	£516k	+£8k	£508k
Average plot cost*	£49k	-£1k	£50k
Land cost (%)	9.4%	-0.4%	9.8%
Gross margin	£6,929m	-£700m	£7,629m
GM%	25.1%	-1.1%	26.2%

* Reflects joint venture sites at 100%

CMA investigation

Berkeley notes the outcome of the Competition and Markets Authority ("CMA") market study into housebuilding, which concluded on 26 February 2024 with the CMA's decision not to launch a market investigation at this time. As one of the eight large housebuilders covered by the CMA's subsequent investigation into possible anti-competitive sharing of information in the housebuilding industry, we continue to cooperate with the CMA and their enquiries.

Self-Remediation

Terms and Contract

On 13 March 2023 Berkeley entered into the Self-Remediation Terms and Contract with DLUHC, under which developers have responsibility for any life critical fire safety defects in buildings they have developed in the 30 year period to April 2022.

For the 820 relevant buildings Berkeley has developed over this period, we have third party assessments on over 95%. All of the remaining buildings are where Berkeley is not the freeholder and has not yet been provided access. There are 40 buildings where works are still to be completed, 12 of which are buildings where Berkeley is reimbursing Government for the works under the Developer Remediation contract. Where works are required and yet to commence, Berkeley intends to begin works as soon as reasonably possible, subject to access being provided by the freeholder.

It is Berkeley's preference to take full responsibility for all its relevant buildings and to complete any required works itself as this will speed up the overall process of remediation. We are seeking recoveries from the supply chain and insurers where appropriate.

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

Outlook

The last 12 months has seen a continuation of the volatile and uncertain operating environment for Berkeley. However, while interest rates have stayed at elevated levels for longer than the market had anticipated, there are signs that the outlook is improving with inflation greatly reduced, the first interest rate cut expected later this year and a return to growth.

Housing is a central issue in the upcoming General Election and we are optimistic that the next Government will prioritise increasing housing supply of all tenures to deliver the homes the country badly needs where they are needed most. This is not straight-forward due to the multiple demands on development and the impact of policy and regulatory changes of recent years. However, we look forward to working with all levels of Government to unlock development on brownfield sites which have a vital role to play in tackling the housing crisis and re-energising our towns and cities to meet the challenges of tomorrow.

Berkeley enters the coming year in a robust position with over £0.5 billion of net cash, £1.7 billion of cash due on exchanged private sales and £6.9 billion of future gross margin in our land holdings.

We have in place a clear strategy for capital allocation, maintaining our previously announced scheduled annual shareholder returns programme and investing surplus capital to increase delivery by around 10% to develop our own BTR platform to deliver much needed quality homes for the rental market on our well-connected, nature-rich regeneration sites.

Our focus for the next twelve months is to find the best development solution for each of our sites, adding value to maintain operating margins in the long-term historic range of 17.5% to 19.5%. The challenge in the near-term is maintaining pre-tax return on equity above our 15% hurdle rate given the subdued sales market and the time required to achieve satisfactory planning consents in the current planning and regulatory environment.

We are delighted that over the last year our advocacy has helped the development of brownfield land to be recognised as the most sustainable way of solving the UK's housing crisis, and we will continue to fulfil our purpose and transform the most challenging sites into exceptional places with a real sense of community, yielding a long-term positive impact for society, the UK economy and natural world.

Market overview

The housing market is sensitive to underlying sentiment and the prevailing macro-economic environment. It is therefore cyclical in nature, and Berkeley is experienced at operating in this environment, with a unique long-term business model that enables us to deliver homes and outcomes for all stakeholders through market cycles.

Over the last year, the housing market has continued to face multiple challenges. In addition to the backdrop of sustained international economic and political instability, short-term domestic uncertainty exists, characterised by the upcoming General Election, muted economic growth and a planning and regulatory environment that continues to constrain supply.

Inflation, having been in double digit territory a little over a year ago, reduced to 2.3% in April 2024, nearing the Bank of England's 2% target. Build cost inflation has stabilised with a more competitive supply chain, although the financial strength of a number of smaller subcontractors has come under pressure.

Inflation and higher mortgage rates have impacted upon market sentiment. However, this could start to ease with inflation expected to reduce further and the Bank of England expected to commence base rate reductions cautiously later in the year.

Figure 1 – Construction starts activity

Figure 2 – Regional housing supply

Figure 3 – Transaction volumes

The layering of planning and regulatory changes in recent years have introduced a variety of challenges and increased uncertainty for the sector, including the removal of housing targets for local authorities, changes to energy efficiency standards and environmental measures, as well as the continued changes to building regulations which, for a prolonged period, did not provide clear and definitive specification or transitional arrangements.

Whilst Berkeley supports positive changes, the increasingly challenging operating environment has resulted in subdued construction activity nationally, which is impeding much needed supply.

However, importantly, the fundamentals of the housing sector and Berkeley's core markets in London and the South East remain strong:

- London's position as a global city remains compelling;
- systemic and compounding under supply in London and the South East of England continues;
- unemployment remains at low levels, despite economic uncertainty, with strong wage growth countering inflation;
- interest rates appear to have peaked and the anticipated future trajectory is supportive of restoring sentiment and affordability;
- a competitive lender market supports good mortgage availability; and
- strong growth in the rental market means both home ownership is a viable preference despite higher interest rates, and investors can achieve appropriate yields, supporting the much needed rental market.

London and the South East is systemically under-supplied

The Government's long-term annual delivery target of 300,000 homes per year has only ever been achieved six times, all during the 1960s, when Government directly delivered around 40% of all new build homes.¹ How this target is to be achieved in the future is a key point of focus of the General Election in July.

During 2023/24, the number of new homes completed across England was around 232,000,² comparable to the levels achieved in each of the preceding two years,³ but still some 23% below the Government's ambition and compounding the national under supply issue further. Future completions look set to remain materially below targets, based upon current permissions granted and starts activity.

There were 149,000 starts reported in England in 2023, the lowest level since 2016, excluding the short-term pandemic impacted period (see Figure 1).⁴ This is less than half of the Government's national target.

The number of homes that gained planning permission in 2023 was the lowest since 2014. Whilst all regions had a general downward trajectory, the declines were among the greatest in London (34%, lowest since 2011) and the South East (13%, lowest since 2015).⁵

Based upon the Government's most recent assessment of housing need,⁶ this under supply will therefore continue to be concentrated in these two regions more than any others (see Figure 2).

London's housing need was last estimated at 94,000 homes per year.⁶ However, the current London Plan has an annual housing delivery target of 52,000 homes. Even if this target were reached, this would still represent a shortfall of 42,000 homes or around 45% relative to London's assessed housing need every year.

In 2022/23, there were 35,000 homes delivered in London, of which nearly 31,000 were new build.³ The delivery in 2023/24 is expected to be broadly similar,² a 63% shortfall compared to need.

This supply constraint in London looks set to continue in the medium to long-term, with new build starts currently just under 17,000 per annum (see Figure 1),⁷ having been below 20,000 for much of the last decade. The decline appears particularly acute within affordable housing delivery, with claimed starts in the year to March 2024 down over 90% on the prior year.⁸

The situation is similar in the South East, which has a housing need assessment of 50,000 homes per year,⁶ compared to average completions of just over 40,000 per year over the last five years,³ an annual shortfall of 10,000 homes (20%).

Transaction volumes

Transaction activity had recovered well post-pandemic. However, the full impact of recent economic events upon consumer confidence is now much clearer. Current transaction levels have reduced by around 35% in the period since September 2022 and are now close to the volumes back in 2009 at the height of the financial crisis (see Figure 3).⁹

The reaction to temporary SDLT cuts in recent periods demonstrated the positive impact a more permanent rationalisation of the SDLT regime could have on housing market activity. Conversely, the introduction of the 3% SDLT levy on additional properties in 2016 showed the adverse impact of increased transactional taxation, which initiated a contraction of activity, exacerbated in London (see Figure 3). Current volumes are now 45% and 52% lower nationally and in London respectively than prior to this change.⁹

Market overview continued

Such investment (including some overseas purchasers, who have also been impacted by the introduction of a further 2% SDLT surcharge) is a crucial element of new housing supply. They typically invest early in the development cycle, which allows developers and their funders to bring forward larger and more capital intensive developments, thus creating significant additionality beyond their direct purchases.

Setting the conditions for growth

Increasing housing delivery in a sustainable manner should be an increasingly important priority for the UK Government. Rents are currently rising at historically significant rates, and the falling number of housing starts is now so significant it is likely acting as a drag on overall economic performance.

Berkeley strongly supports the ambition to reform the planning system to make it faster and more predictable, with the clear objective of delivering more homes in the places where they are most needed. In particular, the increased focus on the importance of brownfield housing delivery as a core part of this overall ambition is encouraging.

When individual homebuyers, investors, and developers like Berkeley have the confidence and ability to invest for the long-term, this supports significant economic activity, improves social mobility, and permanently increases the country's asset base. Berkeley believes that the following further actions could help support sustainable economic growth:

- Create a separate planning category for brownfield development, with differing levies and planning tariffs which appropriately reflect the more complex nature and higher capital investment required for such development.

- Refocus attention on increasing the supply of homes on brownfield land by recognising the positive nature of investment in the built environment and offer incentives for investment in brownfield urban regeneration. This will deliver more homes and raise more tax revenue in the medium to long-term.
- Increase the amount of direct Government investment in affordable housing, assisting with the private sector's efforts to replicate historical record delivery levels achieved in tandem with significant Government involvement.
- Strengthen housing delivery targets and ensure changes to the National Planning Policy Framework appropriately address the shortcomings of the existing system, which will result in the building of more high quality, well designed and beautiful homes in the most undersupplied markets.

- Provide more resources to the planning system and ensure that a robust plan-led system is able to deliver the number of homes targeted by the Government.
- Increase market liquidity through reduced transaction taxes, particularly for first time buyers in the absence of continued support and downsizers.

Sources: (1) DLUHC Live Table 244; (2) DLUHC EPC data; (3) DLUHC Live Table 118; (4) DLUHC Live Table 213; (5) HBF; (6) DLUHC Indicative Local Housing Need (December 2020); (7) DLUHC Live Table 253a; (8) GLA; (9) Land Registry

Woodberry Down, Hackney

Trading and financial review

Trading performance

Year ended 30 April	2024 £m	2023 £m	Change £m	%
Revenue	2,464.3	2,550.2	-85.9	-3.4%
Gross profit	644.5	696.8	-52.3	-7.5%
Operating expenses	(164.8)	(178.5)	+13.7	-7.7%
Operating profit	479.7	518.3	-38.6	-7.4%
Net finance costs	12.0	(10.6)	+22.6	
Share of joint ventures	65.6	96.3	-30.7	
Profit before tax	557.3	604.0	-46.7	-7.7%
Pre-tax return on equity	16.2%	18.7%	-2.5%	
Earnings per share – basic	373.9p	426.8p	-52.9p	-12.4%

Revenue of £2,464.3 million in the year (2023: £2,550.2 million) arose primarily from the sale of new homes in London and the South East. This included £2,395.7 million of residential revenue (2023: £2,508.3 million), £21.4 million of land sales (2023: £nil) and £47.2 million of commercial revenue (2023: £41.9 million).

3,521 new homes (2023: 4,043) were sold across London and the South East at an average selling price of £664,000 (2023: £608,000) reflecting the mix of properties sold in the year.

The gross margin percentage is 26.2% (2023: 27.3%), reflecting the mix of developments on which homes were completed in the year. Overheads of £164.8 million (2023: £178.5 million) have decreased by £13.7 million (7.7%). The operating margin is 19.5% (2023: 20.3%).

Berkeley's share of the results of joint ventures is a profit of £65.6 million (2023: £96.3 million), with St Edward's profits arising predominately from completions at Royal Warwick Square and Millbank.

The cost of borrowings, amortisation of associated fees and imputed non-cash interest on land creditors is outweighed by interest earned from gross cash holdings, resulting in net finance income of £12.0 million for the year (2023: net finance cost of £10.6 million).

The taxation charge for the year is £159.7 million (2023: £138.3 million) at an effective tax rate of 28.7% (2023: 22.9%), which incorporates the additional 4% RPDT and Corporation Tax of 25%, following the increase from 19% from April 2023.

Pre-tax return on equity for the year is 16.2% (2023: 18.7%).

Basic earnings per share has decreased by 12.4% from 426.8 pence to 373.9 pence, which takes account of the buy-back of 1.8 million shares at a cost of £72.3 million under the Shareholder Returns Programme.

Taxation

The Group has an overall tax charge of £159.7 million for the year (2023: £138.3 million) and an effective tax rate of 28.7% (2023: 22.9%). The Group manages its tax affairs in an open and transparent manner with the tax authorities and observes all applicable rules and regulations in the countries in which it operates. Factors that may affect the Group's tax charge include changes in tax legislation and the closure of open tax matters in the ordinary course of events.

Total tax paid (year ended 30 April 2024)

£285.4m

Corporate Tax	£170.5m
SDLT	£1.8m
PAYE	£70.3m
Employees' NI	£15.0m
Employer's NI	£27.8m

For the year ended 30 April 2024, the total tax contribution to the UK Treasury was £285.4 million; split between taxes borne by Berkeley of £200.1 million (corporate tax, employer's NIC and SDLT) and taxes borne by our employees of £85.3 million (PAYE and employees' NIC). This total tax contribution does not include the indirect tax contribution paid by Berkeley's suppliers and customers. The wider indirect tax impact is set out on page 15.

Trading and financial review continued

Financial Position

The Group's net assets increased by £228.2 million during the year to £3,560.5 million (2023: £3,332.3 million).

Inventory

Inventories of £5,283.9 million include £725.8 million of land not under development (2023: £927.1 million), £4,347.7 million of work in progress (2023: £4,249.2 million) and £210.4 million of completed stock (2023: £125.8 million).

During the year, three sites moved from land not under development into work in progress: Broadway East in Bethnal Green, Bow Green and Winterbrook Meadows in Wallingford.

Creditors

Total creditors of £2,775.8 million include £907.7 million of on-account receipts from customers (2023: £921.3 million) and land creditors of £881.7 million (2023: £900.7 million). Of the total £881.7 million land creditor balance, £198.1 million is short-term, with a further £227.9 million due to settlement in the financial year ending 30 April 2026 and the residual £455.7 million is spread over the following seven years.

Creditors include provisions of £209.8 million (30 April 2023: £193.6 million) which represents post-completion development obligations, including those related to building fire-safety matters, and other provisions.

Summarised Balance Sheet as at 30 April	2024 £m	2023 £m	Change £m
Non-current assets	393.4	394.9	-1.5
Inventories	5,283.9	5,302.1	-18.2
Debtors	127.0	92.3	+34.7
Creditors	(2,775.8)	(2,867.4)	+91.6
Capital employed	3,028.5	2,921.9	+106.6
Net cash	532.0	410.4	+121.6
Net assets	3,560.5	3,332.3	+228.2
Shares, net of treasury and EBT	105.9m	107.5m	-1.6m
Net asset value per share	3,363p	3,101p	+262p

Abridged Cash Flow for year ended 30 April	2024 £m	2023 £m
Profit before taxation	557.3	604.0
Taxation paid	(170.5)	(133.7)
Net investment in working capital	(105.9)	(50.1)
Net investment in joint ventures	(3.7)	(33.0)
Other movements	14.8	8.2
Shareholder returns	(170.4)	(253.9)
Increase/(decrease) in net cash	121.6	141.5
Opening net cash	410.4	268.9
Closing net cash	532.0	410.4

The Green Quarter, Ealing

Net cash

The Group ended the year with net cash of £532.0 million (30 April 2023: £410.4 million), an increase of £121.6 million.

The net cash of £532.0 million comprises gross cash holdings of £1,192.0 million and long-term borrowings of £660.0 million.

Net assets and NAVPS

Net assets increased over the year by £228.2 million, or 6.8% to £3,560.5 million (2023: £3,332.3 million) primarily due to the profit after tax for the year of £397.6 million outweighing the shareholder returns of £170.4 million and other movements in reserves of £1.0 million.

The shares in issue, net of treasury and EBT shares, closed at 105.9 million compared to 107.5 million at the start of the year. The net reduction of 1.6 million shares comprises two movements:

- The 1.8 million share buy-backs undertaken during the year for £72.3 million (£39.62 per share);
- The issue of 0.2 million shares under the 2011 LTIP.

Consequently, the net asset value per share is 3,363 pence at 30 April 2024, up 8.4% from the 3,101 pence a year ago.

Funding

The Group's borrowing capacity of £1,200 million was unchanged during the year and comprises:

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

In February 2024, Berkeley exercised the second of two one-year extensions on its £800 million bank facility, which extended the term to February 2029.

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

With borrowings of £660 million, the Group's gross cash holdings of over £1 billion throughout the year have been placed on deposit with its six relationship banks.

In February 2024, Berkeley entered a borrowing facility with Homes England whereby it may apply amounts borrowed towards financing or re-financing certain infrastructure type costs incurred on three of its developments. The facility totals £125.6 million, is unsecured, has floating interest rates linked to UK base rate and requires 33.33% of any outstanding loans to be repaid by 31 December 2031, 50% by 31 December 2032 and 100% by 31 December 2033. There are no loans outstanding as at 30 April 2024.

Joint ventures

Included within non-current assets are investments in joint ventures accounted for using the equity method which are at £227.0 million at 30 April 2023 (2023: £223.4 million).

The net £3.6 million increase in the year arises from Berkeley's 50% share of three movements:

- Profits earned in joint ventures of £65.6 million;
- Dividend distribution from St Edward of £74.9 million; and
- Cash contributions (loans) to site specific joint ventures of £12.9 million.

In St Edward, 406 homes were completed in the year at an average selling price of £788,000 (2023: 594 homes at £885,000). The completions occurred at Royal Warwick Square and Millbank in London, Hartland Village in Fleet, Green Park Village in Reading and Highcroft in Wallingford.

In total, 2,502 plots (30 April 2023: 2,435 plots) in Berkeley's land holdings relate to five St Edward developments, one in London (Westminster) and four outside the capital (Reading, Fleet, Wallingford and Guildford).

The Strategic Report on pages 01 to 103 was approved by the Board and signed on its behalf by:

Rob Perrins

Chief Executive
19 June 2024

Key Performance Indicators (KPIs)

Our KPIs are aligned to the business strategy and are used to actively monitor business performance.

Financial KPIs

Profit before tax (£m)

This is our core measure of profitability, our absolute return from the sale and delivery of new homes in the year.

Definition: Profit earned by the Group during the year, including any finance income and costs and share of results of joint ventures, but before any tax expense.

Link to strategy:

B **D** **E** **1** **2** **4** **5**

Pre-tax return on equity (%)

This is the efficiency of the returns generated from shareholder equity in the business.

Read more on remuneration page 131

Definition: This is measured by calculating profit before tax as a percentage of the average of opening and closing shareholders' funds. See page 216.

Link to strategy:

B **D** **E** **1** **2** **4** **5**

Net cash (£m)

This provides a measure of the financial strength of the Group.

The £0.5 billion of net cash at 30 April 2024 combined with £1.2 billion of borrowing capacity provides the Group with total liquidity of £1.7 billion.

Definition: Cash and cash equivalents, less total borrowings. See page 211.

Link to strategy:

B **2** **4** **5**

Net asset value per share (£)

This Balance Sheet measure reflects the value of shareholders' interests in the net assets of the business.

Definition: 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. See page 215.

Link to strategy:

B **5**

Cash due on forward sales (£m)

This measures cash due from customers under unconditional contracts and reflects the strength and financial stability of the business from secured future sales.

Definition: This measures cash still due from customers at the relevant Balance Sheet date during the next three years under unconditional contracts for sale. It excludes forward sales of affordable housing, commercial properties and institutional sales, and forward sales within the Group's joint ventures. See page 216.

Link to strategy:

A **B** **4** **5**

Future gross margin in land holdings (£m)

This provides a measure of expected value in the Group's land holdings, including its share of joint ventures, in the event that it successfully sells and delivers the developments planned for.

Definition: 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.

Link to strategy:

A **B** **C** **5**

Key | Strategy

- | | |
|-------------------------|--------------------------------|
| A Customers | 1 Employee experience |
| B Quality | 2 Modernised production |
| C Communities | 3 Future skills |
| D Climate action | 4 Supply chain |
| E Nature | 5 Shared value |

Non-Financial KPIs

Net Promoter Score (NPS) (Rate)

Our six month rolling NPS is an indicator of the success of our efforts to provide world-class customer service. Our NPS significantly exceeds the sector average of 44 (HBF, March 2024) and compares favourably with top-performing consumer brands.

Definition: Customers register a score between 0 – 10 of how likely they are to recommend us to a friend; 9 – 10 being classified as promoters, 7 – 8 being passive, and 0 – 6 being detractors. The NPS is the percentage of promoters less the percentage of detractors, on a scale of -100 to +100.

Link to strategy:

A B 5

Annual Injury Incidence Rate (AIIR) (Rate per 100,000 people)

This measure shows the number of reportable injuries during the year, in relation to the number of Berkeley employees and on-site contractors. Our AIIR significantly outperforms the construction industry average of 296 (HSE, October 2023).

Definition: This rate is calculated by taking the number of reportable injuries across our operations throughout the year, multiplied by 100,000, divided by the average number of people working across our activities in the year.

Link to strategy:

1 5

Direct apprentices and training (%)

This measure shows the proportion of our employees who are an apprentice, graduate or sponsored student. On average, we had 150 apprentices and approximately 50 graduates and 55 sponsored students during the course of the year.

Definition: Calculated as the average monthly percentage of our direct workforce who are apprentices, graduates or sponsored students, in line with the definition provided by The 5% Club.

Link to strategy:

1 3 5

Greenhouse gas (GHG) emissions intensity (tCO₂e/100 sq m)

This measure relates to our annual scopes 1 and 2 (market-based) GHG emissions resulting from our direct activities to the floor area legally completed in the year. The figure is disclosed on an operational reporting boundary, as further explained in the Directors' report on page 160.

Definition: This is calculated by dividing our absolute market-based GHG emissions by the floor area legally completed in the year, including joint venture activities.

Link to strategy:

D E 5

Affordable housing subsidies and wider contributions (£m)

This measures our contribution to affordable housing subsidies and wider community and infrastructure benefits delivered or committed to during the year. The value in any one year is influenced by the number and mix of homes delivered.

Definition: This is the total financial value of community and infrastructure benefits committed to under Section 106 agreements during the year, together with the affordable housing subsidy on affordable homes delivered in the year with reference to open market value.

Link to strategy:

A B C 5

Brownfield regeneration (%)

This measure shows the proportion of our homes delivered during the year (including joint ventures) on brownfield regeneration land.

Definition: This is measured by calculating the number of homes delivered during the year on brownfield regeneration land as a percentage of total homes delivered during the year.

Link to strategy:

C D E 5

Responsible business at a glance

Berkeley has an established approach to responsible business. We define this as the holistic way we manage the business that takes into account economic, social and environmental value.

” Our vision is to be a world-class business, trusted to transform the most challenging sites into exceptional places and to maximise our positive impact on society, the economy and the natural world.

Our Vision 2030 is our ambitious strategy for the business. It centres on 10 strategic priorities that we will focus on over a decade, helping to drive our continued success, whilst setting us apart and maximising the positive impact we make.

An integrated strategy for ESG

Our Vision 2030 provides a framework for how we address Environmental, Social and Governance (ESG) issues. It includes topics such as sustainability, health and safety and build quality, and encompasses our approach with a number of stakeholders such as customers, employees and the supply chain.

Tackling material issues

A materiality assessment was undertaken when developing our strategy in 2020, based on international best practice from the Global Reporting Initiative (GRI) to help identify the priorities. It included extensive research, together with input from more than 40 internal and external stakeholders.

Scan the code
for more information on
our materiality study

Strong governance

Our Vision 2030 is overseen by a team at Group level and managed by a network of subject matter experts across the business. Monthly Board meetings are held with the CEO, CFO, Responsible Business Executive and Head of Sustainability. We use the existing network of Group committees (see page 119) to embed Our Vision 2030, drive progress and communicate on the priorities.

Ambitious goals

Through Our Vision 2030 we strive to go above and beyond typical requirements, where appropriate.

Each priority includes a long-term goal and is supported by an underlying action plan with targets and a set of core KPIs which we use to measure outcomes and impacts. We are now in the medium-term implementation phase of our strategy.

Embedding it day-to-day

Our Vision 2030 is underpinned by detailed policies, standards and management systems in areas such as sustainability and health and safety. These set a clear framework for the teams within each of our autonomous businesses to follow.

Read more about Our Vision 2030 on **pages 36 to 57**

A sustainable business

We take action to reduce the long-term impacts of both our operations and the places we build. In addition to Communities, Climate Action and Nature contained within Our Vision 2030, our Sustainability Standards and management system cover resource use and environmental management.

We are committed to playing our part in achieving the United Nations' Sustainable Development Goals (SDGs). We have identified six goals that we have the greatest opportunity to contribute to the achievement of through the implementation of Our Vision 2030.

Scan the code
to find out more about our
approach to sustainability

Kidbrooke Village, Greenwich

Awards

Building Awards 2023
Housebuilder of the Year

RESI Awards 2024
Large Developer of the Year

National Sustainability Awards 2023
Conservation Award

In-house Research
Outstanding Achievement Award
for ten years running

Better Society Awards 2024
Environment Award

Engaging stakeholders

The nature of our business means that we have a wide variety of stakeholder groups, with a range of interests from the activities of individual developments through to strategic business performance.

We engage with stakeholders to understand their opinions and respond to their requirements. Getting this engagement right is fundamental to the success of our business, with the interests of our stakeholders embedded into the long-term strategy of the business.

Read more about our stakeholders on **pages 58 to 65**

Policies

We have policies in place to govern our day-to-day activities and the behaviour of our employees, partners and supply chain across key topics such as business ethics, human rights, sustainability, quality, health, safety and wellbeing.

The Berkeley Foundation

We established the Berkeley Foundation in 2011 as an independent charity to support young people and their communities. It is funded by Berkeley and our employees volunteer their time, expertise and money to support the Foundation's charity partners.

Read more about the Berkeley Foundation on **pages 56 to 57**

Performance and disclosures

ESG performance
pages 66 to 67

Climate-related disclosures
pages 68 to 88

Non-financial and sustainability information statement
page 89

Link to ESG disclosures
www.berkeleygroup.co.uk/esg

Construction activity at Bow Green

Our Vision 2030 strategy overview

Our business strategy sets out our vision to maximise our positive impact on society, the economy and the natural world through 10 strategic priorities. It is an integrated and holistic strategy, so each priority supports the others and makes a valuable contribution to achieving our vision.

Scan the code to read more about Our Vision 2030

Places that stand the test of time					
What we create					
Long-term goal	Customers	Quality	Communities	Climate action	Nature
	Put our customers at the heart of our decisions and provide an industry-leading home buying experience.	Lead the industry in producing high quality, safe homes for all.	Transform underused land into unique, well connected and welcoming places where people and communities can thrive for the long-term.	Play an active role in tackling the global climate emergency by creating low carbon, resilient homes.	Create a biodiversity net gain (BNG) and make a measurable contribution to the natural environment on every development.
	Maintaining the trust, loyalty and advocacy of our customers is fundamental to our business model and sets Berkeley apart from other homebuilding brands.	Creating unique homes and places of lasting quality is fundamental to our brand, purpose, values and working culture.	Long-term regeneration and placemaking can strengthen communities and make a lasting positive difference to people's lives.	We believe every business has a duty to tackle the global climate emergency and we want to continue leading our industry in taking decisive action.	We want to play a lead role in nature's recovery and to create more beautiful, wild and open spaces in the heart of cities, towns and communities.
	— Customers	— Customers — Government, regulators and industry	— Customers — Communities and local government	— Environment — Customers — Government, regulators and industry	— Environment — Customers — Communities and local government
Link to risks	1 4 5 7 9 13	3 6 7 13 14	4 5 11 13	10 11 13	10 11 13

Key | Risks

- | | |
|---------------------|----------------------------------|
| 1 Economic outlook | 9 Mortgages |
| 2 Political outlook | 10 Climate change |
| 3 Regulation | 11 Sustainability |
| 4 Land availability | 12 Health and safety |
| 5 Planning process | 13 Product quality and customers |
| 6 Retaining people | 14 Build cost and programme |
| 7 Securing sales | 15 Cyber and data risk |
| 8 Liquidity | |



Exceptional people and resources

How we work

Long-term goal	Employee experience	Modernised production	Future skills	Supply chain	Shared value
	Create a positive working environment for our people; one that fosters respect, support, wellbeing, safety and inclusivity.	Innovate and harness modern methods of construction and digital technology to achieve higher standards of quality, safety and sustainability.	Equip our people with the skills they need both now and for the future, enhancing social mobility and inspiring new talent to join the industry.	Build a responsible and constructive supply chain; one that is productive, practical and profitable, sustainable, ethical and dependable.	Allocate capital to deliver sustainable returns to our shareholders whilst creating value for our other stakeholders including through the work of the Berkeley Foundation.
	Our highly skilled people are the drivers of our success and we want to build an increasingly diverse, talented and productive workforce.	We want to address the housing need, whilst delivering higher standards for our customers and creating a sustainable and increased skills base for the future.	We want our people to have the skills to embrace innovative technologies and working practices, while attracting a new generation to drive our growth.	We want to maintain strong partnerships with our supply chain, sharing goals and collaborating to ensure we are the client of first choice.	We want to make a lasting positive impact, using our unique operating model and resources to fulfil our purpose and deliver value for all.
	— Employees — Supply chain	— Customers — Supply chain — Government, regulators and industry	— Employees — Supply chain	— Supply chain — Environment	— Customers — Communities and local government — Employees — Government, regulators and industry — Environment — Supply chain — Investors
	6 12	11 12 13 14	6 14	1 2 10 11 12 14	1 2 3 8

Our Vision 2030 progress

Places that stand the test of time

What we create



2024 Performance highlights

Customers

- A personalised experience for our customers, resulting in an industry-leading Net Promoter Score (NPS) of 80.2.
- 10 years of outstanding customer experience, demonstrated through the In-house Research Gold Award and Outstanding Achievement Award.

Quality

- Updated our arrangements for Building Safety and Quality Assurance (BSQA) in line with the Building Safety Act.
- Upskilled our teams through detailed training and a new guide to the Building Safety Act.
- 63% of our homes had zero defects compared to just 5% across industry.

Communities

- Progressed with the development of our long-term regeneration sites.
- Delivered 3,927 private and affordable homes.
- Made community contributions of £370m.
- Extending Community Plans across all developments.
- Delivering 515 public amenities such as shops and play areas.

Climate action

- Achieved a place on CDP's prestigious Climate A List for transparency and performance.
- Completed 48 embodied carbon studies to date.
- Engaged with aluminium manufacturers on lower carbon products.
- Progressed with developing our Net Zero Transition Plan.

Nature

- Led the industry on BNG for seven years, developing strategies for more than 56 sites ahead of it becoming mandatory.
- Partnered with Natural England in delivering a series of sessions to upskill Local Authorities and SMEs on BNG.
- Progressed with our approach to environmental net gain.

2023-2029 key medium-term targets

- Achieve a Net Promoter Score of 70 or above annually.
- Achieve a Recommend to a Friend Score of at least 95% annually.
- Encourage 90% customers sign up to MyHome Plus, our customer information portal.
- Transform our digital offering to enable customers to interact with us 24/7 by 2026.

- Adjust and embed processes in response to the Building Safety Act requirements.
- Ensure appropriate competence of our people and supply chain for building safety.
- Further enhance our internal training programme for building safety, year by year.
- Deliver all homes to RoSPA's Safer by Design Gold standard.

- Target 90% of our homes to be built on brownfield land.
- Embed a Community Plan on all developments by 2026.
- Maximise the value to society that each development brings.
- Work with external experts to assess people's quality of life on new developments.

- Undertake embodied carbon assessments and target reductions for each development.
- Engage with manufacturers of the top five impact materials by 2026.
- Re-baseline and achieve validation on our science-based targets and Net Zero target.
- Achieve a 15% reduction in energy consumption from 2023 to 2030.

- Develop an overall approach for environmental net gain and trial it by 2025.
- Assess the impact of nature within our supply chain in line with the Taskforce on Nature-related Financial Disclosures (TNFD).
- Reduce construction waste intensity by 50% by 2026 compared to 2023.



Exceptional people and resources

How we work

2024 performance highlights

Employee experience

- Hosted a series of events in support of our approach to equity, diversity and inclusion (EDI).
- Created action plans to improve employee engagement.
- Maintained industry-leading health & safety standards and introduced a new app to encourage any issues to be raised.

Modernised production

- Continued to implement our bespoke system for capturing digital information about each home from pre-construction to post-completion.
- The vast majority of our projects use pre-manufactured assemblies and components.
- Investigated innovative techniques and products.

Future skills

- Retained Gold membership of The 5% Club, with 9.5% of our employees in 'earn and learn' positions.
- Expanded our apprenticeship programmes to support social mobility and diversity and provide a range of entry routes.
- Ran almost 200 skills events with schools and communities.

Supply chain

- Held a Group-wide supply chain conference with more than 170 trade contractors, manufacturers and consultants.
- Supported our supply chain with understanding and responding to the evolving requirements of the Building Safety Act and product provenance.
- Ran training on combatting Modern Slavery.

Shared value

- Achieved a pre-tax return on equity of 16.2%.
- Contributed £2.5bn to UK GDP in FY24, including an average of £290k per home of value to the state through taxation and contributions to the community.
- Continued to support the Berkeley Foundation, with employees raising £940k and volunteering 1,990 hours of time.

2023–2029 key medium-term targets

- ◐ Increase staff engagement year-on-year.
- ◐ Embed our approach to Equity, Diversity and Inclusion (EDI), focusing on leadership, awareness and training.
- Achieve an AIIR of 250 or below per 100,000, targeting zero harm.
- ◐ Raise the proportion of women in management positions to 33% by 2026.

- ◐ Further embed our new digital platform to capture the 'golden thread' of information for every home.
- ◐ Apartment schemes over 18m to utilise Building Information Modelling (BIM).
- ◐ Measure and increase the proportion of Pre Manufactured Value (PMV) within our developments.

- ◐ Ensure the Berkeley Competency Framework is being effectively implemented.
- Maintain membership of The 5% Club.
- Host a range of careers events focused on increasing the diversity of individuals attracted to work in the industry.
- Gift Apprenticeship Levy to support SMEs.

- ◐ Achieve the requirements of the Chartered Institute of Procurement and Supply (CIPS) Excellence Award by 2027.
- ◐ Work with Code for Construction Product Information (CCPI) to ensure information standards are improved across the supply chain by 2026.
- Assess all contractors for modern slavery risk.

- Achieve a 15% pre-tax return on equity across the cycle.
- Increase employee engagement with the Foundation year-on-year.
- Leverage skills and expertise across the Group to support the Foundation's charity partners.
- ◐ Demonstrate the impact of the Berkeley Foundation's work supported by the Group.

Our Vision 2030 progress continued

Our Vision 2030 is helping to drive our performance, spur innovation and reinforce Berkeley's position as a responsible and sustainable developer.

This section highlights key initiatives and progress across our 10 priorities.

Key | Strategy

- 1 Customers
- 2 Quality
- 3 Communities
- 4 Climate action
- 5 Nature
- 6 Employee experience
- 7 Modernised production
- 8 Future skills
- 9 Supply chain
- 10 Shared value

A personal touch for our customers

1
Buying a new home is a significant milestone and we strive to make this an enjoyable and exciting experience, setting standards for the wider industry to match. From exceptional customer service to the quality of our homes, we aim to delight our customers in every detail.

Our highly trained in-house sales and customer teams are equipped with the skills and values to connect with our customers. From the moment a customer first contacts us, we provide a personal touch, getting to know them and supporting them throughout their journey to buying and settling into their new home. We complement face-to-face communications with virtual tours and video updates and use MyHome Plus, a custom-built interactive portal for sharing information about our homes, the buying process and customer choices.

10 years of outstanding customer experience

1
We use an independent market research agency to measure customer satisfaction using two nationally recognised metrics. We consistently score above industry averages. This year we celebrated our 10th consecutive year rated as outstanding by In-house Research and were also delighted to have collected a 'Gold Award' in recognition of our outstanding customer service and high quality homes.

We fully support the revised Consumer Code for Home Builders launched this year which aims to ensure home buyers are treated fairly, know what service levels to expect, are given reliable information and can access dispute resolution arrangements. We have refreshed training and processes for our customer-facing teams to ensure that we remain compliant.



The Berkeley Group's unwavering commitment to excellence and dedication to ensuring customer satisfaction is deserving of this remarkable achievement, winning both the prestigious 2024 Outstanding Achievement Award for Customer Satisfaction in the housebuilding industry alongside the 2024 Gold Award. The outstanding performance is a testament to Berkeley's hard work and the commitment to ensuring customers are satisfied throughout their purchase.

Tom Weston | Chief Executive Officer, In-house Research

+80.2 98%

Net Promoter Score compared to an industry average of 44 (HBF, March 2024)

customers would recommend us to a friend, compared to an industry average of 90 (HBF, March 2024)

Delivering high quality homes

2

We pride ourselves on our reputation for quality. This drives all of our teams on a daily basis from the initial planning of each development, through to detailed design, construction and completion.

We instil a culture in our teams to focus on all aspects of a home's delivery, from intrinsic building safety and design to the final finishes visible to the customer. We maintain stringent Building Safety and Quality Assurance (BSQA) arrangements that ensure work is inspected and approved at all stages – and, in particular at new key regulatory gateways – before handover to the customer.

91%

of our homes had zero defects or fewer than five defects, as reported by our customers

Strategy in action

Excellence through detail

1

2

A personalised customer journey

Follow up post enquiry

Visit to development sales and marketing suite

Follow up post visit

Meet and greet post reservation

Ad hoc video updates of site progression

Customer moving in guide provided

Meet the team community evening

Customer open day to measure up

A focus on quality

Quality training for all construction staff

Detailed training on high risk areas

Robust internal standards and processes

First line of defence
Site controls and checks

Second line of defence
Local quality team checks

Third line of defence
Group quality team checks

Regulatory compliance
Regulatory requirements and submissions



Handover to the customer



Continued support

Customer service teams and opportunity to provide feedback

Two year warranty covered by Berkeley

10 year build warranty through a third-party provider

Work in partnership to ensure the stewardship of communal spaces and facilities

Our Vision 2030 progress continued

A focus on brownfield sites where we can make valuable and enduring contributions

3

Our specialism is the regeneration of well-connected brownfield sites in the heart of our towns and cities. Reviving neglected sites is often the most sustainable place to build new homes, breathing life into existing communities and delivering new homes, amenities, jobs and growth where they are needed most.

We continue to progress with 32 long-term regeneration sites.

For example, the community-led regeneration of Woodberry Down will deliver 5,500 mixed-tenure homes in total. Over the last 15 years, this partnership has delivered more than 2,300 mixed-tenure homes, the first 7.5 acres of parkland, a new home for the Redmond Community Centre, boardwalk access to Woodberry Wetlands, and many shops and eateries for local people to enjoy. More than £25 million has been invested in community infrastructure through section 106 contributions.

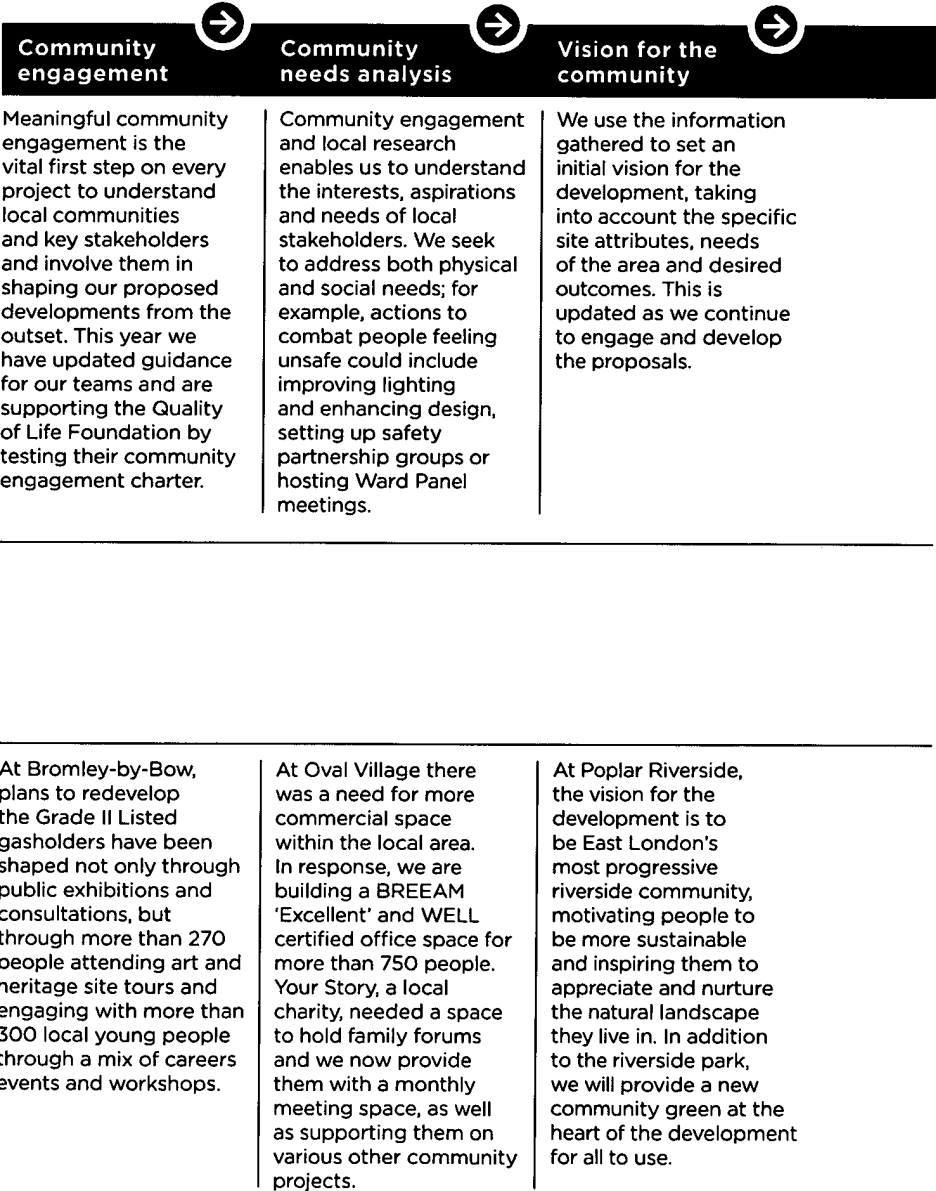
Using Community Plans to bring neighbours together

3 1

Each regeneration site with residents in place has a Community Plan and we are now creating them for all developments, from early community engagement to long-term governance and stewardship.

Every plan is bespoke, built on community engagement and underpinned by research into community priorities and needs. The plans identify actions and opportunities for activities, projects and strong local partnerships, which help to support the development of a thriving neighbourhood.

25 Community Plans



15

years of partnership
at Woodberry Down

Woodberry Down, Hackney

Partnerships

Partnerships allow for the development of long-lasting projects where resources are shared, participation levels increase, and communications are broadened. The considerations for redevelopment within a local area can be complex and require the application of many minds to address them; partnerships are often the most effective form of decision making.

Schedule of engagement

With our partners and stakeholders, we create a programme of community events and engagement activities based on identified needs to support residents and the wider local community. Through programmes of community-oriented events, we help to create environments where locals can meet with their neighbours, interact with different generations and give back through volunteering within the community.

Quality of life

We recognise that the ultimate test of each place is through the lived experiences of our customers and residents. Surveys can help to evaluate the successes, and feed any learnings into future phases and developments.

Long-term governance and stewardship

We look to establish the most appropriate form of long term governance for each site, which gives local residents clear ownership and agency over the way their neighbourhood is managed and looked after long into the future. We actively encourage residents to join and form social clubs and decision-making bodies which shape and influence the local area in the long-term.

St George partners with the East End Community Foundation to deliver the London Dock Community Fund, which has provided funding for more than 90 projects in line with local need. Also at London Dock, we have an established partnership with Bow Arts Trust, who manage the meanwhile use of affordable arts studios. Almost 40 local artists are in residence at the site and they have a schools programme in place to encourage greater access to, and interaction with, the arts.

At Hartland Village we run and support a range of community events from World Mental Health Day to summer barbeques, photography competitions and cultural celebrations. We have also connected local businesses, organisations and residents which has led to a number of positive initiatives such as the Men's Sheds Association, encouraging people to come together to support projects in their local communities.

This year at Highwood Village we have been working with State of Life to survey residents using the Wellby approach, which aims to assess the experience of our customers and residents living at the development, helping us to learn further about what our customers and communities want.

At Woodhurst Park, we provided a community fund of up to £5,000 per year for the first five years to provide a catalyst for the community to evolve. The Community Plan and all communications are now managed by the Woodhurst Park Residents' Events Committee. They are self-facilitated and coordinated and assume responsibility for a programme of annual events and established clubs such as gardening and tennis.

Our Vision 2030 progress continued

Delivering amenities and connecting new developments

3 1

We provide the physical infrastructure to keep our neighbourhoods connected, including delivering or contributing to new roads, bridges and train stations where needed. Reading Green Park Station opened this year, providing a sustainable travel option for residents and businesses in the Green Park Village area, the first station to open in Reading for more than 100 years.

We prioritise the early delivery of public amenities and natural spaces to ensure local communities feel the benefits of regeneration as soon as possible. This year we opened a range of new facilities including Parkside Yards at The Green Quarter, with an outdoor piazza and opportunities to eat, meet, drink, work, play, and shop in green surroundings. We also became the

first major developer to deliver padel courts on a residential scheme in the UK. At Horlicks, the memorial square, residents' facilities, a new cafe and a central piazza have opened and plans are underway for a day nursery.

Our homes and communities are also digitally-connected from move-in day to serve our customers' needs.

92%
developments under construction incorporate community facilities

515
public amenities overall, including:

20
indoor community spaces

10
schools providing 5,900 places, together with 14 children's nurseries

20
sports facilities

The Green Quarter, Ealing

Playing our part in climate action

4

In 2020 we set independently validated science-based targets (SBTs) to reduce our carbon emissions and we were pleased to have met our scopes 1 and 2 target for 2030 several years early in 2023. As a result of our progress against our targets, together with our planned journey to net zero and extensive investigation and collaboration on embodied carbon, we are delighted to be recognised by CDP as a climate leader and awarded their highest available rating.

This year we have been compiling our Net Zero Transition Plan, recalculating our near-term SBTs and setting a long-term target for net zero using the latest best practice guidance. Further detail is provided in the climate-related disclosures section on pages 74 to 77.

”

Earning a place on the A List is about more than the score. It's an indication of high quality, complete data that equips companies with a holistic view of their environmental impact, serves as a baseline for transition plans and – crucially – enables them to follow through on their ambitions.

Sherry Madera | CEO, CDP

Lowering carbon from construction activities

4 9

We set high energy efficiency standards for our sites and are increasingly replacing traditional fossil diesel with low carbon biodiesel in construction, together with adopting renewable technology and hybrid or electric machinery.

As part of our proactive approach to eliminate fossil diesel from our sites, 96% of our directly purchased diesel was biodiesel HVO (Hydrotreated Vegetable Oil), saving more than 850 tonnes of direct emissions. We are working with our contractors to include biodiesel HVO as a requirement within packages, where we cannot eliminate fossil diesel-powered plant completely. At London Dock, diesel-powered wacker plates have been replaced with fully-electric alternatives. This year 17 of our sites operated fossil diesel free.

Several sites incorporate renewable technologies into their construction set up, such as photovoltaic (PV) panels to power the site cabins, or 'Solar Loos'.

Construction activity at Woodberry Down, Finsbury Park

This year some of our sites have adopted energy monitoring systems and consumption alarms, helping us to understand consumption patterns in more detail, particularly out of hours usage.

Audits of our sites and offices were completed by the Carbon Trust as part of the Energy Savings Opportunity Scheme (ESOS). We will use the recommendations to strengthen our energy reduction standards for sites, offices and sales suites.

77%

reduction in scopes 1 and 2 emissions since 2019

96%

directly purchased diesel was biodiesel HVO, with 17 sites operating fossil diesel free

Our Vision 2030 progress continued

Designing lower carbon, resilient homes for our customers

4 1

Carbon emissions from homes are heavily regulated and there has been significant focus on this for a number of years across the industry. The first step is to design and specify a high performing building fabric, followed by the most appropriate renewable and low carbon technologies for each site.

This year, Government consulted on the Future Homes and Buildings Standards. In advance of this, we have been preparing our developments for the move away from gas boilers towards heat pumps and are supportive of incorporating additional technologies such as solar PV panels on houses to reduce energy bills for our customers. On our long-term regeneration sites, the energy transition can be more complex, with phased delivery of new homes and energy strategies often approved many years ago in line with local or regional planning policy and infrastructure in place at the time.

We continue to take a holistic view to climate, using our focus on creating nature-rich landscapes to ensure developments are adapted to future climate change impacts, using nature-based solutions and with each of our sites incorporating sustainable drainage systems (SuDS).

93%

completed homes achieved an EPC rating of B or above

Reducing embodied carbon

4 9

Since 2021 we have completed 48 embodied carbon assessments across a range of developments and building types. Our knowledge of the impact of design, specification and sourcing of materials continues to grow and our teams are identifying ways to drive down embodied carbon. Since we set our SBTs and stringent internal targets for embodied carbon, there have been changes to the regulatory and policy landscape. New Approved Documents to meet the building regulations often require additional secondary staircases, lifts and mechanical and ventilation systems, whilst planning policy in some areas has altered core design and led to more heavily articulated façades, all factors which increase embodied carbon and build costs. We are currently reviewing the impact of these changes and updating internal guidance for our teams.

Through wind tunnel testing at Paddington Green, we have been able to reduce concrete volume in a building by a third. We also intend to reuse existing materials on site to reduce the volume of new concrete required and to incorporate the use of high recycled content aluminium within the façade. At Wandsworth Mills, a significant volume of embodied carbon has been saved through the reuse of historical buildings, combined with plans for the new buildings that reduce concrete volumes and the density of rebar and alter the glazing specification and aluminium frames.

48

embodied carbon studies completed

Driving climate action within our supply chain and industry

4 9

Whilst our teams can take action through design and specification and sourcing choices, the embodied carbon of materials is outside of our direct control and it is essential that we – and others – engage with product manufacturers and send strong signals of our decarbonisation aims. We have been engaging with our supply chain over several years and are delighted to have been listed as a CDP Supplier Engagement Leader in 2023.

This year we have implemented a supply chain engagement strategy for high carbon impact material groups, beginning with a detailed review of aluminium manufacturers. They were found to already be reducing their operational carbon and the carbon intensity of their products, but we will now be working together to maximise the available benefits at a project level. Detailed information and guidance has been shared with our project teams to ensure the identified carbon savings are made.

We play an active role in several industry working groups and use our knowledge and lessons learnt to contribute fully to the debate around a just transition to Net Zero, including through the Future Homes Hub and the UK Green Building Council (UKGBC).

Leading the industry on biodiversity net gain

5

Having championed and pioneered the successful implementation of biodiversity net gain (BNG) on new developments since 2017, we welcomed the national milestone of mandatory BNG for new developments in February 2024. We were delighted to have been cited as a best practice case study for the launch of mandatory BNG by Government and public bodies. Our Head of Sustainability chaired the Construction Leadership Council's Biodiversity and Environmental Net Gain Group which published a Biodiversity Roadmap for the industry in February 2024.

56

developments committed to BNG since May 2017

>580

acres of newly created or enhanced habitat

Scan the code

to watch a video about some of Berkeley's BNG sites and the many benefits they offer local communities and wildlife.

Strategy in action

Partnering with Natural England to upskill local authorities on BNG

5

Building on our collaboration with Natural England and the Local Government Association to run the Biodiversity Conference for the industry in February 2023, this year we partnered with Natural England to run a number of smaller sessions aimed at upskilling local authorities, SME housebuilders and local habitat bank biodiversity unit providers.

One of the sessions was held at Sunningdale Park, a development that will achieve a 280% biodiversity net gain, reconnecting the previously inaccessible 47 acres of Grade II Listed historic parkland to the community for the first time in centuries.

”

Berkeley brought real insight to the sessions, providing inspiring examples of how they have successfully delivered BNG on their schemes with tips and ideas that could be transferable to and implemented by SME developers

Nick White | Principal Advisor, Natural England

Sunningdale Park, Berkshire

Our Vision 2030 progress continued

Delivering bespoke solutions on every site to connect people with nature

5 1 3 4

Our landscape-led developments enhance the environment and provide beautiful, friendly and sustainable places where people can interact with nature. We obtain specialist, external support from a qualified ecologist using local knowledge and emerging nature recovery strategies to understand the priorities specific to each site. We then incorporate the recommendations in a bespoke and locally appropriate way.

We typically work with local Wildlife Trusts to engage communities in landscape design, nature recovery and the long-term stewardship of the biodiverse places we create. We are delighted to be working with the London Wildlife Trust on a broader project to upskill our project teams, landscape contractors and managing agents to ensure the habitats we create and enhance are appropriately maintained and managed.

The benefit of greening new developments and our towns and cities is vast, not only for the natural environment and resilience to climate change, but also for customers and communities. This year we sponsored Create Streets to produce its Greening Up report for local authorities, focusing on how trees and other habitats can be incorporated within existing streets.

Expanding BNG to environmental net gain

4 9

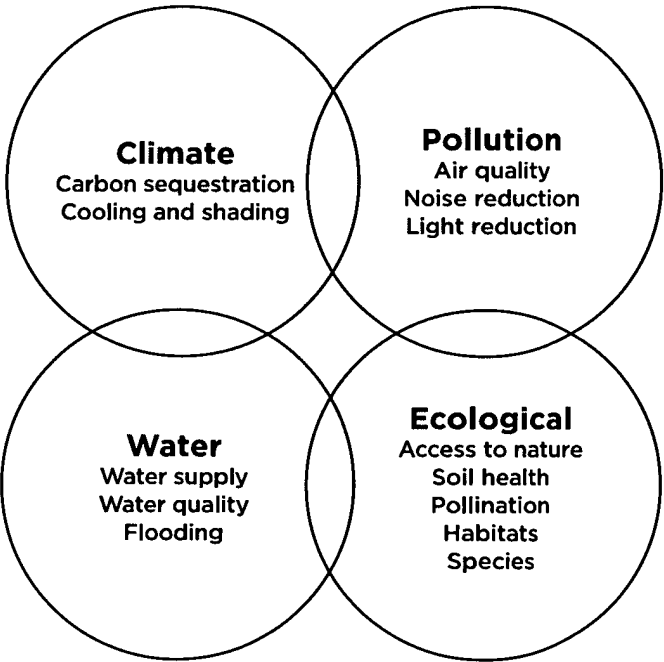
We are expanding our established approach to enhancing biodiversity to deliver an even more valuable and holistic contribution to the environment on every site. An initial step was to trial water neutrality in a first pilot of this scale at Royal Exchange in Kingston, an award-winning project with Thames Water.

This year we have used specialist support to identify metrics which we will now trial to demonstrate net gain across other topics within our framework, including climate, pollution and water.

Alongside our own work, we have reviewed the recommendations of the Taskforce for Nature-related Financial Disclosures (TNFD) to ensure we are prepared for future reporting requirements in this area.

A focus this year has been the launch of our new Waste Strategy to target zero avoidable waste on every site by 2030. Our teams have been running 'designing out waste' workshops to highlight areas where waste can be minimised. For example, at Bow Green, cobble stones that were found on site have been cleaned and reused to pave the sales suite entrance.

Whilst making progress in these areas, we continue to operate strong environmental management practices and our network of dedicated sustainability practitioners undertake regular audits of our construction activities. Each year we also complete an audit of procurement practices to ensure timber and wood-based products are certified.



Strategy in action

The Green Quarter – a place for people, communities and nature



The 88-acre former Southall Gasworks is being transformed into a nature-rich neighbourhood of 3,750 homes, characterised by 13 acres of beautiful parks, meadows and wetlands, designed in partnership with the London Wildlife Trust. Close to half of the site will be public space, including a mix of natural habitats, fitness trails, public squares, outdoor event space and children's play and recreation areas. The new neighbourhood also brings a wide range of public amenities to Southall, including a health centre, primary school, community centre and a mix of shops, cafés and office space.

Scan the code

to read the 2024 Community Social Impact report for The Green Quarter

Tree nursery at The Green Quarter

This year we have been delighted to have worked in partnership to deliver the following at The Green Quarter:

- More than 65 community activities and events, engaging more than 8,000 local people and bringing together the local community.
- Supported more than 35 apprentices, hosted 12 work experience placements and 28 site tours. There have also been nearly 30 engagement sessions with local schools to showcase the range of careers available within the built environment sector.
- A new electric bike hire scheme has been launched, helping residents and the local community travel sustainably between the station and all areas of the development.
- A new tree nursery, consisting of 600 air-potted trees of six different species grown in the UK. These will remain on site for at least 15 years before being planted for permanent use across future St George developments.
- A 14-week youth leadership programme with Groundwork London, one of the Berkeley Foundation's Strategic Partners, alongside Southall Community College.
- A 'Go Green' event in October 2023 which brought the community together in celebration of sustainability and the great outdoors, including workshops led by the London Wildlife Trust.
- A Meanwhile use community hub, Parkside Yards, with retail opportunities and creative activities for all.

Our Vision 2030 progress continued

Engaging with our employees

6

Our 2023 employee survey provided useful insight into how our colleagues feel about working life at Berkeley, guiding us in creating action plans for improvement within each of our operating businesses and through our cross-divisional People Committee.

Since the last survey we were able to demonstrate a number of positive changes including: an increased focus on health and wellbeing; the introduction of core working hours to allow for more agile working; the launch of our approach to Equity, Diversity and Inclusion (EDI); and investment in a number of our office facilities.

Our employees are clear on business goals and objectives, helping them feel confident in what is expected of them. In addition, many feel challenged each day and remark that Berkeley has given them opportunities that they do not believe they would have elsewhere.

We will now focus on our current areas for improvement to enhance the experience of all employees at Berkeley, including further focus on women within the business and progression pathways.

Taking action on Equity, Diversity and Inclusion

6

Our goal is to foster an environment where all differences are valued, practices are equitable and everyone experiences a sense of belonging.

In summer 2023 we launched our approach to EDI focused across five areas:

- Setting the tone by leading from the top.
- Partnering with external organisations that can support us on our journey.
- Awareness, allyship and celebration.
- Attracting and recruiting the best talent.
- Using analytics and feedback to drive change.

We have signed up to the Fairness, Inclusion and Respect (FIR) programme, an industry-wide initiative that aims to make workplaces better for everyone. We are currently growing our network of FIR ambassadors in a variety of job roles and levels of the business.

Each of our operating companies is taking action to enhance EDI locally. EDI training is delivered for new starters all the way through to senior leadership teams. We have also increased our mechanisms for supporting and listening to staff by creating networks, including for Women, LGBTQ+, Ethnic Minorities and Parents and Carers and their allies.

We have also brought colleagues together from across the Group for events such as the London Pride Parade and International Women's Day, with an emphasis on celebration, networking and allyship. In July we held our first event for women in the construction department, a historically underrepresented area. We learned from their experiences and offered 10 individuals a place on the Mentoring Circle Programme, supporting them to grow in their own roles and become the senior leaders of the future.

32%

line managers are female

Maintaining industry-leading standards of health and safety

6 9

We continue to target zero harm on every site, as we champion health and safety for every employee and contractor working with us. We have an established and robust approach, helping us to consistently outperform the industry; our Annual Injury Incidence Rate for the year is 52 per 100,000 people, compared to an industry average of 296 (HSE, October 2023).

Our teams operate to stringent health and safety standards set out at a Group level. They are regularly assessed by a Group audit team, which completed more than 320 audits this year. We have updated our strategy, maintaining our three established programmes: Good Order targeting the physical working environment; Good Work focusing on risk management and encouraging positive behaviour and attitudes; and Good Health targeting improvements in health and wellbeing. The nature of regeneration and developing apartments results in higher risk activities which must be managed. Our Working at Height campaign remains in place to instil a focus on this key topic and we apply the same high standards to all of our sites.

Within each of our operating companies there are local arrangements, including detailed procedures and processes. Directors undertake dedicated safety visits twice a month on every site to maintain strong leadership, totalling more than 1,700 during the year. We have a large team of more than 50 divisional health and safety managers who provide expert advice and guidance to the teams on a daily basis extending across safety, occupational health and wellbeing, and welfare standards.

We are proud to have once again been recognised by the Royal Society for the Prevention of Accidents (RoSPA) in 2024, with Berkeley Capital winning the Construction Housebuilding & Property Development Industry Sector award.

We continue to work with RoSPA in our long-term partnership to extend our influence out of the homebuilding sector, with current sponsorship supporting a falls prevention programme focused on vulnerable people living in social housing and social care.

24

dedicated safety visits by directors at each site per year

52

Annual Injury Incidence Rate per 100,000 people

Strategy in action

Encouraging our site teams to raise issues

6 9 5

This year we have launched a new intervention app to provide an easy way for our teams to report any potential issues. Colleagues can anonymously log an issue using a phone or tablet by scanning a QR code on posters around the site. In addition to health and safety we have included sustainability topics such as pollution prevention and the protection of nature.

Our Vision 2030 progress continued

Improving mental health and wellbeing

6 9

Each of our operating businesses offers a range of initiatives with the aim of having a positive impact on the health of our employees. We now have more than 260 mental health first aiders.

We also scheduled a range of interactive sessions with Mental Health professionals that were available for all staff to attend. These covered topics such as Financial Wellbeing, Building Resilience and Supporting Working Parents.

We recognise the potential to influence more than 8,500 people on a daily basis through our contractor workforce. Within our Berkeley Capital business, a Mental Health Awareness Roadshow was held which included a partnership with The Lions Barber Collective, an international collection of top barbers that have come together to help raise awareness for the prevention of suicide. We are also working with The Lighthouse Construction Industry Charity to raise awareness of mental health on our sites.

Investing in the talent of the future

8

We retain our Gold membership of The 5% Club, with 9.5% of our employees in 'earn and learn' positions. On average, this includes more than 150 apprentices, 50 graduates and 55 sponsored students studying towards an accredited external qualification.

Our graduate programme is listed 10th on the Job Crowd's Top 50 Graduate Schemes and won the best scheme in the Property & Housebuilding industry.

This year we extended our apprenticeship programme to provide a broader range of opportunities and programmes into the business to support diversity and social mobility.

In addition, we work with our supply chain to grow their own talent and help to tackle some of the industry's skills shortages; this year more than 325 additional apprentices gained experience working on our sites.

We also gifted £100,000 of our unallocated Apprenticeship Levy through Workwhile, with a particular focus on built environment roles within London's SMEs.

9.5%
employees in 'earn and learn' roles

Berkeley graduates and apprentices

Inspiring people to join the industry

8

We believe that every business within the built environment sector has a role to play in attracting people to join the industry. We undertake a range of engagement activities with people who may not typically be aware of the range of fulfilling careers available and are growing our network of STEM (Science, Technology, Engineering and Maths) ambassadors who can raise awareness of careers in Berkeley and the wider sector.

This year we ran almost 200 careers events with schools, colleges and universities, together with more than 55 work placements to give people an opportunity to experience working life in the sector. These included placements for several students studying towards the new T Level programme in Design, Surveying and Planning.

In June we ran a T Level insights day for trainers and colleges to hear from industry about topics such as sustainability and Building Information Modelling (BIM).

Enhancing social mobility and diversity through our programmes

6

8

9

10

We recognise the opportunity to enhance social mobility through providing a range of good jobs local to the communities in which we work.

We have signed up to the Social Mobility Foundation's pledge as a framework to help us strengthen our approach. We want to provide a range of routes into the company, to attract a broad range of people from different backgrounds, including those who may not have previously considered the sector.

We have introduced Group-wide apprenticeship programmes at level 3, using updated recruitment practices. We are now using video content on social media platforms, understanding the change in mindset around how young people learn about job opportunities. In addition, we removed CVs and designed an anonymised assessment, which was blind of background, education and experience and based solely on an applicant's ability to complete job-relevant tasks.

Upskilling our employees

6

8

We run training for employees across a range of topics, from health and safety, to building quality and sustainability. The Berkeley Academy is an Approved Training Organisation (ATO) with the CITB (Construction Industry Training Board) and delivers training for our employees across two training centres. In addition, our divisions run training locally covering topics such as leadership and management skills, and EDI.

Colleagues are also given the opportunity to upskill using external qualifications or apprenticeships, with more than 20% of our apprentices being existing employees choosing to continue their learning and development.

We also offer opportunities to work towards professional accreditations, particularly for those who join us through an emerging talent programme.

Our Vision 2030 progress continued

Ensuring competence in our teams and supply chain

2 9 8

With the emergence of the Building Safety Act regime, a key focus has been ensuring both individuals and organisations are capable and competent to undertake work.

We have developed a Berkeley competence framework which sets out core competencies to align with our values, together with role competencies for each department and leadership and management competencies for people managers.

We have also created a guide for our teams to understand and implement the legislation and every employee in a production role is trained on building safety. Within the year we developed detailed training on the new Principal Contractor dutyholder role; this course has now been published as a training standard by the CITB, helping to guide the industry in this area. More than 1,000 of our employees completed detailed building safety and quality training this year.

We focus on strong leadership and competence at senior management level, supported by three lines of defence: competent project teams delivering the new developments; local, dedicated building safety and quality managers to work with project teams and undertake checks on procedures; and, finally, a Group Building Safety and Quality Assurance team which undertakes regular audits. The nature of our developments, including taller buildings, results in additional challenges beyond those encountered within more traditional housebuilding sites; we apply the same high standards and lessons learnt from the most complex of projects to each and every development.

A strong supply chain is critical and we must ensure competence of both the companies we partner with and their operatives working on our sites. We have used our leading role in industry as an opportunity to support our supply chain to develop their understanding of competence, building safety and quality.

Playing a pivotal role in leading the industry on building safety

2 9

We have played a pivotal role in building safety across the industry, being an active participant in working groups and discussions with Government to ensure the emerging regulatory regime is fit for purpose. A member of our Executive Committee, Karl Whiteman, has been involved every step of the way with industry and Government and was selected to lead the industry as the Construction Leadership Council's Building Safety Sponsor. One of our Managing Directors was selected to speak at the Building Safety Regulator (BSR) Conference 2024 and our Group Head of Building Safety and Quality Assurance also represents us on industry groups. The Building Safety regime is continuing to evolve and we intend to remain at the forefront of knowledge, understanding and influence in this area.

Supporting our valued supply chain

9

Our supply chain is critical to maintaining production and our teams liaise and collaborate with our contractors and suppliers on a daily basis. This year we have focused on providing visibility of future work pipelines and sharing our growing knowledge around topics such as building safety and competence.

We ran a 360 degree feedback process with more than 50 contractors and have begun to take action in areas that our supply chain highlighted for improvement. This includes streamlining our assessment process and reviewing our procedures, also informed by the best practice guidance we have obtained from working with the Chartered Institute of Procurement and Supply (CIPS).

Whilst continuing to develop bespoke designs on every site, we are embedding our common materials strategy. We have worked with manufacturers of various product groups, forming agreements with those that can meet our stringent requirements across a range of topics from health and safety to quality and sustainability.

Our recent commercial activity has been particularly focused on building safety and competence, with a product provenance and traceability trial completed with Kingspan and Travis Perkins during the year. Reducing embodied carbon is also a strategic priority and we are engaging with manufacturers of high impact materials. See page 46 for more information.

Strategy in action

Aligning our supply chain to our strategic priorities

9 2 4 6 8

We held our first Group-wide supply chain conference in November, bringing together more than 170 trade contractors, manufacturers and consultants to ensure we work collaboratively and strengthen relationships. This was an opportunity to reinforce our priorities on topics such as quality, climate action and combatting modern slavery, together with raising awareness of the industry's Fairness, Inclusion and Respect (FIR) programme and communicating the aims of our new strategy to target zero avoidable waste.

Our Vision 2030 progress continued

Combatting modern slavery

6 9

All Berkeley employees complete training on modern slavery and we have embedded due diligence and risk management processes within our commercial and construction activities.

This year we organised bespoke in-person training for all Site Modern Slavery Leads; these are the most senior person on each construction site. This was delivered by Unseen, the UK charity that provides safehouses and support for survivors of modern slavery and runs the UK Modern Slavery Exploitation Helpline.

One of the outputs from the training was an increased understanding of the scale of labour exploitation in the UK. This led us to create new posters promoting the hand signal victims can subtly use to draw attention to their situation and highlighting worker rights in the UK.

We continue to collaborate with industry and are part of the Supply Chain Sustainability School's Modern Slavery Group, the largest anti-slavery collaboration in the UK built environment. In addition to this we share our support and improve our understanding through attending industry events such as CCLA Investment Management's roundtable discussion on modern slavery and labour exploitation in construction with the Cabinet Office which took place in April 2024.

Scan the code
to read our Modern Slavery Statement

Supporting the work of the Berkeley Foundation

10 8 3

The Berkeley Foundation continues to be deeply embedded at Berkeley and our employees give their time, expertise and donations to support its strategic and community partners. More than 60% of our colleagues chose to get involved in the Foundation's work over the last 12 months.

We have offered work placements and job opportunities, held careers days to help young people about to start their journey into employment, and shared our expertise.

61%

Berkeley employees involved with Berkeley Foundation activities in the year

1,990

hours volunteered by Berkeley employees

The Berkeley Foundation

A force for change

Last year was another successful year for the Berkeley Foundation, working with its charity partners and Berkeley employees to deliver programmes in the communities where Berkeley operates.

The Foundation renewed two of its key Strategic Partnerships during the year. Its flagship partnership with Crisis, which is taking a place-based approach to tackling homelessness in Brent, was extended for a further three years. The Foundation also continues to work with the Lord's Taverners to provide year-round cricket coaching and competition for disabled young people. Berkeley staff will be supporting this partnership through volunteering and employability support for the young participants over the coming years.

These long-term, transformational partnerships represent a sustained investment in our local communities. Over the last year, the Foundation has increased the average length of its charitable partnerships, working with charities over an extended period to deepen the impact of its work.

The Foundation has also focused on building the resilience of a voluntary sector under real pressure. This year saw the second year of the Resilience Fund get underway, with a cohort of 10 charities working to support the mental health of young people from global majority communities embarking on projects to increase their organisational resilience. Alongside this, the Foundation met the immediate needs of its charity partners through the cost of living crisis with a programme of targeted grants totalling £262,000 over two years.

In October, the Foundation launched its Equity, Diversity and Inclusion (EDI) plan, setting out priorities both within the organisation, and through its grant-making activities. This has included reviewing application forms and funding criteria to ensure that grant-making processes are equitable, as well as involving young people directly in the Foundation's work.

£940k

raised by Berkeley employees for the Foundation and its charity partners through fundraising and Give as You Earn (GAYE)

£3.6m

given to the Berkeley Foundation's charity partners through grants, staff fundraising and GAYE

>6,000

people reached through the Foundation's charity partnerships

Scan the code to find out more about the Berkeley Foundation

”

We're a children's charity based in London that seeks to empower young people who face challenges and who might be at risk of under-achieving to fulfil their social, personal and academic potential. The grant from the Berkeley Foundation is enabling us to add to our core team, so that we can develop our strategy to reach even more children and help them rise up above their negative behaviour patterns and environments.

Success Club | Resilience Fund Partner

Our stakeholders

Section 172(1) Statement

Members of the Board as a whole and individually are bound by their duties under section 172(1) (a) to (f) of the Companies Act 2006 (the Act). In this statement, we describe how our Directors have considered the matters set out in section 172(1) of the Act (section 172) when performing their duty to promote the success of the Company.

This engagement, both directly and through regular reports from individual business areas and various functions, ensures the Board is made aware of key issues to enable the Directors to comply with their legal duty under section 172.

This statement summarises how the Company promotes its success for the benefit of its key stakeholder groups by having regard to:

- the likely consequences of any decisions in the long-term;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the desirability of the Company maintaining a reputation of high standards of business conduct;
- the interests of the Company's employees;
- the impact of the Company's operations on the community and environment; and
- the need to act fairly between members of the Company.

We believe that to progress our strategy and to deliver substantial sustainable long-term growth opportunities, the Board should consider all stakeholders relevant to a decision and satisfy themselves that any decision upholds our values and aligns with Our Vision 2030.

The Board recognises that stakeholder engagement is essential to understand what matters most to our stakeholders and the likely impact of our key decisions.

The following sections demonstrate how the Directors fulfil their duties in respect of these obligations by addressing in turn some of the key areas of focus for the Board.

Further detail of Board activity in the year is described in the Corporate Governance section **pages 110 to 119**

Culture and values

The culture and values of the business are continuously considered by the Directors when discharging their duties to ensure they are embedded into the business. Read more on pages 112 to 113.

Business model and strategy

The Directors have collective responsibility for promoting the long-term success of the Company in a safe and sustainable manner in order to create and enhance shareholder value. Read more on pages 12 to 15.

Risk management

The Directors are responsible for setting and monitoring the risk appetite for the business. For more detail of risk management see 'How we manage risks' on pages 90 to 103.

Stakeholder engagement

The Board reviews and confirms its key stakeholder groups for the purposes of section 172 annually. In 2024, they were confirmed as customers, communities and local government, employees, supply chain, government, regulators and industry, investors and the environment. The following pages set out how the interests of each of these key stakeholders is embedded into the long-term strategy of the business.

For more information

Customers see pages 40 to 41 and 59.	12
Communities and local government see pages 42 to 44 and 60.	3
Employees see pages 50 to 51 and 61.	68
Supply chain see pages 45 to 46, 54 to 55 and 62.	97
Government, regulators and industry see page 63.	12345678910
Environment see pages 45 to 49 and 64.	54
Investors see page 65.	10

Customers

Placing the customer at the heart of every decision, all the way through the development process

What matters to them?

- A bespoke, tailored service that responds to their needs.
- Clear and timely communication throughout their customer journey.
- Regular updates on the progress of their home.
- Providing their new home on time and making them feel special and valued.
- High quality specification and construction.
- Quick rectification of any problems that arise.
- Energy prices.

How we engage

- Each customer has a dedicated point of contact and is encouraged to provide feedback at any stage.
- Six weeks after a customer has completed on their new home they are given the opportunity to complete a detailed, independent survey covering all aspects of their experience, from the home and the development to the levels of service they received.
- Direct engagement between senior management teams and the Main Board and customers if any key issues arise.
- Through our online portal, MyHome Plus, via which they have access to information, videos and progress updates.

Actions and outcomes

- Prompt resolution of issues.
- Continued innovation to ensure we are providing aspirational homes with leading specifications.
- Senior level review of each customer survey, with targeted actions.
- Sales & Marketing and Customer Service Committees review any trends in customer feedback and identify areas for improvement.
- Consistent achievement of world-class levels of customer satisfaction as recorded through the NPS and 'recommend to a friend' figures.
- Maintaining a Gold standard from an independent customer service body.
- Considering energy efficiency and the right energy strategy for the home, whilst accommodating existing regulations and investigating emerging technology.

Key engagement activities this year

We continued to offer each and every customer the opportunity to provide feedback throughout the buying process and to complete a survey six weeks after move in through an objective third party.

Link to strategy



see pages 40 to 41 for further detail

Link to KPIs

Net Promoter Score

Our stakeholders continued

Communities and local government

Making a positive contribution to the communities in which we work through engagement and partnership working

What matters to them?

- Delivering high quality homes and places that improve people's quality of life.
- Meaningful engagement on development plans.
- Influencing development to deliver local priorities and positive outcomes, such as public amenities and services.
- Securing inward investment, growth and job and training opportunities.
- Minimising negative impacts, such as traffic and noise.
- Respect for local priorities, heritage and culture.

How we engage

- Site-specific consultation and engagement strategies seek out contributions from a representative mix of local people and stakeholders.
- From an early stage, pre-planning, with the aim of nurturing lasting, collaborative relationships throughout project delivery.
- In a variety of ways, including open days, community design workshops, presentations to local groups, one-to-one meetings, door knocking, walking tours, pre-application planning meetings, exhibitions, Design Review Panels, newsletters, notices, advertising, surveys, site-specific websites and a mix of digital consultation and engagement tools.
- Some developments have dedicated community engagement specialists who expand our local networks and ensure we address local needs.

Actions and outcomes

- The creation of enduring local partnerships based on shared objectives for the community's future.
- Bespoke masterplans and placemaking strategies which reflect local views, aspirations and concerns.
- Site-specific Community Plans to create social links and integration with the wider community.
- Prioritising local people for training and job opportunities on our sites.
- Partnerships with local charities and good causes which improve community life.
- Responsible and respectful construction activities through registration of every site with the Considerate Constructors Scheme (CCS), which independently assesses our conduct.

Trent Park, Enfield

Key engagement activities this year

We undertook several site-specific community engagement activities across our developments.

We ran a series of events in partnership with Natural England to upskill local authorities on biodiversity net gain (BNG).

Link to strategy

3

see pages 42 to 44 for further detail

Link to KPIs

Affordable housing subsidies and wider contributions
Direct apprentices and training
Brownfield regeneration

Employees

Creating a positive working environment
and promoting health, wellbeing and inclusion

What matters to them?

- Delivering positive outcomes for local communities.
- Pride in creating great places and high quality homes.
- Career progression.
- Competitive pay and benefits.
- Equity, Diversity and Inclusion (EDI).
- Health, safety and wellbeing.
- The increasing cost of living and travel costs.

How we engage

- Group-wide employee surveys.
- A range of engagement initiatives through our operating businesses including staff conferences, staff surveys and 'sessions with the management'.
- Via our Group People Committee.
- Induction process for new graduates and apprentices who get to meet senior management and have a Q&A session with the CEO.
- Our employee intranet, which provides updates and key information.

Actions and outcomes

- Enhancing health and wellbeing strategies, such as wellbeing webinars and menopause plans.
- Implementing our approach to Equity, Diversity and Inclusion, with actions taken and events run to raise awareness and foster a culture of inclusion.
- Providing a range of learning and development opportunities, hosted by our in-house training venue, the Berkeley Academy.

International Women's Day

Key engagement activities this year

We completed a Group-wide employee survey in autumn 2023; the feedback has been used to create local and Group-wide action plans.

We also engaged and requested feedback at events, such as one held for International Women's Day.

Link to strategy



see pages 50 to 53
for further detail

Link to KPIs

Annual Injury Incidence Rate
Direct apprentices and training

Our stakeholders continued

Supply chain

Ensuring responsible procurement and collaborative delivery through engagement and effective communication at all levels with our supply chain

What matters to them?

- Understanding the pipeline of future opportunities.
- Early engagement and the ability to feed into the project programme and logistics.
- High standards of health, safety and welfare.
- Receiving feedback on their tenders.
- Payment in a timely manner.
- Being treated as an extended part of the project team.
- Building long-term relationships with us.

How we engage

- Events such as supplier days and conferences.
- Through our Supply Chain Portal which includes our health and safety, build quality and sustainability standards.
- Throughout the tender process with frequent communication from our commercial team, together with formal tender meetings.
- Pre-start meetings before site works commence.
- Regular site meetings, signage and 'toolbox talks'.
- Dedicated Director-level Trade Sponsors provide a platform for engagement.
- Through corporate memberships and industry groups, such as the Chartered Institute of Procurement and Supply (CIPS) Construction Senior Leadership Group, the Supply Chain Sustainability School and Construction Leadership Council Material Supply Chain Group.

Actions and outcomes

- Long-term, collaborative supply chain partnerships which ensure that we can make full use of the expertise and specialist skills of our suppliers.
- Procurement on overall value rather than cost alone.
- Compliance and buy-in around our site safety, quality, ethics, human rights and environmental standards and behaviours.
- Prompt payment of suppliers, as a signatory to the Prompt Payment Code.
- Issuing trade-specific opportunity schedules every six months to provide the supply chain with visibility of future work.
- Working with our supply chain to help mitigate the risks around financial stability.

Key engagement activities this year

We carried out 360 degree feedback with contractors.

We held a supply chain conference with more than 170 of our contractors, manufacturers and consultants.

Link to strategy



see pages 54 to 55 for further detail

Link to KPIs

Annual Injury Incidence Rate

Government, regulators and industry

Working in partnership to shape a delivery environment which creates the conditions for growth and supports high quality homebuilding and placemaking

What matters to them?

- The delivery of private and affordable homes.
- Regenerating brownfield land.
- High standards of design and build quality.
- Heritage conservation.
- High standards of operational and building safety.
- Delivering economic growth and job opportunities.
- Tackling climate change, biodiversity loss and other environmental challenges.

How we engage

- Responding to policy and regulatory consultations.
- Maintaining constructive dialogue at a senior level with Government departments, agencies and regulatory bodies.
- Engaging with well-regarded think tanks, academic institutions and the wider policy community.
- Active membership of collaborative initiatives and membership bodies, including the Construction Leadership Council, UK Green Building Council (UKGBC), Supply Chain Sustainability School, Natural England's Developer Forum, Considerate Constructors Scheme, Construction Industry Advisory Committee, New London Architecture, Opportunity London and Business London.
- Senior management engaging in public debate via conferences and roundtables.

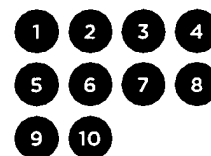
Actions and outcomes

- Alignment of our business strategy with long-term national and local policy objectives such as brownfield regeneration, high quality new homes, affordable housing, climate action, safety and social value.
- Research, trials and implementation of solutions to these key public policy challenges.
- Publication of information so others can learn from our work, for example, our established approach to biodiversity net gain.
- Active contribution to public debate around housing delivery and meeting with regulators and policy makers to share insights into key business and market-related matters.
- The CEO has actively participated in the housing debate speaking at various housing conferences including, Restitch, Centre for London, UK REiiF, and London Resi Conference.

Key engagement activities this year

Executive Committee member Karl Whiteman is the industry lead on building safety through his role as the Construction Leadership Council's Building Safety sponsor, including direct engagement with Government as key changes are introduced.

Link to strategy



see pages 40 to 57 for further detail

Link to KPIs

Brownfield regeneration

Our stakeholders continued

Environment

Reducing negative impacts and working towards environmental net gain

What matters?

- Reduction of environmental impact from both construction activities and longer-term through the developments we create.
- Global impacts via the supply chain.
- Movement towards having a positive environmental impact.

How we engage

- Directly with local planning authorities, who then consult relevant regulators such as the Environment Agency, Natural England and water authorities on development proposals.
- With the public via our partnership with the Considerate Constructors Scheme.
- With industry organisations and initiatives, including the UKGBC, the Supply Chain Sustainability School, the Construction Leadership Council's Green Construction Board and the Wildfowl and Wetlands Trust Blue Recovery Leaders Group.
- By responding to consultations, research and innovation, for example Government consultations on changes to the Building Regulations.
- Through our supply chain to understand the environmental credentials of materials.

Actions and outcomes

- Incorporation of key environmental targets and actions into our business strategy, Our Vision 2030.
- Inclusion of Our Vision 2030 and Sustainability within Main Board reporting and monthly Board-level meetings on the topic.
- Clear standards for our project teams covering all aspects of our operations and the homes and developments we create, with additional focus areas on environmental management and resource use.
- A dedicated team of sustainability practitioners taking action at a local level on a daily basis.
- The reporting of our impact publicly across a range of indicators.

Key engagement activities this year

We responded to Government's consultation and attended a roundtable on the Future Homes and Buildings Standards relating to energy usage in new homes. We were also actively involved with Government and industry in the move for BNG becoming mandatory for new development from February 2024.

Link to strategy



see pages 45 to 49 for further detail

Link to KPIs

Greenhouse gas (GHG) emissions intensity
Brownfield regeneration

Investors

Delivering long-term sustainable shareholder returns

What matters to them?

- Secure financial investment that provides sustainable risk-adjusted returns over the long-term.
- High standards of Environmental, Social and Governance (ESG) matters.

How we engage

- Twice yearly equity investor road shows in the UK and USA led by the CEO and CFO.
- One-to-one meetings, often combined with site visits, enabling investors to view the business operations.
- Group meetings held at periodic investor conferences.
- Structured shareholder consultations on key governance matters, such as capital returns, remuneration policy and Board composition.
- Equity analyst briefings.

Actions and outcomes

- An added-value model that recognises the risks of a cyclical housing market and operational complexities of the sites Berkeley develops.
- A focus on financial strength, resilience and liquidity.
- Investing in land holdings to ensure sufficient pipeline and value-added development opportunities.
- Securing forward sales which underpins the upfront investment in our regeneration sites.
- Disclosure of both financial and non-financial information covering a range of ESG topics.

Chelsea Creek

Key engagement activities this year

We have continued to run road shows led by the CEO and CFO, held one-to-one meetings with investors and attended investor conferences.

We also conducted an institutional shareholder perceptions review.

Link to strategy

10

Link to KPIs

Profit before tax
Pre-tax return on equity
Net cash
Net asset value per share
Cash due on forward sales
Future gross margin in land holdings

ESG performance

We monitor a range of Environmental, Social and Governance (ESG) indicators across our business activities.

Scan the code
for data notes and
more metrics

Key to strategy

1 Customers	2 Quality	3 Communities	4 Climate action	5 Nature
6 Employee experience	7 Modernised production	8 Future skills	9 Supply chain	10 Shared value

Indicator	Metric	Unit	2024	2023	2022	Link to strategy
New homes	Completed homes, including joint ventures	#	3,927	4,637	4,632	3
Benchmarks and indices	CDP Climate Change questionnaire rating	Rating	A	A-	A-	4
	FTSE4Good Index Series listed company	Y/N	Y	Y	Y	10
	MSCI ESG rating	Rating	AAA	AAA	AAA	

Environmental

Indicator	Metric	Unit	2024	2023	2022	Link to strategy
Environmentally responsible operations	Number of environmental prosecutions	#	0	0	0	4
	Monetary cost of environmental fines and penalties	£	0	0	0	9
	Scopes 1 and 2 (location-based) emissions	tCO ₂ e	5,245	5,223	7,832	
	Scopes 1 and 2 (market-based) emissions	tCO ₂ e	917	963	2,211	
	Water consumption	m ³	182,285	201,979	236,234	
	Total waste generated (including construction, demolition and excavation wastes)	tonnes	388,765	596,921	734,320	
	Total waste reused or recycled	%	95	97	90	
	Total waste classified as hazardous	tonnes	4,082	4,799	5,669	
	Construction waste generated	tonnes	111,957	106,466	126,765	
	Construction waste reused or recycled	%	94	95	95	
	Construction waste classified as hazardous	tonnes	224	225	606	
	Completed homes with an EPC rating of at least a B	%	93	93	89	4
Sustainable homes	Average EPC score	#	84	84	83	3
	Completed homes with an Environmental Impact Rating (EIR) of at least a B	%	96	98	-	
	Average internal water efficiency of completed homes	lpppd	101.2	102.6	104.2	
	Completed homes constructed on brownfield land	%	87	86	86	
Sustainable places	Completed homes with internal recycling facilities	%	100	100	100	
	Developments newly committed to deliver biodiversity net gain	#	2	8	6	5
	Developments newly committed to deliver biodiversity net gain on site	%	100	100	100	4
	Developments newly committed to deliver biodiversity net gain greater than 10%	%	100	100	100	
	Live development sites regenerating brownfield land	%	75	76	80	
	Live development sites with SuDS	%	100	100	92	
	Live development sites with cycle storage being provided	%	100	100	100	
	Live development sites with electric car charging infrastructure being provided	%	98	98	93	

Social

Indicator	Metric	Unit	2024	2023	2022	Link to strategy
Charitable giving and the Berkeley Foundation	Employees involved with GAYE	%	29	30	29	10
	Employees involved with the Berkeley Foundation	%	61	59	55	
Considerate construction	Average Considerate Constructors Scheme (CCS) score	#/50	44.2	44.1	43.4	6
Customer experience	Six month rolling average NPS (to March 2023)	#	80.2	79.2	77.2	1
	Customers who would recommend us to a friend (to March 2023)	%	97.7	97.5	98.0	
Health and safety	AIIR per 100,000 people – direct employees and on-site contractors	#	52	79	72	6
	AIIR per 100,000 people – direct employees only	#	36	0	33	9
	AIIR per 100,000 people – on-site contractors only	#	57	106	85	
	Work-related fatalities – direct employees and on-site contractors	#	0	0	0	
	Accident Frequency Rate (AFR) per 100,000 hours – direct employees and on-site contractors	#	0.02	0.04	0.03	
Skills and training	Average monthly percentage of direct workforce who are graduates, direct apprentices or sponsored students undertaking formal training	%	9.5	10.0	8.9	8
	Graduates joining the business via Berkeley's Graduate Scheme programme	#	21	43	38	
	Average monthly number of directly employed apprentices	#	151	162	121	
Society and community contributions	Contribution to UK GDP, including through direct activities by Berkeley, indirectly through supply chain spend and the induced effect of household spend	£bn	2.5	2.6	3.2	10
	Contribution to UK tax, including taxes paid directly by Berkeley and the taxes paid by customers and suppliers as a result of Berkeley activities	£m	800	837	774	
	Contribution to facilities and services for local communities, including affordable housing subsidies	£m	370	560	556	
	UK jobs supported annually directly and indirectly through the supply chain	#,000	24	29	29	
Supply chain	Average number of days taken to pay suppliers	#	29	30	30	9
	Average monthly number of on-site contractors	#	8,825	9,473	9,415	
Quality	Homes with fewer than five defects reported by customers on completion	%	91	91	94	2

Governance

Indicator	Metric	Unit	2024	2023	2022	Link to strategy
Board of Directors	Executive Directors	#	2	5	5	6
	Independent Non-Executive Directors	#	7	10	11	10
	Board of Directors – Male	%	56	67	69	
	Board of Directors – Female	%	44	33	31	
	Average tenure of Board of Directors	yrs	6	7	6	
Employees (as of 30 April)	Total employees	#	2,610	2,802	3,030	6
	Total employees – Male	%	62	63	63	
	Total employees – Female	%	38	37	37	
	Non-Board senior management – Male	%	50	29	40	
	Non-Board senior management – Female	%	50	71	60	
	Reporting to Board or senior management – Male	%	68	69	71	
	Reporting to Board or senior management – Female	%	32	31	29	

Note: Metrics include joint venture activities.

Climate-related disclosures

Berkeley aims to play an active role in tackling the global climate emergency.

Our climate actions are holistic, involving transformational changes to our business operations and to the ways in which we design and create new homes and places in partnership with our supply chain. Our actions and transparency have been externally recognised, having achieved 'A List' status for our response to CDP's 2023 Climate Change Questionnaire and been listed as a CDP Supplier Engagement Leader.

Ensuring that we take action in relation to climate change is not new to Berkeley; we set our first carbon reduction targets for our day-to-day operations through the original Our Vision business strategy launched in 2010. Having identified flooding, overheating and water shortage as key issues in our 2014 risk identification exercise, we placed a focus on climate change adaptation, creating new homes and places that are more resilient to the challenges of a warmer climate, which embrace the great potential of nature-based solutions.

Climate action continues to be a key strategic priority for the business and is embedded within Our Vision 2030. We are proud to have met our validated near-term scopes 1 and 2 greenhouse gas (GHG) emissions

science-based target (SBT) last year and have updated this to push ourselves further. Electricity consumed in the UK is backed by Renewable Energy Guarantees of Origin (REGOs) and our construction sites are reducing their use of fossil diesel; this year, 96% of directly procured diesel was biodiesel HVO (Hydrotreated Vegetable Oil) as a low carbon alternative.

Berkeley recognises that our greatest impact occurs through our scope 3 emissions, in particular those associated with the materials used to build new homes. We are undertaking embodied carbon assessments during planning and design stages, to enable our teams to make more informed decisions in relation to design, specification and sourcing. We are also engaging with our supply chain to understand the decarbonisation pathways of high impact material groups.

Our climate action strategy seeks to mitigate both transitional and physical risks identified by climate scenario analysis, and evolves to ensure that it remains relevant. This year we have been engaging key internal stakeholders to compile a Net Zero Transition Plan in line with the recommendations of the Transition Plan Taskforce (TPT) published in October 2023.

In developing its climate-related disclosures, Berkeley has reviewed the Task Force on Climate-related Financial Disclosures (TCFD) report 'Recommendations of the Task Force on Climate-related Financial Disclosures', including the 2021 Annex detailing Guidance for All Sectors and Supplemental Guidance for Non-Financial Groups in relation to Materials and Buildings. We are pleased to confirm that our disclosures are consistent with these guidelines and align with the UK Listing Rules (as referred to in Listing Rule 9.8.6R (8)), save for certain items which we summarise in the table on page 69. Work is ongoing as our understanding of these areas has developed over the years and we have identified areas where more work is required.

This year, we have reviewed and updated our reporting in line with the International Sustainability Standards Board (ISSB) IFRS S2 Climate-related Disclosures; a Sustainability Disclosure Standard published in June 2023. The Standard integrates and builds on the TCFD recommendations and incorporates industry-based disclosure requirements derived from SASB Standards. We believe our disclosures cover the majority of the requirements within IFRS S2 and will look to further align in future reporting years.

	Omitted	Partial	Full
Disclosure level			

Theme	Disclosures and disclosure level	Summary and next steps	Page reference
Governance	a) Board's oversight	- The Board is provided with updates on Berkeley's climate actions and progress against goals as part of each meeting through Our Vision 2030 reporting. - CEO and CFO attend monthly Our Vision 2030 and Sustainability Board meetings at which key climate actions, including targets and progress on our transition to net zero are reviewed. - Climate-related matters are assessed at development level which informs strategic business planning activity.	70 to 71
	b) Management's role	- CEO is lead sponsor for climate action. - Executive Committee receives updates on climate action from the Responsible Business Executive at each meeting. - CEO and CFO attend divisional board meetings to review financial and operational performance. - Responsible Business Executive and Group Head of Sustainability meet with Group operational committees, divisional management teams and operational sustainability teams to review progress and plan next steps.	
Strategy	a) Climate-related risks and opportunities	- Climate change is a key risk monitored as part of the Group's risk management process. - Climate scenario analysis identified key transitional risks in the short-term (0-2 years) to medium-term (to 2030) and physical risks in the long-term (to 2050), based on financial scenarios and probabilistic loss modelling where possible.	71 to 77
	b) Impact of risks and opportunities on strategy and financial planning	- Our strategy in relation to climate-related issues is defined across four areas of focus and involves engagement with stakeholders across our industry, supply chain and government bodies. - Work is ongoing in relation to the impact of climate-related issues and a just transition on areas such as our supply chain. - Consideration of climate change in preparing our Financial Statements is detailed in note 1.3 on page 187.	
	c) Resilience of strategy	- Climate scenario models have been used to assess our resilience including transition to a low carbon economy consistent with a 1.5°C scenario and the increased physical risks associated with a 4°C scenario.	
Risk management	a) Risk identification and assessment processes	- Main Board, Responsible Business Executive, Group sustainability team and operational teams all form part of the process to identify risks and assess their relative importance. - Climate scenario analysis completed in 2022; results are still considered to be relevant.	78 to 83 and 100 to 101
	b) Risk management processes	- Responsible Business Executive and Group sustainability team manage strategic compliance with evolving requirements. - Divisional management teams embed risk management in our day-to-day operations, integrating mitigation measures for each development as required.	
	c) Integration with overall risk management	- Climate change identified as a standalone principal risk to the business since 2018. - Climate-related risk incorporated within the Group's risk management framework, combining a top-down and bottom-up approach.	
Metrics and targets	a) Metrics to assess risks and opportunities	- Relevant key metrics identified and disclosed, including industry-based metrics in line with SASB. - The seven cross-industry metric categories recommended in TCFD guidance continue to be reviewed for implementation.	84 to 88
	b) Scopes 1, 2 and 3 GHG emissions and risks	- Emissions under scopes 1, 2 and 3 (material categories 1 and 11) monitored and reported. - GHG emissions calculated in line with the GHG protocol methodology.	
	c) Targets to manage risks and opportunities	- Science-based targets in place for scopes 1, 2 and 3 GHG emissions with performance against these disclosed. - Targets in line with the seven cross-industry metric categories recommended in TCFD guidance to be reviewed for implementation.	

Climate-related disclosures continued

Governance

Berkeley's governance structure for monitoring climate-related risks and opportunities, implementing strategic actions to address these and monitoring performance is summarised below.

Main Board Level

Board of Directors

① ②

- Overall responsibility for oversight of our strategy and management of climate-related risks and opportunities.
- Monitor progress towards strategic climate targets, with the Board report for each meeting including action taken in the year to date and planned next steps.
- Review Group Risk Management Report presented at each Board meeting. Climate change considered as a principal operating risk.
- Restricted Share Plan awards include an ESG underpin whereby up to 20% will be forfeited in the event of unsatisfactory progress against strategic and ESG priorities.

Audit Committee

- Oversight of Company-wide risk management process, including climate action alongside other principal risks.
- Undertake annual assessment of principal and emerging risks, along with the adequacy and effectiveness of internal control systems.
- Consider climate change impacts on the financial reporting judgements and estimates in the Financial Statements (see page 127).

Management Level

Chief Executive Officer

①

- Designated as accountable lead sponsor for the Climate Action strategic priority under Our Vision 2030.
- Review climate-related commitments and actions to ensure that they are ambitious and appropriate for the business.

Executive Committee

① ② ③ ④

- Review and sign off detailed plans and specifications of each development, from land purchase through all stages of development.
- Assess and manage strategic and operational risks.
- Discuss progress under the Climate Action priority area and measures to be implemented to further drive improvement.

Our Vision 2030 and Sustainability Board

① ② ③ ④ ⑤

- Consists of CEO, CFO, Executive Committee member with responsibility for sustainability, Responsible Business Executive and Group Head of Sustainability.
- Meet monthly with climate action a key topic on each agenda.
- Discuss progress against goals and targets to agree planned next steps.

Group Level

Group Risk Function

① ②

- CEO ensures the appropriateness of the Group's risk management strategy.
- CFO leads on strategic risk management, including oversight of climate scenario analysis.
- Risk Executive manages Group risk process and register, including climate change as a principal operating risk.

Group Responsible Business and Sustainability Teams

③ ④ ⑤

- Identify strategic climate change risks and opportunities facing the Group and communicate these to the Group's Risk Executive.
- Develop targets and strategic climate action, including our transition to net zero.
- Integrate actions into day-to-day activities.
- Actively collaborate with external experts and industry working groups.

Group Committees and Working Groups

④ ⑤

- Operational committees (e.g. Technical Committee and Sustainability Committee) consisting of senior representatives from each of our businesses meet regularly, with climate action raised at each meeting by the attending Responsible Business Executive and/or Group Head of Sustainability.
- Cross-disciplinary working groups take action in specific areas, such as embodied carbon and implementation of the Future Homes and Buildings Standards, guided by the Group Head of Sustainability.

Operational Level

Divisional Management Teams

① ② ④ ⑤

- Responsible for climate action in relation to the specific developments of their business.
- Nominate a management sponsor for the Climate Action strategic priority for their business.
- Maintain a risk register for their business, which includes sustainability and climate change risks.
- Communicate business performance to CEO and CFO at divisional board meetings.
- Meet with Responsible Business Executive and Group Head of Sustainability to identify improvement areas.

Operational Sustainability Teams

④ ⑤

- Dedicated sustainability practitioners within each business.
- Support local management and development teams to implement Group Sustainability Standards and to help drive continual improvement.
- Monitor climate action performance and present this to the divisional management and project teams.

Development Project Teams

- Ensure Environmental Risk Register in place throughout the lifespan of a project, to identify and control risks from land purchase through to design and construction.
- Manage day-to-day energy efficiency, implementation of new measures and achievement of targets.

Key roles with responsibility for climate action:

- ① Chief Executive Officer ② Chief Financial Officer ③ Executive Committee member with responsibility for sustainability
④ Responsible Business Executive ⑤ Group Head of Sustainability

Key to the success of our governance structure is the involvement of our CEO and other key senior management with responsibility for climate action across all levels and aspects of the business. The tone and culture set by their involvement encompasses all of the autonomous businesses and teams across the Group.

To provide a governance framework for our approach, Berkeley has an overarching Climate Change Policy detailing guiding principles of action, delivered through our Climate Action priority area of Our Vision 2030 business strategy and supporting Sustainability Standards. Our standards set out minimum requirements for our developments, as well as our construction site and supply chain activities, for topics such as energy efficiency, risk mitigation measures and reporting. They ensure that we are aligned to deliver the objectives, priorities and milestones outlined within our climate strategy.

Management tools are in place to monitor action and performance. For example, each development uses a Project Sustainability Strategy to track compliance with Sustainability Standards from land purchase through to completion, whilst our online data management system allows for live reporting of GHG emissions from our site, office and sales activities to assess progress against our scopes 1 and 2 SBT. Our management tools enable the regular communication of performance across the business, enabling insights and areas for further action to be identified and discussed.

Strategy

Taking action on climate has been a priority for Berkeley since the launch of Our Vision in 2010. To help ensure the ongoing resilience of our strategy, the actions undertaken under our key areas of focus (see pages 72 to 73) are continually reviewed against evolving risks and opportunities by the Responsible Business Executive and Group Head of Sustainability, along with Group operational committees and working groups.

Where necessary, key processes and controls such as our Sustainability Standards are updated.

Overview of climate risks and opportunities

Transitional climate change risks and opportunities are assessed in the short-term (0–2 years) and the medium-term (to 2030) to align with the time horizons of Berkeley's overarching business strategy, Our Vision 2030. Recognising that physical risks manifest themselves over a longer period, these are considered in the long-term (to 2050).

Climate scenario analysis undertaken in 2022 indicates that Berkeley has relatively low residual exposure to transition risk in the short-term, although pricing of GHG emissions and increased cost of raw materials present moderate risk.

In the medium-term, Berkeley is more moderately exposed, partly due to risks associated with moving to lower emission technologies, such as the use of less established suppliers and obsolete technology. Higher raw material costs could also be incurred by 2030 as a result of the increasing intensity of carbon pricing policy. Whilst not financially quantified, skills shortages are expected to be moderate by 2030. Changing customer demands is considered to present a minor opportunity in the medium-term.

The analysis showed that by 2050 under a 4°C 'Hot House World' scenario, areas in which Berkeley's developments are located will see an increase in heatwave days and a corresponding increase in the occurrence of prolonged drought stress. Increases in precipitation with drier summers and wetter winters could also increase the prevalence of subsidence conditions. Exposure to flood risk may also increase with particular sites flooding more often.

Climate progress and roadmap

2010

Carbon reduction targets set for our operations since the launch of Our Vision in 2010.

2014

Climate change adaptation risk exercise identified flooding, overheating and water shortage as the key risks for the homes and places we develop.

2016

All new homes designed to incorporate climate change adaptation measures and a bespoke overheating risk assessment launched.

2018

First public reporting in line with TCFD recommendations. Procurement of 100% renewable electricity for UK operations.

2019

Undertook research and implemented the outcomes on designing low carbon homes.

2020

SBTs validated by the Science Based Targets initiative (SBTi) and new strategy for climate action launched.

2022

Completed climate scenario analysis to assess risks and opportunities.

2023

Achieved original SBT for scopes 1 and 2 (market-based) emissions seven years early.

Launched embodied carbon reduction targets at a project level.

Embedded findings of climate scenario analysis into risk management processes.

2024

Achieved 'A List' status from CDP for climate change action and transparency.

Implemented a detailed supply chain engagement strategy for high impact material groups and recognised as a CDP Supplier Engagement Leader.

Completed energy audits complying with the Energy Savings Opportunity Scheme (ESOS).

Climate-related disclosures continued

Climate strategy

To respond to the key areas of risk and opportunities for the business, our climate strategy focuses on reducing embodied carbon, operating low carbon construction sites, delivering low carbon homes and integrating climate change resilience measures. Details on key climate actions taken in the year can be found on pages 45 to 46.

Embodied carbon

Why this is a focus area

The majority of our scope 3 emissions relate to embodied carbon arising from the activities of our supply chain, from the energy used to extract raw materials, processing these into construction products and transporting to site.

Reductions are targeted as part of our scope 3 SBT in relation to category 1: purchased goods and services.

Link to business model

- Designing and planning new homes
- Building new homes and places

Link to climate risks

- Raw material cost

Key strategic actions

In 2021 we undertook embodied carbon assessments on an initial 15 projects to determine the impact of the materials used to construct the homes we build. Using this information, our consultants set out a clear approach for us to calculate our upfront embodied carbon on our future developments and in July 2022 we launched quantitative targets for reducing emissions in line with our SBT. Embodied carbon assessments are now a requirement of Berkeley's Sustainability Standards. The assessments are undertaken during planning and design stages, enabling our project teams to make more informed design, specification and sourcing decisions and to take tangible action to reduce the carbon impact of each development and meet targets.

Recognising that embodied carbon is largely out of our direct control, we engage with suppliers and have implemented a detailed supply chain engagement strategy for high impact material groups. We also play an active role within several industry groups to share knowledge and lessons learnt. This includes the UKGBC's Advancing Net Zero programme and working groups through the Future Homes Hub and the Chartered Institution of Building Services Engineers (CIBSE). We have also formed a peer-to-peer partnership with several contractors to collaborate on a number of topics, including carbon.

Low carbon operations

Why this is a focus area

Emissions related to the energy used during our construction, sales and office activities are under the direct control of Berkeley and we have the greatest ability to reduce these.

Reductions are targeted as part of our scopes 1 and 2 SBT.

Link to business model

- Building new homes and places

Link to climate risks

- Pricing of GHG emissions

Key strategic actions

Berkeley's Sustainability Standards include minimum energy efficiency requirements for our construction sites, offices and sales suites. Since 2018, 100% of UK electricity has been backed by Renewable Energy Guarantees of Origin (REGOs).

To drive performance improvements, Berkeley's operating divisions are set individual annual carbon budgets that are actively monitored through live reporting in our online data management system. We also have an internal carbon fee levied on each division, incentivising low carbon alternatives which may have a greater capital cost but that deliver reduced operational costs. Best practice initiatives and lessons learnt are shared through engagement events and via our intranet.

Low carbon homes

Why this is a focus area

A significant proportion of our scope 3 emissions relate to the regulated energy use (such as heating, hot water and lighting) of the homes that we are creating for our customers.

Reductions are targeted as part of our scope 3 SBT in relation to category 11: use of sold products.

Link to business model

- Designing and planning new homes
- Building new homes and places
- Marketing and selling new homes

Link to climate risks and opportunities

- Demand supply imbalance
- Planning and design requirements
- Technology evolution
- Skills shortages

Key strategic actions

Berkeley applies a fabric-first design approach, in combination with the most appropriate technology and infrastructure solution for each individual development. We engage with our designers and collaborate with wider industry through the UKGBC, Future Homes Hub and CIBSE to understand how to reduce the impact of our buildings.

Berkeley's Sustainability Standards include minimum energy efficiency requirements, including the provision of 100% LED lighting. We communicate sustainable features to customers through the sales process, providing accessible and home-specific information.

We measure the impact of our homes as part of our scope 3 SBT using the dwelling emission rate (DER); calculated for new build homes to comply with building regulations. Performance also forms part of our Green Finance Framework issued in 2022, with the eligibility criteria for this linked to homes achieving an Energy Performance Certificate (EPC) rating of at least a B on brownfield land. In 2023 we set a requirement for all new homes (excluding refurbishments) to meet a minimum energy efficiency rating of B. In addition to EPC ratings, we monitor the Environmental Impact Rating (EIR) of new homes as a measure of carbon impact.

Climate change resilience

Why this is a focus area

Berkeley recognises that climatic changes will occur and may affect the homes and places we develop. We need to prepare our business for anticipated changes to the climate and take action to mitigate risks.

Link to business model

- Land acquisition
- Designing and planning new homes
- Building new homes and places
- Placekeeping and stewardship

Link to climate risks and opportunities

- Heat stress
- Drought stress
- Subsidence
- Windstorm
- Flood
- Demand supply imbalance

Key strategic actions

Key risks, such as subsidence and flood risk, are identified and assessed prior to land acquisition, with mitigation measures identified and implemented as necessary.

Berkeley's Sustainability Standards set minimum requirements, including the provision of rainwater harvesting and sustainable drainage systems (SuDS). We target internal water efficiency levels beyond building regulation requirements, delivered through the integration of water efficient fixtures and fittings.

Recognising the intrinsic link between nature and climate, Berkeley has pioneered biodiversity net gain (BNG) in our industry since 2017. Having worked in partnership with the Wildfowl and Wetlands Trust (WWT) to develop a Code of Practice for blue and green infrastructure, an integrated water management approach is now followed whereby rainwater is stored and released into natural features to help manage surface water, also reducing the urban heat island effect.

Climate-related disclosures continued

Engagement

Collaboration is key to delivering climate action with key activities as follows:

Supply chain	- Our Common Materials Strategy for 10 key material groups includes embodied carbon and other sustainability requirements alongside technical compliance and quality. - New detailed supply chain engagement for high impact materials (concrete, steel, aluminium, glass and bricks) to assess the maturity of key suppliers in their decarbonisation journey. - Sustainability Standard for on-site contractors includes requirements in relation to energy and carbon reporting, as well as minimum energy efficiency measures. - Climate action raised in Group-wide Supply Chain Conference in November 2023. - Partner of the Supply Chain Sustainability School.
Industry	- Members of the UKGBC Advancing Net Zero programme and active participants in working groups, including developing guidance on embodied carbon reporting. - Active participants of the Future Homes Hub, helping industry to understand and shape the future for new and decarbonised homes. - Contribute to CIBSE's Homes for the Future working group. - Formed a peer-to-peer group to collaborate and share learnings with several contractors, including Skanska, Morgan Sindall and Laing O'Rourke.
Government and regulators	- Actively respond to Government consultations to share our insights and experience, including both the Future Homes and Buildings Standards and scope 3 emissions reporting consultations in 2024. - Met with Government representatives as part of the Future Homes Hub to discuss our response to the Future Homes and Buildings Standards consultation. - Host visits to our development sites to directly engage and demonstrate challenges and progress.
Customers	- Development-specific information provided, including climate change mitigation and adaptation measures. - Home demonstration at handover to ensure customers aware of technologies integrated into their home and efficiency measures. - Sales employees receive sustainability training.
Employees	- Sustainability training provided to all employees, with subject specific training (e.g. embodied carbon, Future Homes and Buildings Standards requirements) provided to relevant departments. - Awareness campaigns including 'lunch and learn' sessions and internal intranet to share best practice.

Transition planning

Berkeley acknowledges the SBTi definition of net zero, namely that scopes 1, 2 and 3 emissions should be reduced in the long-term (by 2050) by at least 90%, with residual emissions neutralised.

This year we have been engaging key internal stakeholders to compile a Net Zero Transition Plan in line with the October 2023 recommendations of the Transition Plan Taskforce (TPT). Our aim is to publish our plan in 2025.

An overview of key elements within our focus areas that we seek to action on our route to net zero can be found on pages 76 to 77.

Our transition plan is based on decarbonisation routes and actions that we currently understand to be the direction our industry is moving in, but plans and capabilities in this area are constantly evolving, with new pathways identified once certain levers are triggered. We have identified some of our key dependencies and challenges on page 75.

Given the significant dependencies and challenges we face, and uncertainty of the decarbonisation pathways that will be available to us in the medium to long-term, we have selected a net zero date of 2045. Across scopes 1 and 2 we are confident that we can achieve net zero much earlier, however we need to work further with our supply chain to understand the decarbonisation pathways of key manufacturers and suppliers before committing to a more stringent timeline across all scopes. Our aim is to update projections within future iterations of our plan.

Our transition is dependent on:

- The willingness, ability and speed of our direct supply chain to decarbonise and reduce the embodied carbon of materials.
- The rate at which connected industries (e.g. utilities, transport, education and skills) set out detailed transition plans.
- Customer acceptance of low carbon alternatives for heating and powering homes.
- An industry-wide shift to low carbon alternatives and new technologies.
- Workforce behaviour change to reduce avoidable emissions.

Our transition is challenged by:

- A low number of suppliers and contractors that measure their emissions or have SBTs.
- The changing policy and regulatory landscape for housing.
- Customer concern over increased costs for electric homes, and behavioural change required to operate non-traditional heating solutions.
- A potential lack of capacity in the electricity grid to connect new homes.
- The pace at which the electric machinery market develops.
- The cost uplift and sustainability credentials of biodiesel HVO.

A just transition: recognising stakeholder impacts

Berkeley aims to ensure that our decarbonisation efforts include a fair and equitable 'just transition' that identifies potential effects on our stakeholders, including our employees and communities.

9 8

Our workforce

The transition to a low GHG economy will impact our workers due to the rapid change in required skills. We will invest in the training and competency of our employees and supply chain workforce to manage our transition and ensure that no one is left behind as we meet our future goals.

1 3

Our customers and communities

Solutions to address climate change should not come at an unaffordable price to our customers or negatively impact the communities we help to create. Customer insight is essential to gather feedback about the technology installed in new homes.

9 7

Our industry

We acknowledge the need for a coordinated industry approach, as current inconsistencies are leading to a lack of trust and investment across the supply chain and delaying progress. Berkeley will continue to work with others in the sector and share feedback on new practices and technologies to push forward the most effective low carbon solutions.

4 5

Our environment

Recognising that nature helps to both mitigate and adapt to future climate change pressures, we will continue to prioritise the incorporation of nature within our developments and work with managing agents to ensure that these habitats will be maintained for years to come.

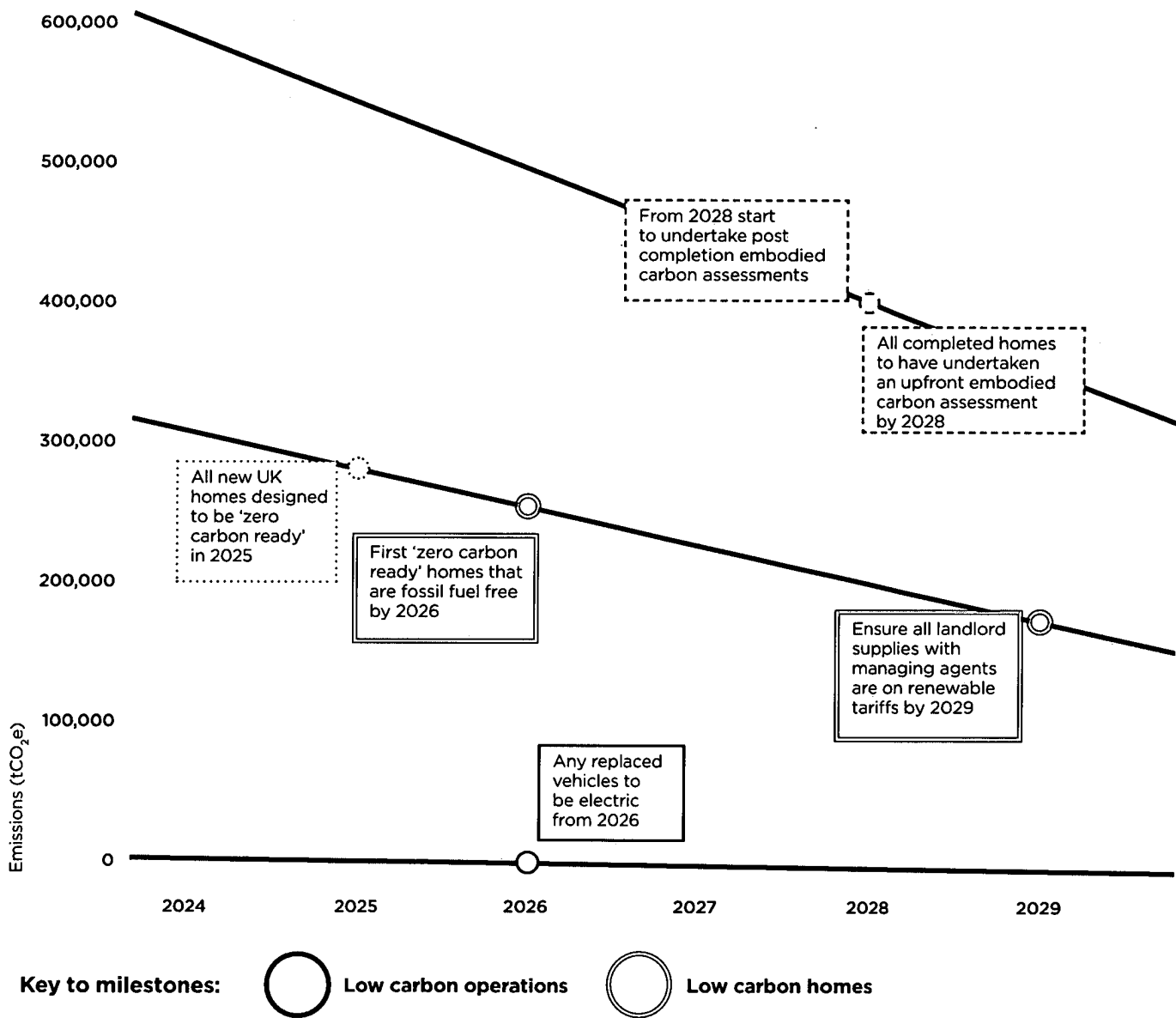
Climate-related disclosures continued

Our transition plan

Near-term SBTs

Taking action in the near-term to meet our SBTs

- Engage with manufacturers of high impact materials
- Design to lower embodied carbon
- Identify key manufacturers to support innovation
- Increase use of heat pumps and renewables
- Transition district heating to be net zero ready
- Continue to research new technologies
- Continue to purchase 100% renewable electricity in the UK
- Transition away from natural gas use in our offices and sales suites
- Focus on energy efficiency, particularly out of hours usage



Net Zero

Our long-term aims to reach net zero

- Encourage and support suppliers in setting SBTs
- Focus on as-built performance, rather than as-designed
- Operate net zero construction sites
- Explore nature-based solutions for carbon capture and storage
- Work in partnership with our supply chain to reduce emissions
- Improve energy demand management in homes
- Install and use renewable technology on our larger construction sites
- Ensure that all suppliers provide product specific EPDs
- Focus on renewable generation on our developments
- Increase the use of electric plant

From 2030 all completed homes have a post completion embodied carbon assessment

All completed homes 'zero carbon ready' (excluding existing district heating systems) by 2030

All new homes to be on a renewable tariff on move in day by 2030

UK electricity grid 100% decarbonised in 2035

UK ban on sale of petrol and diesel cars in 2035

Reduce emissions to <10% of our baseline. Residual emissions to be offset using carbon removal credits

2030

2035

2040

2045



Embodied carbon



External milestones

Hartland Village, Fleet

Climate-related disclosures continued

Risk management

Berkeley has recognised climate change as one of its principal operating risks since 2018. Our regular process to identify and assess climate-related risk is incorporated within the Group's risk management framework, combining a top-down strategic review and a bottom-up review (see page 91).

The Responsible Business Executive and Group Head of Sustainability identify and monitor strategic climate-related risks and opportunities facing Berkeley through the evaluation of evolving legislation, customer feedback, and industry and global trends. Risks and opportunities are identified for the short-term (e.g. increased energy costs), through to the medium-term (e.g. changes to building regulations) and long-term (e.g. transition to net zero carbon homes).

The risks and opportunities cover our upstream value chain (such as material costs), our direct operations, and the impact on our customers of a changing climate.

Identified risks and opportunities are shared with the Group's Risk Executive and reported on at each Board meeting, with feedback provided back down the business to operating companies.

A fundamental principle of the operating structure of Berkeley is that the prime responsibility for assessing, managing and monitoring the majority of operational risks rests with divisional management teams, ensuring that risk management is embedded in our day-to-day operations. At a development level, the site-specific Project Sustainability Strategy tracker and Environmental Risk Register identify risks and monitor action taken to mitigate these from land purchase through to completion.

Climate scenario analysis

Supplementing our regular approach to risk management, in 2022 Berkeley undertook climate scenario analysis with the support of WTW (formerly Willis Towers Watson) to assess risks and opportunities relating to the transition to a lower carbon economy and the physical impacts of climate change. The climate scenario analysis was overseen by the CFO, the Executive Committee member with responsibility for sustainability, the Responsible Business Executive and the Group Head of Sustainability.

Selected climate scenarios draw from widely used publicly available and peer reviewed sources. These include the Intergovernmental Panel on Climate Change (IPCC) sixth assessment report (AR6) and other representative sources including the International Energy Agency (IEA). The scenarios selected are not intended to be forecasts for the future, but provide mechanisms to assess plausible outcomes against which Berkeley can assess its risks.

Transitional risks

Transitional risk description

Pricing of GHG emissions could be introduced as part of aggressive climate mitigation and carbon tax regimes.

Emissions offsets may see an increase in demand and therefore cost.

Planning and design requirements become increasingly stringent as part of the UK's efforts to meet its 2050 Net Zero target.

Risk exposure and potential impact

Demand for REGOs which Berkeley procures for its UK electricity consumption is expected to rise. In the short-term the additional cost of REGOs is likely to be less than £1 million per annum. By 2030, the supply of REGOs is expected to stabilise as electricity use is anticipated to continue to shift away from fossil fuel sources.

The introduction of direct carbon taxes through UK regulation in relation to scopes 1 and 2 emissions, if implemented by 2030, would result in a new annual cost which is likely to be less than £1 million.

Under Berkeley's long-term plans to become a net zero business, depending on supply chain actions and technology advances in the meantime, residual scope 3 emissions may need to be offset at a point beyond 2030. The cost of this could be significant given the relative size of scope 3 emissions compared to scopes 1 and 2 (see metrics and targets on pages 84 to 86), over £10 million per annum, although this amount and timing thereof is uncertain.

As part of its effort to meet its 2050 Net Zero target, it is possible that the UK will need to increase the stringency of building planning and design requirements. Berkeley would be required to respond to changing building regulations which may have a cost impact.

In the short-term, homes on future phases of developments that are under construction may require a different heating solution from current planned solutions, for example switching to the installation of air source heat pumps. These changes have been anticipated so there is little additional cost impact expected.

In the longer term, planning regulation is not anticipated to lead to significant costs as emerging requirements form part of development appraisals at the land purchase stage or subsequently.

Summary of scenarios

1.5°C scenario – IEA Net Zero Emissions by 2050 and IPCC RCP 2.6

- Actions are taken to reduce emissions in the short-term and consequently high transition risk is experienced.
- Physical risks are less severe than under the 4°C scenario and broadly similar to the 2°C scenario.

Below 2°C scenario – IEA Sustainable Development Scenario (SDS)

- Actions are taken to reduce emissions in the short-term, albeit slightly less aggressive than the 1.5°C scenario, and consequently high transition risk is experienced.
- Physical risks less severe than under the 4°C scenario and broadly similar to the 1.5°C scenario.

4°C scenario – IPCC RCP 8.5

- Increased level of warming associated with greater levels of acute and chronic weather events.
- Geographic climatic shift in the South East of the UK.

The results of the climate scenario analysis (see tables on pages 78 to 83) are still considered to be relevant and we continue to use them within our strategic planning processes. It is our intention to periodically update the analysis, as new information and modelling becomes available or as significant changes are made to our business.

Read more on our methodology
www.berkeleygroup.co.uk/sustainabilitydisclosures

Transition risks and opportunities

Representative scenarios assessed included a below 2°C (using IEA Sustainable Development Scenario (SDS)) and limiting global warming to 1.5°C (IEA Net Zero Emissions by 2050). Where possible to differentiate across the two scenarios the assessment focused on the Net Zero by 2050 scenario, in line with the Paris Agreement targets.

Transition risks and opportunities were assessed in relation to aggressive climate mitigation measures in both the short-term (0–2 years) and medium-term (to 2030). The transition risks and opportunities detailed in the table on pages 78 to 81 have been identified as having potentially greater exposure or impact on Berkeley, albeit none of these are considered individually material in the context of the Group's current year financial statements.

In addition, Berkeley has been assessed as having a very low exposure to the following transitional drivers, with more detail available in the climate scenario analysis methodology document on our website:

- **Risks:** Enhanced emissions reporting obligations requirements; climate change litigation.
- **Opportunities:** Electric vehicle use; cost and availability of capital; reputational risk and perceptions of investors, employees and other stakeholders.

Mitigation strategy

Our teams continue to focus on energy and carbon efficiency to reduce our electricity consumption and emissions. We have seen a 77% reduction in scopes 1 and 2 (market-based) emissions since 2019, reducing the potential impact of future carbon pricing regimes.

This year we completed energy audits across our divisional offices, sales suites and construction sites in line with the requirements of the Energy Savings Opportunity Scheme (ESOS) with the recommendations being incorporated into our energy reduction action plans and transition to net zero.

Berkeley monitors the implementation of potential carbon tax regimes, including the proposed UK Carbon Border Adjustment Mechanism (CBAM) (see the raw material costs transitional risk).

Our approach to offsetting is being reviewed as part of the further development of our net zero transition plan.

Operational committees of relevant functions (Land and Planning, Technical and Sustainability) monitor and discuss the evolving regulatory landscape and impacts on the business, taking action as required.

Berkeley actively participates in Government consultations to help shape the direction of future regulation. In March 2024, we submitted a response to the consultation on the Future Homes and Buildings Standards. An inter-disciplinary working group was set up to develop our response and a webinar was held to brief the business on the requirements of the Standards.

We also participate in industry initiatives such as the Future Homes Hub, established to facilitate the collaboration needed within and beyond the new homes sector to help meet the climate and environmental challenges ahead.

To negate potential additional cost impacts, emerging requirements form part of development appraisals at the land purchase stage.

Climate-related disclosures continued

Transitional risk description	Risk exposure and potential impact
Skills shortages impacting ability to install low carbon technology may result if sufficient investment and training is not provided, leading to a shortfall in supply of suitably qualified professionals.	In order to reduce emissions to meet more stringent planning requirements and sustainability targets, Berkeley will need access to skilled workers. Berkeley is exposed to industry-wide resourcing issues. Whilst these are currently not specific to low carbon technology, in the medium-term there could be an increase in labour shortages, in part due to an aging workforce and the need to upskill workers for net zero. Whilst it is not possible to quantify the financial impact of this, we are taking practical steps to mitigate the current skills shortage.
Technology evolution leads to a risk that technologies selected at the outset of a planning process could become outdated and obsolete upon building completion as a result of the development of lower emission alternatives. Over the long-term, increasing pace of technological adaptation may accelerate risk of obsolescence. There is also the risk that replacement of systems that are dependent on fossil fuels could result in higher costs.	Electrification of residential heating is encouraged through the proposed Future Homes and Buildings Standards. The consultation set out the principle of 'sleeving' for existing heat networks, which may require us to upgrade existing energy centres and associated infrastructure on our major regeneration sites with air source heat pump technology. The pace of our progress may be hampered by planning regulations and at points in time there is a risk we will not be able to deliver optimal technologies as building regulations adjust more slowly to emerging technologies. In the long-term, the inherent risk is that the market for the latest technologies is nascent, which gives a risk of unreliable supply chains and reputational damage, should technology selected for our developments not perform as expected. Consequently, the potential costs could be significant, although are considered unlikely as regulation and supply chain testing mean the adoption of untested technologies remains improbable.
Raw material costs could increase if suppliers pass through the impact of carbon pricing for high embodied carbon building materials. For example, widely used steel, concrete, cement and glass all have energy intensive production which could require increased energy input costs or be subject to carbon tax regimes.	Under a 1.5°C scenario, energy intensive raw materials such as steel, concrete and glass will be particularly impacted by carbon-driven cost increases in the absence of alternative technological advances. In the short-term, there is a low exposure to cost increases in the region of £1 million per annum. Nonetheless, by 2030 the inherent risk from additional raw material costs could be significant (exceeding £10 million per annum) relative to the cost today, although it is inherently difficult to disassociate this cost from other market forces and technology advances (both positive and negative).
Transitional opportunity	
Transitional opportunity description	Opportunity exposure and potential impact
Demand supply imbalance may lead to an opportunity whereby homes with strong sustainability-related credentials are preferable to buyers as energy prices increase.	Whilst in the short-term the scale of opportunity for higher demand is not necessarily significant, as climate awareness and energy prices increase, property buyers are expected to favour lower carbon homes and expect greater operational energy efficiency. In addition, customer preference for new build over second-hand housing stock could further support demand for more efficient homes, with the latest technologies. Responding to the increasing barriers to entry as regulation rapidly changes will require experienced and well capitalised companies; this could further reduce the supply of new homes.

Mitigation strategy

Berkeley is part of The 5% Club, maintaining at least 5% of its workforce in formal training and we work with our supply chain to support and encourage training opportunities.

We upskill our staff through internal training, with all employees required to complete an 'Introduction to Sustainability' module via our Learning Management System. Awareness campaigns are also used to inform our people about low carbon technologies being deployed on our sites and in our homes and how to communicate these to our customers.

Berkeley continually assesses nascent technologies and has already invested in heat pumps and photovoltaics.

In some cases, particularly in our out of London sites, we need to ensure the necessary localised infrastructure upgrades are in place to support additional electrical loads ahead of the implementation of the Future Homes and Buildings Standards, whilst noting that there is a dependency on the national grid to decarbonise. There are no significant additional costs expected in the short-term.

Berkeley has a diverse supply chain drawing material from a wide range of suppliers and we regularly assess material costs as part of development appraisals.

We are undertaking embodied carbon assessments to better quantify the emissions within the materials of our developments to inform future design. The marketplace will also change as suppliers decarbonise their own direct activities, technology evolves and macroeconomic factors impact costs (and house pricing).

This year we have developed a new supply chain engagement strategy to work with our supply chain to understand and drive down embodied carbon. This focuses on high impact materials (concrete, steel, aluminium, glass and bricks) and aims to assess the maturity of our key suppliers in their decarbonisation journey, providing our teams with practical information to support their decision-making process.

To understand the potential impact the introduction of the UK CBAM may have on Berkeley and its supply chain, we are actively involved in HMRC's consultation.

Realisation strategy

Berkeley's focus on urban, brownfield regeneration development is inherently more sustainable. Through climate action, wider Our Vision 2030 initiatives and our Sustainability Standards, we look to positively influence customer demand. In 2023, we set a requirement for all new homes (excluding refurbishments) to meet a minimum EPC rating of B.

We actively communicate sustainable features to customers throughout our sales process, providing accessible and home-specific information within marketing information.

Climate-related disclosures continued

Physical risks

Physical risks have been assessed over the long-term to 2050 as this is when the most significant impacts are likely to manifest, with the below table summarising the predominant physical risks for the IPCC 1.5°C (RCP 2.6) and 4°C (RCP 8.5) scenarios. Exposure details are in 2050 and beyond under a 4°C scenario.

Chronic risks

Physical risk description	Risk exposure and potential impact
Heat stress increases gradually and becomes a moderate risk beyond 2050 and towards the end of the current century. This could mean frequent heatwaves (more than 20 days annually).	The majority of England (in particular South East, South West and the Midlands) will be exposed to more material heat stress by mid-century. Correspondingly, 84% of Berkeley's homes will be exposed to heat stress in the decades beyond 2050. The potential for overheating in our homes arises through heat stress from climate change and the urban heat island effect.
Drought stress becomes more significant by the 2050s, which would see three to four months of drought duration annually.	Similar to heat stress, the majority of England (in particular South East, South West and the Midlands) will be exposed to more material drought conditions by mid-century. Correspondingly, 92% of Berkeley's homes will be exposed to drought conditions for three to four months annually in the decades beyond 2050. A significantly smaller proportion (5%) of homes could see drought conditions for six months of the year. The main implications from drought stress are water scarcity and impact on green areas of our developments.
Subsidence conditions and susceptibility for soils like clay are likely to be influenced in the 2030s and further increase beyond 2050 due to warmer and drier summers as well as wetter winters.	Large areas in the South East and Eastern England are exposed to increasing subsidence conditions, including Greater London and the Thames Estuary due to the clay soils. The soil conditions for 90% of Berkeley's current homes could potentially be impacted beyond 2050.

Acute risks

Physical risk description	Risk exposure and potential impact
Windstorm risk already exists for all of Berkeley's sites. There is no current scientific consensus that the UK will see an increase in windstorm intensity and the risk therefore remains unchanged from the present day.	The typical windstorm hazard could pose a moderate risk for 100% of Berkeley's sites. This does not reflect a change to the present day levels of exposure, probability or potential losses of such risk. The main implication from windstorms are physical damage to completed property and construction assets.
Flood risk increases due to the potential for coastal flooding from sea level rise, as well as surface and groundwater flooding from heavy rainfall.	By 2050 there are no further sites exposed beyond the 6% of sites already at risk in the present day, given the predominance of Berkeley's portfolio in London and the flood defences in place in London. However, these sites could flood more often. The main implication from flood is physical damage to completed property and construction assets. Probabilistic loss modelling estimates that by 2050 the physical damage from flooding under a 4°C scenario could exceed £27 million in a severe year (i.e. 1 in 200 year return period) and £60 million in an extreme year (i.e. a 1 in 1,000 year return period).

Probabilistic loss modelling was used to analyse the financial impact of acute risks (windstorm and flood) before any mitigation or adaptation measures, and irrespective of insurance or other recovery or consideration of financial responsibility for any such losses. As Berkeley already insures against potential losses from catastrophic events, the primary cost exposure for Berkeley under a 4°C scenario could be an increase to insurance premiums for assets under construction.

Mitigation strategy

Berkeley introduced a bespoke internal overheating risk assessment in 2016. This helped to ensure that all project teams assessed and mitigated this risk. Overheating risk is now incorporated within the 2021 Building Regulations. Where homes are deemed to be at a higher risk, more detailed dynamic thermal modelling is undertaken.

Potential mitigation measures may include thicker insulation to external walls, smaller windows with thermally efficient glass, incorporating shading through the design such as brise soleil to reduce heat gain, balconies and enhanced ventilation. In addition, Berkeley incorporates soft landscaping as part of its biodiversity net gain (BNG) approach which can partially mitigate the heat island effect.

Working with the Wildfowl and Wetlands Trust (WWT) we have developed a Code of Practice for our teams on integrating blue and green infrastructure into our developments. An integrated water management approach is followed, whereby rainwater is stored and released into natural features to help manage surface water. The attenuation of water run-off provides significant opportunities to hold water for reuse in the home and our landscapes. We also consider the impact of drought on the design of our green spaces by incorporating drought resilient planting.

As part of Berkeley's Sustainability Standards, we have minimum requirements including provision of rainwater harvesting and sustainable drainage systems (SuDS) on our developments. We reduce water usage by designing homes with water efficient fixtures and fittings.

The risk of subsidence is assessed at a project level prior to land acquisition. During detailed design, external experts undertake further assessment and ensure appropriate measures are incorporated to mitigate these risks.

In London, where the risk of subsidence is linked to the underlying London clay, our developments have piled foundations which are engineered to ensure the buildings are anchored deep into the ground. There are additional factors of safety margins for foundations/piling already in place which mitigates against the risk of subsidence.

For our housing developments, the foundation design is agreed with specialist consultants to ensure it is appropriate for the underlying geology and risk of subsidence.

Mitigation strategy

Each of our developments is designed by specialist teams, selecting appropriate materials and fixing details which can withstand local conditions. In respect of mid- to high-rise buildings, wind engineering includes dynamic or physical modelling, analysis and testing at the pre-planning stage. Façade design ensures mechanical fixings to areas such as roofs and balconies to resist elements being removed by high wind, as well as other mitigating features such as screening and planting.

In terms of the occupation of our buildings, mitigation includes wind alerts from anemometers being communicated to residents with instructions to close windows and secure loose objects from high level amenity spaces.

High winds also pose a risk to construction operations. We monitor alerts for high wind events and send bulletins to our site teams ahead of storms to ensure site safety measures are adhered to. Our tower cranes are fitted with anemometers to alert the crane driver and safe lifting team, thus preventing crane operations during high winds.

Flood risk is assessed pre-acquisition for all sites. Flood risk assessments have been a standard part of our development planning and design for many years if the developments fall within a flood zone. The flood risk assessments vary in extent based on the potential risk and already include allowances for the effects of climate change. Our homes are designed to the flood risk that is identified in the flood risk assessment. This includes designing to a 1 in 30 year, 1 in 100 year or 1 in 1,000 year flood. Within our developments, design mitigation measures include raising the levels of the lower floors and designing SuDS to hold and store water in times of extreme rainfall.

Climate-related disclosures continued

Metrics and targets

To assess and manage performance in relation to climate action, Berkeley monitors and reports on a range of metrics in line with its operational boundary (including joint venture activities). Progress against science-based targets (SBTs) is disclosed, in addition to topics detailed in the SASB Home Builders Sustainability Accounting Standard.

Scopes 1 and 2 emissions

Last year, Berkeley was pleased to announce that it had surpassed its original SBT for a 50% reduction in absolute scopes 1 and 2 (market-based) GHG emissions as validated by the Science Based Targets initiative (SBTi), having achieved a 76% reduction. As a result, in 2024 we have calculated an updated SBT in line with the SBTi's latest target setting tools. Our new near-term target is to 'reduce absolute scopes 1 and 2 (market-based) emissions by 82% by FY2030 from a FY2019 baseline year'. We plan to submit this target to the SBTi for validation in summer 2024.

This year we have seen a 77% decrease compared to our baseline year. Reductions to date have primarily been the result of a transition from using fossil diesel on site to using biodiesel HVO (Hydrotreated Vegetable Oil); 96% of directly purchased diesel in 2024 has been this low carbon, renewable alternative.

Berkeley continues to purchase Renewable Energy Guarantees of Origin (REGOs) to certify that 100% of UK electricity is from a renewable source (i.e. solar, wind or hydro power).

Further information on our scopes 1 and 2 (market-based and location-based) emissions is contained within the Directors' Report on pages 160 to 162.

Use of carbon credits

From 2018 to 2023, Berkeley voluntarily supported verified projects in realising carbon emissions reductions elsewhere to neutralise residual emissions from our direct operations (scopes 1 and 2). In light of the evolving voluntary carbon market and emerging practice around offsetting residual scope 3 emissions, we are reviewing our approach to carbon credits as part of our development of our Net Zero Transition Plan. Consequently, this year we have made the decision not to purchase carbon credits to cover our full scopes 1 and 2 emissions.

We have however continued with our support of the UK-based Retrofit Credits project developed by HACT and PNZ Carbon, given the pioneering approach this unique programme is implementing; the project uses funds to retrofit social housing through the installation of energy efficient measures such as improved insulation, thereby reducing emissions of existing housing stock whilst also delivering social value.

Scope 3 emissions

Berkeley's most significant impacts occur across our value chain (scope 3), including the embodied carbon of our homes resulting from the activities of our supply chain (category 1: purchased goods and services) and the energy use by our customers in homes once sold (category 11: use of sold products). These material categories account for approximately 99% of our total emissions.

Recognising the importance of taking action to reduce scope 3 emissions, we have set a validated SBT to 'reduce scope 3 purchased goods and services and use of sold products GHG emissions by 40% per square metre of legally completed floor area'.

Since our 2019 baseline year, we have seen a 1% decrease in emissions intensity. It should be noted that reductions in emissions from dedicated action taken at a project level can take time to be realised, due to there often being several years between the planning and design phase of a project through to legal completions occurring. Berkeley is also highly dependent on supply chain action to reduce emissions, with our priority being to complete embodied carbon assessments to guide design and material specifications, at the same time as engaging with key contractors and suppliers.

Embodied carbon (category 1: purchased goods and services)

Berkeley currently uses a methodology based upon spend data to estimate the embodied carbon of materials and services used in the development of our homes and places.

To convert spend in the financial year into emissions we apply Comprehensive Environmental Data Archive (CEDA) factors; listed by the GHG Protocol as a third-party database to assist users in collecting data for product lifecycle and corporate value chain (scope 3) GHG inventories.

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HACT and PNZ Carbon would like to thank Berkeley for their continued support of the Retrofit Credits programme, which looks at assisting towards the increased decarbonisation of UK homes and the support of people who live in them.

Berkeley's support in FY2023 created a real, tangible difference, and positively impacted the environment and the lives of residents with the part funding of the retrofit measures undertaken on 1,133 UK homes, resulting in the reduction of 250 tonnes of CO₂ and £145,000 of facilitated social value.

Antoine Pellet | Head of Retrofit Credits, HACT

The limitations of reporting using a spend-based methodology are recognised by Berkeley and we have taken action to move away from this method towards more specific material data calculations in future years.

By their very nature, supply chain emissions are difficult to accurately measure as they relate to processes across multiple and wide-ranging settings that we are unable to control. We are however making progress in our understanding through the completion of embodied carbon assessments, the introduction of a material delivery data capture system and supply chain engagement (see page 46).

Another challenge that we and others face across the industry is defining the embodied carbon impact of our developments in the reporting context of a financial year, as projects are at different stages of the development lifecycle, each with a complex and global supply chain of materials. This issue is compounded at Berkeley by our bespoke approach to development, with each site having a unique design and procurement undertaken locally by each of our operating businesses, along with the period of time our developments span, particularly our large-scale regeneration sites. Recognising that positive change is required to reliably report embodied carbon data across our industry, we are pleased to have actively worked with the UKGBC in its development and launch in 2024 of two guidance documents relating to modelling embodied carbon and using assessments within scope 3 reporting.

Low carbon homes (category 11: use of sold products)

To estimate the lifetime carbon impact of our completed homes, we apply the calculated Dwelling Emission Rate (DER) across a 60-year period, in line with industry guidance. We do not take into account the anticipated decarbonisation of the UK electricity grid due to the variables involved.

Significant reductions in this area are anticipated in the coming years through the implementation of more stringent building regulations and the Future Homes and Buildings Standards. Our view is that we are on track to achieve our scope 3 SBT in relation to emissions resulting from the use of sold products.

Data enhancements to evolve emissions reporting in this area are also expected through the changing regulations. We will continue to work with industry and ensure our reporting reflects the prevailing and accepted methodology.

Industry-based metrics

Berkeley discloses industry-based metrics in line with the SASB Home Builders Sustainability Accounting Standard and is an active member of the Future Homes Hub's working group established to develop a shared set of metrics for the industry in relation to climate change and sustainability performance.

To recognise climate-related risks and opportunities, we have additional targets to our SBTs with associated metrics included within our climate action plans. For example, we monitor measures implemented to manage the physical risks to our homes and places such as heat stress, drought stress and flood through the reporting of overheating risk assessments, water efficiency and sustainable drainage systems (SuDS).

Royal Arsenal Riverside, Greenwich

Climate-related disclosures continued

Berkeley targets and metrics

Metric	Unit	2024	2023	Baseline 2019	Link to climate strategy	Link to climate risks and opportunities
Reduce absolute scopes 1 and 2 GHG emissions by 82% by FY2030						
Absolute scopes 1 and 2 (market-based) emissions	tCO ₂ e	917 ^A	963	3,980		Pricing of GHG emissions
Percentage change in emissions compared to FY2019 (SBT baseline year)	%	-77	-76	-		Emissions offsets
Energy consumption associated with scopes 1 and 2 emissions	MWh	27,505 ^A	30,420	35,681		
Energy consumption from renewable sources	%	88	89	60		
Purchased electricity backed by REGOs	%	98.3	98.7	99.1		
Purchased electricity in the UK backed by REGOs	%	100	100	100		
Reduce scope 3 purchased goods and services and use of sold products GHG emissions by 40% per square metre of legally completed floor area by FY2030						
Absolute scope 3 emissions (categories 1 and 11)	tCO ₂ e	519,040 ^A	574,709	585,690	 	Pricing of GHG emissions
Scope 3 (categories 1 and 11) emissions intensity	tCO ₂ e/100 sqm	169	161	171		Emissions offsets
Percentage change in emissions intensity compared to FY2019 (SBT baseline year)	%	-1	-6	-		Planning and design requirements
Absolute emissions for category 1: purchased goods and services	tCO ₂ e	304,476 ^A	321,314	352,087		Skills shortages
Emissions intensity for category 1: purchased goods and services	tCO ₂ e/100 sqm	99	90	103		Technology evolution
Absolute emissions for category 11: use of sold products	tCO ₂ e	214,564 ^A	253,395	233,603		Raw material costs
Emissions intensity for category 11: use of sold products	tCO ₂ e/100 sqm	70	71	68		Demand supply imbalance
Completed homes with an Energy Performance Certificate (EPC) rated A or B	%	93	93	93		
Completed homes with an Environmental Impact Rating (EIR) of A or B	%	96	98	-		
Average Dwelling Emission Rate (DER) of completed homes	kgCO ₂ /m ² /yr	12.08	12.13	11.72		
Average percentage improvement in DER over Target Emission Rate (TER) for completed homes	%	32	31	34		
Implement measures to manage climate risks for our developments and business						
Average internal water efficiency of completed homes	lpppd	101.2	102.6	102.6		Drought stress
Live development sites that have sustainable drainage systems (SuDS)	%	100	100	98		Flood
Live development sites that have assessed overheating risk	%	82	76	-		Heat stress
Live development sites that have assessed subsidence risk	%	59	-	-		Subsidence
						Demand supply imbalance

^A 2024 information has been separately subject to limited assurance by KPMG LLP. Further details of the assurance provided in 2024, including the independent assurance report and our methodology for reporting emissions, can be found at www.berkeleygroup.co.uk/sustainabilitydisclosures

SASB metrics (climate-related)

Metric	2024	Detail
Number of controlled lots (IF-HB-000.A)	54,081	Lots on owned or unconditionally contracted sites as of the last day of the reporting period.
Number of homes delivered (IF-HB-000.B)	3,927	The number of homes that completed within the reporting period.
Number of active selling communities (IF-HB-000.C)	51	Includes sites that have an implementable planning consent and that are in production.

Land use and ecological impacts

Number of (1) lots and (2) homes delivered on redevelopment sites (IF-HB-160a.1)	(1) 46,041 (85%) (2) 3,421 (87%)	Redevelopment sites are those that have been previously developed, including the replacement or refurbishment of existing structures, i.e. those sites considered to be brownfield land.
Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress (IF-HB-160a.2)	(1) 46,351 (86%) (2) 3,668 (93%)	London and large areas of the South of England are identified as an area of High Baseline Water Stress within the World Resources Institute's (WRI) Water Risk Atlas Tool. We recognise the need to balance providing new homes in these areas with reducing their impact on existing resources through the incorporation of water efficient fittings and sustainable drainage systems (SuDS).
Total amount of monetary losses as a result of legal proceedings associated with environmental regulations (IF-HB-160a.3)	£nil	The Group had no environmental prosecutions in the reporting period and subsequently no monetary losses.
Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction (IF-HB-160a.4)	N/a	Our Vision 2030 is supported by our Sustainability Strategy which includes Sustainability Standards and procedures detailing the minimum Berkeley requirements for our day-to-day operations and our new developments. These ensure that we have processes in place to integrate environmental considerations throughout the development process. For example: • Site selection: Berkeley focuses on urban brownfield regeneration, which is inherently sustainable. Prior to land purchase, Berkeley completes an assessment which seeks to identify all types of risks, including those related to environmental factors, such as climate change (e.g. flood risk), land contamination and ecology. These assessments are site specific, taking into account the unique characteristics of each development. • Site design: Our Sustainability Standards detail minimum requirements for new developments including achieving an internal water use of less than 105 litres per person per day, designing for climate change adaptation (e.g. through the use of SuDS) and providing electrical vehicle charging points. • Site development and construction: Berkeley has dedicated sustainability professionals within each of our operating companies, who support project teams by providing advice and driving environmental improvements (e.g. energy and water efficiency). Each site has an Environmental Risk Register and a site sustainability assessment is undertaken by our internal sustainability team at least quarterly to monitor performance.

Design for resource efficiency

(1) Number of homes that obtained a certified residential energy efficiency rating and (2) average rating (IF-HB-410a.1)	(1) 3,927 (100%) (2) 84 (‘B’)	All homes legally completed by Berkeley in the year had an Energy Performance Certificate (EPC) with an average energy efficiency rating of 84 (‘B’). Note that ratings range from ‘A’ (very efficient) to ‘G’ (inefficient). In the year, 93% legally completed homes were rated B or above.
Percentage of installed water fixtures certified to a water efficiency standard (IF-HB-410a.2)	N/a	The UK does not currently have water efficiency standards for fixtures; mandatory water efficiency labelling is due to be launched in 2025. The internal water efficiency of our legally completed homes in the year is provided as an alternative. Target: 105 litres per person per day; Achieved average: 101.2 litres per person per day.

Climate-related disclosures continued

SASB metrics (climate-related) continued

Metric	2024	Detail
Design for resource efficiency continued		
Number of homes delivered certified to a third-party multi-attribute green building standard (IF-HB-410a.3)	N/a	There is no established multi-attribute green building standard specifically for homes in the UK. All Berkeley homes are subject to UK building regulations.
Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers (IF-HB-410a.4)	N/a	We design to high fabric efficiency to reduce energy demand and install water saving fixtures and fittings. A key risk associated with the design of energy efficient homes is the unintended consequence of overheating and therefore we consider overall building design and performance. We have Sustainability Standards to communicate sustainability with customers at all stages in the purchasing process, from initial marketing brochures to detailed information upon completion and handover of the home.
Climate change adaptation		
Number of lots located in 100-year flood zones (IF-HB-420a.1)	11,266 (21%)	This figure includes lots in areas assigned as Flood Zone 3. We undertake flood risk assessments on every site as part of the planning process and take measures to ensure that the development design takes into account and mitigates flood risk. Design measures include raising lower floor levels and designing SuDS to manage rainwater by storing it and releasing it into well designed natural features to help manage surface water and reduce the impacts of flooding.
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks (IF-HB-420a.2)	N/a	Berkeley routinely evaluates climate-related risks and opportunities as part of our ongoing risk assessment process. Detailed climate scenario analysis was completed in 2022. Read more on pages 78 to 83.

SASB metrics (other)

In addition to the climate-related metrics of SASB, Berkeley has chosen to disclose the additional sustainability topics and accounting metrics below in line with the Home Builders Sustainability Accounting Standard.

Metric	2024	Detail
Workplace health and safety		
(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees (IF-HB-320a.1)	(1a) AIIR: 36 (1b) AIIR: 57 (2a; 2b) 0	Annual Injury Incidence Rate (AIIR) per 100,000 people reported in line with UK Health and Safety Executive (HSE) methodology. Our combined rate for direct and contract employees is 52 which outperforms the construction sector average of 296 (HSE, October 2023). There have been no work-related fatalities in the year.
Community impacts of new developments		
Description of how proximity and access to infrastructure, services, and economic centres affect site selection and development decisions (IF-HB-410b.1)	N/a	At Berkeley, proximity to key transport nodes is a factor in the selection of land and the majority of sites are on brownfield land, so are located within towns and cities with existing transport and economic centres. Once the land has been purchased, we have commitments within our Sustainability Standards around factors such as sustainable transport.
Number of (1) lots and (2) homes delivered on infill sites (IF-HB-410b.2)	(1) 42,719 (79%) (2) 3,210 (82%)	Infill sites are defined as vacant or underutilised lots of land, served by existing physical installations such as roads, power lines, sewer and water, and other infrastructure. In line with the SASB definition, our redevelopment sites are only considered infill if they additionally meet this criteria.
(1) Number of homes delivered in compact developments and (2) average density (IF-HB-410b.3)	(1) 3,701 (94%) (2) Not currently analysed	The main types of compact developments delivered by Berkeley are mixed use developments and neighbourhood developments with community facilities.

Non-financial and sustainability information statement

The following table summarises where our non-financial information can be found in our Annual Report and within our policies available on our website.

Reporting requirement	Where to read more in this report to understand the impact on the business, and the outcome of applying our policies	Page reference	Relevant policies in place that govern our approach
Environmental matters	Our Vision 2030 progress Climate-related disclosures Our stakeholders: Environment ESG performance	45 to 49 68 to 88 64 66	- Sustainability - Climate Change - Sustainable Specification and Procurement
Climate-related financial disclosures	Climate-related disclosures Our Vision 2030 progress Directors' report: Scopes 1 and 2 greenhouse gas emissions and energy consumption	68 to 88 45 to 46 160 to 162	- Climate Change - Sustainability
Employees	Our Vision 2030 progress Our stakeholders: Employees ESG performance	50 to 54 61 67	- Employee - Equality and Diversity - Health, Safety and Wellbeing
Respect for human rights	Our Vision 2030 progress Our stakeholders: Employees, Supply chain Whistleblowing	50 to 56 61 to 62 114	- Modern Slavery Statement - Human Rights, Modern Slavery and Child Labour - Equality and Diversity - Whistleblowing - Sustainable Specification and Procurement
Social matters	Our Vision 2030 progress The Berkeley Foundation: A force for change Our stakeholders: Communities and local government, Employees, Supply chain Creating long-term sustainable value	40 to 44 and 50 to 56 57 60 to 62 14 to 15	- Sustainability - Sustainable Specification and Procurement - Building Safety and Quality Assurance
Anti-bribery and anti-corruption	Bribery Act and Anti-Money Laundering Regulations	115	- Anti-Bribery and Corruption - Business Ethics - Corporate Hospitality and Promotional Expenditure - Whistleblowing - Anti-Facilitation of Tax Evasion
How we manage risk	How we manage risk Climate-related disclosures	90 to 103 78 to 83	
Business model	Our business model Brownfield regeneration at scale Creating long-term sustainable value	12 to 13 10 to 11 14 to 15	
Non-financial KPIs	Key Performance Indicators (KPIs) In addition to these non-financial KPIs, Berkeley monitors and reports on business performance through a host of other data, highlights and awards. Some of these are detailed within the Our Vision 2030 business strategy sections of this report ESG performance Creating long-term sustainable value	33 38 to 57 66 to 67 14 to 15	

How we manage risk

The assessment of risk and embedding risk management throughout Berkeley are key elements of setting and delivering the Group's strategy.

Risk appetite

The Board is responsible for setting and monitoring the risk appetite for Berkeley. Risk appetite relates to the amount of risk the Company may seek or accept at any given time when pursuing its strategic objectives, in the context of the prevailing operating environment. The Board's approach to, and appetite for risk is summarised opposite.

Cyclical market

Berkeley's business model is centred on the Board's appreciation of the risks of the cyclical market in which the business operates, where market sentiment and transaction levels can change quickly, requiring us to adopt a flexible approach to our investment decisions. This can be dependent on where the Board believes we are within any particular cycle.

Autonomy and values

Berkeley has recognised brands and autonomous, talented and experienced teams who embrace Berkeley's values in their approach. Berkeley creates bespoke and innovative solutions for each site which requires experienced, intensive management.

Operational complexity

The business model also recognises the complexity of the planning and delivery of the sites Berkeley undertakes, alongside their capital intensive nature. It mitigates this risk by focusing its activities in London and the South East, recognising the importance of relationships and local knowledge and having highly skilled and experienced teams in place.

Financial strength

This translates into an approach that, at all times through the cycle, keeps financial risk low, recognising the operational risks within the business.

Through our strong financial position we are therefore able to take, under normal circumstances, increased operational risk to deliver robust risk-adjusted returns, within the parameters of our business model.

Culture and purpose

Berkeley's unique culture is the sum of its shared values, vision and overarching sense of purpose. Together, they have a dynamic and energising effect on the way the business operates, shaping our purpose, long-term Our Vision 2030 business strategy, brand and day-to-day behaviours. Our culture sets the standards by which we judge our behaviours, products and internal processes.

Emerging risks

Berkeley faces a number of uncertainties that have the potential to be materially significant to our long-term strategy but cannot be fully defined as a specific risk at present, and therefore cannot be fully assessed or managed. These emerging risks typically have a long time horizon and are discussed and agreed by the Board on a regular basis.

Principal risks

In accordance with provisions of the 2018 UK Corporate Governance Code, the Directors have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. There are also areas of our existing principal risks that are evolving over time.

The Group's risk appetite is reviewed annually and approved by the Board. This review guides the actions we take to implement our strategy.

The last year has seen continued market uncertainty and volatility in the operating environment, with interest rates remaining at elevated levels alongside weak UK economic growth projections, leading to continued suppressed market sentiment.

Accordingly, Berkeley has evolved its strategy in the year to position the business appropriately. The risk landscape seems likely to remain volatile in the medium term, and hence our risk appetite will remain dynamic and respectful of the cyclical nature of our industry and the risks and opportunities this presents.

The principal operating risks and our approach to mitigating them are described in more detail on pages 94 to 103.

Risk management framework

Our approach to risk management combines a top-down strategic review and feedback of risks by the Board, coupled with a bottom-up review and reporting of risk by each operating business.

Our top-down approach



Board

The Board takes overall responsibility for risk management, and the assessment of risk. Embedding risk management into the business is a key element of setting and delivering our strategy.

The top-down assessment of risk by the Board includes a review of the external environment in which Berkeley operates, which complements the deep seated knowledge of the industry and operations by the Executive Committee members. This takes into account the likelihood and impact of risks, whether pre-existing or emerging, which may materialise in the short or longer-term.

Emerging risks are also considered at each Board meeting and are then fed down to the operating businesses for further review and consideration, if applicable.

Audit Committee

The Audit Committee has responsibility for ensuring the effectiveness of risk management and internal controls on behalf of the Board. The controls and processes surrounding how we assess risk across the Group are explained further in the Audit Committee Report on pages 126 to 129.

Executive Committee

Risk registers at operational level are overlain by wider strategic risks facing the Group, such as macro-economic risk. This is then assessed and managed by the Board and Executive Committee.

Operational management

A fundamental principle of the operating structure of the Group is that the prime responsibility for assessing, managing and monitoring the majority of the risks rests with operational management, thus ensuring that risk management is embedded in our day-to-day operations.

All employees

All employees are encouraged to be alert to risks associated with the activities they perform and to report issues and suggest alternative approaches as appropriate.



Our bottom-up approach

Financial risks

Exposure to financial risks

The financial risks to which Berkeley is exposed include:

Liquidity risk

The risk that the funding required for the Group to pursue its activities may not be available.

Market interest rate risk

The risk that Group financing activities are affected by fluctuations in market interest rates.

Market credit risk

The risk that counterparties (mainly customers) will default on their contractual obligations, resulting in a loss to the Group. The Group's exposure to credit risk is comprised of cash and cash equivalents, loans to joint ventures and trade and other receivables.

Other financial risks

Berkeley contracts all of its sales and the vast majority of its purchases in sterling, and so has no significant exposure to currency risk, but does recognise that its credit risk includes receivables from customers in a range of jurisdictions who are themselves exposed to currency risk in contracting in sterling.

Management of financial risks

Berkeley adopts a prudent approach to managing these financial risks.

Treasury policy and central overview

The Board approves treasury policy and senior management control day-to-day operations. Relationships with banks and cash management are co-ordinated centrally as a Group function. The treasury policy is intended to maintain an appropriate capital structure to manage the financial risks identified and provide the right platform for the business to manage its operating risks.

Forward sales

Berkeley's approach to forward selling new homes to customers provides good visibility over future cash flows, as expressed in cash due on forward sales which stands at £1.7 billion at 30 April 2024. It also helps mitigate market credit risk by virtue of customers' deposits held from the point of unconditional exchange of contracts with customers.

Low gearing

The Group is currently financing its operations through shareholder equity, supported by £532 million of net cash on the Balance Sheet and debt facilities. This in turn has mitigated its current exposure to interest rate risk.

Land holdings

By investing in land at the right point in the cycle, holding a clear development pipeline in our land holdings and continually optimising our existing holdings, we are not under pressure to buy new land when it would be wrong for the long-term returns for the business.

Headroom provided by bank facilities

The Group has £800 million of committed credit facilities maturing in February 2029. This comprises a green term loan of £260 million and the revolving credit facility of £540 million. In addition, the Group has listed debt in the form of Green Bonds to the value of £400 million maturing in August 2031.

Berkeley has a strong working partnership with the six banks that provide the facilities and this is key to Berkeley's approach to mitigating liquidity risk.

Detailed appraisal of spending commitments

A culture which prioritises an understanding of the impact of all decisions on the Group's spending commitments and hence its Balance Sheet, alongside weekly and monthly reviews of cash flow forecasts at operating company, divisional and Group levels, recognises that cash flow management is central to the continued success of Berkeley.

Viability statement

In accordance with code provision 31 of the 2018 revision of the UK Corporate Governance Code, the Directors have assessed the viability of the Group.

Berkeley is a unique asset-focused development business that seeks to manage risk and generate value through market cycles. Berkeley's approach centres on using its development expertise to maximise the returns from our large-scale assets, creating the right development solution for each site. Financial strength underpins this approach and is a fundamental risk management principle, evident in:

- the scale of the land holdings and focus on long-term brownfield regeneration developments which have the scope for value creation through the market cycle;
- a strong forward planning position which provides visibility on delivery and mitigates regulatory risk in the near-term; and
- the cash due on forward sales which underpins near-term delivery and cash flows, alongside a strong balance sheet with net cash and liquidity provided through debt capacity.

The Group's net cash increased to £532 million at 30 April 2024 which, coupled with the debt capacity of £1,200 million, ensures Berkeley has available liquidity of £1,732 million. The debt capacity comprises £400 million of listed unsecured Green Bonds which mature in August 2031, supported by Fitch Ratings Ltd's senior unsecured investment grade rating of BBB- (Stable Outlook), and bank facilities of £800 million. The bank facilities are in place until February 2029.

Cash due on forward sales are resilient in the prevailing market conditions at £1,701 million, while the land holdings comprise an estimated £6.9 billion of future gross margin across 54,000 future homes.

Berkeley's approach to risk management and its risk appetite are set out on pages 90 to 103 of the Strategic Review. Most risks are operational in nature, with risk management appropriately embedded in the business processes and internal controls. Site cash flow forecasts, which are used to prepare the Group's consolidated cash flow forecast, take account of operational circumstances and risks. The Group's cash flow forecast includes appropriate allowances for discretionary investment and the quantum and timing of this is in turn subject to the delivery of the site cash flows and broader strategy for the Group.

The viability assessment envisages a severe but plausible deterioration in economic outlook which impacts the site level cash flows, principally through lower sales volumes and pricing. In response to such a scenario, Berkeley's focus would shift further to cash generating activities, comprising a myriad of mitigating combinations of actions, but the key principles modelled include:

- Production effort re-focused to buildings with forward sales enabling these to be collected.
- Cautious approach to new inventory investment as new buildings or sites are placed on hold or slowed, whilst all discretionary investment is suspended.
- Sales transaction levels and pricing reduce considerably as economic conditions decline.
- Shareholder returns beyond those planned to 30 September 2024 are suspended.

The Directors have made this viability assessment over a three year period from 1 May 2024 to 30 April 2027 principally to align with the period covered by Berkeley's forward sales as this is the key area of focus for the business under the viability assessment.

Based on the assessment, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period commencing 1 May 2024.

Read more on our going concern on [page 164](#)

Risks

Key to strategy

1 Customers	2 Quality	3 Communities	4 Climate Action	5 Nature
6 Employee Experience	7 Modernised Production	8 Future Skills	9 Supply Chain	10 Shared Value

	Risk description and impact	Approach to mitigating risk	Link to strategy:
Economic outlook	As a property developer, Berkeley's business is sensitive to wider economic factors such as changes in interest rates, employment levels and general consumer confidence. Some customers are also sensitive to changes in the sterling exchange rate in terms of their buying decisions or ability to meet their obligations under contracts. Changes to economic conditions in the UK, Europe and worldwide may lead to a reduction in demand for housing which could impact on the Group's ability to deliver its corporate strategy.	Recognition that Berkeley operates in a cyclical market is central to our strategy and maintaining a strong financial position is fundamental to our business model and protects us against adverse changes in economic conditions. Land investment in all market conditions is carefully targeted and underpinned by demand fundamentals and a solid viability case. Levels of committed expenditure are carefully monitored against forward sales secured, cash levels and headroom against our available bank facilities, with the objective of keeping financial risk low to mitigate the operating risks of delivery in uncertain markets. Production programmes are continually assessed, depending upon market conditions. The business is committed to operating at an optimal size, with a strong Balance Sheet, through autonomous businesses to maintain the flexibility to react swiftly, when necessary, to changes in market conditions.	1 9 10
Political outlook	Significant political events in the UK and overseas, may impact Berkeley's business through, for example, supply chain disruption or the reluctance of customers to make purchase decisions due to political uncertainty and, subsequently, policies and regulation may be introduced that directly impact our business model.	Whilst we cannot directly influence political events, the risks are taken into account when setting our business strategy and operating model. In addition, we actively engage in the debate on policy decisions.	9 10
Regulation	Adverse changes to Government policy on areas such as taxation, design requirements and the environment could restrict the ability of the Group to deliver its strategy. Failure to comply with laws and regulations could expose the Group to penalties and reputational damage.	Berkeley is primarily focused geographically on London, Birmingham and the South East of England, which limits our risk when understanding and determining the impact of new regulation across multiple locations and jurisdictions. The effects of changes to Government policies at all levels are closely monitored by operating businesses and the Board, and representations made to policy-setters where appropriate. Berkeley's experienced teams are well placed to interpret and implement new regulations at the appropriate time through direct lines of communication across the Group, with support from internal and external legal advisors.	9 10

Key to risk



Increase risk



No change



Decrease risk

Residual risk rating:	Likelihood change:	Impact change during year:	Commentary and developments If any during the year
High	—	—	The UK economy grew by 0.6% in Q1 2024, the fastest growth in two years, following two successive quarters of decline at the end of 2023. For the whole of 2023 the economy actually grew marginally when compared to 2022, but this was the weakest annual growth figure since 2009 (excluding the Covid years) when the UK and other major economies were significantly impacted by the global financial crisis. Whilst inflation continues to fall, the rate of decrease has been slower than expected and it is now likely that interest rates will fall later in 2024 than originally forecast. Read more on pages 18 to 28
High	—	—	We continue to face macro-volatility from political instability at home and internationally, as well as from an economy coming to terms with a more normal interest rate environment and the financial and social consequences of the pandemic, global conflicts and Brexit. The political uncertainty created by the upcoming General Election continues to dampen market sentiment and both consumer and business confidence. As the only large UK homebuilder delivering large-scale regeneration schemes, Berkeley welcomes the Government's recent measures committing to promoting brownfield land and urban development, and we continue to work closely with Government to address the specific barriers to brownfield development. Read more on pages 18 to 25
High	—	↑	Housing and fire safety remain high on the agendas of the Government and the main political parties, with the sector continuing to face increasing regulation and scrutiny, together with proposed greater oversight from the Government through a single New Homes Ombudsman. We continue to cooperate fully with the Competition and Markets Authority in their investigation into the sharing of information between housebuilders and whether this is adversely affecting the competition of the supply of new build homes. Regulatory uncertainty continues as the Building Safety Regulator is established, as well as from carbon reduction. The long awaited detailed guidance on the technical requirements for second staircases was published in March 2024 and supports Berkeley's approach. We will continue to work closely with all statutory consultees throughout the design process. Read more on pages 18 to 25

Risks continued

	Risk description and impact An inability to source suitable land to maintain the Group's land holdings at appropriate margins in a highly competitive market could impact on the Group's ability to deliver its corporate strategy.	Approach to mitigating risk Understanding the markets in which we operate is central to Berkeley's strategy and, consequently, land acquisition is primarily focused on Berkeley's core markets of London, Birmingham and the South East of England, markets in which it believes the demand fundamentals are strong. Berkeley has experienced land teams with strong market knowledge in their areas of focus, which gives us the confidence to buy land without an implementable planning consent and, with an understanding of local stakeholders' needs, positions Berkeley with the best chance of securing a viable planning consent. Berkeley's land holdings mean that it has the land in place for its business plan requirements and can therefore always acquire land at the right time in the cycle.	Link to strategy: 1 2 3 10
	Delays or refusals in obtaining commercially viable planning permissions could result in the Group being unable to develop its land holdings. The current complex and evolving nature of planning policies amplifies the risk. This could have a direct impact on the Group's ability to deliver its product and on its profitability.	The Group's strategic geographical focus and expertise place it in the best position to conceive and deliver the right consents for the land acquired. Full detailed planning and risk assessments are performed and monitored for each site without planning permission, both before and after purchase. The planning status of all sites is also reviewed at both monthly divisional Board meetings and Main Board meetings. The Group works closely with local communities in respect of planning proposals and maintains strong relationships with local authorities and planning officers. Berkeley has planning consents in place for its immediate business plan needs.	3 10
	An inability to attract, develop, motivate and retain talented employees could have an impact on the Group's ability to deliver its strategic priorities. Failure to consider the retention and succession of key management could result in a loss of knowledge and competitive advantage.	Two commitments within Our Vision 2030 are designed to help recruit and retain a high calibre work force. The first is 'Employee Experience' which places a specific focus on areas including employee experience and diversity and inclusion, and the second focuses on 'Future Skills' looking at how we can create tangible long-term change within the industry. Succession planning is regularly reviewed at both divisional and Main Board level. Close relationships and dialogue are maintained with key personnel. Remuneration packages are constantly benchmarked against the industry to ensure they remain competitive.	2 6 8

Residual risk rating:	Likelihood change:	Impact change during year:	Commentary and developments if any during the year	Read more on pages 18 to 25
Low	⊖	⊖	The Group continues to focus on protecting and enhancing the value of the land holdings through a combination of acquiring new sites, enhancing the value of existing sites and bringing sites through the strategic pipeline of long-term options. Investment decisions are affected by the uncertainty in the political and economic outlook, as well as complexities in the planning system, although new opportunities may arise as demand from other use classes evolves. In the current environment Berkeley is not investing in new opportunities. The two sites added to our land holdings in 2023/24 were transferred from existing pipeline and strategic land.	Read more on pages 18 to 25
High	⊖	⊖	The planning process remains highly complex and time consuming with ongoing demands from a combination of affordable housing, the Community Infrastructure Levy, Section 106 obligations, Gateway 2 tall building levy and review mechanisms. These all impact the cost of development as well as the time taken to move through the planning process. Whilst Berkeley has had a number of positive planning outcomes in the year, the Group continues to experience significant delays in advancing its development proposals through the planning system. We are heartened by the strong political consensus behind increasing the delivery of new homes across the country and the recognition that regenerating brownfield land is the most sustainable and popular way to deliver this vital goal.	Read more on pages 18 to 25
Medium	⊖	⊖	The motivation, retention and progression of our people remains fundamental to the delivery of our strategy. The Group continues to have a stable senior management team and despite the normal pressure of people retention, overall retention rates remained relatively stable during the course of the year as a result of the ongoing focus on talent management, career progression opportunities, training, benefits, health and wellbeing initiatives and flexibility on working hours.	Read more on pages 50 to 53 and 61

Risks continued

			Link to strategy:
Securing sales	Risk description and Impact An inability to match supply to demand in terms of product, location and price could result in missed sales targets and/or high levels of completed stock which in turn could impact on the Group's ability to deliver its corporate strategy.	Approach to mitigating risk The Group has experienced sales teams both in the UK and within our overseas sales offices, supplemented by market-leading agents. Detailed market demand assessments of each site are undertaken before acquisition and regularly during delivery of each scheme to ensure that supply is matched to demand in each location. Design, product type and product quality are all assessed on a site-by-site basis to ensure that they meet the target market and customer aspirations in that location. The Group's ability to forward sell reduces the risk of the development cycle where possible, thereby justifying and underpinning the financial investment in each of the Group's sites. Completed stock levels are reviewed regularly.	1 2 3 7
Liquidity	Reduced availability of the external financing required by the Group to pursue its activities and meet its liabilities. Failure to manage working capital may constrain the growth of the business and ability to execute the business plan.	The Board approves treasury policy and senior management controls day-to-day operations. Relationships with banks and cash management are co-ordinated centrally as a Group function. The treasury policy is intended to maintain an appropriate capital structure to manage the Group's financial risks and provide the right platform for the business to manage its operating risks. Cash flow management is central to the continued success of Berkeley. There is a culture which prioritises an understanding of the impact of all decisions on the Group's spending commitments and hence its Balance Sheet, alongside weekly and monthly reviews of cash flow forecasts at operating company, divisional and Group levels.	10
Mortgages	An inability of customers to secure sufficient mortgage finance now or in the future could have a direct impact on the Group's transaction levels.	Berkeley has a broad product mix and customer base which reduces the reliance on mortgage availability across its portfolio. Deposits are taken on all sales to mitigate the financial impact on the Group in the event that sales do not complete due to a lack of mortgage availability.	1

Residual risk rating:	Likelihood change:	Impact change during year:	Commentary and developments if any during the year
Medium	⊖	⊖	Sales rates have been consistent throughout 2023/24, remaining around a third lower than the comparative year. Enquiry levels are good, with customers looking for the prevailing political and economic uncertainty to recede and interest rates to begin to fall. Cash due on private forward sales were £1.7 billion at 30 April 2024, which has moderated through a combination of strong delivery and the prevailing sales rates. 80% of required sales for 2024/25 are already secured. Pricing has been stable across our sites during the period and above business plan levels. Customers remain at the heart of all of our decisions, and Berkeley prioritises customer service, communities, nature and overall quality of place through its Our Vision 2030 targets. We are committed to understanding their needs and consistently meeting or exceeding their expectations. Read more on pages 23 to 24
Low	⊖	⊖	The Group had net cash of £532 million at 30 April 2024, giving the Group c.£1.7 billion of liquidity when combined with bank facilities. In February 2024, we exercised the second of two one year extensions to the £800 million bank facility at unchanged pricing. In addition, in February 2024 Berkeley entered into a borrowing facility with Homes England totalling £125.6 million, whereby it may apply amounts borrowed towards financing or re-financing certain infrastructure type costs incurred on three of its developments. Berkeley has a strong working partnership with the six banks that provide the facilities which is key to Berkeley's approach to mitigating liquidity risk. Read more on page 31 and 214
Medium	⊖	⊖	Whilst current fixed rate offers are substantially down on the highs seen in mid 2023, there remains uncertainty over the timing of further reductions which is impacting customer confidence and hence transaction levels.

Risks continued

			Link to strategy:
Climate change	Risk description and impact The effects of climate change could impact Berkeley in different ways. Climate scenario analysis has been undertaken to evaluate climate-related risks and opportunities. Identified risks and opportunities relating to the transition to a lower carbon economy include: pricing of greenhouse gas (GHG) emissions and emissions offsets; evolving planning and design requirements; skills shortages impacting ability to install low carbon technology; technology evolution; increasing raw material costs; and demand supply imbalance. Risks relating to the physical impacts of climate change include: heat stress, drought stress, subsidence, windstorm and flood.	Approach to mitigating risk Climate Action is a strategic priority within our business strategy, Our Vision 2030, and we have set ambitious science-based targets (SBTs) to mitigate our impact, alongside continuing to incorporate adaptation measures within our developments to make them more resilient to the expected future impacts of climate change. We have energy efficiency standards in place that cover the activities of our sites, offices and sales suites and encourage the identification and investment in measures to take action under our scopes 1 and 2 GHG emissions reduction target. In addition, our scope 3 SBT commits us to working with our supply chain to reduce the embodied carbon within the materials and services we procure, and building more efficient homes. To build resilience into our homes and developments, we consider climate change risks and incorporate measures to reduce these through minimum Sustainability Standards. These cover areas such as energy efficiency, water efficiency, rainwater harvesting, sustainable drainage systems (SuDS) and leaving space for nature. Read more about our mitigation actions for key risks identified through climate scenario analysis pages 78 to 83	3 4 5 7 9
Sustainability	Berkeley is aware of the environmental and social impact of the homes and places that it builds, both throughout the development process and during occupation and use by customers and the wider community. Failure to address sustainability issues could affect the Group's ability to acquire land, gain planning permission, manage sites effectively and respond to increasing customer demands for sustainable homes and communities, with access to green spaces and nature.	The strategic direction for sustainability is set at a Group level within a dedicated Sustainability Strategy. Three areas of the Sustainability Strategy have been identified as being of material importance and integrated within our business strategy, Our Vision 2030; Communities, Climate Action and Nature. We have specific commitments to enhance environmental and social value in the operation of our business and the delivery of our homes and places. Dedicated sustainability teams are in place at the Group's Head Office and within each division of the business, identifying risks, providing advice, driving improvement and monitoring performance. Sustainability Standards set out the minimum Berkeley requirements for new developments and the operation of our construction sites, divisional offices and sales suites. These are supported by more detailed procedures within our Sustainability Management System, including a requirement for an Environmental Risk Register for each site and the completion of at least quarterly site sustainability assessments by our internal sustainability professionals. Our ambition on every development is to strengthen the local community, improve people's quality of life and have a positive and lasting social impact that is felt beyond our site boundary.	3 4 5 7 9

Residual risk rating:	Likelihood change:	Impact change during year:	Commentary and developments if any during the year
Medium	⊖	⊖	Our project teams continue to focus on energy and carbon efficiency. This year we completed energy audits across our divisional offices, sales suites and construction sites in line with the requirements of the Energy Savings Opportunity Scheme (ESOS) with the recommendations being incorporated into our energy reduction and net zero transition plans. Embodied carbon assessments continue to be undertaken for all developments with completions from 2025/26 and further guidance has been provided to our teams based on lessons learnt to date. Recognising that supply chain engagement is key to reducing scope 3 emissions, we have finalised a supply chain strategy to engage suppliers and manufacturers in our decarbonisation journey, beginning with aluminium as a key material group. In March 2024, we submitted a response to the consultation on the Future Homes and Buildings Standards which requires all new homes to be 'net zero ready' and to use heat pump technology. A webinar was also held for the business to brief teams on the Standards. Our 2023 response to the CDP Climate Change questionnaire achieved a Leadership rating of 'A'. Read more on pages 45 to 46 and 68 to 78
Medium	⬆	⊖	The Group continues to focus on commitments and initiatives that enable the long-term success of our business and developments, and that differentiate Berkeley. We continue to embed our Sustainability Strategy internally, supporting our strategic plan for the business, Our Vision 2030. In February 2024, biodiversity net gain (BNG) became mandatory for development in England. Having been at the forefront of delivering BNG for the last seven years, we were delighted that our work was highlighted as being leading in the launch of the policy. Building on BNG, we have continued to work on our approach to environmental net gain. Following the internal launch of an updated waste strategy in autumn 2023, the business has been undertaking designing out waste workshops at the early design stages and increasing engagement with contractors to ensure disposal routes meet our requirements. We are proud to have won the Conservation Award at the 2023 National Sustainability Awards in recognition of our innovative approach to water neutrality at Royal Exchange, Kingston. Working with Thames Water we explored how to deliver water neutrality on a large-scale development within a water stressed area, which is a key environmental challenge. With the Levelling-up and Regeneration Act becoming law from October 2023, we have been evolving our approach to communities to bring together social value indicators, community needs analysis and best practice engagement, with a focus on the specific needs of the unique communities in which we work. We acknowledge that each community is different, evolving in different ways and at different paces over time. In recognition of this we have developed a framework to help structure our approach. This is in the form of a Community Plan, encouraging links between neighbours and engaging residents in the long-term stewardship of their neighbourhood. Read more on pages 34, 40 to 49 and 64

Risks continued

			Link to strategy:
Health and safety	Risk description and impact Berkeley's operations have a direct impact on the health and safety of its people, contractors and members of the public. A lack of adequate procedures and systems to reduce the dangers inherent in the construction process increases the risk of accidents or site-related catastrophes, including fire and flood, which could result in serious injury or loss of life leading to reputational damage, financial penalties and disruption to operations.	Approach to mitigating risk Berkeley considers this to be an area of critical importance. Berkeley's health and safety strategy is set by the Board. Dedicated health and safety teams are in place in each division and at Head Office. Procedures, training and reporting are all regularly reviewed to ensure that high standards are maintained and comprehensive accident investigation procedures are in place. Insurance is held to cover the risks inherent in large-scale construction projects. The Group continues to implement initiatives to improve health and safety standards on site.	6 9
Product quality and customers	Berkeley has a reputation for high standards of quality in its product. If the Group fails to deliver against these standards and its wider development obligations, it could be exposed to reputational damage, as well as reduced sales and increased cost.	Detailed reviews are undertaken of the product on each scheme both during the acquisition of the site and throughout the build process to ensure that product quality is maintained. The Group has detailed quality assurance procedures in place surrounding both design and build to ensure the adequacy of build at each key stage of construction. Customer satisfaction surveys are undertaken on the handover of our homes, and feedback incorporated into the specification and design of subsequent schemes.	1 2 7 9
Build cost and programme	Build costs are affected by the availability of skilled labour and the price and availability of materials, suppliers and contractors. Declines in the availability of a skilled workforce, and changes to these prices could impact on our build programmes and the profitability of our schemes.	A procurement and programming strategy for each development is agreed by the divisional Board before site acquisition, whilst a further assessment of procurement and programming is undertaken and agreed by the divisional Board prior to the commencement of construction. Build cost reconciliations and build programme dates are presented and reviewed in detail at divisional cost review meetings each month. Our Vision 2030 strategy includes ongoing commitments to training and support across both our employees and our indirect workforce.	2 8 7 9
Cyber and data risk	The Group acknowledges that it places significant reliance upon the availability, accuracy and confidentiality of all of its information systems and the data contained therein. The Group could suffer significant financial and reputational damage because of the corruption, loss or theft of data, whether inadvertent or via a deliberate, targeted cyber-attack.	Berkeley's systems and control procedures are designed to ensure that confidentiality, availability and integrity are not compromised. Our Information Security Programme focuses primarily on the detection and prevention of security incidents and potential data breaches. An IT Security Committee meets monthly to address all cyber security matters. The Group operates multiple physical data centres supported by cloud-based services thereby reducing centralised risk exposure. An IT disaster recovery plan is regularly assessed. The Group has cyber insurance in place to reduce any potential financial impact.	

Residual risk rating:	Likelihood change:	Impact change during year:	Commentary and developments if any during the year
Medium	—	—	High levels of production continue across the Group, with site based headcount stable at around 10,000. Health and safety remains an operational priority for Berkeley and our AIIR at the year end was 52, well below our target of 250 and remains one of the best in the industry. Read more on pages 51 to 52
Medium	—	—	The Group's continued focus on improving the quality of design and product, with attention to every detail in our homes, remains at the heart of our delivery. We are constantly looking at ways to meet the demands of changing lifestyles, as well as the rapidly changing levels of expectations from our customers. Read more on pages 40 to 41 and 59
Medium	—	—	Against a backdrop of reducing new homes supply and falling construction output, build cost inflation is at negligible levels across most trades. We expect these market-led dynamics to continue placing downward pressure on build costs, but this is balanced by the costs associated with ongoing regulatory change. Given the elevated macro uncertainty, Berkeley continues to work with and support our established supply chain partners to ensure sustainability of the supply chain and delivery on our development sites. Read more on pages 55 and 62
High	—	—	The threat from cyber-attacks remains high and the methods of attack continue to evolve such as through the use of QR codes. Attacks are becoming more sophisticated, requiring additional technical controls changes to tools and awareness training. The exploitation of trusted supply chain accounts poses an increasing risk, as adversaries increasingly target our organisation through these channels. Email based attacks remain a significant risk. Industry leading email security platforms are in place and these are constantly reviewed with new tools being adopted in the period. The Cyber Security team regularly sends awareness reminders when threats affecting the Group are detected. The Group also utilises third party services to review new and existing systems at key times of change. Read more on page 115

Chairman’s introduction

Michael Dobson | Chairman

I am pleased to introduce the Corporate Governance Report for the 2023/24 financial year. The Board has continued to embrace high standards of corporate governance in accordance with the Code. This report outlines Berkeley's governance arrangements throughout the year and describes how the Board and its Committees have operated and discharged their responsibilities in considering and applying the Principles and Provisions of the Code.

Berkeley is a business with a distinctively long-term operating model and value-added approach with a commitment to generating sustainable returns for its shareholders across the business cycle. Berkeley has a strong purpose, to build quality homes, strengthen communities and improve people's lives, a clear set of values and a unique culture.

A strong governance framework is of fundamental importance in

supporting Berkeley's long-term success and ensuring an effective Board. Over the past year, the principle focus of the Board has continued to be on the Group's strategy, risks and opportunities, talent and senior management succession.

Since the September 2023 AGM, at which three Non-Executive Directors retired and three Executive Directors stepped down from the Board, Berkeley's Board

Board attendance

Member		Meeting attendance	% of meetings attended
Michael Dobson	Non-Executive Chairman	● ● ● ● ● ●	100%
Andy Kemp	Non-Executive Director	● ● ● ● ● ●	100%
Rob Perrins	Executive Director	● ● ● ● ● ●	100%
Richard Stearn	Executive Director	● ● ● ● ● ●	100%
Rachel Downey	Senior Independent Director	● ● ● ● ● ●	100%
The Ven. Elizabeth Adekunle	Non-Executive Director	● ● ● ● ● ●	100%
William Jackson	Non-Executive Director	● ● ● ● ● ●	100%
Sarah Sands	Non-Executive Director	● ● ● ● ● ●	100%
Natasha Adams	Non-Executive Director	● ● ● ● ● ●	100%

has comprised nine Directors: an independent Non-Executive Chairman, two Executive Directors and six Non-Executive Directors. It has been a significant year in the development of Berkeley and the Board. The Board has undertaken a programme of deep dives throughout the year with a focus on better understanding all of Berkeley's stakeholders: customers, shareholders and people. ESG was also an important topic for the Board during the year.

The Board has undergone a period of significant transition over the last three years and we have a diverse Board with a wide range of experience and knowledge.

During the year we undertook an external board effectiveness review led by Ffion Hague of Independent Board Evaluation. The results of the review and key areas of focus for the 2024/2025 financial year are set out on page 123.

The Board has continued to focus on longer term succession planning, and diversity and inclusion with reference to the Board Diversity Policy. As at 30 April 2024, 44.44% of the Board are women and the Board is compliant with all diversity requirements. Further details are set out on page 124 of this report.

I would like to thank all my colleagues on the Board for their contribution during the year. I look forward to continuing to work with the Board and everyone at Berkeley to deliver long term value for shareholders.

Michael Dobson
Chairman
19 June 2024

At a glance

Board highlights from 2023/24

100%

Board meeting attendance

3.29 yrs

Average Non-Executive Director tenure

44.44%

Board female representation

Read more about the Board site visit [page 111](#)

2018 UK Corporate Governance Code (The 'Code')

The Code is the corporate governance code to which we referred during the financial year to 30 April 2024, and can be found at www.frc.org.uk.

Throughout the year, and in accordance with Listing Rule 9.8.6R, the Board considers that it has applied the Principles and complied with the Provisions of the Code.

The Board has reviewed the Annual Report and Accounts and considers that, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Further details on how we comply with the Code are outlined in this Governance Report.

Board of Directors

Key to Committees

- A** Audit Committee
- N** Nomination Committee
- R** Remuneration Committee
- Committee Chairman

Michael Dobson
Chairman of the Board and of the Nomination Committee

(N R)

Appointed
8 June 2022 as Non-Executive Director and 6 September 2022 as Chairman

Tenure
1 year

Skills, experience and contribution

Michael was appointed to the Board on 8 June 2022 as an independent Non-Executive Director and member of the Nomination Committee and, on 6 September 2022, became Chairman of the Board and the Nomination Committee and a member of the Remuneration Committee.

Michael brings extensive leadership, corporate and financial experience to the Board. He stepped down as Chairman of Schroders plc in April 2022 after six years, following an executive career in the City spanning over 40 years. Michael was Chief Executive of Schroders plc from 2001 to 2016 and previously held a number of leadership positions at Deutsche Bank AG, including Head of Global Asset Management, Head of Global Investment Banking and a Member of the Board of Managing Directors. Prior to this he was Chief Executive of Morgan Grenfell Group PLC and Deutsche Morgan Grenfell.

Other appointments

Chairman, Sienna Investment Managers

Rachel Downey ACA
Senior Independent Director

(N A)

Appointed
8 December 2017 and on 8 September 2023 as Senior Independent Director

Tenure
6 years

Skills, experience and contribution

Rachel was appointed as a Non-Executive Director on 8 December 2017 and Senior Independent Director on 8 September 2023. She is a member of the Nomination and Audit Committees.

Rachel's experience in real estate development and operation brings extensive industry expertise to the Board. She is Project Director of Manchester Life, a joint venture between Acre Real Estate Investment & Development LLC and Manchester City Council, established in 2014 to make a significant contribution towards achieving Manchester's regeneration and residential growth ambitions. Manchester Life is passionate about creating thriving communities and has delivered 1,500 homes, with 500 more planned for its third phase. Rachel is Managing Director of Manchester Life Management Ltd, which leases and manages a portfolio of over 1,000 apartments built by Manchester Life.

Rachel, a Chartered Accountant, is also currently a Non-Executive Director of Lancashire County Cricket Club and Chair of the Club's Development Committee

Other appointments

Project Director, Manchester Life
Managing Director, Manchester Life Management Ltd
Non-Executive Director of Lancashire County Cricket Club

Rob Perrins BSc (Hons) FCA
Chief Executive

Appointed
1 May 2001

Tenure
23 years on the Main Board (30 years with the Company)

Skills, experience and contribution

Rob joined Berkeley in 1994. He has been a Main Board member since 2001 and Chief Executive since 2009, having previously been CFO from 2001. Under his management, Berkeley has increasingly focused on transforming large-scale brownfield sites, which are beyond the scope of conventional homebuilders.

Rob has worked extensively in property development throughout his career, working on projects ranging from single houses to mixed use neighbourhoods with more than 10,000 homes. Rob champions Berkeley's operating culture and values, which are based on customer focus, individual design, exceptional placemaking and a commitment to delivery for all stakeholders. He oversees a highly disciplined but decentralised operating structure that fosters accountability and innovation, chairing the boards of Berkeley's 21 autonomous operating companies. Rob additionally oversees Our Vision 2030 and is the named Board-level sponsor for the Climate Action strategic priority area. He has a firm foundation of knowledge and personal interest in the natural world and climate science having completed a degree in Geology, together with an understanding of the business need to take action.

Rob has been a Trustee and Chair of Trustees of the Berkeley Foundation since its launch in 2011, stepping down as Chair in April 2024 and remaining a Trustee. This independent charity works in close partnership with the Berkeley Group to maximise its positive social impacts.

Other appointments

Trustee, Berkeley Foundation (since 2011)
Independent Non-Executive, Public Interest Body, PwC (since October 2023)

Richard Stearn BSc (Hons) FCA
Chief Financial Officer

Appointed
13 April 2015

Tenure
9 years on the Main Board (18 years with the Company)

Skills, experience and contribution

Richard re-joined Berkeley on 13 April 2015 as Chief Financial Officer, having previously worked for the Company from 2002 to 2011 as Group Financial Controller. In the intervening period, Richard spent three years at Quintain Estates and Development plc, serving as the company's Finance Director for most of that time.

Richard is responsible for the Group's finance, investor relations, treasury, tax and insurance functions. He also leads on strategic risk management and has oversight of the Group's IT function.

Richard has 21 years of direct experience in the property and development industry. Prior to joining Berkeley, he trained and practised for 12 years as a Chartered Accountant with PwC, auditing and advising a wide range of clients.

Other appointments

None

Andy Kemp BA (Econ) FCA
Independent Non-Executive Director and Chair of the Audit Committee

(A) (R) (N)

Appointed
1 July 2021

Tenure
2 years

Skills, experience and contribution

Appointed as a Non-Executive Director on 1 July 2021, following his retirement from PricewaterhouseCoopers LLP after a 39 year career with the firm. Andy is a Chartered Accountant and was a senior partner at PwC in London, advising the boards of some of the UK's largest multinational companies.

Andy brings extensive knowledge of accounting, risk and governance matters having been an audit partner for 27 years and through his chairmanship of the PwC Non-executive Director Programme. Andy was previously a member of PwC's Audit and Risk Assurance Executive Board.

Andy was appointed Chair of the Audit Committee on 8 September 2023 and is a member of the Nomination Committee and the Remuneration Committee. Andy was previously Chair of the Remuneration Committee.

Other appointments

Chair, The Audit Committee Chairs' Independent Forum
Non-Executive Director and Chair of the Audit and Risk Committee, Irwin Mitchell Holdings Limited
Governor, Birkbeck University of London

Natasha Adams
Independent Non-Executive Director and Chair of the Remuneration Committee

(R) (N)

Appointed
1 February 2022

Tenure
2 years

Skills, experience and contribution

Natasha is Chief Executive Officer of Tesco Ireland since 7 March 2022 and is a member of the Tesco PLC Executive Committee. Immediately prior to her current role, Natasha was Group Chief People Officer of Tesco PLC. Natasha has experience as a Trustee of the Tesco Pension Scheme and is a Trustee of the Institute of Grocery & Distribution. Natasha brings to the Board valuable insight on commercial and social governance matters.

Natasha was appointed Chair of the Remuneration Committee and a member of the Nomination Committee on 8 September 2023.

Other appointments

Chief Executive Officer, Tesco Ireland
Executive Committee member, Tesco PLC
Trustee, Institute of Grocery & Distribution

Board of Directors continued

**The Ven.
Elizabeth Adekunle**
Independent Non-
Executive Director

Appointed
5 January 2021

Tenure
3 years

Skills, experience and contribution

Liz is currently a Non-Executive Director of The Royal Marsden NHS Foundation Trust and a Chaplain to His Majesty the King. She was previously Chaplain to Her Majesty Queen Elizabeth II (since April 2017) and Archdeacon of Hackney in the Diocese of London. Liz was awarded the Freedom of the City of London in April 2019.

Liz is a Westminster Abbey Institute Fellow, an Associate at Ridley Hall Theological College and an Honorary Fellow of St Augustine's College of Theology. Liz is on the Board of STRIDE, Metropolitan Police Board, a member of the National Police Chiefs' Ethics Committee and also a Board Member of Hive Education Trust.

Liz was previously Chair of the Monuments and Plaques Committee at St Paul's Cathedral. Liz has considerable experience of social, political and ethical matters and brings a valuable perspective on the potential of urban regeneration and good placemaking to improve the lives of those living in the communities within which Berkeley operates.

Other appointments

Non-Executive Director, The Royal Marsden NHS Foundation Trust
Chaplain to His Majesty the King
Board member, STRIDE, Metropolitan Police Board Member, National Police Chiefs' Ethics Committee Board Member, Hive Education Trust

William Jackson
Independent Non-
Executive Director

R N

Appointed
5 January 2021

Tenure
3 years

Skills, experience and contribution

William is the Founder of Bridgepoint Group plc, one of Europe's leading alternative asset management groups, which he has led since 2001. William has served on a wide range of UK and international boards during his career and stood down as Senior Independent Director of British Land plc in 2020 and as a Non-Executive Director in March 2021.

William is also Senior Independent Director and Non-Executive Director of The Royal Marsden NHS Foundation Trust. William brings extensive property, commercial, financial and PLC experience to the Board.

William is a member of the Remuneration Committee and is a member of the Nomination Committee.

Other appointments

Founder, Bridgepoint Group plc
Non-Executive Director, The Royal Marsden NHS Foundation Trust

Sarah Sands
Independent Non-
Executive Director

A

Appointed
30 April 2021

Tenure
3 years

Skills, experience and contribution

Sarah is a journalist by profession and was Editor of the BBC Radio 4 Today programme from 2017 to 2020. Prior to this, Sarah was Editor of The Evening Standard and The Sunday Telegraph and has held Editor in Chief and Consultant Editor roles at Reader's Digest and the Daily Mail.

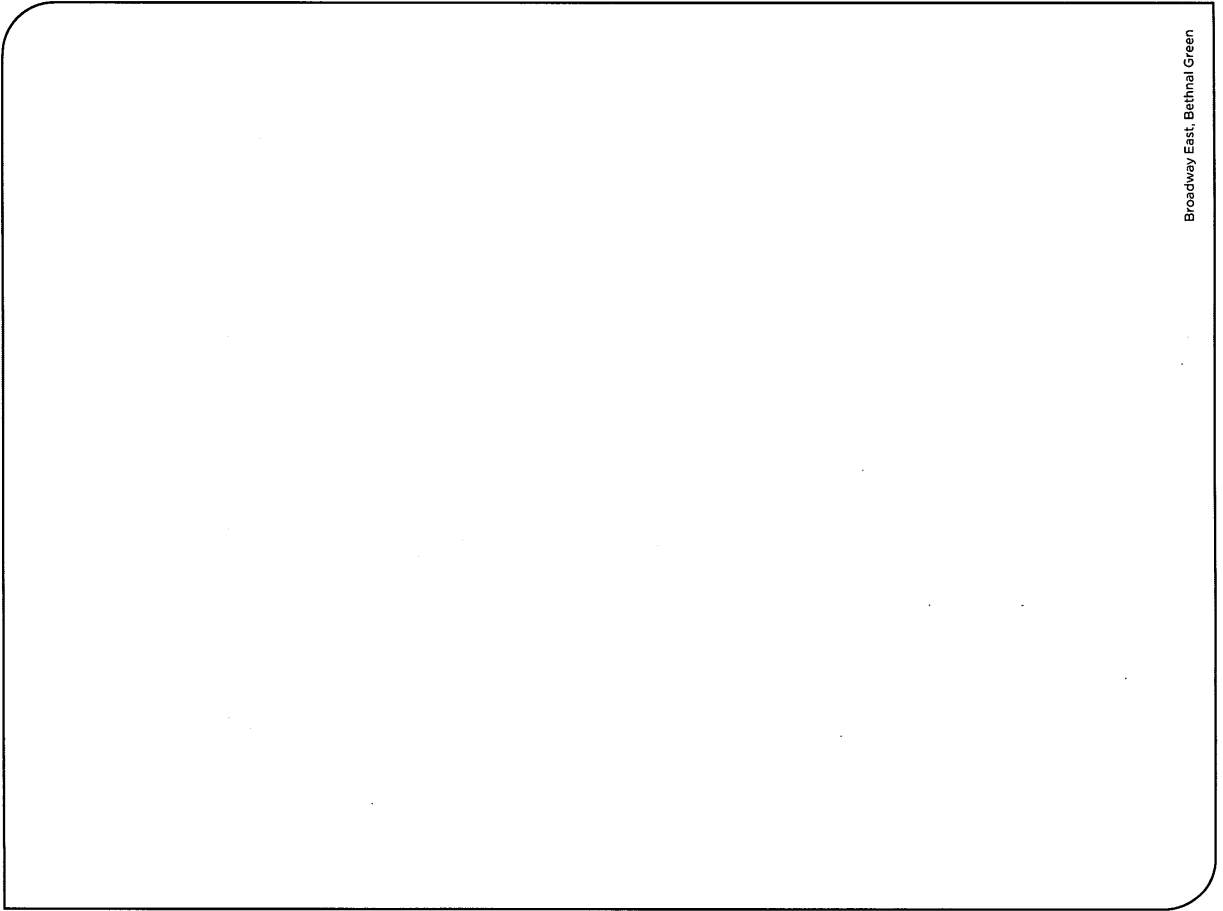
Sarah is a Non-Executive Director of Channel 4, a Partner at Hawthorn Advisors and a Member of the Board of Trustees of The Science Museum Group. Sarah is a founder of the Braemar Science Summit and was Chair of the Gender Equality Advisory Council for G7 for 2021 and has continued to sit on the Advisory Council in 2022 under the Germany Presidency, in 2023 under the Japan Presidency and in 2024 under the Italian Presidency. Sarah sits on the board of Walpole and is also a trustee of the Quintessentially Foundation. In 2023, Sarah was acting Chair of the British Council.

Sarah brings to the Board a broad insight on economic, political and social matters and a valuable perspective on issues such as the environment, sustainability, community and inclusivity.

Sarah is a member of the Audit Committee.

Other appointments

Non-Executive Director, Channel Four Television Corporation
Partner, Hawthorn Advisors
Trustee of the Board, The Science Museum Group
Trustee, Walpole
Trustee, Quintessentially Foundation



Broadway East, Bethnal Green

Board leadership and company purpose

A focused and effective Board

The Board has collective responsibility for promoting the long-term success of the Company in a safe and sustainable manner in order to create value for stakeholders. The Board provides leadership and sets the Company's purpose, values and long-term strategic objectives.

During the year, the Board has focused on the Company's purpose, vision and values and has continued to oversee the embedding of the Group's ambitious, ten-year strategic agenda, Our Vision 2030 across the business. Details of how Our Vision 2030 has been implemented across the business and updates on progress against targets can be found on pages 34 to 56 of the Strategic Report and at www.berkeleygroup.co.uk/ourvision.

Further information on how the Company engages with its stakeholders, and the impact on them, in implementing Our Vision 2030, is set out on pages 59 to 65 of the Strategic Report.

The Board recognises the role it plays in promoting the long-term sustainable success of the Company, generating value for its shareholders and contributing to wider society.

As the UK's leading placemaker, Berkeley's purpose is to build quality homes, strengthen communities and improve people's lives, transforming underutilised places to return sustainable social, economic and environmental value. In implementing Our Vision 2030 to ensure the delivery of long-term sustainable success for all stakeholders, it is the Board's role to ensure that this strategy and the Company's purpose, values and culture are fully aligned.

Culture and values are central to the successful implementation of Berkeley's strategy. At Berkeley, the culture starts with the tone set by the Board and encompasses all of the autonomous businesses and teams across the Group.

Further details on how the Board ensures that Berkeley's purpose, values and culture are embedded across Berkeley are set out on pages 112 to 113.

The work of the Board provides direction, support and constructive challenge to the wider Executive team.

The duties of the Board are set out in a formal schedule of matters specifically reserved for decision by the Board. More details on the governance structure of the Company and key responsibilities of the Board can be found on pages 117 to 119 of this report.

Board and Committees' Composition

With effect from the conclusion of the 2023 AGM, Rachel Downey became Senior Independent Director; Andy Kemp became Chair of the Audit Committee; Natasha Adams became Chair of the Remuneration Committee; William Jackson joined the Remuneration Committee; and Natasha Adams and Andy Kemp joined the Nomination Committee.

Following the 2023 AGM, the Board has comprised nine Directors: an Independent Non-Executive Chairman, two Executive Directors and six Non-Executive Directors delivering full compliance with all aspects of Board composition under the Code and the Board meeting the diversity targets set out in Listing Rule (LR) 9.8.6R(9)(a). Further explanation of the Board's compliance with LR9.8.6R(9)(a) is set out on pages 123 to 124 of this report.

Meetings

The full Board met formally six times during the year ended 30 April 2024 and there were no absences.

During the year the Board has revisited the matters reserved for the Board, set fresh Board objectives and enhanced the existing focus of the Board through the addition of further

topic-specific deep dives considering staff, customers and markets, shareholders and wider stakeholders.

There were also multiple email exchanges and calls, including in respect of periodic trading updates, interim and full-year results and interim dividends.

In addition to formal meetings of the Board, the Non-Executive Directors met with the Chairman twice during the year. The Chief Executive and Chief Financial Officer attended part of these meetings in order to provide an update on the business activities of the Group, including in respect of health and safety, finance, trading and performance and fire safety. Thereafter, the Non-Executive Directors met without the Executive Directors being present.

During the year, the Non-Executive Directors met without the Chairman present at a meeting chaired by the Senior Independent Director to review his performance.

Board and Committee papers and agendas are sent out in the week prior to each meeting, thus allowing sufficient time for detailed review and consideration of the documents beforehand. In addition, the Board is supplied with comprehensive management information on a regular basis.

Non-Executive Directors also met with members of the Executive Committee to gain first hand insight into the delivery of key priorities under the Company's Our Vision 2030 strategy. The review focused in particular on Berkeley's approach to engagement with local communities with a view to creating places that strengthen communities beyond the site boundary through the production of unique holistic plans for each individual development.

South Quay Plaza site visit

In February 2024, the Board and Executive Committee visited South Quay Plaza, where an ageing office complex close to Canary Wharf is being replaced with three high rise residential buildings designed by Foster & Partners, including the 68-storey Valiant Tower.

More than 1,200 private and affordable homes are being delivered on just a 4-acre site footprint, along with 12,000 sq ft of commercial space for waterside bars, restaurants and a local creche. Over half the site will be public open space, including a riverside walk and biodiverse public gardens.

The Board visit included a tour and technical briefing with the production and sales teams, including an inspection of the show apartment, residents lounge and roof gardens. A Q&A session explored the design vision, delivery challenges, sales strategy, build quality and product specification.

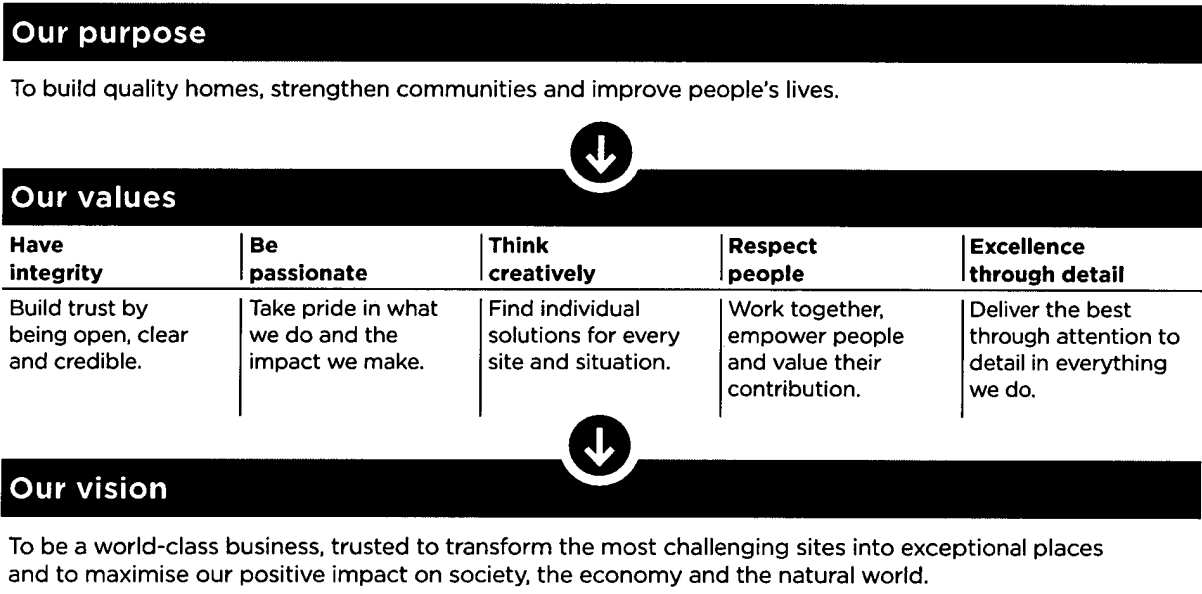
South Quay Plaza, Docklands

Our cultural framework

Berkeley's culture is defined by our purpose, values and vision for the future.

This cultural framework has a dynamic and energising effect on the way we work and helps to create a positive working environment for our people that fosters respect, support, wellbeing, safety and inclusivity.

Our unique culture is celebrated throughout our business and has a dynamic and energising effect on the way we work. It informs goals, targets, behaviours and drives our performance and outcomes at all levels.



- Our culture in detail**

These are the core features of the Berkeley working culture:
- 1. We put our customers at the heart of everything
 - 2. We strive to create a positive, safe and inclusive working environment
 - 3. We are passionate about people and communities
 - 4. We enhance quality in every small detail
 - 5. We are sustainable, responsible and always think long-term
 - 6. We are collaborative and responsive partners
 - 7. We value autonomy, independence and entrepreneurial flair
 - 8. We lead by example, innovate and break the mould
- 



How do we embed our culture?

Our strong, value-based working culture is key to our strategy and provides a clear competitive advantage. The Board continues to embed, monitor and reinforce our culture throughout the business.

1 Customers at the heart of everything

The Board challenges the business to deliver the highest standards of customer service, monitors customers satisfaction levels and interrogates underlying trends.

The Board monitors the outcomes of customer engagement at each stage of the customer journey, and actively seeks to ensure that any issues arising are resolved promptly and effectively.

2 Creating a positive, safe and inclusive working environment

The Board has reviewed and shaped our people framework, including our EDI approach and health and safety strategy.

In December 2023 Board meeting included a deep dive into our people and culture framework and agreed a ten-point plan to drive further improvements. The Board monitors and provides challenge against a range of performance metrics in this area, including staff turnover, staff survey results, accident rate, workforce demographics and our future skills programme including patronship and graduate schemes.

3 Passion for people and communities

The Board reviews the overarching vision for Berkeley's long-term regeneration sites to ensure they deliver positive outcomes for the people and communities around them. The Executive Committee reviews the planning and placemaking strategy's for each site prior to work starting, as-well-as scrutinising bespoke Community Development Plan to ensure they are based on strong community engagement and set a shared vision for an inclusive and welcoming neighbourhood.

4 Enhancing quality in every small detail

The Executive Committee reviews and signs off detailed plans and specifications of each development prior to construction. Directors undertake regular visits to sites to monitor and ensure the quality is of the highest standard.

Non-Executive Directors site visits highlight differing stakeholder Perspectives and provide valued feedback which is acted upon at Board level.

The Board monitors and challenges quality metrics and interrogates underlying causes.

5 Sustainable, responsible and long term

Sustainability and responsible business practice are central to Our Vision 2030, the long-term strategy which is set and monitored by the Board, and which includes targets and actions to drive positive outcomes.

The Board oversees Berkeley's uniquely long-term operating model which enables the business to unlock highly sustainable long-term urban regeneration projects few developers are willing or able to take on.

6 Collaborative and responsive partners

The Board monitors Berkeley's long-term regeneration partnerships which are fundamental to the successful delivery of large-scale urban regeneration projects. Directors maintain regular engagement with central government, local government, community, housing association and landowner partners to ensure we continue to understand and deliver against their goals. The Board interrogates individual challenges and solutions developed across our sites to ensure learning and innovation is shared across the Group.

7 Autonomy, independence and entrepreneurial flair and trust our instincts

The Group operates through our autonomous operating companies, as well as a unique network of international offices in key markets across the globe. Our companies are empowered to develop unique solutions to unlock their site and create places of lasting quality and value, with support from strong central functions including Legal, Build Quality, Health and Safety and Corporate Governance. The Board monitors performance across all operating companies to share best practice and innovation, and to ensure Berkeley's standards and culture are fully embedded.

8 Innovation and industry leadership

The Board promotes innovation and best practice across the business and challenges Berkeley to maintain its industry leading performance across a wide range of areas, including customer satisfaction, build quality, brownfield regeneration, community building, climate action and nature recovery.

Stakeholder engagement

Board engagement with stakeholders

The role of the Board is to deliver value to all stakeholders and promote the long-term sustainable success of the Company. The Board recognises the importance of engaging with its stakeholders on all aspects of the Group's activities and this enables their interests to be considered in the decision making of the Board. Throughout this year, the Board sought to ensure that it understood the views of stakeholders when making decisions.

At Board meetings, the Chief Executive provides an overview on how the Group has delivered for its key stakeholders. Papers to our Board and Committees include assessments of the relevant stakeholder impacts to aid the Board's decision-making. The Board is aware that, in some situations, stakeholders' interests will be conflicted, and they may have to prioritise some stakeholders' interests. The Board, led by the Chairman, ensures that as part of its decision-making process, the Directors are aware and discuss the impacts of their decisions on the Group's key stakeholders.

How the Board engages with investors

The Company continues to undertake active dialogue with its current and prospective institutional shareholders through annual and interim results presentations and ad-hoc meetings. During 2023/24 discussions focused around the half year and year end results, and covered topics such as operations, performance, markets, business strategy and capital allocation, and governance matters. Shareholders are also kept up to date with the Company's activities through the results announcements and trading updates. In addition, the corporate website provides information on the Group and latest news, including regulatory announcements and corporate governance updates.

The presentations made after the announcement of the preliminary and interim results are available on the Investor section of the website.

In early 2023, the Company engaged Lazard to undertake an institutional shareholder perceptions review. The review produced a qualitative assessment based on research interviews with a balanced sample of 18 leading global institutions that controlled nearly half of the Company's shares between them. To ensure a quantitative context, Lazard also undertook analysis based on past results and sell-side forecasts of future performance and reviewed how the Company's share register had developed over the two years to December 2023.

The Chief Executive and Chief Financial Officer meet with major shareholders twice annually to discuss the strategy and operations of the Group as well as any issues the shareholders wish to raise. The Board is always available to meet with any of the major shareholders throughout the year.

The Chairman and Senior Independent Director are available to shareholders if they have concerns and contact through the normal channels has failed or when such contact is inappropriate.

How the Board engages with employees and the workforce

The aim of the Board is to develop a highly talented and skilled workforce that will work together in a safe, healthy and supportive environment, and take pride in delivering outputs of the highest quality that deliver value to customers, local communities and other stakeholders. The Board recognises that talented and motivated employees are the Company's strongest resource. The health and safety of our employees is paramount, in terms of both physical and mental wellbeing, and this continues to be a key area of focus for the Board through Our Vision 2030.

In addition to ensuring the safe operation of our sites, the Board engages with employees in a number of different ways; the Chief Executive and Chief Financial Officer regularly visit the operating companies and their developments to oversee the site activities. Members of the Board are present at staff conferences to provide business updates and encourage open group discussions. The people engagement forum is a single platform for reviewing employee matters, sharing best practice and capturing its output for the Executive Committee and Board.

This year, divisions have shared best practice from their local people plans, including items such as health and wellbeing provisions, EDI initiatives and exit interviews, which helped to inform the Group People Framework. This framework sets the structure for action to be taken at a Group level and for a consistent approach in five areas across our operating businesses, including employee engagement, attraction and recruitment, equity, diversity and inclusion, staff upskilling and employee benefits and wellbeing.

Whistleblowing

The Group has a Whistleblowing Policy, which has been communicated to all employees. In accordance with this policy, Directors, management, employees and external stakeholders can report in confidence, outside of normal reporting channels, any concerns they may have of malpractice, financial irregularity, breaches of any Group procedures, or other matters.

Any such concerns are subject to proportionate and independent investigation. The policy is available to view on the Group's website.

Bribery Act and Anti-Money Laundering Regulations

The Board has responsibility for complying with the requirements of the Bribery Act 2010 and The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and is charged with overseeing the development and implementation of the Group's policies and procedures thereon and monitoring ongoing compliance.

Board activities during the year

The governance structure on pages 117 to 119 of this report sets out the key responsibilities of the Board.

These responsibilities are met through a number of standing Board agenda items for which reports are presented, covering, for example, health and safety, finance and performance, risk, customer service, ESG-related matters, the housing and sales market, and investor relations amongst others.

In addition, the Board undertook a number of deep-dive reviews into topics during the year including on people (staff survey results and talent and succession plans), international sales markets, ESG, external positioning and shareholder perception review.

Strategy is a cornerstone of the Board's considerations and remains enshrined in all reports to the Board.

The focus of Board activities can largely be categorised into four areas: strategy, operations, finance and governance.

Strategy

Build to Rent platform

In the context of the prevailing operating environment, the Board reviewed its capital allocation in the year and took the decision to deploy its free cash flow to accelerate delivery of its existing assets to build a London and South East focused Build to Rent residential portfolio and platform that can maximise value from this growing market segment to the benefit of both society and shareholders.

Our Vision 2030

The Board monitors performance against the Our Vision 2030 targets and long-term goals, receiving progress reports at each meeting. Our Vision 2030 Executive board meetings are held monthly to review progress against the targets and to drive performance. Further details of the Group's performance in respect of ESG matters of strategic importance to the Group are set out on pages 66 to 67 of the Strategic Report.

Planning status of future developments

The Board receives updates at each meeting on the planning environment and key planning milestones of sites. In particular, the Board develops mitigation strategies to deal with an increasingly difficult planning landscape.

Regulatory changes

The Board is provided with updates to the regulatory landscape. This year, the Board has monitored the scope, transitional arrangements and technical requirements of second staircases in tall buildings, alongside assessing the impact from the new Building Safety Regulator and of the wider regulatory framework relating to the Building Safety Act 2022.

Cyber security and data protection

Mindful of continuing cyber security risks and data protection requirements, the Board reviews emerging threats and responses. Through a steering group chaired by the CFO that meets monthly, the Group assesses and actions opportunities for improvement and to ensure appropriate response plans are in place.

Political and public affairs

As a consistent theme explored by the Chief Executive's Report and as a specific agenda item at a meeting during the year, the Board receives presentations on the current political landscape and public affairs that help shape Berkeley's communication and engagement approach.

Operations

Risk

Operational and strategic risk is discussed at all Board meetings, with emerging risks considered on an ongoing basis. During the year, the Board allocated one of its meetings to discuss and debate the evolving risk landscape and the implication of this to Berkeley's strategy.

Health and safety

Health and safety is discussed at all Board meetings. Being mindful of its industry-leading approach to health and safety, the Board keeps under review initiatives to retain focus in this area. Further details of the Company's health and safety approach are set out on page 51 of the Strategic Report.

Building fire safety matters

The Board authorised entry into the Responsible Actor Scheme introduced under the Building Safety Act 2022. The Board receives reports on the status of works required by fire safety assessments being instructed under the Self-Remediation Terms and Contract.

Stakeholder engagement continued

CMA market investigation

The Company continues to cooperate fully with the Competition and Markets Authority in its investigation into the sharing of information between housebuilders and whether this is adversely affecting pricing for customers and build-out rates.

Supply chain resilience

The Commercial Committee monitors risks around the Group's supply chain and works across the divisions to mitigate such risks and reports through to the Executive Committee from which the Board receives updates.

Finance

Shareholder returns

The Board reaffirmed its shareholder returns programme, based upon an ongoing annual return of £283 million planned through to September 2025.

In respect of the remaining £218.9 million to be returned by 30 September 2024, the Board resolved to make a further interim dividend of £34.9 million in August and a special dividend of £184.0 million in September accompanied by a share consolidation, subject to approval by shareholders at the September AGM.

Core funding and liquidity

The borrowing capacity of the Company was unchanged during the year at £1,200 million, comprising the £800 million bank facility with a term to February 2029 and £400 million unsecured listed bonds which mature in August 2031.

Specific funding arrangement

During the year, the Board approved the terms and loan documentation for a £125.6 million facility with Homes England whereby it may apply amounts borrowed towards financing or re-financing infrastructure costs on three developments.

Annual Report and Accounts

During the year, the Board reviewed and approved the Annual Report and Accounts and interim results, along with associated press releases and trading updates.

Company tax policy

The Group's tax strategy is overseen by the Board, under which Berkeley seeks to meet its statutory and regulatory tax obligations. The Board undertakes an annual review of the Group Tax Policy, or more frequently if there are material changes in the tax environment. The aim is to ensure that risks associated with the interpretation and application of taxation laws and regulations are appropriately managed, identified and evaluated in accordance with the Group's risk management framework.

Governance

Board and Committee composition

At the conclusion of the 2023 AGM, three Non-Executive Directors who had served on the Board for more than nine years: Sir John Armitt, Diana Brightmore-Armour and Andy Myers stepped down and retired from the Board. While the Board had reviewed the independence and contribution of each of the Non-Executive Directors in accordance with Provision 10 of the Code and concluded that they each continued to maintain and contribute an independent view in all Board deliberations, consistently providing robust challenge and scrutiny, their retirement was agreed in line with best practice corporate governance.

The Board took this opportunity to streamline the Board and did not replace the three departing Non-executive Directors. Accordingly, and in line with best corporate governance practice, three Executive Directors, Justin Tibaldi, Karl Whiteman and Paul Vallone, stepped down from the Board at the end of the 2023 AGM.

Following these changes, the Board implemented a number of committee and role changes: Rachel Downey replaced Diana Brightmore-Armour as Senior Independent Director; Andy Kemp replaced Andy Myers as Chairman of the Audit Committee; Natasha Adams replaced Andy Kemp as Chair of the Remuneration Committee; William Jackson joined the Remuneration Committee; and Natasha Adams and Andy Kemp joined the Nomination Committee.

Board evaluation

The Code requires that the Board undertakes an annual evaluation which is externally facilitated at least once every three years. As the last external Board review was undertaken in 2020/2021, the review for 2023/24 was conducted externally. Full details of the 2023/24 Board evaluation are on page 123.

Division of responsibilities

The Board has a range of experience and has strong knowledge in areas of property development, construction, media and communications, public sector, Government, communities, inclusivity and social engagement, finance and banking, and commerce and governance, both in the UK and internationally. It is the balance of skills, experience, independence and knowledge of the Board as a whole which ensures that the duties and responsibilities of the Board and its Committees are discharged effectively.

The Chairman leads the Board and is responsible for the overall effectiveness of the Board and its Committees, for setting and shaping the culture in the Boardroom and the Company, overseeing high standards of corporate governance, ensuring the Board determines the nature and extent of significant risks the Company is willing to embrace in the implementation of its strategy, ensuring effective communications between the Board and shareholders and ensuring the Board understands the views of the Company's key stakeholders.

The Chief Executive has day-to-day executive responsibility for the running of the Group's businesses. His role is to lead the Group's strategic direction and propose, develop and deliver the overall strategy and business plans, to enable the Group to meet its objectives, to oversee and maintain relations with investors and other

key stakeholders, to ensure the appropriateness of the Group's risk management strategy, and to ensure effective policies and procedures for the management, development and succession planning of the management team and the Company's staff.

The Senior Independent Director's primary role is to work closely with the Chairman, serving as a sounding board, providing support in the delivery of objectives and serving as an intermediary for other Directors and shareholders.

The Non-Executive Directors, led by the Senior Independent Director, Rachel Downey, have the skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively.

Each Non-Executive Director is prepared to question and to challenge management. All of the Non-Executive Directors are considered to have been independent throughout the year.

The Board reviews the independence of Non-Executive Directors on an annual basis taking into account each individual's professional characteristics, behaviour and their contribution to unbiased and independent debate. See page 116 of this report for more details.

The Group operates through autonomous divisions and operating companies, each with its own board. Operating company boards meet on a weekly basis and divisional boards on a monthly basis, and comprehensive information is prepared for such meetings on a standardised basis to cover all aspects of the business. Formal reporting lines and delegated levels of authority exist within this structure and the review of risk and performance occurs at multiple levels throughout the operating companies, divisions and at Board level.

Strong central functions, including Legal, Health and Safety and Corporate Governance, provide support and consistency to the Board.

In addition, the principal treasury-related risks, decisions and control processes are managed by the Group Finance function, under the direction of the Chief Financial Officer.

Board Committees

The Board has delegated certain matters to individual Executives and to the specific Committees of the Board: Nomination, Audit and Remuneration. The three main Board Committees operate within clearly defined Terms of Reference pursuant to the provisions of the Code. The Terms of Reference for each of the three main Board Committees can be downloaded from the Corporate Governance page of the Investor section of the Company's website. Copies are also available to shareholders on application to the Company Secretary. The responsibilities of the key Board Committees are described within the relevant reports on pages 120, 126 and 130.

Conflicts of interest

In accordance with the Companies Act 2006, the Company's Articles of Association allow the Board to authorise potential conflicts of interest that may arise and to impose such limits or conditions as it thinks fit. The decision to authorise a conflict of interest can only be made by non-conflicted Directors (those who have no interest in the matter being considered) and in making such a decision the Directors must act in a way they consider in good faith will be most likely to promote the Company's success.

The Company has established a procedure whereby actual and potential conflicts of interest of current and proposed roles to be undertaken by Directors of the Board with other organisations are regularly reviewed in respect of both the nature of those roles and their time commitment, and for proper authorisation to be sought prior to the appointment of any new Director. The Board considers these procedures to be working effectively.

Division of responsibilities continued

Responsibilities of the board



Non-Executive Chairman

Michael Dobson

Responsibilities:

- leading the Board and ensuring its overall effectiveness, setting the agenda and ensuring that accurate, timely and clear information is provided to the Board as required;
- setting, shaping and sustaining the culture in the Boardroom and the Group;
- overseeing the implementation of high standards of corporate governance;
- encouraging constructive Board relations and open debate and ensuring that each Director contributes to effective decision making; and
- ensuring effective communication between the Board and shareholders and ensuring the Board understands the views of the Company's key stakeholders.



Senior Independent Director

Rachel Downey

Responsibilities:

- working closely with the Chairman, serving as a sounding board and providing support and advice in the delivery of objectives;
- leading the Chairman succession process;
- serving as an intermediary for other Directors and shareholders, including meeting with Non-Executive Directors annually, without the Chairman present to evaluate the Chairman's performance, and provide feedback to the Chairman and Chief Executive Officer; and
- being available to shareholders and other Non-Executive Directors to address any concerns not otherwise dealt with through usual channels of communication.



Non-Executive Directors

Andy Kemp
Elizabeth Adekunle
William Jackson
Sarah Sands
Natasha Adams

Responsibilities:

- bringing an external perspective in providing additional advice and expertise to support the Board in setting, developing and monitoring the implementation of the Group strategy;
- providing sound judgment, objectivity and an appropriate level of constructive challenge and scrutiny of Board decisions;
- serving on Board Committees to ensure that fair and balanced policies are implemented, including Executive remuneration and risk management; and
- having an awareness of shareholder and other stakeholder matters and offering guidance as required.



Board Committees

Nomination

Chair: Michael Dobson

The Nomination Committee ensures that the membership and composition of the Board, including the balance of skills, experience and diversity, is appropriate, as well as giving full consideration to succession planning on a regular basis.

See page 120 for the Report of the Nomination Committee.

Audit

Chair: Andy Kemp

The Audit Committee is responsible for monitoring and reviewing the financial reporting and accounting policies of the Company, reviewing the adequacy of internal controls and the activities of the Group's internal audit function, including financial, operational and compliance controls, and overseeing the effectiveness of the external auditor.

See page 126 for the Report of the Audit Committee.

Remuneration

Chair: Natasha Adams

The Remuneration Committee is responsible for determining the Company's policy for Executive remuneration and the precise terms of employment and remuneration of the Non-Executive Chairman and the Executive Directors.

See page 130 for the Report of the Remuneration Committee.



Chief Executive

Rob Perrins

Responsibilities:

- day-to-day running of the Group's businesses and operations;
- leading the Group's strategic direction, proposing, developing and delivering the overall strategy and business plans to enable the Group to meet its objectives, having regard to the needs of key stakeholders;
- overseeing and maintaining relationships with investors and other key stakeholders;
- ensuring the appropriateness of the Group's risk management strategy; and
- ensuring effective policies and procedures for the management, development and succession planning of the management team and the Company's staff.



Chief Financial Officer

Richard Stearn

Responsibilities:

- managing the financial affairs of the Group, including investor relations, tax, treasury, internal audit and insurance functions;
- managing the relationship with the external auditor;
- strategic risk management of the Group; and
- oversight of the IT and HR functions.



THE EXECUTIVE COMMITTEE

The Executive Committee meets regularly and reviews the financial and operating performance of all Group divisions and companies. The Committee is chaired by the Chief Executive and comprises the CEO, the CFO, the heads of the Group's main operating divisions, Justin Tibaldi, Paul Vallone, Karl Whiteman, Piers Clanford, Alison Dowsett, Elkie Russell and Dean Summers, along with the Group Solicitor, Wendy Pritchard, Responsible Business Executive, Lorraine Fursland, and is supported by the Company Secretary, Victoria Mee.

Key responsibilities include:

- business planning;
- reviewing the financial and operating performance of all Group divisions and companies;
- risk management;
- cash management;
- delivery of Group strategy;
- legal and regulatory matters;
- brand and reputation;
- relationships with local authority and Government stakeholders; and
- people.



Divisional and operating company boards

Key responsibilities include:

- Health and safety
- Sales and marketing
- Land and planning
- People retention and development
- Regulatory matters

- Production
- Assessing the impact of the economic and political environment
- Site-specific matters
- Customer service



Operational committees

Key responsibilities include:

- Health and Safety
- IT
- Production
- People
- Customer Service

- Land and Planning
- Commercial and Technical
- Sales and Marketing
- Sustainability
- Estates Management

Nomination Committee Report

Composition, Succession and Evaluation

Michael Dobson | Chairman, Nomination Committee

The Board of Directors presents its
Nomination Committee Report for
the year ended 30 April 2024.

Membership meetings and attendance

Committee member	Date of appointment to Committee	Meeting attendance	% of meetings attended
Michael Dobson (Chairman)	8 June 2022	● ●	100%
Rachel Downey	16 November 2022	● ●	100%
William Jackson	5 January 2021	● ●	100%
Natasha Adams	8 September 2023	● ●	100%
Andy Kemp	8 September 2023	● ●	100%

Committee purpose and responsibilities

The key responsibilities of the Committee include:

- reviewing the structure, size and composition of the Board and Board Committees and making recommendations to the Board having regard to succession planning and supporting diversity;
- evaluating the balance of skills, knowledge, experience and diversity on the Board;
- leading the process for identifying and nominating candidates for the Board; and
- led by the Chairman, the appointment and management of an external consultant to undertake the Board evaluation.

The Committee's Terms of Reference set out its full remit and can be downloaded from the Investor section of the Berkeley website (www.berkeleygroup.co.uk/investors/corporate-governance).

Meeting items discussed

October 2023

- Board and Committees' composition and succession planning
- Diversity and inclusion
- External Board Review

April 2024

- Board and Committees' composition and succession planning
- Diversity and inclusion

Committee activities

Led by Michael Dobson, the Committee gave further consideration to Board and Committee composition, having regard in particular to tenure, independence and diversity, to ensure a mix of skills, knowledge and experience.

The Board Diversity Policy is available on the Company's website at www.berkeleygroup.co.uk/investors/corporate-governance and an update in respect of diversity and inclusion is provided on pages 123 to 124.

This year our Board evaluation was carried out externally. Further details in respect of the external Board review are set out on page 123.

Board and Committees' composition and succession planning

During the year the Committee reviewed the Board's composition to ensure that it had the correct balance of skills required for the leadership of the Group. Consideration was therefore given to succession planning for both Non-Executive and Executive Directors.

At the conclusion of the 2023 AGM, we streamlined the Board by reducing its size in line with best corporate governance practice.

As a result of these changes, the Board size was reduced from 15 to nine, comprising an independent Non-Executive Chairman, two Executive Directors (the CEO and CFO) and six Non-Executive Directors.

The process for identifying and recommending new appointments to the Board utilises the services of an independent recruitment specialist, when appropriate. In accordance with the Board Diversity Policy, when considering the use of open advertising or executive search consultants, the Company will use only those firms that have

Board composition dashboard

Board gender balance

Non-Executive Director tenure

Board independence

Non-Executive
Chair

1

Non-Executive
Directors

6

Executive
Directors

2

Non-Executive Director skills matrix

Nomination Committee report continued

adopted the Voluntary Code of Conduct in respect of diversity, including in respect of gender and ethnicity. There have been no new appointments to the Board during the year ended 30 April 2024.

While the Articles of Association of the Company include the requirement for Directors to submit themselves to shareholders for re-election every three years, all Directors are subject to election by shareholders annually in accordance with the requirements of the Code. Newly appointed Directors are subject to election at the first opportunity after their appointment. All Directors will be offering themselves for re-election at the 2024 AGM to be held on 6 September 2024.

Induction and development

On appointment, Non-Executive Directors are provided with a detailed induction programme. This covers an overview of the Group's operations and its policies, corporate responsibility and corporate affairs issues, legal matters and also the opportunity to meet with Directors and key senior employees and to visit the Group's sites.

Ongoing training is available to all Directors to meet their individual needs. Board members also receive regular guidance and updates on regulatory matters and the corporate governance framework in which the Group operates. Additionally, during the year, Directors received training on the Market Abuse Regulations.

Members of the Audit and Remuneration Committees receive briefings from the Group's auditor and remuneration advisor respectively to ensure that they remain up to date with current regulations and developments.

All Directors have access to advice from the Company Secretary and independent professional advisors, at the Company's expense, where specific expertise is required in the course of their duties.

2022/23 Board Evaluation

Following the 2022/23 Board evaluation, the Board set itself the following goals, progress against which is as follows.

NED tenure

Review Board and Committees' composition to address independence considerations in respect of long serving tenure

The Board and Committees' composition was subject to careful consideration in line with best corporate governance practice, the outcome led to the changes at the 2023 AGM which delivered compliance with all aspects of Board composition under the UK Corporate Governance Code and Listing Rule 9.8.6R(9)(a).

Training and knowledge sharing

Consider fresh perspective to NED training and knowledge sharing

The Board continues to review its training programme for NEDs which incorporates standing regulatory and legal briefings and external training courses. Significant developments and matters of particular relevance to the Company are the subject of dedicated papers at both the Board and Committees.

Board Schedule

Reassess Board schedule, with a view to further refining approach to Board priorities and key matters for consideration

The assessment led to a refreshed approach to priorities in the context of deep dives into specific areas by the Board in 2024. This approach received positive feedback from the Board in the 2023/2024 evaluation.

People and Diversity and Inclusion

Further develop the Company and Board's approach in respect of people, succession and diversity and inclusion matters, in line with Parker Review recommendations and the FRC 2023 consultation on proposed changes to the Combined Code

This action has been addressed throughout 2024 and in particular through deep dives on People, Succession and ESG. This subject matter is, by its nature, an ongoing focus for the Board.

2023/24 Board Evaluation

The Company undertook a comprehensive review of all aspects of the Board's effectiveness through an externally facilitated evaluation. Following a formal tender process undertaken by the Nomination Committee, the Company appointed Ffion Hague of Independent Board Evaluation (IBE). IBE has no other connection with the Company or any of the directors. IBE is a member of The International Register of Board Reviewers and conducted the evaluation in accordance with the guidance in the UK Corporate Governance Code.

Process

A comprehensive brief was given to the assessment team at IBE at by the Chairman, the Chief Executive, and the Company Secretary, in January and February 2024. The lead evaluator observed main Board and committee meetings in March and April and support materials for briefing purposes were provided by the Company.

In April and May, detailed interviews were conducted with every Director. All participants were interviewed for 1.5 hours by Ffion Hague according to a set agenda, tailored for the Board. In addition, the team at IBE interviewed members of the senior management team and advisers.

The report's conclusions were discussed with the Chairman and subsequently discussed with the Board at its meeting on 12 June 2024. That discussion is recorded in the minutes of the meeting.

In addition, Ffion Hague gave feedback to Committee chairs on the performance of each Committee and discussed the Board's feedback on the Chairman's performance with Rachel Downey, the Senior Independent Director. The Chairman also received a report with feedback on individual Directors' performance as an input to the regular annual performance review process.

Focus

The comprehensive brief to IBE incorporated:

- Board role, performance and effectiveness;
- Board agendas, papers, information and minutes;
- Focus, structure and frequency of Board meetings and informal Board engagement;
- Board and Committees' composition and succession planning;
- Director contributions, knowledge exchange, development and training;
- Committees' effectiveness and performance;
- Stakeholder engagement;
- Approach to diversity and inclusion and people and culture.

Outcomes

The external evaluation set out key areas for the Board to discuss and set goals which include the following:

- Recognising similar tenure of NEDs, develop a plan for staggered rotation, based upon review and assessment of skills matrix and current Board composition.
- Continue to develop succession plans for Executive Director and Senior Management roles within the business.
- Increase NED site visits, reflecting broad recognition of the value of these in understanding the corporate culture, engaging with employees and the senior management team beneath the main Board.
- Continue to develop Board induction processes and training, particularly in readiness for future NED appointments.

Diversity and Inclusion

Berkeley strives to create a positive environment for its people, one that fosters respect, support, wellbeing, safety and inclusivity and continues to work towards a workplace that is representative of the areas and communities in which it operates.

Berkeley is committed to equal opportunities and aims to ensure that all individuals receive equal treatment, regardless of age, disability, ethnicity, gender, sexual orientation or socio-economic, educational or professional background.

Recognising the benefits and value that diversity in its broadest sense brings to the Board, and that the Board sets the tone for diversity and inclusion across the business, Berkeley believes in promoting a culture of integrity, openness and inclusivity. Noting the recommendations of the FTSE Women Leaders and the Parker Reviews, and the targets set out in Listing Rule (LR) 9.8.6R(9), the Board is committed to sustaining a strong balance of diversity, that reflects the diverse range of perspective, insight and challenge needed to enable the Board to discharge its duties and responsibilities effectively, and to operate in a way that supports the continued development of a diverse and inclusive culture across the Group.

At 30 April 2024, female representation on the Board stood at 44.44%. The Group meets the ethnic diversity target set by the Parker Review, with one Non-Executive Director identifying as being from an ethnically diverse background.

Berkeley continues to help lead the development of diversity and inclusion within the construction sector, bringing through a generation of talented women into senior positions within the business. Across both the Board and Executive Committee, female representation in the most senior roles within the Group stands at 47.37% at 30 April 2024.

Nomination Committee report continued

In accordance with LR 9.8.6R(9), set out below is a summary of the Company's compliance with Board diversity targets at 30 April 2024, being the chosen reference date used for the purposes of LR9.8.6R(9)(a).

Targets	Compliance as at 30 April 2024
At least 40% of the individuals on the Board of Directors are women.	At the reference date, 44.44% of the individuals on the Board of Directors are women.
At least one of the senior Board positions (Chair, Chief Executive, Senior Independent Director, Chief Financial Officer) is held by a woman.	At the reference date, the position of Senior Independent Director is held by a woman.
At least one individual on the Board of Directors is from a minority ethnic background.*	The Berkeley Board currently includes one Director from an ethnically diverse background.

* The following categories are used to define those from a minority ethnic background: Asian/Asian British; Black/African/Caribbean/Black British; Mixed/Multiple Ethnic Groups; other ethnic group, including Arab.

In accordance with LR 9.8.6R(10), as at 30 April 2024, the numerical data on the gender identity and ethnic background of the Board and Group Executive Committee, which was captured directly from the relevant individuals, is as follows:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board*	Number in executive management	Percentage of executive management
Men	5	55.56%	3	2	58%
Women	4	44.44%	1	0	42%
Not specified/prefer not to say	-	-	-	-	0%

	Number of Board members	Percentage of the Board	Number of senior positions on the Board*	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	8	89%	4	2	100%
Mixed/Multiple ethnic group	-	-	-	-	0%
Asian/Asian British	-	-	-	-	0%
Black/African/Caribbean/Black British	1	11%	-	-	0%
Other ethnic group, including Arab	-	-	-	-	0%
Not specified/prefer not to say	-	-	-	-	0%

* Senior positions on Board refer to the Chair, Chief Executive, Senior Independent Director and Chief Financial Officer.

A Group-wide Equality and Diversity Policy is in place, in line with Group strategy, making it clear that Berkeley does not tolerate discrimination in any form. In accordance with Disclosure and Transparency Rule 7.2.8AR, the Board introduced the Board Diversity Policy in June 2023 which sits alongside the Group-wide Equality and Diversity Policy. The Board Diversity Policy applies specifically to the Board and its Committees and sets out the approach to diversity in respect of Berkeley's Board of Directors and Senior Management and is available on the Company's website at: www.berkeleygroup.co.uk/investors/corporate-governance.

In accordance with the objectives of the Board Diversity Policy, the Nomination Committee regularly reviews the structure, size and composition of the Board. When reviewing the composition of, and succession plans for the Board and making recommendations to the Board in respect of changes, the Nomination Committee has due regard to all aspects of diversity in determining the appropriate balance of skills, experience, knowledge and independence to enable the Board to continue to operate effectively in the best interests of the Company.

During the year, the Board and its Committees have complied fully with the Board Diversity Policy.

Further information on diversity and inclusion throughout the organisation is set out on page 50 of the Strategic Report.

Michael Dobson

Chairman, Nomination Committee
19 June 2024

Construction activity at White City Living

Audit Committee report

Andy Kemp | Chairman, Audit Committee

I am pleased to present the Audit Committee Report for the year ended 30 April 2024. This report describes the work undertaken by the Audit Committee, including its consideration of the key areas of estimation uncertainty underpinning the full year result, its review of the Group's risk management and internal control systems and its assessment of the external auditor's independence.

Introduction

The report has been prepared in accordance with the requirements of the Code, the Listing Rules, Disclosure Guidance and Transparency Rules 7.1 and 7.2 and the FRC Guidance on Board Effectiveness.

Details of the composition and experience of the Committee can be found in the Directors' biographies on pages 106 to 108 of this Governance report and details of Committee meetings are summarised in the table below.

The Board is satisfied that the Audit Committee has sufficient financial experience and competence.

Membership meetings and attendance

Committee member	Date of appointment to Committee	Meeting attendance	% of meetings attended
Andy Kemp (Chairman)*	1 July 2021	● ● ● ●	100%
Andy Myers **	6 December 2013	●	100%
Rachel Downey	18 April 2018	● ● ● ●	100%
Sarah Sands	16 November 2022	● ● ● ●	100%

* Chairman of the Audit Committee since 8 September 2023

** Chairman of the Audit Committee from 1 September 2014 until 8 September 2023

Meeting items discussed

November 2023

- KPMG's report on the audit plan and strategy for the year ending 30 April 2024

December 2023

- Interim results for the period ended 31 October 2023
- KPMG's report on the interim review period
- Internal audit report

March 2024

- KPMG's report on updates to the audit strategy for the year ending 30 April 2024
- FRC's AQR report on KPMG's audit for the year ended 30 April 2023
- Annual formal review of risk management and internal control systems, including a review of changes in the 2024 Corporate Governance Code
- Internal audit report
- Review of the Company's tax strategy

June 2024

- Financial results for the year ended 30 April 2024
- KPMG's report on the Company's consolidated results and audit report
- Tax report for the year ended 30 April 2024
- Going concern and viability assessment
- Assessment of fraud risk
- Internal audit report, including approval of the audit plan for the year ending 30 April 2025
- Auditor independence and non-audit fees and services, alongside an evaluation of the annual audit process, including KPMG's response to the AQR inspection findings
- Review of the narrative reporting within the 2024 Annual Report

Meetings

The Committee met formally four times during the year. By invitation, the external auditor, Chief Financial Officer, and Head of Finance were present at all meetings, while the Chief Executive Officer was present at three meetings. The internal auditor presented at three meetings during the year.

In addition, the Chairman of the Audit Committee meets with the Chief Financial Officer and the external auditor ahead of each meeting. He also has the opportunity to meet with the internal auditor, as required, ahead of each meeting.

The Chairman of the Audit Committee approves any fees for additional work undertaken by the external auditor as permitted by the Company's policy on non-audit fees.

Financial Reporting

Ahead of the interim and full year results announcements, the Chief Financial Officer presented, and the Committee debated, a report on the consolidated financial results of the Company, including the key areas involving financial reporting estimation uncertainty.

The Committee reviewed, prior to their publication, the financial disclosures in the Company's Annual Report and interim and year end results announcements. The Committee's review incorporated consideration of the appropriateness of the relevant accounting policies and financial reporting estimates adopted therein. The reports to the Committee by the external auditor were considered in reaching its conclusions.

Key accounting areas involving estimation uncertainty that were considered by the Committee during the year were:

- Cost of sales recognition

The Group recognises a cost of sale on each property sold and recorded in revenue by reference to the forecast development margin. The development margin is an estimate

of the forecast profit percentage for a development which, for the most part, are developed over multiple financial years. The recognition of cost of sales at a point in time is dependent on an estimate of future selling prices, direct costs and an allocation of site-wide costs, including an appropriate allowance for risk. Consequently, the assessment of a development's margin evolves over the development cycle in line with the risk profile.

In addition, the Group's particularly complex, long-term regeneration developments exhibit an inherently higher degree of estimation uncertainty given an exposure to cross-cyclical market movements. The Group applies an approach to cost of sales allocation for these sites whereby whole-site costs are accelerated to the early stages of the development to reflect the greater uncertainty and the evolution of risk over the life of such developments.

Management undertook an assessment of these risks and development assumptions and reported the conclusions of these assessments, by exception, to the Committee in a financial overview paper prior to the release of the Group's interim and year end results.

Following review of each paper, the Committee concluded that it was satisfied that the assumptions and estimates adopted were appropriate.

- Post completion development provisions

The accounting for provisions relies on management estimating the quantum and timing of cash outflows to settle any legal or constructive obligations.

The Group holds provisions for post completion development obligations in respect of the construction of its portfolio of complex mixed use developments which are expected to be incurred in the ordinary course of business, based on historical experience of the Group's sites and current site-specific risks, including matters

relating to building fire-safety, but which are uncertain in terms of timing and quantum.

The basis for determining these provisions was presented to the Committee for its consideration. The Committee reviewed the relevant papers and discussed the assumptions underlying this determination with management and the Group's external auditor and concluded that it was satisfied that the assumptions and estimates adopted were appropriate.

A table of movements in provisions over the year is included in note 2.16 to the Consolidated Financial Statements. Other areas of financial reporting focus for the year included:

- Consideration of climate change

Through reporting to the Board and consideration of narrative reporting in the Annual Report, the Committee concluded that there was no material impact on the financial reporting judgments and estimates in the Financial Statements as a result of climate change for the year ended 30 April 2024. The Group's disclosure in this respect is set out in note 1.3 of the Annual Financial Statements on page 187.

- Review of the Annual Report

The Committee reviewed the Annual Report and, taking into account the views of the external auditor, concluded that, taken as a whole, it was fair, balanced and understandable and provided the information necessary for users thereof to assess the Group's business strategy and financial performance.

In March 2024, the Committee was notified by the FRC that its Corporate Reporting Review Team ('CRR') had carried out a review of the Company's interim report for the period ended 31 October 2023 in accordance with Part 2 of the FRC Corporate Review Operating Procedures and that there were no questions that the CRR wished to raise with the Company.

Audit Committee report continued

Risk management and internal control

The Board has overall responsibility for monitoring the Group's systems of risk management and internal control, ensuring that they comply with the Code and the FRC's Guidance on Risk Management, Internal Control and Related Business Reporting, and for formally reviewing their effectiveness on an annual basis, but delegates this responsibility to the Audit Committee.

The Group has ongoing processes and procedures for identifying, evaluating and managing its principal and emerging risks which are embedded within the ongoing business activities. At operating company and divisional level, board meetings are structured around the key risks and opportunities facing each of the businesses. In addition, a quarterly formal process involves each division producing a risk and control report that identify risks, the potential impact of these and the actions being taken to mitigate them. A consolidated Group Risk Management Report is presented at each Board meeting, which overlays wider strategic risks to those which are the focus of the divisional reports. The Group report sets out, and the Board monitors, the evolving nature of risk appetite which is a key element in determining the Group's strategy and is set out on pages 90 to 91 of the Strategic Report.

With risk assessment and management being an ongoing dynamic process, it is embedded within the Group's procedures and debated at each Board meeting. Nonetheless, the Audit Committee undertakes the formal annual review on behalf of the Board, which covers:

- An assessment of the principal and emerging risks:

The Committee reviewed a paper covering the Group's risk appetite in response to the prevailing macro and operating environment in which the Group operated during

the financial year. In that context, it also reviewed the risks reported in the narrative of the Annual Report for the year ended 30 April 2024, which are set out on pages 90 to 103 of the Strategic Report.

- Assessment of the Group's control processes to mitigate these risks:

The Group has five key components to its internal control framework and the Committee reviewed a paper covering the assessment of controls under each component area with key areas of change for the year ended 30 April 2024 highlighted therein:

- 1) Environment and culture;
- 2) Controls over investment decisions and delivery;
- 3) Internal financial and operational reporting;
- 4) Policies, procedures and IT related security; and
- 5) Monitoring and challenge.

The Committee acknowledges that internal control procedures are designed to manage rather than eliminate risk. They can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Committee noted the 2024 changes to the Corporate Governance Code, focusing its initial review on the Board's requirement to establish and maintain an effective risk management and internal control framework under Principle O, along with the supporting provision 29 requiring the Board to review the effectiveness of the Group's material controls and report thereon in the Annual Report. The Committee will continue to assist the Board with its preparation for compliance with the 2024 Code changes, with Provision 29 applicable for the Group's financial year commencing 1 May 2026. A paper was also presented to the Committee which summarised the Group's consideration, controls and monitoring of fraud risk across its activities.

- The effectiveness of internal audit:

Internal auditors are in place at a Group level and divisional level as appropriate, to provide assurance on the operation of the Group's internal control systems.

A report summarising the activities of the Group internal audit function was presented at three of the Committee meetings during the year. These reports covered:

- a summary of the key findings arising from the internal audits undertaken;
- management responses to control weaknesses identified, the closure of such weaknesses and any recurring themes;
- the outcome of other operational review work undertaken by the Group internal audit function; and
- the internal audit plan for the coming year for the approval of the Committee.

The Committee also considered the internal control recommendations raised by the Group's external auditor during the course of the audit and the Group's response to such recommendations.

The Committee was satisfied that the scope, extent and effectiveness of the internal audit function was appropriate for the Group during the year ended 30 April 2024.

- Going concern and viability assessment

The Committee reviewed the assumptions and methodology behind the Group's going concern and Viability Statement, the period that the assessment covered and the sensitivity analysis undertaken. The Committee was satisfied that the Going Concern basis and the Viability Statement were appropriate and recommended their approval to the Board. The Viability Statement can be found on page 93 of the Strategic Report.

External audit Audit approach

KPMG presented its audit strategy to the Committee which identified

its assessment of the key audit risks and other areas of audit focus, the scope of the audit work, and included updates in respect of regulatory changes for the current year and those anticipated in future years.

KPMG reported to the Committee ahead of the release of the interim and year end results on its assessment of the Group's accounting estimates in respect of the key audit risk areas and other findings arising from its work.

The external auditor has open recourse to the Non-Executive Directors should it consider it necessary. There is an opportunity for private dialogue between the Chairman of the Committee and the external auditor throughout the year and, more formally, prior to each Committee meeting. After each meeting there is also the opportunity for the Committee to meet with the external auditor without management present.

Independence of the external auditor

As part of its reporting to the Committee, KPMG identified the safeguards in place within its internal processes and procedures to protect, in respect of its own role, the independence of its audit.

In order to safeguard auditor independence, the Committee has a policy on the provision of non-audit services by the external auditor.

In accordance with that policy the ratio of audit fees to non-audit fees should be no greater than 0.7:1, with a target of lower than 0.5:1 in any one year and in aggregate over the previous three financial years.

The ratio for the year ended 30 April 2024 was 0.10:1, well within this limit. The non-audit fees related to:

- The interim review, which is closely related to the annual audit process;
- Provision of limited assurance over the Group's scope 1, 2 and 3

carbon emissions data contained within the Directors report on page 160; and

- Provision of limited assurance on the Group's compliance with its Green Financing Framework.

Audit and non-audit fee disclosures are set out in note 2.4 to the Consolidated Financial Statements.

Any departure from this ratio will only be as a consequence of transactional work and only where such transactional work is non-recurring. Where the Committee considers it is right for the external auditor to undertake such non-recurring transactional work, the Committee will ensure:

- that the nature of the work and the basis for using the external auditor shall be disclosed in the Annual Report;
- that the work does not pose any threat to the independence and objectivity of the external auditor; and
- that there is a presumption in favour of using other firms to provide transactional advice unless such advice can only be provided by the external auditor on the grounds that:
 - it is proprietary to them;
 - it has pre-existing knowledge and experience of a situation which precludes the use of alternative firms;
 - the nature of the transaction is such that the Group's auditor is the only practical appointment; and
 - it is at the discretion of the Chairman of the Audit Committee.

There is open dialogue between KPMG and the Company's senior finance team to monitor any proposed new instructions.

The Committee has concluded that the auditor was independent during the year ended 30 April 2024.

Appointment of KPMG

KPMG was first appointed as the Group's auditor with effect from 1 May 2014 by way of a competitive

tender. In line with applicable legal and regulatory requirements, the Group conducted a competitive tender process during 2023 which culminated in the reappointment of KPMG as the external auditor for the year ended 30 April 2024.

During the year, the audit by KPMG of the Group's financial statements for the year ended 30 April 2023 was reviewed by the FRC's Audit Quality Review team ('AQR'). The FRC routinely monitors the quality of the audit work of certain UK audit firms through inspections of sample audits and related procedures at individual audit firms. The AQR identified inspection findings related to how the audit team challenge and evidence their consideration of the key audit risk areas of cost of sales recognition and post-completion development provisions.

The Committee, management and KPMG have discussed the inspection findings and the agreed actions and are satisfied with responses implemented by KPMG for the audit of the Group's financial statements for the year ended 30 April 2024. KPMG reported to the Audit Committee as part of its June 2024 report on these matters.

On completion of the audit for the year ended 30 April 2024, the Committee reviewed the performance and effectiveness of KPMG, with feedback sought from management. Taking this review and KPMG's response to the findings of the FRC's AQR inspection together, the Committee resolved to propose KPMG's re-appointment as the Company's auditor at the 2024 Annual General Meeting.

The Company confirms that it complied with the provisions of the Competition and Markets Authority's Audit Order for the financial year under review.

A Kemp

Chairman, Audit Committee
19 June 2024

Directors' remuneration report

Annual Statement of the Chair of the Remuneration Committee

Natasha Adams | Chair of Remuneration Committee

Membership meetings and attendance

Committee member	Date of appointment to Committee	Meetings attended
Natasha Adams (Chair)*	6 September 2022	3/3
Andy Kemp**	1 July 2021	3/3
Andy Myers***	1 May 2014	2/2
Michael Dobson	6 September 2022	3/3
William Jackson****	8 September 2023	0/1

* Natasha Adams was appointed Remuneration Committee Chair on 8 September 2023.

** Andy Kemp stepped down as Remuneration Committee Chair on 8 September 2023, but remains a member of the Committee.

*** Andy Myers stepped down from the Board and from his role on the Remuneration Committee on 8 September 2023.

**** William Jackson was unable to attend the first Remuneration Committee meeting following his appointment due to an existing diary commitment made prior to his appointment.

Key responsibilities of the Committee

- The key responsibilities include:
- Determine and agree with the Board the broad policy for the remuneration of the Group Chairman, Executive Directors and senior management.
 - Review pay policies for the wider workforce.
 - Determine performance conditions for the incentive plans operated by the Company and approve the total annual payments made under them.
 - Determine all share incentive plans for approval by the Board and shareholders.
 - Take into account the views of shareholders and the wider workforce when determining plans under the Remuneration Policy.
 - Ensure that the contractual terms on termination, and any payments made, are fair to the individual and the Company and that failure is not rewarded.
 - Note annually the remuneration trends and any major changes in employee benefit structures across the Company or Group.

The Committee's Terms of Reference set out its full remit and can be downloaded from the section dealing with Investor Relations on the Berkeley website (www.berkeleygroup.co.uk).

130-156 | Contents of the Directors' Remuneration Report

131	Annual Statement of the Chair of the Remuneration Committee
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139	Employment at Berkeley
142	How the Remuneration Policy was operated in 2023/24 and how the Policy will operate in 2024/25
145	Annual Report on Remuneration

Dear Shareholder,

I am pleased to introduce our Directors' Remuneration Report for the year ended 30 April 2024. This is my first Remuneration Committee report, having taken over as Chair at the 2023 AGM following Andy Kemp's appointment as Chair of the Audit Committee.

Berkeley operates a Remuneration Policy which is designed to reinforce long-term decisions and align with the interests of our shareholders, and which comprises fixed pay alongside two simple equity-based awards both with long vesting periods as portrayed on page 136. In the previous financial year, following approval of the current Remuneration Policy, awards were made to the Executive Directors under the LTOP, and these one-off awards will vest over the period through to 2030; no further decisions around the LTOP were required of the Committee during 2023/24.

The Executive Directors also participate in the RSP, under which awards are made annually, as they were in the current financial year, and which vest over a 4-year period. Vesting of the RSP awards is subject to achieving a 15% Return on Equity over the 4-year period, with a further underpin adjusting the vesting downwards by up to 20% in the event of unsatisfactory progress against strategic and ESG priorities. Whilst the RSP underpins are not finalised until the end of the 4-year vest period, the Committee intends to monitor progress annually and report this to shareholders; the first of these annual updates is included on page 132.

The only incentive to vest during 2023/24 was the eighth tranche under the 2011 LTIP on 30 September 2023. The vesting of these awards was linked to (i) return targets – cumulative return to shareholders since 2011 and returns for the 12 months to 30 September 2023 and (ii) financial targets – cumulative Return on Equity and cumulative Profit before Tax, all of which were achieved in full. Consequently, this tranche vested in full, and no discretion was required by the Committee other than to apply the total remuneration caps.

Shareholders will be aware that the number of Executive Directors on the Board was reduced at the 2023 AGM, with now only the CEO and CFO representing the executive voice. As required by the reporting regulations, this remuneration report discloses the pay information for the CEO and CFO for the full financial year, and for the three previous Executive Directors for the time they served on the Board. No changes have been made to the outstanding incentive awards for those executives who stepped down from the Board, and who continue to fulfil their executive roles within the business in full.

No changes were made to the Executive Director salaries for 2023/24 and for the next financial year, 2024/25, no changes will be made to their salaries, in line with the approach for other senior management. This compares to average salary increases of 3.7% awarded to employees throughout the Group.

Financial highlights of 2023/24

The Company has had another strong year reflected in the following components of performance:

- Net cash of £532 million (2023: £410 million)
- Pre-tax return on shareholders' equity of 16.2% (2023: 18.7%)
- Net asset value per share increased by 8.4% to £33.63 (2023: £31.01)
- Cash due on forward sales of £1.7 billion (2023: £2.1 billion)
- Future anticipated gross margin in the land bank of £6.9 billion (2023: £7.6 billion)
- Profit before tax of £557.3 million (2023: £604.0 million)

Directors' remuneration report continued

ESG highlights

Awards under the Restricted Share Plan are subject to an ROE underpin and a discretionary assessment by the Remuneration Committee as to the Company's progress towards its Our Vision 2030 priorities. This second underpin is tested at the vest date but the Committee intends to report on the tracking against these priorities in interim Directors' Remuneration Reports. The Committee reviewed progress during the year, taking into account the following aspects and noting the strong performance and leadership positions in these areas:

- Led the industry on biodiversity net gain (BNG), with all planning applications since May 2017 committing to BNG ahead of it becoming mandatory in February 2024. To share lessons learnt from seven years of implementation, we partnered with Natural England in spring 2024 to deliver a series of events to upskill local authorities and SMEs on BNG.
- Awarded a place on the prestigious 'A List' by CDP for climate transparency and performance, the highest score possible and held by just a small number of companies around the world.
- AAA rated in the MSCI global ESG index, 'Prime' status in the ISS ESG Corporate Rating, 'low risk' within Sustainalytics and a Yearbook Member and Industry Mover within S&P Global's Corporate Sustainability Assessment (CSA).
- 48 embodied carbon studies completed as we progress our Climate Action programme. Awarded CDP's Supplier Engagement Award for our work with our supply chain on high impact materials.
- Prioritised the early delivery of public amenities and natural spaces to ensure local communities feel the benefits of regeneration as soon as possible, with several facilities delivered during the year and more than 500 planned on our live construction sites.
- Gold membership of The 5% Club maintained, with 9.5% of direct employees in 'earn and learn' positions as graduates, apprentices or sponsored students.
- Tenth consecutive year rated as 'outstanding' by In-house Research Ltd, the third party we use to obtain feedback from our customers. Industry leading Net Promoter Score (80.2) and customer satisfaction ratings maintained.
- Established arrangements in place for Building Safety and Quality Assurance and detailed training for our teams, helping us to create high quality homes and lead the industry as the Building Safety Act is embedded.
- Considerate and respectful construction, outperforming industry for health and safety standards and winner of the coveted Considerate Constructors Scheme Most Considerate Site in the country at Eden Grove.
- Supporting the work of the Berkeley Foundation through funding, staff volunteering and fundraising to help young people overcome barriers, improve their lives and build a fairer society.

Long-term Company performance

Berkeley's Return on Equity compared with the sector over the last 10 years illustrates the relative performance of the Company:

	2014/15	2015/16	2016/17	2017/18 Restated	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	10-year average
Berkeley	35.1%	30.8%	41.1%	41.9%	27.9%	16.6%	16.5%	17.5%	18.7%	16.2%	26.2%
Sector highest	35.1%	30.8%	41.1%	41.9%	34.1%	32.3%	23.1%	27.1%	20.7%	16.2%	26.2%
Sector lowest	12.2%	16.0%	15.7%	11.0%	15.9%	15.0%	5.7%	13.9%	8.8%	9.3%	12.9%
Sector average* (excluding Berkeley)	18.2%	22.3%	24.2%	23.3%	24.9%	23.8%	10.5%	17.7%	13.7%	12.8%	19.1%

* Sector includes Barratt Developments, Bellway, Persimmon, Redrow, Taylor Wimpey and Vistry.

The performance over the last 10 years highlights Berkeley's strategy to deliver long-term returns over the cycle.

Governance

The key governance highlights for the year were as follows:

- Appointment of a new member to the Remuneration Committee.
- The Committee reviewed the results of the shareholder vote on the Annual Report on Remuneration at the 2023 AGM, noting 86% of shareholders supported the report.

Decisions made during the year

The Committee determined the following during the year:

- Considered and approved the vesting of the eighth 2011 LTIP tranche in September 2023, including consideration of the extent to which financial and individual performance conditions were met.
- Approved no salary increases for Executive Directors for 2023/24, compared to the average workforce increase of 3.8%.
- Conducted a formal tender of the Remuneration Committee advisor. The process involved a request for proposal, submissions by a number of leading remuneration advisory firms and presentations to the Committee. Following the conclusion of this process Ellason LLP were appointed, replacing PwC.

Looking ahead - 2025 Remuneration Policy review

The Company is required to seek shareholder approval at the 2025 Annual General Meeting for a new Remuneration Policy. During the forthcoming year the Committee will consider the current Remuneration Policy and the extent to which it remains appropriate to support the delivery of the Company's strategy over the next Policy period. We intend to consult extensively with shareholders and proxy advisors in advance of seeking approval of the new Policy at the 2025 AGM.

In conclusion

We believe that in the wider context of the Company, its stakeholders and the successful implementation of the strategy that the remuneration outcomes for 2023/24 are appropriate. We look forward to shareholder support for the Annual Report on Remuneration at the forthcoming AGM, and I welcome any comments you may have on this report.

Natasha Adams

Chair of Remuneration Committee
19 June 2024

Directors' remuneration report continued

Remuneration at a glance

What we paid Executive Directors in the year

Executive Director £'000	Fixed pay ¹	LTIP	Total 2024
R C Perrins	659	7,367	8,026
R J Stearn	453	2,405	2,858
K Whiteman ²	154	2,578	2,732
J Tibaldi ²	152	1,922	2,074
P Vallone ²	152	1,922	2,074

1. Fixed pay includes benefits, which are not included in the remuneration cap.

See page 145 for a full breakdown

2. K Whiteman, J Tibaldi and P Vallone stepped down from the Board on 8 September 2023 and remuneration amounts disclosed in the table is to the date of stepping down from the Board.

Read more
pages 145 to 149

Executive Directors shareholdings

R C Perrins CEO

Shares at 30/04/24 % base salary
10,719%

R J Stearn CFO

Shares at 30/04/24 % base salary
2,778%

Read more
pages 150 to 151

Looking ahead

Executive Directors' remuneration for 2024/25

Fixed pay

CEO salary **£597,000**

CFO salary **£405,000**

Benefits package remains unchanged.

Pension contribution of 6% of salary.

Restricted shares

- **Annual grant:** CEO 175% of salary; CFO 150% of salary
- **Release of shares subject to performance underpin:** assessed after 4 years; ROE, strategic and ESG metrics
- **One year post-vesting holding period**
- **Awards subject to malus and clawback**

Read more
pages 143 and 147

Remuneration Policy

Compliance statement

This report, prepared by the Committee on behalf of the Board, has been prepared in accordance with the provisions of the Companies Act 2006 (the Act), the Listing Rules of the Financial Conduct Authority and the Large and Medium-sized Companies and Groups (Financial Statements and Reports) (Amendment) Regulations 2013. The Act requires the Auditor to report to the Company's shareholders on the audited information within this report and to state whether, in their opinion, those parts of the report have been prepared in accordance with the Act. The Auditor's opinion is set out on pages 165 to 181 and those aspects of the report that have been subject to audit are clearly marked. It is considered that throughout the year under review the Company has complied with the governance rules and best practice provisions applying to UK-listed companies.

Our remuneration philosophy

We have developed a clear set of principles which embed our strategy into how we deliver remuneration to our Executive Directors.

Remuneration principle	Details
Fixed pay should be aligned to the market and the individual's experience.	The Committee sets salaries for the Executive Directors based on their experience, role, individual and corporate performance. Salaries on appointment to the Board may be set below that of the comparator group and subsequently, based on appropriate levels of individual and corporate performance, may be increased with experience gained over time.
Variable pay should be linked to the long-term performance of the Company.	The Committee believes that shareholders' interests are best served by remuneration packages that have a large emphasis on performance-related pay which encourage the Executive Directors to focus on delivering the business strategy.
Executives should be rewarded for long-term sustainable performance.	Our Remuneration Policy delivers all variable pay in the form of long-term incentives. The long-term incentives, which extend to 2030, have been designed to lock in the Executive team for a far longer period than is typical in most publicly-listed companies. This helps to ensure that the Executive team is focused on executing our capital allocations strategy and generating long-term sustainable value for shareholders.
Executives should hold substantial equity holdings.	In order to align the interests of Executive Directors and shareholders, the reward strategy is designed so that, provided performance is delivered, the Executive team become material (in relation to their overall compensation) shareholders in the Company. We have a two-year post-cessation shareholding period to align with best practice.
Executive remuneration should not be excessive.	The Committee is cognisant of the broader environment regarding Executive remuneration and the potential concerns regarding the quantum available to Executive Directors notwithstanding the level of performance and growth which may have been achieved by the Company. The Committee considers the use of total remuneration caps to be an appropriate response to these challenges.

Directors' remuneration report continued

Summary Remuneration Policy

The current Remuneration Policy was approved by shareholders at the 2022 AGM, and full details of the Policy are set out on pages 18 to 28 of the 2022 Notice of Annual General Meeting which can be found on the Group's website at www.berkeleygroup.co.uk/about-us/investor-information/corporate-governance.

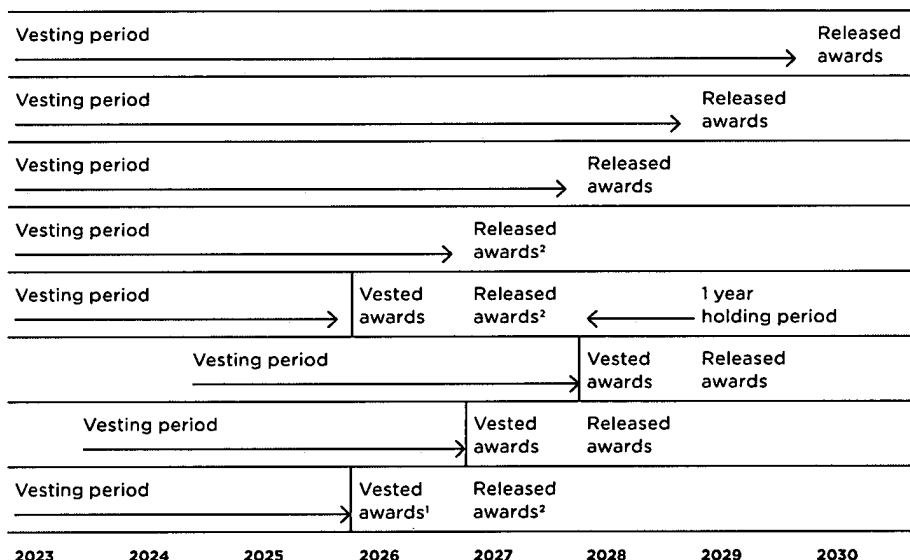
A summary of the elements under the Remuneration Policy is provided below.

Element	Remuneration link	Terms
Base salary, benefits and pension	- Modest fixed pay keeps costs low with upside for achievement against the priorities through variable pay.	- Pension: 6% of salary, in line with the wider workforce.
Restricted Share Plan (RSP)	- Alignment with longer term shareholder value. - Strategic underpin tests progress against the priorities of the Our Vision 2030 on aspects such as Climate action and Customers. - Rolling RoE underpin measured over 4 years tests sustainability of returns for investors per the Shared value priority. - Together with fixed pay, provides below-market median remuneration to the extent that returns to shareholders are median.	- Annual restricted share awards of 175% of salary for the CEO and 150% for the CFO. - Awards vest after 4 years subject to achieving a 15% Return on Equity over the 4-year period, with a further underpin adjusting the vesting downwards by up to 20% in the event of unsatisfactory progress against strategic and ESG priorities. - Vested awards are subject to a further 1-year holding period.
Long-Term Option Plan (LTOP)	- Progress against Our Vision 2030 priorities reflected in ability to meet strategic objectives and grow share price. - Vesting over 2026 to 2030 aligns reward to management with realisation of the Vision. - Level of potential upside reflects stretch in the priorities across the Vision.	- One-off grant in February 2023 of 1,000,000 options to the CEO and 350,000 options to the CFO - Vesting in five equal tranches between September 2026 and September 2030, with a holding restriction being in place until at least 5 years from grant. The exercise price ranges from £48.50 to £58.50 (see page 148 for further details), and will be reduced in proportion to dividends paid over the exercise period.
Cap	- Limits the amount of total remuneration that can be paid each year.	- Annual total remuneration caps of £8 million for the CEO and £3.25 million for the CFO.
Shareholding requirement	- Enhanced to further align Executive Directors with shareholder value per the Shared value priority.	- Shareholding requirements of 1,000% of salary, to be achieved within a 10-year period. - An interim requirement equal to 400% of salary to be achieved within 5 years. - Post-cessation shareholding requirement of 100% of actual shareholding (or requirement if lower) for 2 years post-cessation.

Long-Term Option Plan (LTOP)

Restricted Share Plan (RSP)

September



Notes:

1. Vesting February 2027.
2. Released February 2028.

Compliance with the 2018 UK Corporate Governance Code

Key remuneration element of the 2018 UK Corporate Governance Code	Alignment with our Remuneration Policy
Five-year period between the date of grant and realisation for equity incentives	The RSP has a combined vesting and holding period of 5 years and the LTOP has a vesting period of between 4 and 8 years, with a minimum holding period from 5 years from grant.
Phased release of equity awards	The RSP ensures the phased release of equity awards through annual rolling vesting.
Discretion to override formulaic outcomes	The Remuneration Policy contains the ability to override formulaic outcomes and apply discretion where deemed necessary.
Post-cessation shareholding requirement	The Executive Directors are required to comply with a 2-year post-cessation shareholding requirement.
Pension alignment	The pension entitlement for Executive Directors, of 6% of salary, is in line with the eligibility for the majority of the wider workforce.
Extended malus and clawback	The current malus and clawback provisions already exceed the best practice suggested in relation to the Code.

Directors' remuneration report continued

Service contracts

Details of the service contracts or letters of appointment of the Directors in office at year-end are as follows:

	Date of contract/letter of appointment	Expiry date	Notice period by Company or Director
Executive Directors			
R C Perrins	15 July 2002	Rolling service contract with no fixed expiry date	12 months
R J Stearn	3 October 2014	Rolling service contract with no fixed expiry date	12 months
Non-Executive Directors			
M Dobson	8 June 2022	Renewal annually on 1 May	n/a
R Downey	8 December 2017	Renewal annually on 1 May	n/a
E Adekunle	5 January 2021	Renewal annually on 1 May	n/a
W Jackson	5 January 2021	Renewal annually on 1 May	n/a
S Sands	30 April 2021	Renewal annually on 1 May	n/a
A Kemp	1 July 2021	Renewal annually on 1 May	n/a
N Adams	1 February 2022	Renewal annually on 1 May	n/a

All service contracts and letters of appointments are available for viewing at the Company's registered office.

The Company's practice is to appoint the Non-Executive Directors under letters of appointment, which are renewable annually on 1 May. They are subject to the provisions of the Articles of Association dealing with appointment and rotation every three years, however, in accordance with the UK Corporate Governance code all Directors are subject to annual re-election.

When setting notice periods for Executive Directors, the Committee has regard to market practice and corporate governance best practice. Notice periods will not be greater than 12 months.

Employment at Berkeley

Fairness, diversity and wider workforce considerations

Our employees are our strongest resource; it is important that we attract, develop and retain talented teams at every level. Each operating company runs personal and professional development programmes and ensures individuals receive the support and training that they need. In the section titled 'Our Vision 2030 progress', on pages 50 to 53, we set out how we are working towards creating a positive working environment for our people; one that fosters respect, support, wellbeing, safety and inclusivity.

The Committee seeks to ensure that pay is fair throughout the Company and makes decisions in relation to the structure of Executive pay in the context of the cascade of pay structures throughout the business.

Remuneration across the Company

The Committee carried out a review of key remuneration elements, policies and processes during the 2023/24 financial year, in order to ensure that wider workforce pay and policies were designed to support the Company's desired culture and values.

- A process was adopted whereby the Committee receives a report periodically from the Company setting out key details of remuneration throughout the Company. Clearly the levels of remuneration and the types offered will vary across the Company depending on the employee's level of seniority and role and also the employee's location. The Committee is not looking for a homogeneous approach; however, when conducting its review, it is paying particular attention to:
 - Whether the element of remuneration is consistent with the Company's Remuneration Principles;
 - If there are differences, are they objectively justifiable; and
 - Whether the approach seems fair and equitable in the context of other employees.

Once the Committee has conducted its review of the wider workforce remuneration and incentives it considers the approach applied to the remuneration of the Executive Directors and Senior Management. In particular, the Committee is focused on whether, within the framework set out above, the approach to the remuneration of the Executive Directors and Senior Management is consistent with that applied to the wider workforce.

The following table sets out a summary of the information received by the Committee.

Element of remuneration	Key areas reviewed and summary of findings
Base salary	We set salaries to ensure that we remain competitive in the market and that levels are appropriate considering roles and responsibilities of individuals. We have also committed to ensuring that all our employees receive at least the voluntary Living Wage as set by the Living Wage Foundation.
Pension	We provide either a contribution to a pension arrangement or a payment in lieu of pension. The maximum pension contribution for the wider workforce is 15% of salary; the average is 6%, the level to which pension contributions for the Executive Directors have been aligned since 31 December 2022.
Benefit	We offer a range of benefits to our employees, including medical insurance.
Bonus	Each business operates a bonus scheme for its employees. For senior employees (other than Executive Directors) elements of the bonus plan are linked to the performance of the relevant Division and are deferred to ensure performance over the long-term and to provide lock-in. Executive Directors are not eligible for annual bonuses.
LTOP	A number of senior individuals participate in the LTOP, on largely similar terms to those for the Executive Directors.
Medium-term incentives	In addition, medium-term incentive schemes are in place for all levels of staff below Executive Director level.

In conducting the review process for wider workforce remuneration for the coming financial year, and recognising the ongoing cost of living pressures, the Company focused reviews on lower salary levels and young talent, and exhibited restraint at higher salary levels.

Directors' remuneration report continued

The Committee is satisfied that:

- All employees are treated consistently and that the context and knowledge shared with the Committee is a useful underpin to ensure that the Committee's future decision making around Executives' and Senior Management's pay supports fair and equal remuneration;
- Salary increases for employees across the Company are being applied on an equitable basis, and that average employee increases are considered when setting pay increases for both the Executive Directors and Non-Executive Directors;
- Our levels of variable pay continue to be linked to the achievement of stretching performance targets and a strong governance framework, and all employees have the ability to share in the success of the Company. The incentive approach applied to the Executive Directors aligns with the wider Company policy on incentives, which is to have a higher percentage of at risk performance pay the more senior the employee and to increase the amount of incentive deferred, provided in equity and/or measured over the longer term the more senior the employee; and
- Overall the wider workforce pay policies and practices for all employees are in line with the remuneration principles, and the approach to Executive remuneration aligns with wider Company pay policy and that there are no anomalies specific to the Executive Directors.

Gender pay gap reporting

The median pay gap for Berkeley is 32.7%. Like much of our industry, this is primarily driven by the composition of our workforce, with a lower proportion of women in senior, higher paid roles, and more women occupying junior, lower paid roles, alongside Berkeley's strategy for procurement whereby construction labour is procured through subcontractor packages and not directly employed. The composition of our workforce also impacts our bonus gap, with our senior executives participating in the Company's Long-term Incentive Plans.

How we are improving diversity, fairness and equality across our organisation

Berkeley is committed to paying for performance equally and fairly, and rewarding and retaining our best people. We are already taking steps to increase the proportion of women within Berkeley as a whole, recognising the desire in the Group to promote from within and therefore providing increased opportunities for career progression within the organisation and to more senior roles over the long-term.

Central to this is to create a positive working environment for our people; one that fosters respect, support, wellbeing, safety and inclusivity. Our Vision 2030, Berkeley's long-term strategy, contains two strategic priorities focused on our workforce, 'Employee Experience' and 'Future Skills'.

Employee experience

This places a specific focus on several areas, including employee experience and diversity and inclusion. We are focusing on a range of actions across the business to help drive change; setting the tone from the top with strong leadership; working in partnership with external organisations; training all of our people in equity, diversity and inclusion; enhancing networking opportunities; raising awareness to all through communication on key topics and employing best practice recruitment practices.

There is a historic under-representation of women in our industry and we believe there are real benefits in ensuring diverse views, skills and perspectives which can lead to creative thinking and more effective problem solving. We are committed to creating an engaged and inclusive environment by developing guiding principles and seeking to attract and retain a diverse workforce.

Over the past year we have continued to develop our approach to Equity, Diversity and Inclusion for everyone working in the Berkeley Group.

Over the past five years we have introduced enhanced maternity and paternity policies, with the view of attracting and retaining more women, and also a more agile approach to working compared to traditional construction roles to attract and retain a more diverse pool of talent.

In addition to these initiatives, as a business we understand the importance of recruiting responsibly to help with the progression of women within the business. We understand the importance emerging talent schemes such as apprentice and graduate programmes have in attracting women into the industry, as evidenced by almost 50% of our women that currently work in construction at Berkeley Group having entered the business through one of these structured schemes.

Recruiting females into the business is a key step to addressing the gap but to strengthen the output we have also committed to increasing the level of women in management positions to 33% by 2026 to be more representative of our overall workforce. To help achieve this we have implemented mentoring programmes that focus specifically on the progression of women in production roles. This year we have ten women enrolled in the Mentoring Circle programme.

The health and wellbeing of our employees is also at the core of our values. All employees receive a suite of health and wellbeing benefits and those that have been in the business for two years are eligible for a free comprehensive health check that includes tests specific to female health such as breast cancer screening.

Throughout the individual operating companies local initiatives have been implemented to continue to improve the personal and professional development of women within the business. Included in this is the establishment of Employee Resource Networks (ERNs). Two of these groups are focused on addressing gender equality: Parents and Carers, and Women and Allies.

These networks have evolved to include activities such as large-scale events bringing women together, the implementation of training and development specifically focused on areas such as imposter syndrome and public speaking, and improving resources and materials such as women returning to work from Maternity Leave.

We have held several events throughout the year to encourage networking and further conversation around how women thrive at work, including our biggest event to date celebrating International Women's Day. For this we brought together 250 people across the business with the overarching aim of discussing the importance of allyship and how we can strengthen and empower allies within the business.

Future skills

This focuses on looking at how we can create tangible long-term change within the industry and inspire a broad range of people to join the built environment sector. This will naturally take a period of time but we are investing for the long term.

Our apprenticeship scheme continues to target a balanced intake each year, aiming to identify the next generation of leaders within the organisation, and in 2024 we saw 32% of positions filled by female candidates; a number of these in job roles traditionally filled by males in our industry.

In line with our continued work with local communities we have completed a number of engagements with young people in schools, some of which have been designed to specifically promote careers in the built environment to young women and girls.

We have a number of affiliations with companies that promote women to work in the built environment. We have enhanced a long-standing relationship with Women into Construction by becoming a Platinum Member and are a founding partner for the Mayor's Fund for London Firm Foundations diversity pledge.

Directors' remuneration report continued

How the Remuneration Policy was operated in 2023/24 and how it will be operated in 2024/25

Element and key features of current Remuneration Policy	How the Remuneration Policy was Implemented in 2023/24	How we plan to implement the Remuneration Policy in 2024/25																											
Base salary Set on appointment and reviewed annually (effective from 1 May each year) or when there is a change in position or responsibility. Determined taking into account a number of external and internal factors.	The salaries for 2023/24 are set out below: <table><thead><tr><th></th><th>£'000s</th><th>% Increase</th></tr></thead><tbody><tr><td>R C Perrins</td><td>597.0</td><td>-</td></tr><tr><td>R J Stearn</td><td>405.0</td><td>-</td></tr><tr><td>K Whiteman</td><td>389.0</td><td>-</td></tr><tr><td>J Tibaldi</td><td>389.0</td><td>-</td></tr><tr><td>P Vallone</td><td>389.0</td><td>-</td></tr></tbody></table> No changes were made to the Executive Director salaries in 2023/24. The salary increases awarded to employees throughout the Group were on average 3.8%.		£'000s	% Increase	R C Perrins	597.0	-	R J Stearn	405.0	-	K Whiteman	389.0	-	J Tibaldi	389.0	-	P Vallone	389.0	-	Base salary levels for 2024/25 will be as follows: <table><thead><tr><th></th><th>£'000s</th><th>% Increase</th></tr></thead><tbody><tr><td>R C Perrins</td><td>597.0</td><td>-</td></tr><tr><td>R J Stearn</td><td>405.0</td><td>-</td></tr></tbody></table> In reviewing the salaries of the Executive Directors for 2024/25, the Committee took account of the employment conditions and salary increases awarded to employees throughout the Group, which were on average 3.7%.		£'000s	% Increase	R C Perrins	597.0	-	R J Stearn	405.0	-
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	£'000s	% Increase																											
R C Perrins	597.0	-																											
R J Stearn	405.0	-																											
Benefits Benefits include a fully expensed car or car allowance alternative, and medical insurance. Additional benefits may be offered such as relocation allowances on recruitment.	Normal Company benefit provision.	Normal Company benefit provision.																											
Pension The Company provides either a contribution to a pension arrangement or a payment in lieu of pension.	The pension contributions for 2023/24 were as follows: <table><thead><tr><th></th><th>% salary</th></tr></thead><tbody><tr><td>R C Perrins</td><td>6%</td></tr><tr><td>R J Stearn</td><td>6%</td></tr><tr><td>K Whiteman</td><td>6%</td></tr><tr><td>J Tibaldi</td><td>6%</td></tr><tr><td>P Vallone</td><td>6%</td></tr></tbody></table> Executive Director pension contributions are aligned with the wider workforce.		% salary	R C Perrins	6%	R J Stearn	6%	K Whiteman	6%	J Tibaldi	6%	P Vallone	6%	The pension contributions for 2024/25 will be as follows: <table><thead><tr><th></th><th>% salary</th></tr></thead><tbody><tr><td>R C Perrins</td><td>6%</td></tr><tr><td>R J Stearn</td><td>6%</td></tr></tbody></table> Executive Director pension contributions are aligned with the wider workforce.		% salary	R C Perrins	6%	R J Stearn	6%									
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LTIP No new grants to be made under this legacy plan.	The eighth vesting of options under the 2011 LTIP occurred on 30 September 2023.	The ninth vesting of options under the 2011 LTIP is due on 30 September 2024.																											

Element and key features of current Remuneration Policy	How the Remuneration Policy was Implemented in 2023/24	How we plan to Implement the Remuneration Policy in 2024/25																		
LTOP A one-off grant of options, with vesting in five equal tranches between September 2026 and September 2030 (i.e. between 4 years and 8 years from grant), with holding restriction until at least 5 years from grant. Exercise price operates as a ratchet mechanism whereby price increases by £2.50 per year for awards vesting from September 2027 onwards.	N/A – one-off award was made in 2022/23, so no further awards will be made to incumbent directors.	N/A – no further awards will be made to incumbent Executive Directors.																		
RSP Annual grant of restricted share awards with vesting after 4 years subject to underpin conditions, and with a further 1 year holding period.	Annual grant of nil-cost options made during 2023/24. 175% of salary per annum for the Chief Executive Officer and 150% of salary per annum for other Executive Directors. The vesting of awards is subject to two underpin conditions: 1. In order for any of the award to vest, the average Return on Equity over the prior four years must be at least 15% 2. Up to 20% of the award will be forfeited in the event of unsatisfactory progress against strategic and ESG priorities over the vesting period. Malus and clawback provisions apply.	The Remuneration Policy allows annual awards to be granted under the RSP. The Committee and Executive Directors are mindful of the significant stretch now represented by the 15% ROE underpin, which is materially more challenging in the current operating environment for the sector than was envisaged at the time of embedding this level of underpin in the current Policy approved at the 6 September 2022 AGM.																		
Total Remuneration Cap Individual caps will limit the amount of total remuneration that can be paid in respect of the financial year.	The Total Remuneration Cap for the Executive Directors are set out below: <table><thead><tr><th></th><th>Total Remuneration Cap p.a. (£)</th></tr></thead><tbody><tr><td>R C Perrins</td><td>8,000,000</td></tr><tr><td>R J Stearn</td><td>3,250,000</td></tr><tr><td>K Whiteman</td><td>3,250,000</td></tr><tr><td>J Tibaldi</td><td>2,400,000</td></tr><tr><td>P Vallone</td><td>2,400,000</td></tr></tbody></table>		Total Remuneration Cap p.a. (£)	R C Perrins	8,000,000	R J Stearn	3,250,000	K Whiteman	3,250,000	J Tibaldi	2,400,000	P Vallone	2,400,000	The Total Remuneration Caps remain unchanged. <table><thead><tr><th></th><th>Total Remuneration Cap p.a. (£)</th></tr></thead><tbody><tr><td>R C Perrins</td><td>8,000,000</td></tr><tr><td>R J Stearn</td><td>3,250,000</td></tr></tbody></table>		Total Remuneration Cap p.a. (£)	R C Perrins	8,000,000	R J Stearn	3,250,000
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R J Stearn	3,250,000																			

Directors' remuneration report continued

Element and key features of current Remuneration Policy	How the Remuneration Policy was Implemented in 2023/24	How we plan to implement the Remuneration Policy in 2024/25
Minimum shareholding requirement The Committee operates a system of shareholding guidelines to encourage long-term share ownership by the Executive Directors.	Shareholding requirement of 1000% of salary for all Executive Directors, to be achieved within the later of 10 years from appointment and the effective date of the Remuneration Policy. An interim requirement equal to 400% of salary should be achieved within the later of 5 years from appointment and the effective date of the Remuneration Policy.	The minimum shareholding requirement remains unchanged.
Post-cessation shareholding requirement To ensure that Executive Directors continue to be aligned with the shareholders' interests post their cessation of employment with the Group.	For two years following the cessation of employment, Executive Directors are required to hold shares to the value of the shareholding guideline that applied at the cessation of their employment; or, in cases where the individual has not had sufficient time to build up shares to meet their guideline, the actual level of shareholding at cessation.	The post-cessation shareholding requirement remains unchanged.
NED fee policy All Non-Executive Directors have specific terms of engagement and their remuneration is determined by the Board within the limits set by the Articles of Association. Each Non-Executive Director receives a fee which relates to membership of the Board and additional fees are paid for being Committee Chair. A minimum shareholding requirement applies for the Non-Executive Directors equal to 100% of net fees. This should be achieved within three years of appointment.	Non-Executive Director fee levels for 2023/24 were not increased, and were as follows: - Chair: £400k; - SID fee: £88.5k; - Basic fee: £72.5k; - Additional fee for Chair of the Committee: £13k. The average employee rise in salaries was 3.8%.	Non-Executive Director fee levels for 2024/25 are as follows: - Chair: £400k; - SID fee: £88.5k; - Basic fee: £72.5k; - Additional fee for Chair of the Committee: £15k; - Membership of Committee fee (Audit and Remuneration): £5k. Non-Executive Director fees are being increased through the introduction of a Committee membership fee to better reflect the time commitment of individual Directors. The average employee rise in salaries was 3.7%.

Annual Report on remuneration

This section of the Remuneration Report contains details of how the Company's Remuneration Policy, approved by shareholders at the AGM on 6 September 2022, was implemented for Executive Directors during the financial year that ended on 30 April 2024.

Single total figure of remuneration (Audited)

The table below sets out the single total figure of remuneration and breakdown for each Executive Director paid in the 2023/24 financial year. The components of the single figure for 2023/24 are aligned with the calculation of the individual elements of remuneration for the purposes of the Total Remuneration Cap, which was first introduced as part of the Remuneration Policy approved by shareholders at the 2017 EGM, re-approved at the 2019 and 2022 AGMs.

Executive Director £'000	Salary 2024	Pension 2024	Total Remuneration				Total fixed 2024	Total variable 2024	Total 2024
			LTIP ¹	Cap ²	Actual ³	Benefits ⁴			
R C Perrins	597	36	7,367	8,000	8,000	26	659	7,367	8,026
R J Stearn	405	24	2,405	3,250	2,834	24	453	2,405	2,858
K Whiteman ⁵	139	8	2,578	3,250	2,725	7	154	2,578	2,732
J Tibaldi ⁵	139	8	1,922	2,400	2,069	5	152	1,922	2,074
P Vallone ⁵	139	8	1,922	2,400	2,069	5	152	1,922	2,074

Notes

1. This represents the eighth tranche of the 2011 LTIP that vested on 2 October 2023 at a share price of £41.03 subject to the operation of the Total Remuneration Cap (see table on page 147 for details). Where the LTIP value would have been greater without the Cap, it is the capped amount which is payable and therefore disclosed in the single figure of remuneration. The capped amount is equivalent to the Total Remuneration Cap less salary less pensions.
2. The Total Remuneration Cap limits the amount of total remuneration that has been earned over the financial year and is capable of being paid out.
3. The Total Remuneration Cap operated for the 2023/24 financial year and where the remuneration would have been greater without the Cap, it is the capped amount which is payable and therefore disclosed in the single figure of remuneration.
4. Benefits, which are not included in calculating the Remuneration Cap, include a fully expensed company car or cash allowance alternative and medical insurance.
5. K Whiteman, J Tibaldi and P Vallone stepped down from the Board on 8 September 2023 and remuneration amounts disclosed in the table is to the date of stepping down from the Board.

Comparative figures for 2022/23, as disclosed in last year's Directors' Remuneration Report, are set out in the table below.

Executive Director £'000	Salary 2023	Pension 2023	Total Remuneration				Total fixed 2023	Total variable 2023	Total 2023
			LTIP ¹	Cap ²	Actual ³	Benefits ⁴			
R C Perrins	597	80	7,323	8,000	8,000	43	720	7,323	8,043
R J Stearn	405	49	1,782	3,250	2,236	23	477	1,782	2,259
K Whiteman	389	47	1,976	3,250	2,412	27	463	1,976	2,439
J Tibaldi	389	47	1,639	2,400	2,075	14	450	1,639	2,089
P Vallone	389	47	1,639	2,400	2,075	14	450	1,639	2,089

Notes

1. This represents the seventh tranche of the 2011 LTIP that vested on 30 September 2022 at a share price of £31.79 subject to the operation of the Total Remuneration Cap. Where the LTIP value would have been greater without the Cap, it is the capped amount which is payable and therefore disclosed in the single figure of remuneration. The capped amount is equivalent to the Total Remuneration Cap less salary less pensions.
2. The Total Remuneration Cap limits the amount of total remuneration that has been earned over the financial year and is capable of being paid out.
3. The Total Remuneration Cap operated for the 2022/23 financial year and where the remuneration would have been greater without the Cap, it is the capped amount which is payable and therefore disclosed in the single figure of remuneration.
4. Benefits, which are not included in calculating the Remuneration Cap, include a fully expensed company car or cash allowance alternative and medical insurance.

Directors' remuneration report continued

Long-term incentives (Audited)

Vesting of the eighth tranche of the 2011 LTIP

The eighth tranche of the LTIP was the fourth to be subject to the enhanced performance conditions set out on pages 112 and 113 of the 2020 Report and Accounts. The following table sets these out split between Return Targets and Financial Targets:

Return Targets	No element of the 2011 LTIP can vest unless the cumulative returns target has been met through the delivery of the targeted returns during the financial year.	
Performance Condition	Detail	Actual Performance
Cumulative Return	Target returns in respect of the 12 months to 30 September 2023: £282.7 million.	Actual returns made in respect of the 12 months to 30 September 2023: £282.7 million.
	Cumulative return target since 2011: £1,961.8 million.	Actual cumulative return since 2011: £1,961.8 million.
Vesting	50% of the 2011 LTIP tranche will be capable of vesting at the 2023 vesting date and will vest on the satisfaction of the Cumulative Return performance condition. Where this performance condition is not met 100% of the relevant tranche due to vest at 30 September 2023 will lapse.	This element of the award vested in full on September 2023.
Financial Targets	Provided the Cumulative Return performance condition has been satisfied 50% of this tranche under the 2011 LTIP is subject to the satisfaction of the following additional performance conditions.	
Performance Condition	Detail	Actual Performance
Cumulative ROE	30% of the tranche is subject to achieving a cumulative pre-tax Return on Equity (ROE) of a minimum of 15% (to be calculated commencing 1 May 2019).	Actual cumulative ROE 17.3%. Full vesting of the 30% of the tranche subject to this performance condition.
Cumulative Profit before Tax	20% of the tranche is subject the cumulative Profit before Tax; to achieve the target in any one year: 1. The Company needs to deliver Profit before Tax of at least £500 million; or 2. The Company must be on track to deliver a cumulative Profit before Tax of £3 billion in the six years ending 30 April 2025.	The Company delivered a Profit before Tax of £604.0 million for the year ended 30 April 2023. Full vesting of the 20% of the tranche subject to this performance condition.
Vesting of the 2011 LTIP Tranche on 30 September 2023		100%

As detailed on page 128 of the 2021 Report and Accounts, the tranches of the 2011 LTIP which vest from 2021 onwards are subject to additional performance conditions based on the individual performance of the Executive Directors. The Committee assessed the individual contribution of the Executive Directors and determined that no adjustment to the formulaic outcome, as detailed in the table above, was appropriate.

The eighth tranche of the 2011 LTIP award vested in the year as follows. The number of options released from the Plan is limited to ensure the value of the Total Remuneration Cap for each individual is not exceeded:

	Cumulative Banked options at 30/9/22 ¹	Net Total Remuneration Cap after fixed pay ²	Options in each annual tranche for 2022 to 2025 ³	Maximum number of banked options capable of vesting ⁴	Actual number of options capable of vesting ⁵	Performance measure and outcome	Number of options vested after performance test	Value of gain on options vested ⁶	Cumulative Banked options c/f ⁷
R C Perrins	2,087,127	7,367,180	590,904	206,207	206,207	See	206,207	7,367,157	1,880,920
R J Stearn	201,909	2,820,700	67,303	78,951	67,303	above for performance measures.	67,303	2,404,534	134,606
K Whiteman ⁹	223,787	2,837,660	74,596	79,426	74,596	Vesting outcome - 100%	74,596	2,665,091	149,191
J Tibaldi ⁹	185,637	1,987,660	61,879	55,634	55,634		55,634	1,987,636	130,003
P M Vallone ⁹	185,637	1,987,660	61,879	55,634	55,634		55,634	1,987,636	130,003

Notes

1. This is the brought forward banked shares after the vesting on 30 September 2022.
2. The LTIP Cap continues to limit the LTIP vesting at each vesting date. The LTIP Cap operated for the 2023/24 financial year and where the LTIP value would have been greater without the Cap based on the cumulative banked options vesting in four equal tranches, it is the capped amount which is payable and therefore disclosed in the single figure of remuneration.
3. The banked options at 30 September 2021 vest in four equal tranches from September 2022 to September 2025, subject to the application of the LTIP cap at each vesting.
4. This is the maximum number of options that could have vested up to the LTIP cap.
5. This is the maximum number of options that vested, being the lesser of (3) and (4)
6. This is the value of the options that vested, calculated using the opening share price of £41.03 on 2 October 2023 (the date the options vested and became exercisable) less the exercise price of £5.30 per share.
7. These are the banked options carried forward to next year.
8. Each Executive Director exercised all the options that vested on 30 September 2023. Under the rules of the Plan, after the sale of shares to pay tax, only 10% of shares are permitted to be sold each year until 30 September 2025 at which point the sale restriction falls away.
9. K Whiteman, J Tibaldi and P Vallone stepped down from the Board prior to the vesting of the eighth tranche of the 2011 LTIP. The value disclosed in the single total figure of remuneration table reflects the pro-rata value at 8 September 2023, the date of stepping down.

The Committee did not adjust the level of option vesting as a result of share price growth over the performance period. It is an inherent feature of the 2011 LTIP that management and shareholders' interests are aligned based on Total Shareholder Returns (including share price growth) over the performance period. The Committee did not exercise any other discretion in relation to the level of the option vesting other than to apply the Total Remuneration Cap.

Restricted Share Plan awards granted in the year

Restricted Share Plan (RSP) awards were granted to the Executive Directors on 20 September 2023, as per the table below.

Executive Director	Type of award	Number of awards granted	Award as % of salary	Aggregate market value ¹	Vesting date
R C Perrins	Nil-cost option	25,378	175%	£1,044,728	20 September 2027
R J Stearn		14,756	150%	£607,455	

1. Based on the average closing share price of £41.17 over the three days prior to grant.

The Awards entitle Executive Directors to acquire shares up to the maximum number set out above, subject to continued employment and two underpins being:

- the Company's average return on equity over the four financial years commencing with the financial year ending 30 April 2024 being at least 15% on an annualised basis; and,
- an additional discretionary underpin pursuant to which the Remuneration Committee of the Company may reduce the level of vesting by up to 20% to reflect what it considers to be unsatisfactory progress over the performance period against the strategic and ESG priorities set out in Our Vision 2030.

The Awards are also subject to a holding period ending on 20 September 2028.

Directors' remuneration report continued

Long-Term Option Plan awards

Awards were granted to Executive Directors under the Long-Term Option Plan (LTOP) to the Executive Directors in the previous financial year, on 9 February 2023. The awards vest in five equal tranches commencing on 30 September 2026, as summarised below.

Executive Director	Type of award	Number of awards granted	Aggregate market value ¹	Exercise price on grant	Vesting dates (awards vest in equal tranches)
R C Perrins	Option	1,000,000	£42.81m	Tranche 1: £48.50	Tranche 1: 30 September 2026
R J Stearn		350,000	£14.98m	Tranche 2: £51.00	Tranche 2: 30 September 2027
K Whiteman ²		350,000	£14.98m	Tranche 3: £53.50	Tranche 3: 30 September 2028
J Tibaldi ²		350,000	£14.98m	Tranche 4: £56.00	Tranche 4: 30 September 2029
P Vallone ²		350,000	£14.98m	Tranche 5: £58.50	Tranche 5: 30 September 2030

Notes

1. Based on the average closing share price of £42.81 over the three days prior to grant.

2. K Whiteman, J Tibaldi and P Vallone stepped down from the Board on 8 September 2023, they remain employees of the Company and retain their interests in the LTOP.

The exercise price operates as a ratchet mechanism whereby the exercise price increases by £2.50 per year for awards vesting from September 2027 onwards, as indicated in the table above. Dividends or other distributions to shareholders (other than in relation to share buy-backs) are deducted from the exercise price between grant and exercise. Tranches 1 and 2 are subject to a holding period beginning on the vesting date and ending 9 February 2028.

Dilution

A maximum of approximately 19 million shares were approved by shareholders under the 2011 LTIP. The actual number issued is significantly lower due to a combination of remuneration caps, the settlement of awards net of both the option price and participants' tax obligations and leavers.

To date, 4.4 million shares have been issued under the 2011 LTIP since 2016 and it is anticipated that, applying the same principles, a maximum of approximately 0.4 million further shares will be awarded by the scheme's final vesting in September 2025; in total 4.6% of the Company's current issued share capital over a ten year period.

The Company intends to manage the level of dilution arising from the LTOP awards by implementing net settling for tax and the exercise price where appropriate.

Beyond September 2025, the total maximum dilution in respect of discretionary share plans over a 10 year period is anticipated to fall to around 3% based on the operation of the new plans under the Directors' Remuneration Policy.

Non-Executive Directors single figure table (Audited)

The table below sets out the single total figure of remuneration and breakdown for each Non-Executive Director. Non-Executive Directors do not participate in any of the Company's incentive arrangements nor do they receive benefits.

Non-Executive Director £'000	Basic fees		Additional fees ¹		Total fees	
	2024	2023	2024	2023	2024	2023
M Dobson ²	400.0	359.5	-	-	400.0	359.5
J Armitt ³	31.3	87.8	-	-	31.3	87.8
A Myers ⁴	25.9	72.5	4.6	13.0	30.5	85.5
D Brightmore-Armour ⁴	31.5	88.5	-	-	31.5	88.5
R Downey ⁵	82.6	72.5	-	-	82.6	72.5
E Adekunle	72.5	72.5	-	-	72.5	72.5
W Jackson	72.5	72.5	-	-	72.5	72.5
S Sands	72.5	72.5	-	-	72.5	72.5
A Kemp ⁶	72.5	72.5	13.0	13.0	85.5	85.5
N Adams ⁷	72.5	72.5	8.2	-	80.7	72.5

Notes

1. Additional fees represent fees paid for the role of Committee Chair.
2. M Dobson was appointed to the Board on 8 June 2022 and to the role of Chair on 6 September 2022.
3. J Armitt stepped down from the Board on 8 September 2023; he received a base fee of £87,800 to reflect his experience and pre-eminent standing in construction and infrastructure, and the value he added to the Board.
4. A Myers and D Brightmore-Armour stepped down from the Board on 8 September 2023.
5. R Downey was appointed to the role of Senior Independent Director on 8 September 2023.
6. A Kemp stepped down from the role of Remuneration Committee Chair on 8 September 2023, he was appointed to the role of Audit Committee Chair on the same date.
7. N Adams was appointed to the role of Remuneration Committee Chair on 8 September 2023.

Payments to past Directors (Audited)

No payments to past Directors were made in the year.

Payments for Loss of Office (Audited)

Following the decision made by the Company to streamline the Board by reducing its size, to ensure compliance with all aspects of Board composition under the UK Corporate Governance Code and Listing Rule 9.8.6R(9)(a) Karl Whiteman, Justin Tibaldi and Paul Vallone stepped down from the Board on 8 September 2023. They remain in their current operational roles and members of the Board of the Company's immediate subsidiary. There were no payments for loss of office and their outstanding 2011 LTIP, LTIP and RSP awards will vest at their normal vesting date and subject to performance conditions and/or underpins as set out on pages 146 to 148 of this report.

Directors' remuneration report continued

Directors' shareholding and share interests (Audited)

The Company has a shareholding requirement for both Executive and Non-Executive Directors, linked to the base salary or net fee they receive from the Company. Using the Company's closing share price of £47.14 on 30 April 2024, compliance with the requirements was as follows:

	Obligation ¹ (% of base salary)	Actual Share-holding as a % of base salary at 30 April 2024	Achievement at 30 April 2024
Executive Directors			
R C Perrins	400%/1000%	10,719%	✓
R J Stearn	400%/1000%	2,778%	✓
K Whiteman ²	400%/1000%	3,490%	✓
J Tibaldi ²	400%/1000%	972%	✓
P Vallone ²	400%/1000%	1,012%	✓

	Obligation ³ (% NED base fee)	Actual Share-holding as a % of base fee at 30 April 2024	Achievement at 30 April 2024
Non-Executive Directors			
M Dobson	100%	177%	✓
J Armitt ⁴	100%	523%	✓
A Myers ⁴	100%	243%	✓
D Brightmore-Armour ⁴	100%	75%	x
R Downey	100%	120%	✓
E Adekunle	100%	136%	✓
W Jackson	100%	3,680%	✓
S Sands	100%	107%	✓
A Kemp	100%	274%	✓
N Adams	100%	203%	✓

Notes

1. A 1000% of salary requirement for all Executive Directors is to be achieved within the later of 10 years from appointment and the effective date of the Remuneration Policy. An interim requirement equal to 400% of salary should be achieved within the later of 5 years from appointment and the effective date of the 2022 Remuneration Policy.
2. K Whiteman, J Tibaldi and P Vallone stepped down from the Board on 8 September 2023 and their shareholdings are shown as at that date.
3. To be achieved within three years of appointment.
4. J Armitt, A Myers and D Brightmore-Armour ceased to be Directors on 8 September 2023 and their shareholdings are shown as at that date.

	Beneficially owned shares ¹	Banked LTIP options ²	LTOP options ³	RSP awards ⁴	Total Interests held
Executive Directors					
R C Perrins	1,357,534	1,880,920	1,000,000	49,785	4,288,239
R J Stearn	238,676	134,606	350,000	28,948	752,230
K Whiteman ⁵	341,778	223,787	350,000	13,631	929,196
J Tibaldi ⁵	95,168	185,637	350,000	13,631	644,436
P Vallone ⁵	99,067	185,637	350,000	13,631	648,335
Non-Executive Directors					
M Dobson	8,259	-	-	-	8,259
J Armit ⁵	6,363	-	-	-	6,363
A Myers ⁵	2,770	-	-	-	2,770
D Brightmore-Armour ⁵	923	-	-	-	923
R Downey	1,191	-	-	-	1,191
E Adekunle	1,108	-	-	-	1,108
W Jackson	30,000	-	-	-	30,000
S Sands	874	-	-	-	874
A Kemp	2,636	-	-	-	2,636
N Adams	1,947	-	-	-	1,947

Notes

1. Beneficial interests include shares held directly or indirectly by connected persons.
2. Banked LTIP options may vest subject to the achievement of performance conditions depending on the number of banked options held by a participant and the share price of the Company.
3. LTOP options vest in equal tranches subject to continued service.
4. RSP awards vest after four years subject to satisfaction of underpin conditions and continued service.
5. The Director stepped down from the Board on 8 September 2023 and their share and option interests are shown as at that date.

Directors' remuneration report continued

Comparison of Chief Executive total remuneration and Total Shareholder Return against the market

The graph below shows the Company's performance, measured by Total Shareholder Return (TSR), compared with the performance of the FTSE 250, FTSE 100 and the FTSE All Share indices. The Company considers these the most relevant indices for Total Shareholder Return disclosure required under the Regulations.

To give context to the total single figure levels of the Chief Executive we have also included the single figure historical outcomes from the table below onto the chart to demonstrate the clear alignment between shareholder returns and the Chief Executive's single figure pay that results from the nature of the remuneration structure in place.

Chief Executive pay in the last 10 years

The table below shows the remuneration of the Chief Executive for each of the financial years shown in the graph above.

	Single figure total of remuneration (£'000) R C Perrins Chief Executive	Annual bonus payout ¹ (as a % of maximum opportunity)	Multi-year incentive vesting awards (as a % of maximum opportunity)
2023/24	8,026	-	100%
2022/23	8,043	-	100%
2021/22	8,043	-	100%
2020/21	7,971	-	100%
2019/20	8,303	-	100%
2018/19	7,809	100%	100%
2017/18	7,806	100%	100%
2016/17	27,963	100%	100%
2015/16	10,993	100%	100%
2014/15	12,357	100%	100%

1. The Remuneration Policy has not incorporated an annual bonus since 2019/20

Percentage change in Directors' remuneration

The following table compares Directors' pay (including salary, taxable benefits and annual bonus) with the wider employee population. The Company considers the full time employee population, excluding the Main Board, to be an appropriate comparator group and the most stable point of comparison:

Director	Base salary/fees				Taxable benefits				Annual Bonus			
	2024	2023	2022	2021	2024	2023	2022	2021	2024	2023	2022	2021
Executive Directors												
R C Perrins	0%	3.0%	3.5%	0%	-40%	1%	64%	-37%	n/a	n/a	n/a	n/a
R J Stearn	0%	3.0%	3.5%	0%	4%	1%	1%	1%	n/a	n/a	n/a	n/a
K Whiteman ¹	0%	3.0%	3.5%	0%	-28%	-14%	32%	-2%	n/a	n/a	n/a	n/a
J Tibaldi ¹	0%	3.0%	3.5%	0%	1%	1%	1%	0%	n/a	n/a	n/a	n/a
P Vallone ¹	0%	3.0%	3.5%	0%	1%	0%	-1%	-23%	n/a	n/a	n/a	n/a
Non-Executive Directors												
M Dobson ²	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
J Armitt ³	0%	3.0%	3.5%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A Myers ³	0%	3.1%	3.5%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
D Brightmore-Armour ³	0%	3.0%	3.5%	Note 4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
R Downey ⁵	0%	3.1%	3.5%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
E Adekunle	0%	3.1%	3.5%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
W Jackson	0%	3.1%	3.5%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
S Sands	0%	3.1%	3.5%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A Kemp	0%	3.1%	3.5%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
N Adams	0%	3.1%	3.5%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average percentage increase for employees ⁶	3.8%	6.2%	5.3%	0.2%	0%	5%	4%	4%	-7%	2%	5%	7%

Notes

1. K Whiteman, J Tibaldi and P Vallone stepped down from the Board on 8 September 2023 and the figures are based on FTE.
2. M Dobson was appointed to the Board on 8 June 2022.
3. J Armitt, A Myers and D Brightmore-Armour stepped down from the Board on 8 September 2023 and the figures are based on FTE fees.
4. On appointment as Senior Independent Director on 23 July 2020 D Brightmore-Armour's fee increased from £68k to £83k per annum.
5. On appointment as Senior Independent Director on 8 September 2023 R Downey's fee increased from £72.5k to £88.5k per annum.
6. The listed Parent Company does not employ any staff. The data in respect of employees is therefore in relation to the whole Group (excluding the Main Board).

The Committee considers the year-on-year change in salary between the Chief Executive and the employees as a clear indication that there is not a divergence in the rate of fixed pay.

Directors' remuneration report continued

Pay comparisons

The following table provides the ratio of the Chief Executive to that of the median, 25th and 75th percentile total remuneration of full time equivalent UK employees.

Year	Method ¹	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023/24	Option B	176:1	111:1	77:1
2022/23	Option B	189:1	123:1	77:1
2021/22	Option B	200:1	109:1	85:1
2020/21	Option B	189:1	119:1	85:1
2019/20	Option B	189:1	125:1	84:1

Notes

1. CEO pay ratio is determined by reference to representative employee data as at the financial year end

The median pay ratio for 2023/24 is 111:1. The Company considers that the median pay ratio for 2023/24 is consistent with the pay, reward and progression policies for the Company's UK employees as a whole.

The Committee determined that it would be appropriate to use Option B of The Companies (Miscellaneous Reporting) Regulations 2018, where the latest available gender pay gap data (i.e. from April 2024) was used to identify the best equivalent for three Group UK employees whose hourly rates of pay were at the 25th, 50th and 75th percentiles for the Group. A full time equivalent total pay and benefits figure for the relevant financial year was then calculated for each of those employees. No adjustments (other than the approximate up-rating of pay elements to achieve full time equivalent rates) were made and no components of pay have been omitted. We believe this provides a clear and robust methodology to facilitate year-on-year reporting whilst remaining simple and providing a reasonable estimate for employee pay at these levels.

The Committee is satisfied that the individuals identified within each relevant percentile appropriately reflects the employee pay profiles at those quartiles, and each was remunerated in line with Berkeley's remuneration policies. A small number of employees at either side of the quartile points identified from the gender pay gap data were also considered, together with their corresponding full time equivalent total pay and benefits figures to ensure that the employees identified at each of the three percentile points are reasonably representative of each quartile.

The table below sets out the salary and total pay and benefits for the representative employees.

	25th percentile	Median	75th percentile
Salary	42,000	59,000	81,000
Total pay and benefits	45,593	71,972	104,972

Shareholders expect the Chief Executive to have a significant proportion of his pay based on performance and paid in shares. It is this element of his package which will provide any observed volatility in his remuneration when comparing on a year-to-year basis to the wider employee population. The Committee is comfortable that the underlying picture is not one of a greater divergence of the Chief Executive's remuneration from employees, i.e. excluding the volatility of long-term incentive arrangements, the relationship will be consistent. There is likely to be significant volatility in this ratio year-on-year, and we believe that this is likely to be caused by the following factors:

- Our Chief Executive's pay is made up of a higher proportion of incentive pay than that of our employees, in line with the expectations of our shareholders. This introduces a higher degree of potential variability in his pay each year, which will affect the ratio.
- The value of long-term incentives is disclosed in pay in the year it vests, which increases the Chief Executive's pay in that year, again impacting the ratio for that year.
- Long-term incentives are provided in shares, and therefore an increase in share price magnifies the impact of a long-term incentive award vesting in a year, reflecting alignment with shareholder value.
- We recognise that the ratio is driven by the different structure of the pay of our Chief Executive versus that of our employees, as well as the make-up of our workforce. This ratio varies between businesses even in the same sector. What is important from our perspective is that this ratio is influenced only by the differences in structure, and not by divergence in fixed pay between the Chief Executive and the wider workforce.
- Where the structure of remuneration is similar, as for the Executive Directors and the Chief Executive, the ratio will be much more stable over time.
- None of the lower quartile, median and upper quartile employees identified this year is a participant in the LTIP. If the value of the LTIP is excluded in the CEO pay ratio calculation, the ratios would be as follows:
 - To employee at the 25th percentile - 14:1
 - To employee at the 50th percentile - 9:1
 - To employee at the 75th percentile - 6:1

Relative importance of spend on pay

The table below sets out the relative importance of spend on pay in the 2022/23 and 2023/24 financial years compared with distributions to shareholders.

	2023/24 £m	2022/23 £m	% change
Remuneration of Group employees (including Directors)	233	254	(8%)
Distributions to shareholders by way of dividends and share buy-backs	170	254	(33%)

The Remuneration Committee's remit

The Committee remit includes responsibility for setting and managing the remuneration of Berkeley's Senior Management, in addition to Executive Directors. The Committee's focus is on determining the remuneration policy and practices to ensure that the incentives operated by the Company align with its culture and strategy.

The Committee also has oversight of wider workforce pay and policies and incentives, which enables it to ensure that the approach to Executive remuneration is consistent with those for the workforce. The Committee is provided with additional information from the Company in order to carry out these responsibilities.

Directors' remuneration report continued

Who supports the Committee?

In determining the Executive Directors' remuneration for the year, the Committee consulted with the Chief Executive, R C Perrins, and the Chief Financial Officer, R J Stearn. No Director played a part in any discussion about their own remuneration. The Company Secretary attended each meeting as Secretary to the Committee.

During the year the Committee undertook a formal tender process, following which Ellason LLP were appointed as the independent remuneration advisor to the Committee. Prior to that, PricewaterhouseCoopers LLP (PwC) was the independent remuneration advisor to the Committee. PwC also provided Berkeley with tax advisory services during the year.

The Committee reviewed the nature of the other services provided by PwC and was satisfied that no conflict of interest existed in the provision of these services. Ellason and PwC are members of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to remuneration committees. Fees of £47,535 were paid to Ellason during the year and £65,500 (2023: £103,200) were paid to PwC in respect of advice to the Committee on Directors' remuneration. The Committee is comfortable that the members of the advisory teams who provide remuneration advice have no connections with the Company or its Directors that may impair their independence.

Shareholder support

The results of the shareholder votes on the 2022 Remuneration Policy at the 2022 AGM and the 2023 Annual Report on Remuneration at the 2023 AGM are set out below.

	Votes For	Votes Against
2022 Remuneration Policy	60.3%	39.7%
2023 Annual Report on Remuneration	86.4%	13.6%

Directors' report

The Directors submit their report together with the audited Consolidated and Company Financial Statements for the year ended 30 April 2024.

For the purpose of Disclosure Guidance and Transparency Rule (DTR) 4.1.8R, the Directors' Report is also the Management Report for the year ended 30 April 2024.

Certain information that is relevant to this report, including information required in accordance with the Companies Act 2006, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), DTR 4.1.8R, DTR 7, Listing Rule (LR) 9.4.3R and LR 9.8R can be found in the Strategic Report and the Corporate Governance section of this Annual Report, as detailed in each case below, and is thereby incorporated by reference into this report.

The following information in respect of LR 9.8.4R can be located in the following sections:

Information	Section In Annual Report	Pages
Capitalised interest	Directors' Report	159
Unaudited financial information	-	N/A
Long-term incentive schemes	Remuneration Report	130-155
Waiver of Directors' emoluments	Remuneration Report	130-155
Allotments of equity securities	-	N/A
Contracts of significance	Directors' Report	158
Controlling shareholders	-	158
Dividend waivers	Directors' Report	158

The Corporate Governance section on pages 104 to 156 forms part of the Directors' Report.

The Company's statement of how it has applied the Principles of the Code and complied with the relevant provisions of the Code is set out on pages 105, 126 and 137 of this report.

A full review of the business, its development, performance and position at the year end, together with information in respect of important events and likely future developments, as required by DTR 4.1.8R, is set out on pages 18 to 31 of the Strategic Report and is incorporated into this report by reference.

Financial risk management and financial instruments

The Company has not used financial instruments during the year under review. Information in respect of the principal financial and operating risks and uncertainties relating to the business, including the Group's financial risk management objectives and policies and its exposure to liquidity, foreign currency, interest rate, price and credit risks, is set out on pages 92 to 103 of the Strategic Report and in note 2.23 of the Consolidated Financial Statements, and is incorporated into this report by reference.

Dividends

An interim dividend of 59.3 pence per share was paid to shareholders on 8 September 2023 and a further interim dividend of 33 pence per share was paid on 20 March 2024.

Post Balance Sheet events

There are no post Balance Sheet events that require disclosure.

Share capital

As at 30 April 2024, the Company had 114,711,897 ordinary shares of 5.4141 pence each in issue (2023: 116,537,358 ordinary shares of 5.4141 pence each), which are fully paid.

During the year to 30 April 2024, and in accordance with the authority provided by shareholders at the 2022 and 2023 AGMs, the Company has purchased through the market for cancellation 1,825,461 ordinary shares with a nominal value of £98,832.28, which equated to 1.70% of the called-up share capital of the Company at the beginning of the financial year, excluding treasury shares. The aggregate consideration paid for these shares was £72.3 million.

As at 30 April 2024, the Company held 8,784,264 shares in treasury. These shares have no voting rights. Authority will be sought from shareholders at the forthcoming AGM to renew the authority given at the 2023 AGM for a further year, permitting the Company to purchase its own shares in the market up to a limit of 10% of its issued share capital.

The business of the Company shall be managed by the Directors, who may exercise all the powers of the Company subject to the provisions of the Company's Articles of Association (the 'Articles') and statutes, and to such directions as may be given by the Company in general meeting by special resolution, provided that no such direction or alteration of the Articles shall invalidate any prior act of the Directors which would have been valid if such direction or alteration of the Articles had not been given. Further details of Directors' powers are set out in the Articles.

At the Company's 2023 AGM, Directors were authorised to allot shares or grant rights to subscribe for, or convert, any security into shares up to an aggregate nominal amount of £1,921,375.55 and to allot shares for a similar aggregate nominal amount for the purposes of a rights issue.

Directors' report continued

The Directors were further authorised to disapply statutory pre-emption rights in connection with certain allotments of shares. These authorities will apply until the conclusion of the 2024 AGM and it is proposed that shareholders will be asked to authorise the Directors to allot shares and disapply statutory pre-emption rights at the 2024 AGM.

Movements in the Company's share capital are shown in note 2.18 to the Consolidated Financial Statements.

All the Company's issued share capital is publicly listed on the London Stock Exchange.

All shares have full rights in the Company with respect to voting, dividends and distributions, except as explained above in respect of treasury shares. Further information in respect of the rights and obligations attaching to the ordinary shares are set out in the Articles.

There are no specific restrictions on the size of a shareholding or on the transfer of shares, which are both governed by the Articles and the prevailing law. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of shares or on voting rights.

No person has special rights of control over the Company's share capital.

Information on the Group's share option schemes is set out in note 2.5 to the Consolidated Financial Statements. Details of the Long-Term Incentive Schemes and Long-Term Incentive Plans for key Executives are set out within the Directors' Remuneration Report on pages 130 to 156.

Articles of Association

The Articles set out the basic management and administrative structure of the Company. They regulate the internal affairs of the Company and cover such matters as the issue and transfer of shares, Board and shareholder meetings, powers and duties of Directors and borrowing powers. In accordance with the Articles, Directors can be appointed or removed by shareholders in a general meeting.

The Articles may only be amended by special resolution at a general meeting of shareholders. The Articles are available on the Company's website (www.Berkeleygroup.co.uk/investors/corporate-governance). Copies are available by writing to the Company Secretary and are also open to inspection at Companies House.

Directors

The Directors of the Company, their profiles and details of their roles and the Committees of which they are members are detailed on pages 106 to 108 and are incorporated into this report by reference. The Directors served throughout the year under review and up to the date of this report. Non-Executive Directors Diana Brightmore-Armour, Andy Myers and Sir John Armitt stepped down from the Board and retired as Directors at the conclusion of the 2023 AGM. In addition, Executive Directors, Justin Tibaldi, Paul Vallone and Karl Whiteman stepped down from the Board at the conclusion of the 2023 AGM.

The appointment and replacement of Directors is governed by the Company's Articles, the Code, the Companies Act 2006 and any related legislation. The Company, by ordinary resolution, or the Directors may from time to time appoint a Director to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next AGM and shall then be eligible for reappointment.

The Articles require Directors to submit themselves for re-election every three years. In addition, all Directors are subject to election at the first opportunity after their appointment to the Board. However, in accordance with UK Corporate Governance Code, each of the Directors is subject to annual re-election at the AGM and is being unanimously recommended by all the other members of the Board. This recommendation follows the completion of the annual Board evaluation process, which was facilitated internally this year. Further information relating to the evaluation is set out on page 123.

The interests of the Directors and their connected persons in the share capital of the Company and its subsidiaries are set out on page 151. At 30 April 2024 each of the Executive Directors was deemed to have a non-beneficial interest in 56,116 (2023: 103,506) ordinary shares held by the Trustees of the Berkeley Group Employee Benefit Trust (EBT). The shares held in the EBT rank *pari passu* with all other shares in issue. However, the Trustees of the EBT has waived entitlement to dividends until further notice and has agreed not to vote on any shares held in the EBT at any general meeting.

There were no contracts of significance during, or at the end of, the financial year in which a Director of the Company is, or was, materially interested, other than those set out in note 2.25 to the Consolidated Financial Statements, the contracts of employment of the Executive Directors, which are terminable within one year, and the appointment terms of the Non-Executive Directors, which are renewable annually and terminable on one month's notice.

Directors' indemnities

The Company maintains Directors' and officers' liability insurance which provides appropriate cover for legal action brought against its Directors.

The Company's practice has always been to indemnify its Directors in accordance with the Company's Articles and to the maximum extent permitted by law. Qualifying third-party indemnities, under which the Company has agreed to indemnify the Directors, were in force during the financial year and at the date of approval of the Financial Statements, in accordance with the Company's Articles and to the maximum extent permitted by law, in respect of all costs, charges, expenses, losses and liabilities which they may incur in or about the execution of their duties for the Company, or any entity which is an associated company (as defined in Section 256 of the Companies Act 2006), or as a result of duties performed by the Directors on behalf of the Company or any such associated company.

Substantial shareholders

	Number of ordinary shares held ⁽ⁱ⁾	% of voting rights ⁽ⁱ⁾
The latest notifications received by the Company from shareholders in respect of their interests, pursuant to DTR 5, as at 30 April 2024 are as follows:		
First Eagle Investment Management LLC	11,773,177	11.015
Egerton Capital (UK) LLP	5,278,198	4.97
Between 30 April 2024 and 18 June 2024, the Company was notified of the following change to substantial interests pursuant to DTR 5.		
First Eagle Investment Management LLC	11,647,824	10.996

(i) The number of ordinary shares held and percentage of voting rights is as stated by the shareholder at the time of notification.

Political donations

The Group did not make any political donations or incur any political expenditure (2023: £nil) during the year.

Capitalised interest

No interest has been capitalised by the Group (2023: £nil) during the year under review.

Employee engagement

The Group's policy of operating through autonomous subsidiaries has ensured close consultation with employees on matters likely to affect their interests. The Group is firmly committed to the continuation and strengthening of communication lines with all its employees.

Further information is provided on pages 50 and 61 of the Strategic Report.

The Group has in place an Equality and Diversity Policy Statement, an Employee Policy and Equal Opportunities Policy which aims to ensure that all employees, potential employees and other individuals receive equal treatment (including access to employment, training, career development and opportunity for promotion) regardless of their age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief (including lack of belief), sex and sexual orientation.

Stakeholder engagement

The Company recognises the importance of good supplier, customer and other relationships to the overall success of the business and manages dealings with stakeholders in a fair, consistent and transparent manner.

The Company's s172(1) Statement on page 58 of the Strategic Report sets out further details of how the Directors have:

- engaged with employees;
- had regard to employee interests and the effect of that regard, including on the principal decisions taken by the Company during the year; and

- had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the year.

Sustainability

The Group is committed to being a responsible and sustainable business which thinks about the long-term and creates positive environmental, social and economic impacts. These aspects are considered in the Group's approach to managing its operational activities and in the homes and places it develops.

The Group has an integrated strategy for the business: Our Vision 2030. Sustainability is a key element of the Group's strategy with a number of targets directly relating to material sustainability topics such as climate change. Information on Our Vision 2030 can be found within the Strategic Report and on the Group's website.

The Directors have ultimate responsibility for sustainability within the Group. The Our Vision 2030 and Sustainability Board, which meets monthly to set strategic direction and review performance, consists of the Chief Executive, the Chief Financial Officer, the Executive Committee member responsible for sustainability, the Responsible Business Executive and the Group Head of Sustainability. Dedicated operational practitioners work throughout the business to ensure that sustainability is incorporated into daily activities. Group Sustainability Standards cover our activities, supported by detailed procedures within a Sustainability Management System.

Directors' report continued

Scopes 1 and 2 greenhouse gas emissions and energy consumption

The Group has reported on greenhouse gas (GHG) emissions for which it is responsible and energy use associated with these GHG emissions, as required under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The emissions and energy consumption disclosed are aligned to the Group's financial reporting year; are based on the operational boundary of the Group covering regional offices, sales suites, development sites and business vehicle travel; include 100% of joint venture emissions for these activities; and are considered material to the business. They have the following parameters:

- **Scope 1** – direct emissions from natural gas consumed for office, sales and development site activities; biodiesel HVO (Hydrotreated Vegetable Oil), diesel, petrol and liquefied petroleum gas (LPG) purchased directly for development site activities; and travel (business and other travel where expensed) in Company owned and Company leased vehicles utilising conventional fuels as an energy source. Fugitive emissions from refrigerants are also included.
- **Scope 2** – indirect emissions from electricity and heat consumed for office, sales and development site activities; and travel (business and other travel where expensed) in Company owned and Company leased vehicles utilising electricity as an energy source. The Group has reported both location-based and market-based emissions for scope 2, with the market-based emissions taking into account Berkeley's purchase of Renewable Energy Guarantees of Origin (REGOs) to certify that 100% of UK electricity is from a renewable source (i.e. solar, wind or hydro power).

Emissions intensity ratios have been calculated using the floor area of legally completed homes and commercial space during the year, including our joint ventures.

The Group creates homes and neighbourhoods across London, Birmingham and the South of England. As a result, the majority of emissions and energy consumption are UK-based. Global emissions and energy consumption result from electricity usage in eight international offices.

In addition to the below reported emissions, in 2024 biogenic CO₂ (considered 'outside of scopes') amounted to 2,818 tCO₂.

UK Government Environmental Reporting Guidelines 2019 have been used as the basis for disclosures. UK Government GHG Conversion Factors for Company Reporting and International Energy Agency conversion factors have been used to convert raw data units into GHG emissions and energy consumption.

	Unit	2024			2023		
		Total	UK	Global (excluding UK)	Total	UK	Global (excluding UK)
Scope 1 emissions	tCO ₂ e	609 ^A	609	-	713	713	-
Scope 2 (location-based) emissions	tCO ₂ e	4,636 ^A	4,425	211	4,510	4,352	158
Scope 2 (market-based) emissions	tCO ₂ e	308 ^A	97	211	250	92	158
Scopes 1 and 2 (location-based) emissions	tCO ₂ e	5,245 ^A	5,034	211	5,223	5,065	158
Scopes 1 and 2 (location-based) emissions intensity	tCO ₂ e/100sqm	1.71	-	-	1.46	-	-
Scopes 1 and 2 (market-based) emissions	tCO ₂ e	917 ^A	706	211	963	805	158
Scopes 1 and 2 (market-based) emissions intensity	tCO ₂ e/100sqm	0.30	-	-	0.27	-	-
Energy consumption associated with scope 1 emissions	MWh	5,665 ^A	5,665	-	7,572	7,572	-
Energy consumption associated with scope 2 emissions	MWh	21,840 ^A	21,470	370	22,848	22,568	280
Energy consumption associated with scopes 1 and 2 emissions	MWh	27,505 ^A	27,135	370	30,420	30,140	280

^A 2024 information has been separately subject to limited assurance by KPMG LLP. Further details of the assurance provided in 2024, including the independent assurance report and our methodology for reporting emissions, can be found at www.berkeleygroup.co.uk/sustainabilitydisclosures

Energy Consumption by Fuel Type

88% of our energy consumption is from renewable sources

Scope 1		Scope 2	
Biodiesel HVO	12%	Purchased Electricity - UK	76%
Vehicle Travel	5%	Purchased Heat	2%
Natural Gas	3%	Purchased Electricity - Global exc UK	1%
Diesel	1%	Vehicle Travel	0%
LPG	0%	On-site Generated	0%
Petrol	0%	Renewable Electricity	

Energy Consumption by Activity Type

76% of energy consumption is a result of construction activities

Development Site	76%
Divisional Office	10%
Sales Suite	9%
Vehicle Travel	5%

GHG Emissions by Scope

5,245 tCO₂e

917 tCO₂e

Location-based		Market-based	
Scope 1	12%	Scope 1	66%
Scope 2	88%	Scope 2	34%

Directors' report continued

The Directors confirm that reported GHG emissions and energy consumption have been prepared in accordance with the Group's established reporting criteria, are free from material misstatement and have been presented in a manner that provides relevant, reliable, comparable and understandable information.

Further details on our methodology for reporting emissions and energy consumption can be found in our established reporting criteria available at www.berkeleygroup.co.uk/sustainabilitydisclosures.

A range of actions have been implemented in the year to reduce energy consumption and emissions. We have continued to encourage the use of biodiesel HVO (Hydrotreated Vegetable Oil); in 2024, 96% of directly procured diesel was biodiesel HVO. The use of this alternative fuel has reduced scope 1 emissions by 869 tCO₂e in the year compared to an equivalent use of fossil diesel. Other initiatives include the implementation of an enhanced energy monitoring system across a number of our sites, enabling the use of consumption alerts to review and address high energy consuming activities in real-time. The improved access to data has also led to the trial of a revised temporary electrics and transformer set up at Green Park Village, with the efficiency outcomes of this shared across the Group for wider application.

Further measures include the recent installation of solar photovoltaic (PV) panels for the welfare facilities at Oval Village, and the incorporation of a master 'off' switch for non-essential equipment to address out of hours consumption at the project office of Leighwood Fields. The energy audits completed in the year for compliance with the Energy Savings Opportunity Scheme (ESOS) have already led to lighting and heating changes, with further reductions expected as the recommendations are more widely integrated across the business.

Significant agreements

Pursuant to the Companies Act 2006, the Company is required to disclose whether there are any significant agreements that take effect, alter or terminate upon a change of control.

Change of control provisions are included as standard in many types of commercial agreements, notably bank facility agreements and joint venture shareholder agreements, for the protection of both parties. Such standard terms are included in Berkeley's bank facility agreement which contains provisions that give the banks certain rights upon a change of control of the Company.

In addition, the Company's share schemes contain provisions which take effect upon change of control. These do not entitle the participants to a greater interest in the shares of the Company than that created by the initial grant of the award. The Company does not have any arrangements with any Director or employee that provide compensation for loss of office or employment resulting from a takeover.

Independent auditor and disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Annual General Meeting

The Company's AGM will take place at 11.00 a.m. on 6 September 2024. Details of the AGM and arrangements for engagement with shareholders will be set out within the Notice of Meeting.

In accordance with the FRC Guidance on Board Effectiveness, the Company arranges for the Annual Report and Accounts and related papers to be posted to shareholders so as to allow at least 20 working days for consideration prior to the AGM.

At the AGM, voting on all resolutions will be by proxy voting and the results of the AGM will be announced to the Stock Exchange shortly after the close of the meeting. They will also be made available on the Company's website.

The terms and conditions of appointment for the Non-Executive Directors, which set out their expected time commitment, in addition to the service contracts for the Executive Directors, are available for inspection during normal business hours at the Company's registered office. Ordinarily, these are also available for inspection at the AGM. The Directors are responsible for preparing the Annual Report and the Group and Parent Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company Financial Statements for each financial year. Under that law they are required to prepare the Group Financial Statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company Financial Statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group Financial Statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;

- for the Parent Company Financial Statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company Financial Statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its Financial Statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Directors' report continued

Going concern

The Group's business activities together with the factors likely to affect its future development performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are all described in the Trading and Financial Review on pages 29 to 31.

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 30 April 2024, the Group has net cash of £532 million and total liquidity of £1.7 billion when this net cash is combined with banking facilities of £800 million, (which expire in February 2029) and £400 million listed Green Bonds (which mature in August 2031). Furthermore, the Group has cash due on forward sales of £1,701 million, a significant amount 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, reasonable sensitivities have been applied to the key factors affecting the financial performance of the Group. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for not less than 12 months from the date of these Financial Statements. For this reason it continues to adopt the going concern basis of accounting in preparing its Consolidated Financial Statements.

By order of the Board


Victoria Mee

Company Secretary
The Berkeley Group Holdings plc
Registered number: 5172586
19 June 2024

Directors' responsibility statement

Each of the Directors confirms that, to the best of each person's knowledge:

- the Consolidated Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Company Financial Statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities, financial position and results of the Company; and
- the Strategic Report, together with the Directors' Report, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces, including those that would threaten its business model, future performance, solvency or liquidity.

For and on behalf of the Board

R Perrins
Chief Executive

R J Stearn
Chief Financial Officer
19 June 2024

KPMG LLP'S INDEPENDENT AUDITOR'S REPORT

To the members of The Berkeley Group Holdings plc

1. Our opinion is unmodified

In our opinion:

- the financial statements of The Berkeley Group Holdings plc give a true and fair view of the state of the Group's and Parent Company's affairs as at 30 April 2024, and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What our opinion covers

We have audited the Group and Parent Company financial statements of The Berkeley Group Holdings plc ("the Company") for the year ended 30 April 2024 (FY24) included in the Annual Report, which comprise:

Group	Parent Company (The Berkeley Group Holdings plc)
Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial position, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and notes 1 to 2.26 to the Group financial statements, including the accounting policies in notes 1 to 2.26.	Company Balance Sheet, Company Statement of Changes in Equity and notes C1 to C2.9 to the Parent Company financial statements, including the accounting policies in notes C1 to C2.9.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit Committee ("AC").

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

2. Overview of our audit

Factors driving our view of risks	Our risk assessment considers the Group's operations, the macro-economic and other relevant external factors which impact the judgements and estimates made by the Group. Having considered these external factors, we have identified the same key audit matters as in the prior year.	Key Audit Matters	Vs FY23	Item
	Cost of sales is subject to estimation uncertainty as it is dependent on the Group's estimate of future sales prices and land and build costs, including an allowance for risk. Increase in market uncertainty during FY24 is considered to have heightened the already high estimation uncertainty associated with this key audit matter.	Cost of sales recognition	↑	4.1
	Post completion development provisions are estimated based on historic experience of liabilities arising on completed developments and have a high level of estimation uncertainty, however this has not been significantly impacted by the change in the macro-economic environment during FY24.	Post completion development provisions	→	4.2
	Recoverability of investments in, and amounts due from its indirect subsidiaries remains our biggest focus in the audit of the parent Company, The Berkeley Group Holdings plc, due to their materiality in the context of the parent Company financial statements.	Recoverability of parent company's investments in, and amounts due from its indirect subsidiaries	→	4.3

INDEPENDENT AUDITOR'S REPORT CONTINUED

Audit committee interaction	During the year, the AC met four times. KPMG was invited to attend all AC meetings and was provided with an opportunity to meet with the AC in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the AC in section 4, including matters that required particular judgement for each. The matters included in the Audit Committee Chair’s report on page 127 are materially consistent with our observations of those meetings.																		
Our independence	We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. We have not performed any non-audit services during FY24 or subsequently which are prohibited by the FRC Ethical Standard. We were first appointed as auditor by the Directors for the year ended 30 April 2014. The period of total uninterrupted engagement is for the 11 financial years ended 30 April 2024. Following a competitive tender process undertaken in FY23, the shareholders approved to reappoint KPMG as its external auditor for the financial year end 30 April 2024 at its 2023 Annual General Meeting. The Group engagement partner is required to rotate every 5 years. As these are the third set of the Group’s financial statements signed by Anna Jones, she will be required to rotate off after the FY26 audit.	<table><tr><td>Total audit fee</td><td>£1.6m</td></tr><tr><td>Audit related fees (including interim review)</td><td>£0.1m</td></tr><tr><td>Other services</td><td>£0.1m</td></tr><tr><td>Non-audit fee as a % of total audit and audit related fee %</td><td>6%</td></tr><tr><td>Date first appointed</td><td>27 November 2013</td></tr><tr><td>Uninterrupted audit tenure</td><td>11 years</td></tr><tr><td>Next financial period which requires a tender</td><td>2034</td></tr><tr><td>Tenure of Group engagement partner</td><td>3 years</td></tr></table>		Total audit fee	£1.6m	Audit related fees (including interim review)	£0.1m	Other services	£0.1m	Non-audit fee as a % of total audit and audit related fee %	6%	Date first appointed	27 November 2013	Uninterrupted audit tenure	11 years	Next financial period which requires a tender	2034	Tenure of Group engagement partner	3 years
Total audit fee	£1.6m																		
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Other services	£0.1m																		
Non-audit fee as a % of total audit and audit related fee %	6%																		
Date first appointed	27 November 2013																		
Uninterrupted audit tenure	11 years																		
Next financial period which requires a tender	2034																		
Tenure of Group engagement partner	3 years																		
Materiality (Item 6 below)	The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement. We have determined overall materiality for the Group financial statements as a whole at £26.0m (FY23: £27.0m) and for the Parent Company financial statements as a whole at £14.5m (FY23: £13.5m). Consistent with FY23, we determined that Group profit before tax remains the benchmark for the Group as the users of the financial statements will be primarily interested in the profitability of the Group and its ability to generate returns for shareholders. As such, we based our Group materiality on Group profit before tax, of which it represents 4.7% (FY23 4.5%). Materiality for the Parent Company financial statements was determined with reference to a benchmark of Parent Company total assets of which it represents 0.8% (FY23: 0.7%).	Materiality levels used in our audit <table><tr><td>Group GPM</td><td>Group Materiality Group Performance Materiality</td></tr><tr><td>HCM</td><td>Highest Component Materiality</td></tr><tr><td>PLC LCM</td><td>Parent Company Materiality Lowest Component Materiality</td></tr><tr><td>AMPT</td><td>Audit Misstatement Posting Threshold</td></tr></table>		Group GPM	Group Materiality Group Performance Materiality	HCM	Highest Component Materiality	PLC LCM	Parent Company Materiality Lowest Component Materiality	AMPT	Audit Misstatement Posting Threshold								
Group GPM	Group Materiality Group Performance Materiality																		
HCM	Highest Component Materiality																		
PLC LCM	Parent Company Materiality Lowest Component Materiality																		
AMPT	Audit Misstatement Posting Threshold																		

Group scope (Item 7 below)	We have performed risk assessment and planning procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements, the type of procedures to be performed at these components and the extent of involvement required from our component auditors. The Group operates in the UK across a number of components. We scoped the audit by obtaining an understanding of the Group, its environment and assessing the risk of material misstatement at the Group and component level. We have considered components based on their contribution to Group revenue, Group profit before tax and Group total assets. Of the Group's 16 (FY23:16) reporting components, we subjected seven (FY23: seven) to full scope audits for group purposes and three (FY23: three) to specified risk-focused audit procedures over cost of sales recognition and post completion development provisions and one (FY23: one) to specified risk-focused audit procedures over property, plant and equipment (FY23: property, plant and equipment). The components within the scope of our work accounted for the percentages illustrated opposite. In addition, we have performed Group level analysis on the remaining components to determine whether further risks of material misstatement exist in those components. We consider the scope of our audit, as communicated to the Audit Committee, to be an appropriate basis for our audit opinion. Full scope audits Specified risk-focused audit procedures Remaining components	Coverage of Group financial statements 1% 5% Profit before tax 94% 1% 6% Total assets 93% 20% Revenue 80%
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INDEPENDENT AUDITOR'S REPORT CONTINUED

The impact of climate change on our audit	In planning our audit, we considered the potential impact of climate change on the Group's business and its financial statements. The Group's core activities of designing, building, and selling new homes is a carbon intensive process. This includes developing large-scale regeneration projects to transform mainly brownfield sites into new homes and communal spaces by using heavy machinery to demolish existing structures and constructing new buildings using carbon intensive materials, such as steel and concrete. The Group emits greenhouse gases directly from energy used in its construction operations. As part of the Group's Our Vision 2030, the Group has set targets of reducing greenhouse gas emissions and becoming a net zero business by 2045. Whilst the Group has set targets to be carbon neutral by 2045, the full impact on its cost base and on cash flows are inherently uncertain and the Group's assessment continues to evolve. Further information is provided in the Strategic Report on pages 64 and 67 and the Group's climate-related disclosures on pages 68 to 88 of the annual report. Climate change initiatives and commitments could impact the Group's future cash flows, particularly the forecasts of future build costs. For example, in relation to materials, new building technologies, regulatory changes, and changes in specifications. The potential effect of climate on build costs in the future is not separately identifiable and the full extent is uncertain. Our work on the forecasts of future build costs as they apply to the estimates of the cost of sales recognition is discussed in our cost of sales recognition key audit matter. As part of our audit, we have performed a risk assessment, including enquiries of Group and divisional management to understand how the impact of commitments made by the Group in respect of climate change, as well as the physical or transition risks of climate change, may affect the financial statements and our audit. We also held discussions with our own climate change professionals to challenge our risk assessment. Our risk assessment procedures also included comparing operational plans for the Group's existing climate related initiatives, such as the installation of air source heat pumps and EV charging points on sites, to the Group's forecast of future build costs. We have also read the Group's disclosure of climate related information in the front half of the annual report and considered consistency with the financial statements and our audit knowledge.
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3. Going concern, viability and principal risks and uncertainties

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Going Concern

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and Parent Company's available financial resources over this period was a possible reduction in sales prices and volumes as a consequence of changes in the economic environment leading to a sustained medium-term decline in revenue and profits.

We also considered less predictable but realistic second order impacts, such as cost inflation, delays to construction programmes and new building regulations.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

Our procedures also included:

- critically assessing assumptions in the base case and downside scenario, particularly in relation to forecast liquidity, by tracing a sample of secured sales to customer contracts in order to assess the existence of forward secured sales;
- inspecting the loan agreements to confirm the nature of the associated covenant requirements and critically assessed forecast compliance in the base case and downside scenarios;
- inspecting confirmation from banks of the level of cash and cash equivalents held at year end; and
- assessing the completeness of going concern disclosure in notes 1.2 and C1.2 to the financial statements.

Accordingly, based on those procedures, we found the Directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Our conclusions

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' statement in notes 1.2 and C1.2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in notes 1.2 and C1.2 to be acceptable; and
- The related statement under the Listing Rules set out on page 164 is materially consistent with the financial statements and our audit knowledge.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Viability Statement on page 93 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the 'how we manage risks' disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement set out on page 93 under the Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

4. Key audit matters

What we mean

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matters in decreasing order of audit significance together with our key audit procedures to address those matters and our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on these matters.

4.1 Cost of sales recognition (group)

Financial Statement Elements	Our assessment of risk vs FY23		Our results
	FY24	FY23	
Cost of sales	£1,819.8m	£1,853.4m	FY24: Acceptable FY23: Acceptable
Description of the Key Audit Matter	Our response to the risk		
	Our procedures to address the risk included:		
Cost of sales is subject to estimation uncertainty as it is dependent on the Group's estimate of future sales prices and land and build costs, including an allowance for risk. Further, estimation uncertainty and exposure to market cyclicality exists within longer term sites. Forecasts are dependent on market conditions, which can be difficult to predict and can be influenced by political and economic factors including, but not limited to, the future market uncertainties surrounding the longer-term impacts of macroeconomic factors, uncertainties over associated costs and sales prices. The effect of this matter is that, as part of our risk assessment, we determined that cost of sales has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (note 1.1) disclose that this is unlikely to have a material effect in the next financial year.	Methodology choice: Assessed whether the cost allocation methodology used by the Group to recognise cost of sales, including any changes in methodology made in the year, is in accordance with the Group's accounting policies; Control observation and operation: We attended a haphazard sample of the Group's build cost meetings that are held for each site to assess the discussion and review of site forecasts. Assessed whether the appropriate individuals attended the meetings, and that the site forecast costs for developments are challenged and discussed, and costs forecasts are updated as appropriate; and For a sample of sites that we consider at higher risk of misstatement, due to either their size, complexity or specific risk factors, we inspected the whole site forecasts and challenged the Group's inputs and assumptions by performing the following procedures: Historical and current transactions comparison – forecast sales prices: We compared forecast sales prices to recent prices achieved for similar units as this is the best indicator of current market prices; compared forecast sales prices to average sales prices per unit and square footage achieved to date on a site; and assessed the Group's historical accuracy of forecasting sales prices; Historical and current transactions comparison – forecast costs: We assessed the Group's historical accuracy of forecasting costs by comparing build costs incurred to date to original budgets and benchmark forecast build costs against similar sites across the Group. Benchmarked contingencies included in the site wide forecasts for cost increases, sales price uncertainties or other potential changes such as new regulations or climate related costs to forecast contingencies held for similar sites across the Group and to historical uncertainties that have crystallised; Our sector experience: We challenged the Group's forecast sales price and forecast cost assumptions using our own expectations based on our knowledge of the Group and experience of the industry in which it operates; Sensitivity analysis: We used third party forecasts for the housing market and industry cost indices to sensitise the sales price and build cost assumptions, to assess the impact on the forecast margin used to allocate costs and compared the results to site contingencies held; and Assessing transparency: We considered the adequacy of the Group's disclosures in note 2.12 to the financial statements regarding the degree of judgement, estimation uncertainty and sensitivity to key assumptions involved in arriving at the forecast site margins and resultant cost of sales recognised.		

INDEPENDENT AUDITOR'S REPORT CONTINUED

Communications with The Berkeley Holdings Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of cost of sales including details of our planned substantive procedures and the extent of our control reliance.
- Our assessment of the of the Group's methodology for accounting for cost of sales.
- Our assessment of the key assumptions used by management in determining the cost of sales to be recognised for units legally completed in the year.
- Our assessment of the level of allowance for risk held across the Group's sites.
- The adequacy of disclosures made by the Group on the estimates, and related estimation uncertainty, used to determine the amount of cost of sales to recognise.

Areas of particular auditor judgement

We identified the cost, sales, and risk allowance forecast utilised in the Group's estimate as the area of particular auditor judgement.

Our results

We found the cost of sales recognised to be acceptable (FY23 result: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 127 for details on how the Audit Committee considered cost of sales recognition as an area of significant attention, note 2.12 for the accounting policy on cost of sales recognition, and note 2.12 for the financial disclosures.

4.2 Post completion development provision (group)

Financial Statement Elements	Our assessment of risk vs FY23	Our results						
<table> <tr> <th></th><th>FY24</th><th>FY23</th></tr> <tr> <td>Post completion development provision</td><td>£200.6m</td><td>£189.0m</td></tr> </table>		FY24	FY23	Post completion development provision	£200.6m	£189.0m	→ We have not identified any significant changes in our assessment of the level of risk relating to the post completion development provision compared to FY23.	FY24: Acceptable FY23: Acceptable
	FY24	FY23						
Post completion development provision	£200.6m	£189.0m						
Description of the Key Audit Matter	Our response to the risk							
The Group holds post completion development provisions in respect of claims and construction related liabilities that have arisen, or that prior claims experience indicates may arise subsequent to the completion of certain developments. The identification and estimation of amounts to be recognised in relation to post completion development provisions is judgemental by its nature as it requires the Group to make a number of estimates, including the forecast costs to rectify identified issues and whether prior claims experience is reflective of future issues. The effect of these matters is that, as part of our risk assessment, we determined that post completion development provisions have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (note 2.16) disclose that this is unlikely to have a material effect in the next financial year.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures to address the risk included: Methodology: We assessed the Group's methodology for accounting for provisions and the appropriateness of estimates made in making provisions; Personnel interviews: We inspected board minutes to identify potential claims to be provided for and corroborated through enquiries of Group Directors and Management, and divisional management and compare to Group's provisions assessments; Test of detail: We critically assessed the Group's calculation of the provision held, challenged internal remediation cost assessments and considered third party evidence for provisions made for significant known issues and claims; Historical comparisons: Where past events indicate that an obligation may arise, we evaluated the Group's risk assessment performed in respect of known and/or settled issues and considered any changes in the development portfolio over time, in assessing the estimation of the provision. For a sample of post completion development provisions, we performed a retrospective review, comparing actual rectification costs incurred to the Group's previously estimated cost to evaluate the Group's forecasting accuracy; Our sector experience: We utilised the audit team's experience to challenge the assumptions over appropriateness of the rectification cost assumptions; Enquiry of lawyers: In respect of open matters of litigation, we held enquiries with the Group's in-house legal counsel and inspected relevant correspondence and considered against provisions made; and Assessing transparency: We considered the adequacy of the Group's disclosures in the financial statements regarding the degree of judgement, estimation uncertainty, and sensitivity to key assumptions involved in arriving at the recorded post completion development provisions.							

Communications with The Berkeley Group Holdings plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of the post completion development provision including details of our planned substantive procedures.
- Our assessment of the of the Group's methodology for accounting for provisions.
- Our conclusion on the appropriateness of estimates made in making provisions.
- The adequacy of the disclosures made by the Group on the estimates, and related estimation uncertainty, used to determine the amount of provisions to recognise.

Areas of particular auditor judgement

We identified the Groups' estimation of amounts to be recognised as a provision to be the area of particular auditor judgement.

Our results

We found the amount of post completion development provision to be acceptable (FY23 result: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 127 for details on how the Audit Committee considered the post completion development provision as an area of significant attention, page 207 for the accounting policy on the post completion development provision, and note 2.16 for the financial disclosures.

INDEPENDENT AUDITOR'S REPORT CONTINUED

4.3 Recoverability of the Parent Company's investment in subsidiary, and amounts due, from its indirect subsidiaries (Parent Company)											
Financial Statement Elements	Our assessment of risk vs FY23	Our results									
<table><tr><th></th><th>FY24</th><th>FY23</th></tr><tr><td>Investment carrying value note C2.4</td><td>£1,443.1m</td><td>£1,438.1m</td></tr><tr><td>Amounts due from subsidiaries. note C2.5</td><td>£630.8m</td><td>£536.6m</td></tr></table>		FY24	FY23	Investment carrying value note C2.4	£1,443.1m	£1,438.1m	Amounts due from subsidiaries. note C2.5	£630.8m	£536.6m	→ We have not identified any significant changes in our assessment of the level of risk relating the recoverability of the parent company investment in, and amounts due, from its indirect subsidiaries compared to FY23.	FY24: Acceptable FY23: Acceptable
	FY24	FY23									
Investment carrying value note C2.4	£1,443.1m	£1,438.1m									
Amounts due from subsidiaries. note C2.5	£630.8m	£536.6m									
Description of the Key Audit Matter	Our response to the risk										
The carrying amount of the parent Company's investment in subsidiary and amounts due from its indirect subsidiaries represents 69.4% and 30.3% (FY23: 72.6% and 27.1%) of the parent Company's total assets, respectively. Their recoverability is not at high risk of significant misstatement or subject to significant judgment. However, due to their materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: Test of detail: • We compared the carrying amount of the investment with the relevant material indirect subsidiary's net assets in the Group's consolidation to identify whether its net assets, being an approximation of minimum recoverable amount, were in excess of the carrying amount of that investment; • We assessed 100% of amounts due from indirect subsidiaries with reference to the relevant debtors' balances in the Group's consolidation and checked whether they have positive net assets and therefore coverage of the debt owed; and • We assessed whether those subsidiaries have historically been profit making.										
Communications with The Berkeley Group Holdings plc's Audit Committee											
Our discussions with and reporting to the Audit Committee included: • Our approach to the audit of the recoverability of the parent company investment in subsidiary, and amounts due, from its indirect subsidiaries including details of our planned substantive procedures. • Our conclusion on the appropriateness of the carrying value of the parent company's investment in subsidiary and amounts due from its indirect subsidiaries											
Our results											
We found the parent Company's conclusion that there is no impairment of its investment in subsidiary or its amounts due from its indirect subsidiaries to be acceptable (FY23 result: acceptable).											
Further information in the Annual Report and Accounts: See notes C2.4 and C2.5 for the accounting policy on of the parent company investment in, and amounts due, from its indirect subsidiaries, and notes C2.4 and C2.5 for the financial disclosures.											

5. Our ability to detect irregularities, and our response

Fraud – Identifying And responding to risks of material misstatement due to fraud

Fraud risk assessment	To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included: • our forensic specialists assisted us in identifying key fraud risks. This included attending the Risk Assessment and Planning Discussion, holding a discussion with the engagement partner, engagement manager, and engagement quality control reviewer, and assisting with designing relevant audit procedures to respond to the risk of management override of controls; • enquiring of Directors, the Audit Committee, internal audit, internal legal counsel and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for 'whistleblowing', as well as whether they have knowledge of any actual, suspected or alleged fraud; • reading Board, Audit Committee and Remuneration Committee minutes; • considering remuneration incentive schemes (these include the 2011 LTIP, Restricted Share Plan and Long-Term Option Plan) and performance targets for management and Directors, including any revenue and trading margin targets for management remuneration; and • using analytical procedures to identify any unusual or unexpected relationships.
Risk communications	We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.
Fraud risks	As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgments such as cost of sales recognition and post completion development provisions. On this audit we do not believe there is a fraud risk related to revenue recognition as the accounting for the Group's revenue is non-complex and the majority is only recognised on the legal completion of the sale, being the point at which the balance of the sale is paid for and title of the unit transfers to the customer. There are therefore limited levels of judgment with limited opportunities for manual intervention in the sales process to fraudulently manipulate revenue. We did not identify any additional fraud risks.
Procedures to address fraud risks	In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls. We also performed procedures including: • identifying journal entries and other adjustments to test for all entities across the Group based on specific risk-based criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted to unusual accounts, seldom used accounts and journals posted by leavers; and • assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Laws and regulations – Identifying and responding to risks of material misstatement relating to compliance with laws and regulations	
Laws and regulations risk assessment	We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations. As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.
Risk communications	We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
Direct laws context and link to audit	The potential effect of these laws and regulations on the financial statements varies considerably. The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and the Building Safety Act and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
Most significant indirect law/ regulation areas	The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: • UK planning permission and building regulations; • health and safety; • anti-bribery; • anti-money laundering and sanctions checking; • employment laws; • data protection laws; and • environmental laws. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.
Context	
Context of the ability of the audit to detect fraud or breaches of law or regulation	Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

£26.0m (FY23: £27.0m) Materiality for the group financial statements as a whole	What we mean A quantitative reference for the purpose of planning and performing our audit. Basis for determining materiality and judgements applied Materiality for the Group financial statements as a whole was set at £26.0m (FY23: £27.0m). This was determined with reference to a benchmark of Group profit before tax. Consistent with FY23, we determined that Group profit before tax remains the main benchmark for the Group as the users of the financial statements will be primarily interested in the profitability of the Group and its ability to generate returns for shareholders. Our Group materiality of £26.0m was determined by applying a percentage to the Group profit before tax. When using a benchmark of Group profit before tax to determine overall materiality, KPMG's approach for listed entities considers a guideline range 3% – 5% of the measure. In setting overall Group materiality, we applied a percentage of 4.7% (FY23: 4.5%) to the benchmark. Materiality for the Parent Company financial statements as a whole was set at £14.5m (FY23: £13.5m), determined with reference to a benchmark of Parent Company total assets, of which it represents 0.8% (FY23: 0.7%).
£19.5m (FY23: £20.2m) Performance materiality	What we mean Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Basis for determining performance materiality and judgements applied We have considered performance materiality at a level of 75% (FY23: 75%) of materiality for The Berkeley Group Holdings plc Group financial statements as a whole to be appropriate. The Parent Company performance materiality was set at £10.8m (FY23: £10.1m), which equates to 75% (FY23: 75%) of materiality for the Parent Company financial statements as a whole. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.
£1.3m (FY23: £1.3m) Audit misstatement posting threshold	What we mean This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud. This is also the amount above which all misstatements identified are communicated to The Berkeley Group Holdings plc's Audit Committee. Basis for determining the audit misstatement posting threshold and judgements applied We set our audit misstatement posting threshold at 5% (FY23: 5%) of our materiality for the Group financial statements. We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £1.3 million (FY23: £1.3 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

INDEPENDENT AUDITOR'S REPORT CONTINUED

The overall materiality for the Group financial statements of £26.0m (FY23: £27.0m) compares as follows to the main financial statement caption amounts:

	Total Group Revenue		Group profit before tax		Total Group Assets	
	FY24	FY23	FY24	FY23	FY24	FY23
Financial statement caption	£2,464.3m	£2,550.2m	£557.3m	£604.0m	£6,996.3m	£6,859.7m
Group Materiality as % of caption	1.1%	1.1 %	4.7%	4.5%	0.4%	0.4%

7. The scope of our audit

Group scope

What we mean

How the Group audit team determined the procedures to be performed across the Group.

The Group has 16 (FY23:16) reporting components. In order to determine the work performed at the reporting component level, we identified those components which we considered to be of individual financial significance, those which were significant due to risk and those remaining components on which we required procedures to be performed to provide us with the evidence we required in order to conclude on the Group financial statements as a whole. We scoped the audit by obtaining an understanding of the Group and its environment and assessing the risk of material misstatement at the Group and component level.

The Group operates within the UK and all audit work is performed by the same audit team.

We determined individually financially significant components as those contributing at least 10% (FY23: 10%) of Group Total Assets or 10% of Group Revenue (FY23: 10%). We selected Group Revenue and Group Total Assets because these are the most representative of the relative size of the components. We identified six (FY23: six) components as individually financially significant components and performed full scope audits on these components.

In addition to the individually financially significant components, we identified three (FY23: three) components as significant, owing to significant risks of material misstatement affecting the Group financial statements. Of the three (FY23: three) components identified as significant due to risk, we performed specific risk-focused audit procedures over provisions and cost of sales.

In addition, to enable us to obtain sufficient appropriate audit evidence for the Group financial statements as a whole, we selected one (FY23: one) component on which we performed specified risk-focused audit procedures over property, plant and equipment balance.

The components within the scope of our work accounted for the following percentages of the Group's results, with the prior year comparatives indicated in brackets:

Scope	Number of components	Range of materiality applied
Full scope audit	7	£7m - £15m
Specified audit procedures	4	£6m - £8m

The remaining 1% (FY23: 1%) of Group profit before tax and 1% (FY23: 1%) of total Group assets is represented by reporting components, none of which individually represented more than 0.1% (FY23: 0.1%) of any of total Group revenue, Group profit before tax or total Group assets.

For these components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

For the audit of the Group financial statements, we were able to rely upon the Group's internal controls over financial reporting in several areas of our audit, where our controls testing supported this approach, which enabled us to reduce the scope of our substantive audit work.

The parent company audit is subject to a full scope, fully substantive audit.

Group audit team oversight

What we mean

The extent of the Group audit team's involvement in component audits.

The work on all components (FY23: all components) within the scope of our work, including the audit of the parent Company was performed by the Group team.

INDEPENDENT AUDITOR'S REPORT CONTINUED

8. Other information in the annual report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information	
Our responsibility Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.	Our reporting Based solely on that work we have not identified material misstatements or inconsistencies in the other information.
Strategic Report and Directors' Report	
Our responsibility and reporting Based solely on our work on the other information described above we report to you as follows: • we have not identified material misstatements in the strategic report and the Directors' Report; • in our opinion the information given in those reports for the financial year is consistent with the financial statements; and • in our opinion those reports have been prepared in accordance with the Companies Act 2006.	
Directors' Remuneration Report	
Our responsibility We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.	Our reporting In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.
Corporate Governance disclosures	
Our responsibility We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and: • the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; • the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and • the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems. We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.	Our reporting Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge. We have nothing to report in this respect.
Other matters on which we are required to report by exception	
Our responsibility Under the Companies Act 2006, we are required to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.	Our reporting We have nothing to report in these respects.

9. Respective Responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 164, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company'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 they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule ("DTR") 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anna Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

London
19 June 2024

CONSOLIDATED INCOME STATEMENT

For the year ended 30 April	Notes	2024 £m	2023 £m
Revenue	2.1	2,464.3	2,550.2
Cost of sales		(1,819.8)	(1,853.4)
Gross profit		644.5	696.8
Net operating expenses		(164.8)	(178.5)
Operating profit		479.7	518.3
Finance income	2.3	53.9	23.1
Finance costs	2.3	(41.9)	(33.7)
Share of results of joint ventures using the equity method	2.11	65.6	96.3
Profit before taxation for the year		557.3	604.0
Income tax expense	2.6	(159.7)	(138.3)
Profit after taxation for the year		397.6	465.7
Earnings per share (pence):			
Basic	2.7	373.9	426.8
Diluted	2.7	371.1	422.4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April	Notes	2024 £m	2023 £m
Profit after taxation for the year		397.6	465.7
Other comprehensive expense			
Items that will not be reclassified to profit or loss:			
Actuarial loss recognised in the pension scheme	2.5	(0.7)	(1.3)
Total items that will not be reclassified to profit or loss		(0.7)	(1.3)
Other comprehensive expense for the year		(0.7)	(1.3)
Total comprehensive income for the year		396.9	464.4

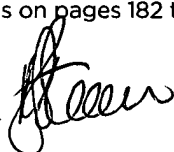
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April	Notes	2024 £m	2023 £m
Assets			
Non-current assets			
Intangible assets	2.8	17.2	17.2
Property, plant and equipment	2.9	28.0	34.6
Right-of-use assets	2.10	4.3	5.2
Investments in joint ventures	2.11	227.0	223.4
Deferred tax assets	2.17	116.9	114.5
		393.4	394.9
Current assets			
Inventories	2.12	5,283.9	5,302.1
Trade and other receivables	2.13	119.8	92.3
Current tax receivables		7.2	-
Cash and cash equivalents	2.14	1,192.0	1,070.4
		6,602.9	6,464.8
Total assets		6,996.3	6,859.7
Liabilities			
Non-current liabilities			
Borrowings	2.23	(660.0)	(660.0)
Trade and other payables	2.15	(683.6)	(863.4)
Lease liabilities	2.10	(2.3)	(2.9)
Provisions for other liabilities and charges	2.16	(140.7)	(115.1)
		(1,486.6)	(1,641.4)
Current liabilities			
Trade and other payables	2.15	(1,878.0)	(1,801.6)
Lease liabilities	2.10	(2.1)	(2.2)
Current tax liabilities		-	(3.7)
Provisions for other liabilities and charges	2.16	(69.1)	(78.5)
		(1,949.2)	(1,886.0)
Total liabilities		(3,435.8)	(3,527.4)
Total net assets		3,560.5	3,332.3
Equity			
Shareholders' equity			
Share capital	2.18	6.2	6.3
Share premium	2.18	49.8	49.8
Capital redemption reserve	2.19	25.3	25.2
Other reserve	2.19	(961.3)	(961.3)
Retained earnings	2.19	4,440.5	4,212.3
Total equity		3,560.5	3,332.3

The financial statements on pages 182 to 223 were approved by the Board of Directors on 19 June 2024 and were signed on its behalf by:

R J Stearn

Chief Financial Officer



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserve £m	Retained earnings £m	Total equity £m
At 1 May 2023		6.3	49.8	25.2	(961.3)	4,212.3	3,332.3
Profit after taxation for the year		-	-	-	-	397.6	397.6
Other comprehensive expense for the year		-	-	-	-	(0.7)	(0.7)
Purchase of own shares	2.18	(0.1)	-	0.1	-	(72.3)	(72.3)
Transactions with shareholders:							
Charge in respect of employee share schemes	2.5	-	-	-	-	(0.8)	(0.8)
Deferred tax in respect of employee share schemes	2.17	-	-	-	-	2.5	2.5
Dividends to equity holders of the Company	2.20	-	-	-	-	(98.1)	(98.1)
At 30 April 2024		6.2	49.8	25.3	(961.3)	4,440.5	3,560.5
At 1 May 2022		6.5	49.8	25.0	(961.3)	4,016.1	3,136.1
Profit after taxation for the year		-	-	-	-	465.7	465.7
Other comprehensive expense for the year		-	-	-	-	(1.3)	(1.3)
Purchase of own shares	2.18	(0.2)	-	0.2	-	(155.4)	(155.4)
Transactions with shareholders:							
Charge in respect of employee share schemes	2.5	-	-	-	-	(4.5)	(4.5)
Deferred tax in respect of employee share schemes	2.17	-	-	-	-	(9.8)	(9.8)
Dividends to equity holders of the Company	2.20	-	-	-	-	(98.5)	(98.5)
At 30 April 2023		6.3	49.8	25.2	(961.3)	4,212.3	3,332.3

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 April	Notes	2024 £m	2023 £m
Cash flows from operating activities			
Cash generated from operations	2.22	383.0	472.5
Interest received		50.4	18.2
Interest paid		(29.5)	(21.4)
Income tax paid		(170.5)	(133.7)
Net cash flow from operating activities		233.4	335.6
Cash flows from investing activities			
Purchase of property, plant and equipment	2.9	(1.4)	(2.0)
Proceeds on disposal of property, plant and equipment		0.3	0.8
Dividends from joint ventures	2.11	74.9	74.9
Increase in loans with joint ventures	2.11	(12.9)	(11.6)
Net cash flow from investing activities		60.9	62.1
Cash flows from financing activities			
Lease capital repayments		(2.3)	(2.3)
Purchase of own shares	2.19	(72.3)	(155.4)
Dividends to equity holders of the Company	2.20	(98.1)	(98.5)
Net cash flow from financing activities		(172.7)	(256.2)
Net increase in cash and cash equivalents	2.22	121.6	141.5
Cash and cash equivalents at the start of the financial year		1,070.4	928.9
Cash and cash equivalents at the end of the financial year	2.22	1,192.0	1,070.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

1.1 Introduction

These Consolidated Financial Statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards (UK-adopted IFRS). The Company has elected to prepare its Parent Company financial statements in accordance with FRS 101; these are presented on pages 224 to 230.

The Group Financial Statements consolidate those of the Company and its subsidiaries (together referred to as the Group) and equity account the Group's interest in joint ventures. The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

The Consolidated Financial Statements have been prepared under the historical cost convention and on the going concern basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It may also require management to exercise their judgement in the process of applying the Group's accounting policies.

The key areas involving estimation uncertainty, which are significant to the Consolidated Financial Statements, are:

- cost of sales recognition which is dependent on an estimate of future selling prices and costs. See note 2.12; and
- post completion development provisions which rely on management judgement in estimating the quantum and timing of outflows of resources to settle any associated legal or constructive obligations. See note 2.16.

Whilst these are key areas of estimation uncertainty, these are unlikely to have a material impact on the carrying value of assets and liabilities in the next financial year.

There are no significant areas of judgement in applying the Group's accounting policies exercised by management during the current or prior year.

Group accounting policies

The significant Group accounting policies are included within the relevant notes to the Consolidated Financial Statements on pages 186 to 223. The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements.

1.2 Going concern

The Directors have assessed the business plan and funding requirements of the Group over the medium term and compared these with the level of committed debt facilities and existing cash resources. As at 30 April 2024, the Group had net cash of £532 million and total liquidity of £1,732 million when this net cash is combined with banking facilities of £800 million (committed to February 2029) and £400 million listed bonds (which mature in August 2031). Furthermore, the Group has cash due on forward sales of £1,701 million, a significant proportion of which covers delivery for the next 18 months.

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

1.3 Consideration of climate change

In preparing the Financial Statements, consideration has been given to the Group's activities to address climate change as part of Our Vision 2030 and its assessment and reporting of future climate-related transitional and physical risks under the Task Force on Climate-related Financial Disclosures (TCFD) framework, both of which are set out in the Strategic Report.

The costs incurred in developing the Group's sites are held in inventory as these are trading in nature and are therefore taken through cost of sales to match the revenue generated by the sale of properties on each development. The recognition of cost of sales, and therefore the carrying value of inventory, during a financial year is made by reference to the latest assessment of each development's forecast profit margin, which is a key area of estimation uncertainty as set out in Note 2.12.

The cost of specific climate change related activities undertaken as part of the development of a site are inherently difficult to disassociate from other input costs as these typically involve a myriad of inter-related design and construction based solutions, for instance over the selection of key materials and technologies adopted to reduce embodied carbon and minimise future energy use of the Group's occupied homes. In turn, these activities are regulated by prevailing planning and building regulations requirements.

The future cost estimates used to determine the cost of sales recognition during the financial year inherently reflect the Group's current development-specific climate-related actions through its cost plans. Consistent with the inherently higher cost uncertainty of its longer-term developments from evolving regulatory and other market-led changes, the Group may incur as yet unknown costs associated with its own future climate-related actions as well as costs arising from the impact of climate change. As set out in Note 2.12, the Group's cost assessments and allocation evolve over the life of each development.

1.4 Basis of consolidation

(a) Subsidiaries

The Consolidated Financial Statements comprise the financial statements of the Parent Company and all its subsidiary undertakings. The accounting date for subsidiary undertakings is 30 April, unless otherwise stated in note 2.26.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration substantive rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The purchase method of accounting is used to account for the acquisition of subsidiary undertakings by the Group.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Acquisition-related costs are expensed as incurred.

(b) Joint ventures

Joint ventures are accounted for using the equity method (equity accounted investees) and are initially recognised at cost.

The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Consolidated Financial Statements include the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to £nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1 Basis of preparation continued

1.5 Adoption of new and revised standards

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 2023:

- Amendments to IAS 1 Presentation of Financial Statements;
- Amendments to IFRS 17 Insurance Contracts;
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- Amendments to IAS 12 Income Taxes.

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

1.6 Impact of standards and interpretations in issue but not yet effective

The International Accounting Standards Board ('IASB') has published the following amendments to IFRSs which will be applicable to the Group for the financial year beginning 1 May 2024. These amendments are not expected to have a significant impact on the results of the Group:

- Amendments to IAS 1 Presentation of Financial Statements; and
- Amendments to IFRS 16 Leases.

2 Results for the year

2.1 Revenue

The Group's revenue derives principally from the sale of residential homes and commercial properties across mixed use developments in the United Kingdom.

Revenue represents the amounts receivable from the sale of properties, comprising private and affordable residential homes and commercial properties, ground rent assets and other income directly associated with residential property development.

For the significant majority of residential and commercial property sales, properties are treated as sold and profits and revenues are recognised when all performance obligations under the contract have been satisfied, following which control of the unit is passed to the customer. This is determined as the point of legal completion.

Where revenue arises on contracts where the customer controls the property during construction and for which the Group has a right to payment for work performed, the Group recognises revenue over time. Revenue and costs are recognised with reference to the stage of completion of the contract, measured by construction progress.

Ground rent and land assets are treated as sold when contracts are exchanged, all material conditions precedent to the sale have been satisfied and control of the assets have passed to the customer.

An analysis of the Group's continuing revenue is as follows:

	2024 £m	2023 £m
Residential revenue	2,395.7	2,508.3
Commercial revenue	47.2	41.9
Land sale	21.4	-
	2,464.3	2,550.2

Included within revenue is £343.2 million (2023: £396.0 million) of customer deposits, received in prior years, for units that legally completed in the year. Included within commercial revenue is £14.0 million (2023: £18.1 million) of revenue recognised in relation to the stage of completion of the contract. Included within residential revenue is £17.0 million (2023: £15.2 million) of revenue recognised in relation to the stage of completion of the contract.

2.2 Segmental disclosure

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group determines its reportable segments having regard to permitted aggregation criteria with the principal condition being that the operating segments should have similar economic characteristics.

The Group is engaged in residential-led, mixed use property development, comprising private and affordable residential revenue and commercial revenue.

For the purposes of determining its operating segments, the chief operating decision maker has been identified as the Executive Committee of the Board. This Committee approves investment decisions, allocates the Group's resources and reviews the internal reporting in order to assess performance.

The Group has determined that its operating segments are the management teams that report into the Executive Committee of the Board. These management teams are all engaged in residential-led, mixed use development in the United Kingdom and, having regard to the aggregation criteria in IFRS 8, the Group has one reportable operating segment.

For the purpose of monitoring segment performance and allocating resources between segments, all assets are considered to be attributable to residential-led, mixed use property development.

2.3 Net finance costs

	2024 £m	2023 £m
Finance income	53.9	23.1
Finance costs		
Interest payable on borrowings and non-utilisation fees	(29.2)	(21.9)
Amortisation of facility fees	(2.0)	(1.7)
Other finance costs	(10.7)	(10.1)
	(41.9)	(33.7)
Net finance income /(costs)	12.0	(10.6)

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.

2.4 Profit before taxation

Expenditure recorded in inventory is expensed through cost of sales at the time of the related property sale. The amount of cost related to each property includes its share of the overall site costs including, where relevant, its share of forecast costs to complete. See inventories note 2.12 for further disclosures on the key estimates and judgements around cost recognition.

Net operating expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received. Grants related to assets are deducted from the carrying value of the asset, and are recognised in the Income Statement so as to match with the related costs they are intended to compensate for.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.4 Profit before taxation continued

Profit before taxation is stated after charging the following amounts:

	2024 £m	2023 £m
Staff costs (note 2.5)	280.5	304.0
Depreciation on property, plant and equipment (note 2.9)	2.3	3.4
Depreciation on right-of-use assets (note 2.10)	2.5	2.2
Loss on sale of property, plant and equipment	5.2	3.7
Fees paid and payable to the Company's auditor for the audit of the Group and Parent Company	1.4	1.2
Fees paid and payable to the Company's auditor for other services:		
Audit of the Company's subsidiaries and joint ventures	0.1	0.1
Audit related assurance services	0.1	0.1
Non-audit related assurance services	0.1	0.1

The value of inventories expensed and included in the cost of sales is £1,757.7 million (2023: £1,760.4 million).

Government grants of £44.7 million (2023: £13.3 million) were received in the year relating to the provision of highway infrastructure, for which all performance conditions were satisfied. This amount is netted against inventory and no amount has been recorded in the Income Statement during the year (2023: £nil).

Fees incurred in the year to the Group's current auditor for audit and non-audit related assurance services relate to the interim review and assurance services related to carbon emissions and compliance with the Green Financing Framework.

2.5 Directors and employees

Profit before taxation is stated after charging the following amounts:

	2024 £m	2023 £m
Staff costs:		
Wages and salaries	233.1	253.8
Social security costs	30.0	32.5
Share based payments – equity settled	7.1	3.0
Share based payments – cash settled	-	4.6
Pension costs	10.3	10.1
	280.5	304.0

The average monthly number of persons employed by the Group during the year was 2,717 (2023: 2,973).

Key management compensation

Key management comprises the Executive Members of the Board, as they are considered to have the authority and responsibility for planning, directing and controlling the activities of the Group. Details of Directors' emoluments included in the Income Statement are as follows:

	2024 £m	2023 £m
Directors' remuneration	1.4	2.2
Amount charged under long-term incentive schemes	3.1	3.1
Company contributions to the defined contribution pension schemes	-	0.1
	4.5	5.4

The Directors' Remuneration Report includes disclosure of the gains made by Directors on the exercise of share options during the year, which were £9.8 million (2023: £14.4 million) in aggregate.

The number of Directors accruing benefits under defined contribution pension schemes in the year was one (2023: one).

K Whiteman, J Tibaldi and P Vallone stepped down from the Board on 8 September 2023 and remuneration amounts disclosed in the table is to the date of stepping down from the Board.

Equity settled share based payments

Where the Company operates equity settled share based compensation plans, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, taking into account only service and non-market conditions.

At each Balance Sheet date, the Group revises its estimate of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the Income Statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The Group operates three (2023: three) equity settled share based payment schemes. The charge to the Income Statement in respect of share based payments in the year relating to grants of share options awarded are:

- 2011 Long-Term Incentive Plan (2011 LTIP) of £1.8 million (2023: £2.1 million)
- 2022 Long-Term Option Plan (2022 LTOP) of £3.7 million (2023: £0.7 million)
- Restricted Share Plan (RSP) of £1.6 million (2023: £0.2 million)

The charge to the Income Statement attributable to key management was £3.1 million (2023: £3.1 million).

The charge to the reserves during the year in respect of employee share schemes was £0.8 million (2023: £4.5 million), resulting from the non-cash IFRS 2 charge for the year.

There were nil exercisable share options at the end of the year (2023: nil). During the year:

- 481,857 options vested under the 2011 LTIP (2023: 568,761) and nil options lapsed (2023: 870,081)
- Nil options vested under the 2022 LTOP (2023: nil) and 90,000 options lapsed (2023: nil)

2011 Long-Term Incentive Plan

The 2011 LTIP was approved by shareholders at the 2011 AGM. The 2011 LTIP is designed to incentivise management to both deliver long-term shareholder returns and create value in the ongoing business. Under the plan eligible employees are granted options which will only vest if certain performance conditions are satisfied.

The current term of the plan runs for 14 years, with the final options due to vest in September 2025. The original scheme was due to run until September 2021, but at the 2019 AGM the scheme was extended, for eligible employees, by four years to September 2025.

The amount of options that vest is dependent on a shareholder return hurdle and, for certain employees, the remuneration caps in place. Each year options can vest up to the value of their remuneration cap. Any options prevented from vesting due to the caps are banked, and vest in equal tranches from September 2022 to 2025. Additional returns equivalent to £2 per annum (approximately £283 million) must be returned to shareholders from 2022 to 2025 in order for the banked options to vest.

Options granted under the plan are for nil consideration and carry no dividend or voting rights. The original option price was £16.34, which equated to £2.3 billion of shareholder return that needed to be returned to shareholders over the original term of the LTIP to 2021. The option price for each tranche was reduced by the value of dividend paid each year, but fixed at 30 September 2021 for subsequent tranches vesting in 2022 to 2025. The fixed option price for tranches vesting from September 2022 to 2025 is £5.30.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.5 Directors and employees continued

Sale restrictions are in place which provide a maximum of 10% of the cumulative balance of the shares earned to be sold each year.

The table below summarises the movement in options under the 2011 LTIP during the year:

	2024		2023	
	Option price per share £	Number of options No.	Option price per share £	Number of options No.
As at 1 May	-	2,910,847	-	4,349,689
Exercised during the year	5.30	(481,857)	5.30	(568,761)
Total options lapsed during the year	-	-	-	(870,081)
As at 30 April	-	2,428,990	-	2,910,847

The historic options vested, options banked and the option price are shown in the table below:

	2024		
Vesting date	Option price £	Share options vested No.	Options at 30 April 2024
30 September 2016	10.00	5,719,166	-
30 September 2017	8.63	892,487	1,163,737
30 September 2018	7.73	990,955	1,231,409
30 September 2019	7.46	926,265	1,202,514
30 September 2020	5.39	836,466	1,096,471
30 September 2021	5.30	815,903	982,628
30 September 2022	5.30	568,761	-
30 September 2023	5.30	481,857	-
Banked options vested	-	-	(1,050,618)
Banked options lapsed	-	-	(2,197,151)
Total	-	-	2,428,990

Fair value of 2011 LTIP options

The assessed fair value of the original options granted, determined using the current market pricing model, was £3.17. The inputs into the current market pricing model were as follows:

	Inputs
Grant date	5 September 2011
Final vesting date	30 September 2021
Share price at date of grant (p)	1,236
Exercise price	£nil
Discount rate (Group's cost of capital over original vesting period at the grant date)	6.3%

Modifications to the 2011 LTIP, approved at the 2019 AGM, were considered to be non-beneficial due to the extended service period and requirement for additional shareholder returns. Therefore, there was no impact on the fair value of the options or accounting treatment applied.

2022 Long-Term Option Plan (LTOP)

The LTOP was approved by shareholders at the 2022 AGM. The LTOP is designed to ensure the remuneration policy is as closely aligned to the Company's strategy as possible and rewards management for enhancing value for shareholders over the long term. Under the plan, eligible employees are awarded a one-off grant of options with an initial exercise price of £48.50. Participation in the plan is at the discretion of the Remuneration Committee.

Vesting will occur in five equal tranches between September 2026 and September 2030, with a holding restriction of at least five years from grant.

The initial exercise price of the options increases by £2.50 per year for vesting dates from September 2027 onwards. As such, the exercise price for the options granted (prior to deductions for dividends as referenced below) is as follows, which is the only performance condition applied to the plan in addition to continued employment:

Tranche	Percentage of LTOP Award	Vesting date	Minimum exercise price (prior to reductions for shareholder distribution)
1	20%	30 September 2026	£48.50
2	20%	30 September 2027	£51.00
3	20%	30 September 2028	£53.50
4	20%	30 September 2029	£56.00
5	20%	30 September 2030	£58.50

Dividends or other distributions to shareholders (other than share buy-backs) are deducted from the exercise price.

There are caps in place in relation to all options granted. Any options prevented from vesting due to the caps are lapsed.

The table below summaries the movement in options under the 2022 LTOP during the year:

	2024 Number of options No.	2023 Number of options No.
As at 1 May	4,360,000	-
Granted during the year	-	4,360,000
Lapsed during the year	(90,000)	-
As at 30 April	4,270,000	4,360,000

Fair value of 2022 LTOP options

The assessed fair value of the options granted, determined using a Monte Carlo simulation model, was £19.35 million. The inputs into the model for the three grant dates were as follows:

Grant date	9 Feb 2023	10 Mar 2023	21 Mar 2023
Number of options	2,400,000	350,000	1,610,000
Share price at grant date (p)	4,308	4,039	4,070
Exercise price	Initial exercise prices from £48.50 for Tranche 1, increasing by £2.50 for each Tranche to £58.50 for Tranche 5		
Dividend yield	0%		
Risk free interest rate	3.26%	3.47%	3.22%
Share price volatility	30%		
Expected life	Between circa 3.5 years (Tranche 1) and 7.5 years (Tranche 2) from grant		

Restrictive Share Plan (RSP)

The RSP was approved by shareholders at the 2022 AGM. The RSP is designed to incentivise management to deliver long-term performance. The RSP is an annual restrictive share award with the first awards granted in September 2022, vesting in 2026 with a further one year holding period. Participation in the plan is at the discretion of the Remuneration Committee.

Annual awards are determined by the Remuneration Committee, however the maximum number of shares under the RSP awards granted to participants will not exceed 175% of the salary of the CEO and 150% of the salary of all other participating employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.5 Directors and employees continued

The vesting of awards is subject to remaining in service and the following two underpin conditions:

- i) The average Return on Equity over the four prior financial years must be at least 15%, commencing with the financial year in which the RSP Awards are granted; and
- ii) Up to 20% of the award will be forfeited in the event of unsatisfactory progress against strategic and ESG priorities over the relevant vesting period.

The vesting of awards is restricted to the level of each employee's remuneration cap. The remuneration cap is first applied to the 2022 LTOP to the extent that total remuneration would exceed the cap, followed by the RSP if required. Any RSP awards in excess of the total remuneration cap will lapse immediately.

The table below summarises the movement in options under the RSPs:

	2024	2023
	Number of options No.	Number of options No.
As at 1 May	93,123	-
Granted during the year	96,826	93,123
Lapsed during the year	-	-
As at 30 April	189,949	93,123

Fair value of RSPs

The fair values of RSP awards are equal to the share price at grant as these awards are not subject to market-based performance conditions and they attract dividend equivalents. The values are fixed at grant.

The total fair value of the RSP awards granted during the year was £4.06 million (2023: £3.98 million).

Cash settled share based payments

The cost of cash settled transactions is recognised as an expense over the vesting period measured by reference to the fair value of the corresponding liability which is recognised on the Statement of Financial Position. The liability is remeasured at fair value at each Balance Sheet date until settlement with changes in fair value recognised in the Income Statement.

Pensions

The Group accounts for pensions under IAS 19 'Employee Benefits'. The Group has both defined benefit and defined contribution plans. The defined benefit plan was closed to future accrual with effect from 1 April 2007.

For the defined benefit scheme, the obligations are measured using the projected unit credit method. The calculation of the net obligation is performed by a qualified actuary. The operating and financing costs of these plans are recognised separately in the Income Statement; service costs are set annually on the basis of actuarial valuations of the scheme and financing costs are recognised in the period in which they arise. Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

Pension contributions under defined contribution schemes are charged to the Income Statement as they fall due.

Defined contribution plan

Contributions amounting to £9.1 million (2023: £8.5 million) were paid into the defined contribution schemes during the year. There were £1.0 million of contributions outstanding to the scheme at 30 April 2024 (2023: £0.2 million).

Defined benefit plan

As at 30 April 2024, the Group operated one defined benefit pension scheme which was closed to future accrual with effect from 1 April 2007. This is a separate Trustee administered fund holding the pension plan assets to meet long-term pension liabilities for some 154 past employees. The level of retirement benefit is principally based on salary earned in the last three years of employment prior to leaving active service and is linked to changes in inflation up to retirement.

The Berkeley Final Salary Plan is subject to an independent actuarial valuation at least every three years. The most recent valuation was carried out as at 30 April 2022 and finalised on 30 June 2023. The method adopted in the 2022 valuation was the projected unit credit method, which assumed no allowance for over performance on investments both prior to and after retirement and inflation linked pension increases derived at each term using Black Scholes Methodology with a volatility assumption of 1.40% per annum. The market value of the Berkeley Final Salary Plan assets as at 1 May 2022 was £22.9 million and covered 117% of the scheme's liabilities. The Group made additional voluntary contributions of £0.6 million during the year (2023: £0.6 million).

Following the High Court ruling on 26 October 2018, regarding the equalisation of Guaranteed Minimum Pension (GMP) benefit, the plan was required to adjust benefits to remove the inequalities between the GMP benefits awarded to males and females. On 20 November 2020, the High Court issued a supplementary ruling in respect of GMP equalisation with regard to members who transferred out of the scheme prior to the ruling. The plan has not yet completed a full review of the impact of GMP equalisation and no additional costs have been recognised during the year (2023: £nil). In prior years an amount of £0.7 million has been allowed as a post service cost.

For the purpose of IAS 19, the 2022 valuation was updated for 30 April 2024.

The most significant risks to which the plan exposes the Group are as follows:

- Inflation risk: A rise in inflation rates will lead to higher plan liabilities as a large proportion of the defined benefit obligation is indexed in line with price inflation. This effect will be limited due to caps on inflationary increases to protect the plan against extreme inflation.
- Investment risk: There is a risk that future investment performance fails to generate expected returns.
- Employer covenant risk: There is a risk that the strength of the employer covenant materially weakens which may impact the ability to support the fund.
- Mortality risk: An increase in life expectancy would result in an increase to plan liabilities as a significant proportion of the pension schemes' obligations are to provide benefits for the life of the member.

The amounts recognised in the Statement of Financial Position are determined as follows:

	2024 £m	2023 £m
Present value of defined benefit obligations	(14.3)	(14.5)
Fair value of plan assets	15.9	16.2
Net surplus recognised in the Statement of Financial Position	1.6	1.7

	Defined benefit obligations		Fair value plan assets		Net defined benefit asset	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Balance at 1 May	(14.5)	(19.1)	16.2	21.4	1.7	2.3
Included in Income Statement:						
Net interest	(0.7)	(0.5)	0.8	0.6	0.1	0.1
Included in Other Comprehensive Income:						
Re-measurements:						
Actuarial gain/(loss) arising from:						
Demographic assumptions	0.2	0.4	-	-	0.2	0.4
Scheme experience	(0.3)	(0.1)	-	-	(0.3)	(0.1)
Financial assumptions	0.5	4.3	-	-	0.5	4.3
Return on plan assets	-	-	(1.2)	(5.9)	(1.2)	(5.9)
Other:						
Contributions by the employer	-	-	0.6	0.6	0.6	0.6
Benefits paid out	0.5	0.5	(0.5)	(0.5)	-	-
Balance at 30 April	(14.3)	(14.5)	15.9	16.2	1.6	1.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.5 Directors and employees continued

Cumulative actuarial gains and losses recognised in equity:

	2024 £m	2023 £m
Cumulative amounts of losses recognised in the Statement of Comprehensive Income at 1 May	(7.7)	(6.4)
Net actuarial loss recognised in the year	(0.7)	(1.3)
Cumulative amounts of losses recognised in the Statement of Comprehensive Income at 30 April	(8.4)	(7.7)

The fair value of the assets was as follows:

	30 April 2024 Long-term value £m	30 April 2023 Long-term value £m
Diversified growth fund	3.3	3.2
Absolute return bonds	4.3	4.1
Liquidity driven investment	4.4	4.4
Corporate bonds	1.8	1.7
Cash	2.1	2.8
Fair value of plan assets	15.9	16.2

All equity securities and government bonds have quoted prices in active markets. All Government bonds are issued by European Governments and are AAA- or AA- rated. All other plan assets are not quoted in an active market.

History of asset values

	30 April 2024 £m	30 April 2023 £m	30 April 2022 £m	30 April 2021 £m	30 April 2020 £m
Fair value of plan assets	15.9	16.2	21.4	26.4	23.0
Present value of defined benefit obligations	(14.3)	(14.5)	(19.1)	(23.2)	(22.4)
Net surplus in the plan	1.6	1.7	2.3	3.2	0.6

Actuarial assumptions

The major assumptions used by the actuary for the 30 April 2024 valuation were as follows:

	30 April 2024	30 April 2023
Discount rate	5.20%	4.85%
Inflation assumption (RPI)	3.60%	3.40%
Inflation assumption (CPI)	3.15%	2.85%
Rate of increase in pensions in payment post 97 (pre-97 receive 3% p.a. increases)	3.90%	3.85%

The mortality assumptions are the standard S3PMA/S3PFA_M CMI_2022_X (1.25%) (2023: S3PMA/S3PFA_M CMI_2021_X (1.25%)) base table for males and females, both adjusted for each individual's year of birth to allow for future improvements in mortality rates. The life expectancy of male and female pensioners (now aged 65) retiring at age 65 on the Balance Sheet date is 20.9 years and 22.9 years respectively (2023: 21.3 and 23.3 years respectively). The life expectancy of male and female deferred pensioners (now aged 45) retiring at age 65 after the Balance Sheet date is 22.2 years and 24.4 years respectively (2023: 22.6 and 24.8 years respectively).

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased as a result of a change in the respective assumptions.

	Change in assumption	Change in defined benefit obligation
Discount rate	+0.5% p.a.	£(0.8)m
Rate of inflation	+0.25% p.a.	£0.2m
Rate of mortality	+1 year	£0.5m

These calculations provide an approximate guide to the sensitivity of results and may not be as accurate as a full valuation carried out on these assumptions. In practice, changes in some of the assumptions are correlated and so each assumption change is unlikely to occur in isolation, as shown above.

Funding

The Group expects to pay £0.6 million in contributions to its defined benefit plan in the year ending 30 April 2025, albeit it has no obligation to do so (2024: £0.6 million).

2.6 Taxation

The Group applies IAS 12 'Income Taxes' in accounting for taxes on income. Income tax payable on taxable profits (current tax) is recognised as an expense in the periods in which the profits arise. In the autumn Budget 2021, a 4% Residential Property Developer Tax (RPDT) was introduced and has been effective from 1 April 2022. RPDT is intended to fund the cost of remedial cladding works borne by the Government and is treated as income tax.

The taxation expense represents the sum of current tax payable, including RPDT, and deferred tax. Current tax and deferred tax are provided at the amounts expected to be paid (or received) using the tax rules and laws that have been enacted, or substantially enacted, by the reporting date.

The tax charge for the year is as follows:

	2024 £m	2023 £m
Current tax (including RPDT)		
UK current tax payable	(166.0)	(140.5)
Adjustments in respect of previous years	6.4	(1.4)
	(159.6)	(141.9)
Deferred tax (including RPDT)		
Deferred tax movements	2.8	2.5
Adjustments in respect of previous years	(2.9)	1.1
	(0.1)	3.6
	(159.7)	(138.3)

Tax on items recognised directly in equity is as follows:

	2024 £m	2023 £m
Deferred tax in respect of employee share schemes (note 2.17)	2.5	(9.8)

Corporation tax is calculated at 25% (2023: 19.5%) of the estimated assessable profit for the year. Taking into account RPDT at a rate of 4%, the weighted statutory rate of corporate income tax is 29% for the year (2023: 23.5%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.6 Taxation continued

The tax charge assessed for the year differs from the weighted statutory rate of corporate income tax of 29% (2023: 23.5%). The differences are explained below:

	2024 £m	2023 £m
Profit before tax	557.3	604.0
Tax on profit at standard UK corporation tax rate (including RPDT)	161.6	141.9
Effects of:		
• Expenses not deductible for tax purposes	1.0	1.8
• Tax effect of share of results of joint ventures	0.6	(0.2)
• Adjustments in respect of previous years	(3.5)	0.3
• Effect of change in rate of tax (note 2.17)	-	(4.7)
• Other	-	(0.8)
Tax charge	159.7	138.3

The Group has an overall tax charge for the year of £159.7 million (2023: £138.3 million) including UK current tax payable of £166.0 million (2023: £140.5 million). The effective tax rate for the year is 28.7% (2023: 22.9%) and includes a £2.9 million credit arising from the remeasurement, in part, of the Group's UK deferred tax assets.

On 20 December 2021, the OECD published its proposals in relation to Global Anti-Base Erosion Rules, which provide for an internationally co-ordinated system of taxation to ensure that large multinational groups pay a minimum level of corporate income tax in countries where they operate. On 23 March 2023, the UK Government introduced legislation in Finance (No. 2) Act 2023 to implement Pillar 2 of the OECD/G20 inclusive framework, this was enacted on 11 July 2023. The new rules are expected to apply to the Berkeley Group for the accounting period ended 30 April 2025 onwards. The Group has undertaken an initial review and expects to meet the transitional safe harbour provisions meaning the top up tax will not be payable. There is no impact on the Group's results for the year ended 30 April 2024. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to pillar 2 income taxes, as provided in the amendments to IAS 12.

2.7 Earnings per ordinary share

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

For the year ended 30 April	2024	2023
Profit attributable to shareholders (£m)	397.6	465.7
Weighted average no. of shares (million)	106.3	109.1
Basic EPS (pence)	373.9	426.8

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

At 30 April 2024, the Group had two (2023: one) categories of potentially dilutive ordinary shares: 0.7 million (2023: 1.0 million) share options under the 2011 LTIP and 0.1 million (2023: nil) under the Restrictive Share 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 EPS calculation.

For the year ended 30 April	2024	2023
Profit used to determine diluted EPS (million)	397.6	465.7
Weighted average number of shares (million)	106.3	109.1
Adjustments for:		
• Share options – 2011 LTIP	0.7	1.1
• Share options – Restrictive Share Plan	0.1	-
Shares used to determine diluted EPS (million)	107.1	110.2
• Diluted EPS (pence)	371.1	422.4

2.8 Intangible assets

Where the cost of acquiring new and additional interests in subsidiaries, joint ventures and businesses exceeds the fair value of the net assets acquired, the resulting premium on acquisition (goodwill) is capitalised and its subsequent measurement is based on annual impairment reviews and impairment reviews performed where an impairment indicator exists, with any impairment losses recognised immediately in the Income Statement. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

	Goodwill £m
Cost:	
At 1 May 2023 and 30 April 2024	17.2
Accumulated impairment:	
At 1 May 2023 and 30 April 2024	-
Net book value:	
At 1 May 2023 and 30 April 2024	17.2
Cost:	
At 1 May 2022 and 30 April 2023	17.2
Accumulated impairment:	
At 1 May 2022 and 30 April 2023	-
Net book value:	
At 1 May 2022 and 30 April 2023	17.2

The goodwill balance relates solely to the acquisition of the 50% of the ordinary share capital of St James Group Limited, completed on 7 November 2006, that was not already owned by the Group. The goodwill balance is tested annually for impairment. The recoverable amount has been determined on the basis of the value in use of the business using the current five year pre-tax forecasts. Key assumptions are as follows:

- (i) cash flows beyond a five year period are not extrapolated; and
- (ii) pre-tax discount rate of 13.1% (2023: 13.5%) based on the Group's weighted average cost of capital.

The Directors have identified no reasonably possible change in a key assumption which would give rise to an impairment charge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.9 Property, plant and equipment

Property, plant and equipment is carried at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided to write off the cost of the assets on a straight line basis to their residual value over their estimated useful lives at the following annual rates:

Freehold buildings	25 – 50 years
Fixtures, fittings and equipment	3 – 12 years
Motor vehicles	4 years

Freehold property disclosed in the notes to the Consolidated Financial Statements consists of both freehold land and freehold buildings. No depreciation is provided on freehold land. Computer equipment is included within fixtures and fittings. The assets' residual values, carrying values and useful lives are reviewed on an annual basis and adjusted if appropriate at each Balance Sheet date. Where an impairment is identified, the recoverable amount of the asset is identified and an impairment loss, where appropriate, is recognised in the Income Statement.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within net operating expenses in the Income Statement.

	Freehold property £m	Fixtures, fittings & equipment £m	Motor vehicles £m	Total £m
Cost:				
At 1 May 2023	30.9	15.2	2.1	48.2
Additions	-	0.6	0.8	1.4
Disposals	-	(10.0)	(0.6)	(10.6)
At 30 April 2024	30.9	5.8	2.3	39.0
Accumulated depreciation:				
At 1 May 2023	4.4	8.2	1.0	13.6
Charge for the year	0.7	1.4	0.2	2.3
Disposals	-	(4.6)	(0.3)	(4.9)
At 30 April 2024	5.1	5.0	0.9	11.0
Net book value:				
At 1 May 2023	26.5	7.0	1.1	34.6
At 30 April 2024	25.8	0.8	1.4	28.0

	Freehold property £m	Fixtures, fittings & equipment £m	Motor vehicles £m	Total £m
Cost:				
At 1 May 2022	30.5	21.0	1.9	53.4
Additions	0.4	1.1	0.5	2.0
Disposals	-	(6.9)	(0.3)	(7.2)
At 30 April 2023	30.9	15.2	2.1	48.2
Accumulated depreciation:				
At 1 May 2022	3.6	8.3	1.0	12.9
Charge for the year	0.8	2.4	0.2	3.4
Disposals	-	(2.5)	(0.2)	(2.7)
At 30 April 2023	4.4	8.2	1.0	13.6
Net book value:				
At 1 May 2022	26.9	12.7	0.9	40.5
At 30 April 2023	26.5	7.0	1.1	34.6

2.10 Right-of-use assets and lease liabilities

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. The Group determines the borrowing rate from external financing sources and adjusts this to reflect the term of the lease and the type of assets subject to the lease. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option. Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, and reducing it by the lease payments made. The lease liability is remeasured when the Group changes its assessment of whether it will exercise an extension or termination option.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability, plus any initial direct costs and an estimate of asset retirement obligations, less any lease incentives. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain re-measurements of the lease liability. Depreciation is calculated on a straight line basis over the length of the lease.

The Group has elected to apply exemptions for short-term leases and leases for which the underlying asset is of low value. For these leases, payments are charged to the Income Statement on a straight line basis over the term of the relevant lease.

Right-of-use assets are presented separately in non-current assets on the face of the Consolidated Statement of Financial Position and lease liabilities are shown separately on the Consolidated Statement of Financial Position in current liabilities and non-current liabilities depending on the length of the lease term.

	Leasehold property £m	Motor vehicles £m	Total £m
Cost:			
At 1 May 2023	12.1	0.8	12.9
Additions	1.5	0.1	1.6
Disposals	-	-	-
At 30 April 2024	13.6	0.9	14.5
Accumulated depreciation:			
At 1 May 2023	7.1	0.6	7.7
Charge for the year	2.4	0.1	2.5
Disposals	-	-	-
At 30 April 2024	9.5	0.7	10.2
Net book value:			
At 1 May 2023	5.0	0.2	5.2
At 30 April 2024	4.1	0.2	4.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.10 Right-of-use assets and lease liabilities continued

Lease liabilities included in the Consolidated Statement of Financial Position:

	2024 £m	2023 £m
Current	2.1	2.2
Non-current	2.3	2.9
Total	4.4	5.1

Amounts recognised in the Consolidated Income Statement:

	2024 £m	2023 £m
Depreciation charged on right-of-use assets – Office buildings	2.4	2.4
Depreciation charged on right-of-use assets – Motor vehicles	0.1	0.1
Interest on lease liabilities	0.1	0.1
Total	2.6	2.6

The total cash outflow for leases in 2024 was £2.3 million (2023: £2.3 million).

2.11 Investments in joint ventures

Joint ventures are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Consolidated Financial Statements include the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to £nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee. Management fees received and other recharges to joint ventures are recorded in the Income Statement.

	2024 £m	2023 £m
Loans	53.8	40.9
Share of post acquisition reserves	173.2	182.5
	227.0	223.4

Details of the joint ventures are provided in notes 2.25 and 2.26.

	2024 £m	2023 £m
At 1 May	223.4	190.4
Group's share of profit after taxation for the year	65.6	96.3
Increase in loans to joint ventures	12.9	11.6
Dividends from joint ventures (St Edward)	(74.9)	(74.9)
At 30 April	227.0	223.4

The Group's share of joint ventures' net assets, income and expenses is comprised as follows:

2024	St Edward £m	Other £m	Total £m
Cash and cash equivalents	229.8	0.4	230.2
Other current assets	287.0	61.3	348.3
Current assets	516.8	61.7	578.5
Current liabilities	(109.2)	(0.6)	(109.8)
Non-current financial liabilities*	(59.8)	(62.5)	(122.3)
Net assets/(liabilities) (at 100%)	347.8	(1.4)	346.4
Group share of net assets/(liabilities) (50%)	173.9	(0.7)	173.2
Loans to joint ventures	22.6	31.2	53.8
Total interest in joint ventures	196.5	30.5	227.0
Revenue	326.8	-	326.8
Costs	(204.4)	(0.3)	(204.7)
Operating profit/(loss)	122.4	(0.3)	122.1
Net finance income/(costs)	10.4	(0.5)	9.9
Profit/(loss) before taxation for the year	132.8	(0.8)	132.0
Tax charge	(0.8)	-	(0.8)
Profit/(loss) after taxation and total comprehensive income/(expense) (100%)	132.0	(0.8)	131.2
Group share of post tax profit/(loss) of joint ventures (50%)	66.0	(0.4)	65.6

* Non-current financial liabilities include amounts owed to joint venture partners

The Other joint ventures in the table comprise asset specific 50/50 joint ventures - Latimer Developments Limited and SEGRO Properties Limited.

2023	St Edward £m	Other £m	Total £m
Cash and cash equivalents	248.6	0.2	248.8
Other current assets	412.0	35.9	447.9
Current assets	660.6	36.1	696.7
Current liabilities	(236.4)	(0.1)	(236.5)
Non-current financial liabilities*	(58.8)	(36.4)	(95.2)
Net assets/(liabilities) (at 100%)	365.4	(0.4)	365.0
Group share of net assets/(liabilities) (50%)	182.7	(0.2)	182.5
Loans to joint ventures	22.6	18.3	40.9
Total interest in joint ventures	205.3	18.1	223.4
Revenue	534.4	(0.1)	534.3
Costs	(344.5)	(0.4)	(344.9)
Operating profit/(loss)	189.9	(0.5)	189.4
Net finance income/(costs)	4.1	(0.1)	4.0
Profit/(loss) before taxation for the year	194.0	(0.6)	193.4
Tax charge	(0.8)	-	(0.8)
Profit/(loss) after taxation and total comprehensive income/(expense) (100%)	193.2	(0.6)	192.6
Group share of post tax profit/(loss) of joint ventures (50%)	96.6	(0.3)	96.3

* Non-current financial liabilities include amounts owed to joint venture partners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.12 Inventories

Property in the course of development and completed units are valued at the lower of cost and net realisable value. Direct cost comprises the cost of land, material and development costs but excludes indirect overheads. Provision is made, where appropriate, to reduce the value of inventories and work in progress to their net realisable value.

Land purchased for development, including land in the course of development, is initially recorded at cost. Where such land is purchased on deferred settlement terms, and the cost differs from the amount that will subsequently be paid in settling the liability, this difference is charged as a finance cost in the Income Statement over the period to settlement.

As residential development is largely speculative by nature, not all inventories are covered by forward sales contracts. Furthermore, due to the nature of the Group's activity and in particular, the scale of its developments and the length of the development cycle, the Group has to allocate site-wide development costs between units being built and/or completed in the current year and those for future years. It also has to forecast the costs to complete on such developments.

In making such assessments and allocations in determining each development's site margin which is used to estimate cost of sales when revenue is recognised for each unit, there is a degree of inherent estimation uncertainty. In particular due to the need to take account of future direct input costs, sales prices and the need to allocate all site-wide costs on an appropriate basis to reflect the overall level of development risk, including planning risk. The Group has established internal controls designed to effectively assess and centrally review inventory carrying values and ensure the appropriateness of the estimates made. These assessments and allocations evolve over the life of the development in line with the risk profile, and accordingly the margin recognised reflects these evolving estimates. Similarly, these estimates impact the carrying value of inventory at each reporting date as this is a function of costs incurred in the year and the allocation of inventory to costs of sales on each property sold.

An increase or decrease to estimated costs recognised in the year, by virtue of a 1% change to forecast development margin, would lead to a change in cost of sales and inventory of £17.6 million in the current financial year (2023: £17.6 million). This sensitivity is based on a reasonably possible scenario and is provided in the absence of a change to any other factor affecting future gross margins on the Group's developments, such as a change in future sales prices.

In addition, the Group has consistently applied its approach to margin recognition in relation to the Group's particularly complex, long-term regeneration developments where whole-site costs are accelerated to the early stages of the development to reflect the greater uncertainty and the evolution of risk over the life of such developments. These developments, where the development life cycle is typically greater than ten years, are considered to be particularly susceptible to potential downward shifts in profitability due to the cyclical nature of the property market and its impact on both revenue and costs. As such, the inherent estimation uncertainty is increased.

A fundamental principle of the Group's accounting policy is to reduce the possibility of recognising margin in the early stages of a development that could subsequently reverse. As such, for these long-term sites with greatest estimation uncertainty, a greater proportion of whole-site costs is recognised during the earlier stages of the development up to a point of inflection when such developments are deemed to be sufficiently de-risked. Subsequent to this inflection point, and should the uncertainties have not materialised, margin would increase as the visibility over projected revenue and costs across the development improves.

As at 30 April 2024, the greater proportion of whole-site costs recognised in either the current or previous financial years during the earlier stages of the development for the Group's particularly complex, long-term sites amounted to 4% (2023: 4%) of the future estimated revenue for the specific sites. As with all judgements involving estimation over a long-term horizon, the outcome of future events may affect the eventual accounting outcome.

	2024 £m	2023 £m
Land not under development	725.8	927.1
Work in progress: Land cost	1,715.3	1,729.2
Total land	2,441.1	2,656.3
Work in progress: Build cost	2,632.4	2,520.0
Completed units	210.4	125.8
Total inventories	5,283.9	5,302.1

The key areas of estimation uncertainty described above are relevant to the work in progress and completed stock balances as at 30 April 2024.

2.13 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Expected credit losses are based on the difference between the contracted cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted on an approximation of the original effective interest rate. Any expected credit losses are immaterial. For trade receivables the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Income Statement within net operating expenses. When a trade receivable is not collectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against net operating expense in the Income Statement.

	2024 £m	2023 £m
Trade receivables	72.5	48.2
Other receivables	23.6	22.1
Prepayments and accrued income	23.7	22.0
	119.8	92.3

Further disclosures relating to trade receivables are set out in note 2.23.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash balances in hand and at the bank, including bank overdrafts repayable on demand which form part of the Group's cash management, for which offset arrangements across Group businesses have been applied where appropriate.

	2024 £m	2023 £m
Cash and cash equivalents	1,192.0	1,070.4

Cash and cash equivalents are held at floating interest rates linked to the UK base rate and money market rates, as applicable.

Cash equivalents comprise amounts placed in fixed term deposit and notice accounts which are all held in order to meet short-term cash requirements and are subject to an insignificant risk of changes in value. Cash equivalents include an amount of £210.2 million (2023: £151.9 million) that is accessible between 90 and 120 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.15 Trade and other payables

New property deposits and on account contract receipts are held within current trade and other payables. Deposits and on account contract receipts are non-refundable and are recorded as a liability on receipt. They are released to the Income Statement, as revenue, upon legal completion.

Trade and other payables on normal terms are not interest bearing and are stated at their nominal value which is considered to be their fair value. Trade payables on extended terms are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs.

Deferred revenue relates to consideration received in advance of units being delivered. Revenue is recognised in the Income Statement as control is passed to the customer, which has either been determined as the point of legal completion or, on contracts where the customer controls the property during construction, over time with reference to the stage of completion.

	2024 £m	2023 £m
Current		
Trade payables	(736.6)	(602.6)
Deposits and on account contract receipts	(907.7)	(921.3)
Other taxes and social security	(9.5)	(12.3)
Deferred income	(52.9)	(88.4)
Accruals	(171.3)	(177.0)
	(1,878.0)	(1,801.6)
Non-current		
Trade payables	(683.6)	(863.4)
Total trade and other payables	(2,561.6)	(2,665.0)

The reduction in deferred income of £35.5 million (2023: £59.9 million) in the year has been recorded as revenue in the Income Statement.

All amounts included above are unsecured. The total of £9.5 million (2023: £12.3 million) for other taxes and social security includes £4.6 million (2023: £6.2 million) for Employer's National Insurance provision in respect of share based payments.

Further disclosures relating to current trade and non-current trade payables are set out in note 2.23.

2.16 Provisions for liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle that obligation, and the amount has been reliably estimated.

The Group makes assumptions to determine the timing and its best estimate of the quantum of its construction and other liabilities for which provisions are held.

Provisions include a best estimate of the expected value of its post completion development obligations in respect of the construction of the Group's portfolio of complex mixed use property developments which are expected to be incurred in the ordinary course of business, based on historical experience of the Group's sites and current site-specific risks, including matters relating to building fire-safety, but which are uncertain in terms of timing and quantum. Provisions are discounted to present value where the effect is material.

The Group continually reviews the identified risks that it is aware of for the Group's portfolio of developments to ensure that the amount of the provision remains appropriate. The increase in the year relates to post completion items on a number of sites including matters relating to building fire-safety. The Group continually reviews its utilisation of this provision and in recognition that the risk of post completion development obligations reduces over time, releases any unutilised provision to the Income Statement on a systematic basis across the ten years following completion.

If costs estimated in the provisions are overstated or understated by 10%, this would lead to a change in cost of sales and provision of £21.0 million in the current financial year (2023: £19.4 million).

	Post completion development provisions £m	Other provisions £m	Total £m
At 1 May 2023	(189.0)	(4.6)	(193.6)
Utilised	19.1	0.2	19.3
Released	7.8	-	7.8
Charged to the Income Statement	(38.5)	(4.8)	(43.3)
At 30 April 2024	(200.6)	(9.2)	(209.8)

	Post completion development provisions £m	Other provisions £m	Total £m
At 1 May 2022	(157.2)	(3.8)	(161.0)
Utilised	19.3	0.3	19.6
Released	9.0	0.3	9.3
Charged to the Income Statement	(60.1)	(1.4)	(61.5)
At 30 April 2023	(189.0)	(4.6)	(193.6)

	2024 £m	2023 £m
Non-current	(140.7)	(115.1)
Current	(69.1)	(78.5)
Total	(209.8)	(193.6)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.17 Deferred tax

Deferred taxation is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance Sheet liability method. Deferred tax liabilities are generally recognised on all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill, or from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, or from differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred taxation is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the Balance Sheet date. The carrying value of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which taxable temporary differences can be utilised. Deferred taxation is charged or credited to the Income Statement, except when it relates to items charged or credited directly to reserves, in which case the deferred taxation is also dealt with in reserves.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxation assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The movement on the deferred tax account is as follows:

	Accelerated capital allowances £m	Unrealised inventory profit £m	Other timing differences £m	Total £m
At 1 May 2023	(4.2)	77.7	41.0	114.5
Adjustments in respect of previous years	(0.1)	(1.0)	(1.8)	(2.9)
Credited/(charged) to the Income Statement in the year	1.8	3.0	(2.0)	2.8
Adjustment in respect of change of tax rate for future periods (note 2.6)	-	-	-	-
Credited to Income Statement in the year	1.8	3.0	(2.0)	2.8
Charged to equity in year (note 2.6)	-	-	2.5	2.5
At 30 April 2024	(2.5)	79.7	39.7	116.9

	Accelerated capital allowances £m	Unrealised inventory profit £m	Other timing differences £m	Total £m
At 1 May 2022	(4.5)	70.9	54.3	120.7
Adjustments in respect of previous years	-	1.9	(0.8)	1.1
Credited/(charged) to the Income Statement in the year	0.1	2.1	(4.4)	(2.2)
Adjustment in respect of change of tax rate for future periods (note 2.6)	0.2	2.8	1.7	4.7
Credited/(charged) to Income Statement in the year	0.3	4.9	(2.7)	2.5
Charged to equity in year (note 2.6)	-	-	(9.8)	(9.8)
At 30 April 2023	(4.2)	77.7	41.0	114.5

Other timing differences primarily relates to deferred tax assets held in relation to long-term incentive schemes, bonuses and provisions.

Deferred tax is calculated in full on temporary differences at the tax rates that are expected to apply for the period when the asset is realised and the liability is settled.

All deferred tax assets are available for offset against deferred tax liabilities and hence the net deferred tax asset at 30 April 2024 is £116.9 million (2023: £114.5 million).

Deferred tax assets of £74.6 million (2023: £80.6 million) are expected to be recovered after more than one year. The carrying value of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that there will be sufficient available profits to offset all or part of the asset. There are no unrecognised deferred tax assets as at 30 April 2024.

The deferred tax credited to equity during the year was as follows:

	2024 £m	2023 £m
Deferred tax movement in the year in respect of employee share schemes (note 2.6)	2.5	(9.8)
Cumulative deferred tax credited to equity at 1 May	16.3	26.1
Cumulative deferred tax credited to equity at 30 April	18.8	16.3

2.18 Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, sold or reissued. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

The movements on allotted and fully paid share capital for the Company in the year were as follows:

	Ordinary shares		Share capital		Share premium	
	2024 No '000	2023 No '000	2024 £m	2023 £m	2024 £m	2023 £m
Issued						
At start of year	116,537	120,590	6.3	6.5	49.8	49.8
Shares cancelled	(1,825)	(4,053)	(0.1)	(0.2)	-	-
At end of year	114,712	116,537	6.2	6.3	49.8	49.8

During the 2024 financial year, 1,825 thousand shares were repurchased (2023: 4,053 thousand) for a total consideration of £72.3 million, excluding transaction costs (2023: £155.4 million). These shares were subsequently cancelled.

Each ordinary share of 5.4141 pence is a voting share in the capital of the Company, is entitled to participate in the profits of the Company and on a winding-up is entitled to participate in the assets of the Company.

On 19 September 2023, 175 thousand ordinary shares (2023: 275 thousand) were issued to the Employee Benefit Trust.

On 2 October 2023, 222 thousand ordinary shares (2023: 245 thousand) were transferred from the Employee Benefit Trust to Executive Directors to satisfy the exercise of options under the 2011 LTIP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.18 Share capital and share premium continued

At 30 April 2024, there were 56 thousand shares held in trust (2023: 103 thousand) by the Employee Benefit Trust. The market value of these shares at 30 April 2024 was £2.6 million (2023: £4.6 million).

At 30 April 2024, there were 8,784 thousand (2023: 8,959 thousand) treasury shares held by the Group. The market value of the shares at 30 April 2024 was £414.1 million (2023: £398.4 million).

2.19 Reserves

The movement in reserves is set out in the Consolidated Statement of Changes in Equity on page 184.

Capital redemption reserve

The capital redemption reserve was created to maintain the capital of the Company following the redemption of the B-Shares associated with the Scheme of Arrangement created in 2004 which completed on 10 September 2009 with the re-designation of the unissued B-Shares as ordinary shares.

During the year, 1,825 thousand (2023: 4,053 thousand) shares were repurchased to the value of £72.3 million (2023: £155.4 million). These shares were subsequently cancelled (2023: 4,053 thousand) as shown in note 2.18. On cancellation of the share capital, the capital redemption reserve was credited with the nominal value of shares.

Other reserve

The other reserve of negative £961.3 million (2023: negative £961.3 million) arose from the application of merger accounting principles to the financial statements on implementation of the capital reorganisation of the Group, incorporating a Scheme of Arrangement, in the year ended 30 April 2005.

Retained earnings

On 19 September 2023, the Company issued to the Employee Benefit Trust 175 thousand ordinary shares (2023: 275 thousand ordinary shares). On 2 October 2023, 222 thousand ordinary shares were transferred from the Employee Benefit Trust to Executive Directors to satisfy the exercise of options under the 2011 LTIP (2023: 245 thousand ordinary shares).

2.20 Dividends per share

Dividend distributions to shareholders are recognised as a liability in the period in which the dividends are appropriately authorised and approved for payout and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

	2024		2023	
	Dividend per share pence	£m	Dividend per share pence	£m
Amounts recognised as distributions to equity shareholders during the year:				
September 2022	-	-	21.25	23.3
March 2023	-	-	69.44	75.2
September 2023	59.30	63.1	-	-
March 2024	33.00	35.0	-	-
Total dividends		98.1		98.5

2.21 Contingent liabilities

Certain companies within the Group have given performance and other trade guarantees on behalf of other members of the Group in the ordinary course of business. The Group has performance agreements in the ordinary course of business of £24.5 million which are guaranteed by third parties (2023: £28.5 million). The Group considers that the likelihood of an outflow of cash under these agreements is low and that no provision is required.

2.22 Notes to the Consolidated Cash Flow Statement

Reconciliation of profit after taxation for the year to cash generated from operations:

	2024 £m	2023 £m
Profit for the financial year	397.6	465.7
Adjustments for:		
• Taxation	159.7	138.3
• Depreciation	4.8	5.1
• Loss on sale of property, plant and equipment	5.2	3.7
• Finance income	(53.9)	(23.1)
• Finance costs	41.9	33.7
• Share of results of joint ventures after tax	(65.6)	(96.3)
• Non-cash charge in respect of share awards	(0.8)	(4.5)
Changes in working capital:		
Decrease/(Increase) in inventories	18.2	(168.1)
(Increase)/Decrease in trade and other receivables	(24.4)	57.5
(Decrease)/Increase in trade and other payables	(99.7)	60.5
Cash generated from operations	383.0	472.5

Reconciliation of net cash flow to net cash:

Net increase in cash and cash equivalents, including bank overdraft	121.6	141.5
Movement in borrowings	-	-
Movement in net cash in the financial year	121.6	141.5
Opening net cash	410.4	268.9
Closing net cash	532.0	410.4
Net cash as at 30 April:		
Cash and cash equivalents	1,192.0	1,070.4
Non-current borrowings	(660.0)	(660.0)
Total borrowings	(660.0)	(660.0)
Net cash*	532.0	410.4

* IFRS 16 lease liabilities are detailed in note 2.10.

2.23 Capital management, financial instruments and financial risk management

The Group finances its operations by a combination of shareholders' funds, working capital and, where appropriate, borrowings. The Group's objective when managing capital is to maintain an appropriate capital structure in the business to allow management to focus on creating sustainable long-term value for its shareholders.

The Group monitors capital levels principally by monitoring net cash/debt levels, cash flow forecasts and return on average capital employed. The Group considers capital employed to be net assets adjusted for net cash/debt. Capital employed at 30 April 2024 was £3,028.5 million (2023: £2,921.9 million). The increase in capital employed in the year of £106.6 million reflects an increase in net assets during the year (2023: increase of £54.7 million).

The Group's financial instruments comprise financial assets being trade receivables, loans to joint ventures and cash and cash equivalents and financial liabilities being borrowings, trade payables excluding other taxes and social security, lease liabilities and accruals other than those accounted for under IAS 19 'Employee Benefits'. Cash and cash equivalents and borrowings are the principal financial instruments used to finance the business. The other financial instruments arise in the ordinary course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.23 Capital management, financial instruments and financial risk management continued

As the Group's activities are predominantly conducted in sterling there is negligible direct currency risk. Therefore, the Group's key financial risks are primarily:

- liquidity risk – the risk that suitable funding for the Group's activities may not be available;
- market interest rate risk – the risk that Group financing activities represented by floating borrowings are adversely affected by fluctuation in market interest rates; and
- credit risk – the risk that a counterparty will default on its contractual obligations resulting in a loss to the Group.

Financial instruments: financial assets

The Group's financial assets can be summarised as follows:

	2024 £m	2023 £m
Current:		
Trade receivables	72.5	48.2
Loans to joint ventures	53.8	40.9
Cash and cash equivalents	1,192.0	1,070.4
Total financial assets	1,318.3	1,159.5

Trade receivables are non-interest bearing. Of the current trade receivables balance of £72.5 million (2023: £48.2 million) none of the balance was overdue by more than 30 days (2023: £nil).

Cash and cash equivalents are short-term deposits held at either floating rates linked to the Bank of England base rate or fixed money market rates. There are currently no Group assets that are measured at fair value.

Financial instruments: financial liabilities

The Group's financial liabilities can be summarised as follows:

	2024 £m	2023 £m
Current		
Trade payables	(736.6)	(602.6)
Lease liabilities	(2.1)	(2.2)
Accruals	(107.1)	(111.8)
	(845.8)	(716.6)
Non-current		
Trade payables	(683.6)	(863.4)
Lease liabilities	(2.3)	(2.9)
Borrowings	(660.0)	(660.0)
	(1,345.9)	(1,526.3)
Total trade and other payables	(2,191.7)	(2,242.9)

All amounts included above are unsecured, except for borrowings under the Group's bank facilities as set out later in this note.

Trade payables and other current liabilities are non-interest bearing.

The maturity profile of the Group's non-current financial liabilities, all of which are held at amortised cost, is as follows:

	2024 £m	2023 £m
Amounts due:		
In more than one year but not more than two years	(229.2)	(202.6)
In more than two years but not more than five years	(504.2)	(1,033.5)
In more than five years	(612.5)	(290.2)
	(1,345.9)	(1,526.3)

Current trade receivables and current trade and other payables approximate to their fair value as the transactions which give rise to these balances arise in the normal course of trade and, where relevant, with industry standard payment terms and have a short period to maturity (less than one year).

Non-current trade payables comprise long-term land payables, which are held at their discounted present value (calculated by discounting expected future cash flows at prevailing interest rates and yields as appropriate), and borrowings. The discount rate applied reflects the Group's credit risk, which is considered to be aligned to a nominal, low risk pre-tax rate, on initial recognition of the financial liability, applied to the maturity profile of the individual land creditors within the total. Non-current bank loans approximate to fair value as they are held at variable market interest rates. The fair value of the £400 million unsecured 10-year Green Bonds at 30 April 2024 was determined by the ask price of £75.86 per £100 (2023: £69.12 per £100).

Liquidity risk

This is the risk that suitable funding for the Group's activities may not be available. Group management addresses this risk through review of rolling cash flow forecasts throughout the year to assess and monitor the current and forecast availability of funding, and to ensure sufficient headroom against facility limits and compliance with banking covenants. The committed borrowing facilities are set out below.

The contractual undiscounted maturity profile of the Group's financial liabilities, which are included at their carrying value in the preceding tables, is as follows:

	2024 £m	2023 £m
Amounts due:		
In less than one year	(846.9)	(716.7)
In more than one year but not more than two years	(234.4)	(204.6)
In more than two years but not more than five years	(517.2)	(1,051.2)
In more than five years	(631.6)	(319.0)
	(2,230.1)	(2,291.5)

Deposits and on account contract receipts are not included in the table above as they represent deferred income and therefore do not have a payment maturity date.

Market interest rate risk

The Group's cash and cash equivalents and bank loans expose the Group to cash flow interest rate risk.

The Group's rolling cash flow forecasts incorporate appropriate interest assumptions, and management carefully assesses expected activity levels and associated funding requirements in the prevailing and forecast interest rate environment to ensure that this risk is managed.

If interest rates on the Group's cash and cash equivalents and bank loans had been 50 basis points higher throughout the year ended 30 April 2024, profit after tax for the year would have been £1.7 million higher (2023: £1.3 million higher). This calculation is based on the monthly closing net cash/debt balance throughout the year. A 50 basis point increase in interest rate represents management's assessment of a reasonably possible change for the year ended 30 April 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.23 Capital management, financial instruments and financial risk management continued

Credit risk

The Group's exposure to credit risk encompasses these financial assets: trade receivables, loans to joint ventures and cash and cash equivalents. The Group has assessed expected credit losses and the loss allowance for trade and other receivables and loans to joint ventures as immaterial.

There has been no impairment of trade receivables during the year (2023: £nil), nor are there any material provisions held against trade receivables (2023: £nil), and £nil trade receivables are past their due date (2023: £nil).

The credit risk on cash and cash equivalents is limited because counterparties are leading international banks with long-term A credit ratings assigned by international credit agencies.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest method.

The Group has committed corporate borrowing facilities as follows:

	2024			2023				
	Available £m	Drawn/ Issued £m	Undrawn £m	Available £m	Available £m	Drawn/ Issued £m	Undrawn £m	Available £m
Bank facilities								
Green term loan	260	(260)	-	Feb-29	260	(260)	-	Feb-28
Revolving credit facility	540	-	540	Feb-29	540	-	540	Feb-28
Listed debt								
Green Bonds	400	(400)	-	Aug-31	400	(400)	-	Aug-31
	1,200	(660)	540		1,200	(660)	540	

The £400 million unsecured 10-year Green Bonds mature in August 2031 at a fixed coupon of 2.5% per annum and are listed on the International Securities Market of the London Stock Exchange plc. The Group is in compliance with all of the financial covenants associated with the bonds.

The £800 million banking facilities comprise a £260 million Green Term Loan, which was initially drawn in March 2022 and bears interest at a rate linked to SONIA, and a £540 million Revolving Credit Facility (RCF) which remains undrawn. The bank facilities are secured by debentures provided by certain Group holding companies over their assets. The Group is in compliance with all of the financial covenants associated with the bank facilities.

In February 2024, the Group exercised the second and last one year extension on the £800 million banking facilities, which consequently is in place to February 2029.

At 30 April 2024, the total drawn balance of these combined borrowing facilities was £660.0 million (2023: £660.0 million). At 30 April 2024 there were no bank bonds in issue (2023: £nil) which are capable of being issued under ancillary facilities available as part of the Group's RCF.

On 16 February 2024, the Group entered into a borrowing facility with Homes England whereby it may apply amounts borrowed towards financing or re-financing certain infrastructure type development costs incurred by the Group on three of its development sites. The facility totals £125.6 million, is unsecured, has floating interest rates linked to the UK base rate and requires 33.33% of any outstanding loans to be repaid by 31 December 2031, 50% by 31 December 2032 and 100% by 31 December 2033. There are no loans outstanding as at 30 April 2024.

2.24 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 year end 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 2.22.

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.

	2024	2023
Net assets (£m)	3,560.5	3,332.3
Total shares in issue (million)	114.7	116.5
Less:		
Treasury shares held (million)	(8.7)	(8.9)
Employee Benefit Trust shares held (million)	(0.1)	(0.1)
Net shares used to determine NAVPS (million)	105.9	107.5
Net asset per share attributable to shareholders (pence)	3,363	3,101

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).

	2024 £m	2023 £m
Operating profit	479.7	518.3
Share of joint ventures using equity method	65.6	96.3
Profit used to determine ROCE	545.3	614.6
Opening capital employed:		
Net assets	3,332.3	3,136.1
Net cash	(410.4)	(268.9)
Opening capital employed	2,921.9	2,867.2
Closing capital employed:		
Net assets	3,560.5	3,332.3
Net cash	(532.0)	(410.4)
Closing capital employed	3,028.5	2,921.9
Average capital employed	2,975.2	2,894.5
Return on capital employed (%)	18.3%	21.2%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.24 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.

	2024 £m	2023 £m
Opening shareholders' equity	3,332.3	3,136.1
Closing shareholders' equity	3,560.5	3,332.3
Average shareholders' equity	3,446.4	3,234.2
Profit before tax	557.3	604.0
Return on equity before tax (%)	16.2%	18.7%

Cash due on forward sales

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

Future gross margin in land holdings

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

2.25 Related party transactions

The Group has entered into the following related party transactions:

Transactions with Directors

During the year, Mr R C Perrins paid £99,683 (2023: £115,808) and Mr P M Vallone paid £5,831 (2023: £nil) 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 either year end.

Transactions with joint ventures

During the financial year, the joint ventures paid management fees and other recharges to the Group of £14.2 million (2023: £18.0 million). Other transactions in the year include the movements in loans of £12.9 million (2023: £11.6 million) and the receipt of dividends of £74.9 million (2023: £74.9 million). The outstanding loan balances with joint ventures at 30 April 2024 total £53.8 million (30 April 2023: £40.9 million).

2.26 Subsidiaries and joint ventures

(a) Subsidiaries

In accordance with Section 409 of the Companies Act 2006, a full list of subsidiaries, partnerships, associates, joint ventures and joint arrangements, the country of incorporation, the registered address and the effective percentage of equity owned, as at 30 April 2024 is disclosed below. The Berkeley Group plc is the only direct subsidiary of The Berkeley Group Holdings plc and is an intermediate holding company. All wholly owned and partly owned subsidiaries are included in the consolidation and all associated undertakings are included in the Group's financial statements.

All of the companies listed below are incorporated in England and Wales and have their registered office address at Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG, unless otherwise stated, and the principal activity is residential-led mixed use development and ancillary activities. All of the companies are wholly owned by the Group and unless otherwise indicated, all of the companies have ordinary share capital.

Agents of Berkeley Commercial Developments Limited	
Ely Business Park Limited	
Agents of Berkeley Homes (Central London) Limited	
Chelsea Bridge Wharf (Block A) Limited	Chelsea Bridge Wharf (C North) Limited
Chelsea Bridge Wharf (Block B) Limited	Chelsea Bridge Wharf (C South) Limited
Chelsea Bridge Wharf (Block P) Limited	
Agents of Berkeley Homes (Hampshire) Limited	
Berkeley Homes (South Western House No. 1) Limited	
Agents of Berkeley Homes Public Limited Company	
Berkeley (Canalside) Limited	Berkeley Homes (Surrey) Limited
Berkeley Build Limited	Berkeley Homes (Thames Gateway) Limited
Berkeley Fifty-Five Limited	Berkeley Homes (Thames Valley) Limited
Berkeley Forty-Five Limited ^(a)	Berkeley Homes (Three Valleys) Limited
Berkeley Forty-Four plc	Berkeley Homes (Urban Developments) Limited
Berkeley Gateway Limited	Berkeley Homes (Urban Living) Limited
Berkeley Homes (Barn Elms) Limited	Berkeley Homes (Urban Renaissance) Limited
Berkeley Homes (Capital) plc	Berkeley Homes (Western) Limited
Berkeley Homes (Central & West London) Public Limited Company	Berkeley Homes (West London) Limited
Berkeley Homes (Central London) Limited	Berkeley Homes (West Thames) Limited
Berkeley Homes (Chiltern) Limited	Berkeley Modular Limited
Berkeley Homes (East Anglia) Limited	Berkeley Ninety-One Limited
Berkeley Homes (East Kent) Limited	Berkeley Partnership Homes Limited
Berkeley Homes (East Thames) Limited	Berkeley Seven Limited
Berkeley Homes (Eastern Counties) Limited	Berkeley STE Limited
Berkeley Homes (Eastern) Limited	Berkeley SW Management Limited
Berkeley Homes (Festival Waterfront Company) Limited	Berkeley Urban Renaissance Limited
Berkeley Homes (Hampshire) Limited	Clare Homes Limited
Berkeley Homes (Home Counties) plc	Lisa Estates (St Albans) Limited
Berkeley Homes (North East London) Limited	PEL Investments Limited
Berkeley Homes (Oxford & Chiltern) Limited	St John Homes Limited ^(viii)
Berkeley Homes (South East London) Limited	St Joseph Homes Limited
Berkeley Homes (South London) Limited	Stanmore Relocations Limited
Berkeley Homes (Southern) Limited	Tabard Square (Building C) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.26 Subsidiaries and joint ventures continued

Agents of Berkeley Twenty Limited	
Thirlstone Homes (Western) Limited	Thirlstone Homes Limited
Agents of St George Central London Limited	
Castle Court Putney Wharf Limited	Imperial Wharf (Block J) Ltd
Imperial Wharf (Block C) Limited	Imperial Wharf (Riverside Tower) Residential Limited
Agents of St George plc	
St George Central London Limited	St George North London Limited
St George City Limited	St George South and Central London Limited
St George Developments Limited	St George South London Ltd ^(vi)
St George Kings Cross Limited	St George West London Ltd ^(vi)
Agents of St George South London Ltd	
Battersea Reach Estate Company Limited	Riverside West (Block D) Residential Limited
Kensington Westside No. 2 Limited	Riverside West Car Park Limited
Putney Wharf Estate Limited	St George Wharf (Block B) Limited
Riverside West (Block C) Commercial Limited	St George Wharf (Block C) Limited
Riverside West (Block C) Residential Limited	St. George Wharf (Block D) Commercial Limited
Riverside West (Block D) Commercial Limited	St George Wharf Car Park Limited
Agents of St John Homes Limited	
Berkeley Sixty-Six Limited	
Non-Agency Companies ^(v)	
Ancestral Homes Limited	Berkeley Fifty-Eight Limited
Berkeley (Inner-City Partnerships) Limited	Berkeley Fifty-Four Limited
Berkeley (SQP) Limited	Berkeley Fifty-Nine Limited
Berkeley (Virginia Water) Limited ⁽ⁱ⁾	Berkeley Fifty-One Limited
Berkeley Affordable Homes Limited	Berkeley Fifty-Seven Limited
Berkeley Asset MSA Limited	Berkeley Fifty-Two Limited
Berkeley College Homes Limited	Berkeley First Limited
Berkeley Commercial Developments Limited	Berkeley Five Limited
Berkeley Commercial Investments Limited	Berkeley Forty Limited
Berkeley Commercial Limited	Berkeley Forty-Eight Limited
Berkeley Community Villages Limited	Berkeley Forty-Nine Limited
Berkeley Construction Limited	Berkeley Forty-Seven Limited
Berkeley Developments Limited ⁽ⁱ⁾	Berkeley Forty-Six Limited
Berkeley Eighteen Limited	Berkeley Forty-Three Limited
Berkeley Eighty Limited	Berkeley Forty-Two Limited
Berkeley Eighty-One Limited	Berkeley Fourteen Limited
Berkeley Eighty-Three Limited	Berkeley Group Pension Trustees Limited
Berkeley Eighty-Two Limited	Berkeley Group Services Limited
Berkeley Enterprises Limited	Berkeley Group SIP Trustee Limited
Berkeley Festival Development Limited	Berkeley Guarantee One Limited [†]
Berkeley Festival Hotels Limited	Berkeley Homes (Carmelite) Limited
Berkeley Festival Investments Limited	Berkeley Homes (Chertsey) Limited
Berkeley Festival Limited	Berkeley Homes (City & East London) Limited
Berkeley Fifty Limited	Berkeley Homes (City) Limited

Non-Agency Companies ^(vi)	
Berkeley Homes (Dorset) Limited	Berkeley One Hundred and Forty Limited
Berkeley Homes (East London) Limited	Berkeley One Hundred and Forty-Nine Limited
Berkeley Homes (Essex) Limited	Berkeley One Hundred and Forty-One Limited
Berkeley Homes (Fleet) Limited ^(v)	Berkeley One Hundred and Forty-Seven Limited
Berkeley Homes (Greater London) Limited	Berkeley One Hundred and Forty-Six Limited
Berkeley Homes (Hertfordshire & Cambridgeshire) Limited	Berkeley One Hundred and Four Limited
Berkeley Homes (Kent) Limited	Berkeley One Hundred and Nine Limited
Berkeley Homes (North Western) Limited ^(v)	Berkeley One Hundred and Ninety-Eight Limited
Berkeley Homes (PCL) Limited	Berkeley One Hundred and Ninety-Five Limited
Berkeley Homes (South) Limited	Berkeley One Hundred and Ninety-Four Limited
Berkeley Homes (Southall) Limited	Berkeley One Hundred and Ninety Limited
Berkeley Homes (Stanmore) Limited	Berkeley One Hundred and Ninety-Nine Limited
Berkeley Homes (Southern Counties) Limited	Berkeley One Hundred and Ninety-Seven Limited
Berkeley Homes Group Limited	Berkeley One Hundred and Ninety-Six Limited
Berkeley Homes Public Limited Company ^{(iii) (viii)}	Berkeley One Hundred and One Limited
Berkeley London Residential Limited	Berkeley One Hundred and Seven Limited
Berkeley Manhattan Limited	Berkeley One Hundred and Seventeen Limited
Berkeley Ninety-Eight Limited	Berkeley One Hundred and Seventy-Eight Limited
Berkeley Ninety-Five Limited	Berkeley One Hundred and Seventy-Five Limited
Berkeley Ninety-Nine Limited	Berkeley One Hundred and Seventy-Four Limited
Berkeley Ninety-Seven Limited	Berkeley One Hundred and Seventy-Nine Limited
Berkeley Ninety-Six Limited	Berkeley One Hundred and Seventy-One Limited
Berkeley Number Four Limited	Berkeley One Hundred and Seventy-Seven Limited
Berkeley Number Seven Limited	Berkeley One Hundred and Seventy-Six Limited
Berkeley Number Six Limited	Berkeley One Hundred and Seventy-Three Limited
Berkeley One Hundred and Eight Limited	Berkeley One Hundred and Seventy-Two Limited
Berkeley One Hundred and Eighteen Limited	Berkeley One Hundred and Six Limited
Berkeley One Hundred and Eighty-Eight Limited	Berkeley One Hundred and Sixteen Limited
Berkeley One Hundred and Eighty-Five Limited	Berkeley One Hundred and Sixty-Five Limited
Berkeley One Hundred and Eighty Limited	Berkeley One Hundred and Sixty-Four Limited
Berkeley One Hundred and Eighty-Nine Limited	Berkeley One Hundred and Sixty-One Limited
Berkeley One Hundred and Eighty-One Limited	Berkeley One Hundred and Sixty-Six Limited
Berkeley One Hundred and Eighty-Seven Limited	Berkeley One Hundred and Sixty-Three Limited
Berkeley One Hundred and Eighty-Two Limited	Berkeley One Hundred and Thirteen Limited
Berkeley One Hundred and Fifteen Limited	Berkeley One Hundred and Thirty-Eight Limited
Berkeley One Hundred and Fifty-Eight Limited	Berkeley One Hundred and Thirty-Five Limited
Berkeley One Hundred and Fifty-Five Limited	Berkeley One Hundred and Thirty-Four Limited
Berkeley One Hundred and Fifty-Four Limited	Berkeley One Hundred and Thirty Limited
Berkeley One Hundred and Fifty Limited	Berkeley One Hundred and Thirty-Nine Limited
Berkeley One Hundred and Fifty-Nine Limited	Berkeley One Hundred and Thirty-One Limited
Berkeley One Hundred and Fifty-One Limited	Berkeley One Hundred and Thirty-Seven Limited
Berkeley One Hundred and Fifty-Seven Limited	Berkeley One Hundred and Thirty-Six Limited
Berkeley One Hundred and Fifty-Six Limited	Berkeley One Hundred and Thirty-Three Limited
Berkeley One Hundred and Fifty-Three Limited	Berkeley One Hundred and Thirty-Two Limited
Berkeley One Hundred and Fifty-Two Limited	Berkeley One Hundred and Three Limited
Berkeley One Hundred and Five Limited	Berkeley One Hundred and Twenty-Eight Limited
Berkeley One Hundred and Forty-Eight Limited	Berkeley One Hundred and Twenty-Five Limited
Berkeley One Hundred and Forty-Five Limited	Berkeley One Hundred and Twenty-Four Limited
Berkeley One Hundred and Forty-Four Limited	Berkeley One Hundred and Twenty Limited
Berkeley One Hundred and Twenty-Nine Limited	Berkeley Two Hundred and Fifty-Seven Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.26 Subsidiaries and joint ventures continued

Non-Agency Companies ^(v)	
BH (City Forum) Limited	Berkeley Ventures Limited
Berkeley One Hundred and Twenty-One Limited	Berkeley Two Hundred and Fifty-Six Limited
Berkeley One Hundred and Twenty-Seven Limited	Berkeley Two Hundred and Fifty-Three Limited
Berkeley One Hundred and Twenty-Six Limited	Berkeley Two Hundred and Fifty-Two Limited
Berkeley One Hundred and Twenty-Three Limited	Berkeley Two Hundred and Five Limited
Berkeley One Hundred and Twenty-Two Limited	Berkeley Two Hundred and Forty-Eight Limited
Berkeley One Hundred and Two Limited	Berkeley Two Hundred and Forty-Five Limited
Berkeley Portsmouth Harbour Limited	Berkeley Two Hundred and Forty-Four Limited
Berkeley Portsmouth Waterfront Limited	Berkeley Two Hundred and Forty-Nine Limited
Berkeley Properties Limited ⁽ⁱ⁾	Berkeley Two Hundred and Forty-Seven Limited
Berkeley Residential Limited ⁽ⁱ⁾	Berkeley Two Hundred and Forty-Six Limited
Berkeley Ryewood Limited	Berkeley Two Hundred and Forty-Three Limited
Berkeley Seventy Limited	Berkeley Two Hundred and Forty-Two Limited
Berkeley Seventy-Four Limited	Berkeley Two Hundred and Fourteen Limited
Berkeley Seventy-One plc ^(vi)	Berkeley Two Hundred and Nine Limited
Berkeley Seventy-Seven Limited	Berkeley Two Hundred and Nineteen Limited
Berkeley Seventy-Six Limited	Berkeley Two Hundred and One Limited ⁽ⁱ⁾
Berkeley Seventy-Three Limited	Berkeley Two Hundred and Seven Limited
Berkeley Seventy-Two Limited	Berkeley Two Hundred and Seventeen Limited
Berkeley Sixty Limited	Berkeley Two Hundred and Sixty Limited
Berkeley Sixty-Eight Limited	Berkeley Two Hundred and Thirteen Limited
Berkeley Sixty-Five Limited	Berkeley Two Hundred and Thirty Limited
Berkeley Sixty-Four Limited	Berkeley Two Hundred and Thirty-Eight Limited
Berkeley Sixty-Nine Limited	Berkeley Two Hundred and Thirty-Five Limited
Berkeley Sixty-One Limited	Berkeley Two Hundred and Thirty-Four Limited
Berkeley Special Projects Limited	Berkeley Two Hundred and Thirty-Nine Limited
Berkeley Strategic Land Limited ^(vi)	Berkeley Two Hundred and Thirty-One Limited
Berkeley Sustainable Communities Limited	Berkeley Two Hundred and Thirty-Seven Limited
Berkeley Thirty-Eight Limited	Berkeley Two Hundred and Thirty-Six Limited
Berkeley Thirty-Nine Limited	Berkeley Two Hundred and Thirty-Three Limited
Berkeley Thirty-Three Limited	Berkeley Two Hundred and Thirty-Two Limited
Berkeley Three Limited	Berkeley Two Hundred and Three Limited
Berkeley Twenty Limited	Berkeley Two Hundred and Twelve Limited
Berkeley Twenty-Eight Limited	Berkeley Two Hundred and Twenty Limited
Berkeley Twenty-Four Limited	Berkeley Two Hundred and Twenty-Eight Limited
Berkeley Twenty-Nine Limited	Berkeley Two Hundred and Twenty-Four Limited
Berkeley Twenty-Seven Limited	Berkeley Two Hundred and Twenty-Nine Limited
Berkeley Twenty-Three Limited	Berkeley Two Hundred and Twenty-Seven Limited
Berkeley Twenty-Two Limited	Berkeley Two Hundred and Twenty-Six Limited
Berkeley Two Hundred and Eight Limited	Berkeley Two Hundred and Twenty-Three Limited
Berkeley Two Hundred and Eighteen Limited	Berkeley Two Hundred and Twenty-Two Limited
Berkeley Two Hundred and Eleven Limited	Berkeley Two Hundred and Two Limited
Berkeley Two Hundred and Fifty Limited	Berkeley Two Hundred Limited
Berkeley Two Hundred and Fifty-Eight Limited	Berkeley Two Hundred and Sixty-One Limited
Berkeley Two Hundred and Fifty-Five Limited	Berkeley Two Hundred and Sixty-Two Limited
Berkeley Two Hundred and Fifty-Four Limited	Berkeley Two Hundred and Sixty-Three Limited
Berkeley Two Hundred and Fifty-Nine Limited	Berkeley Two Hundred and Sixty-Four Limited
Berkeley Two Hundred and Fifty-One Limited	

Non-Agency Companies ^(v)	
Boardcable Limited ^(viii)	St. George Investments Ltd
Bromyard House (Car Park) Limited	St. George London Ltd
Bromyard House (Freehold) Limited	St George Northfields Limited
Bromyard House (North) Limited	St. George Partnerships Ltd
Bromyard House Limited	St George plc ^(iv)
BWW Management Limited ^(viii)	St George Project Management Limited
Charco 143 Limited ⁽ⁱ⁾	St. George Properties Ltd
Chelsea Bridge Wharf (Management Company) Limited	St George Real Estate Limited
Chelsea Bridge Wharf Car Park Limited ^(viii)	St George Regeneration Limited
Community Housing Action Limited	St. George Southern Ltd
Community Villages Limited	St. George Western Ltd
CPWGCO 1 Limited	St George Wharf Hotel Limited
Drummond Road (Number 1) Ltd	St. George's Hill Property Company Limited
Drummond Road (Number 2) Ltd	St James Group Limited
Exchange Place No.2 Limited	St James Homes (Grosvenor Dock) Limited
Fishguard Bridge Limited	St James Homes Limited ^(viii)
Fishguard Tunnel Limited	St William Eight Limited
Great Woodcote Park Management Limited	St William Eighteen Limited
Hertfordshire Homes Limited	St William Eleven Limited
Historic Homes Limited	St William Fifteen Limited
Kentdean Limited	St William Five Limited
One Tower Bridge Limited	St William Four Ltd
Oval Works Limited	St William Fourteen Limited
Paddington Green Propco Limited	St William Holdings Limited
Quod Erat Demonstrandum Properties Limited	St William Homes LLP [†]
Retirement Homes Limited	St William Nine Limited
Royal Clarence Yard (Marina) Limited	St William Nineteen Limited
Royal Clarence Yard (Phase A) Limited	St William One Ltd
Royal Clarence Yard (Phase B) Limited	St William Seven Limited
Royal Clarence Yard (Phase C) Limited	St William Seventeen Limited
Royal Clarence Yard (Phase E) Limited	St William Six Limited
Royal Clarence Yard (Phase G) Management Company Limited	St William Sixteen Limited
Royal Clarence Yard (Phase H) Limited	St William Ten Limited
Royal Clarence Yard (Phase I) Limited	St William Thirteen Limited
Royal Clarence Yard (Phase K) Management Company Limited	St William Three Ltd
Royal Clarence Yard Estate Limited	St William Twelve Limited
Sandgates Developments Limited ⁽ⁱ⁾	St William Twenty Limited
Sitesecure Limited	St William Twenty-Eight Limited
SJC (Highgate) Limited ^(viii)	St William Twenty-Five Limited
South Quay Plaza Management Limited ^{(62.5%)(vi)}	St William Twenty-Four Limited
St Edward Limited	St William Twenty-One Limited
St George (Crawford Street) Limited	St William Twenty-Seven Limited
St George (Queenstown Place) Limited	St William Twenty-Six Limited
St George Blackfriars Limited	St William Twenty-Three Limited
St George Commercial Limited	St William Twenty-Two Limited
St George Ealing Limited	St William Two Ltd
St. George Eastern Ltd	Tabard Square (Building A) Limited
St. George Inner Cities Ltd	Tabard Square (Building B) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 Results for the year continued

2.26 Subsidiaries and joint ventures continued

Non-Agency Companies ^(v)	
Tabard Square (Car Park) Limited	The Tower, One St George Wharf Limited ⁽ⁱ⁾
TBG (3) 2009 Limited	Thirlstone (JLP) Limited
The Berkeley Festival Waterfront Company Limited	Thirlstone Commercial Limited
The Berkeley Group plc	Thirlstone plc ⁽ⁱⁱ⁾
The Millennium Festival Leisure Company Limited	Woodside Road Limited
The Oxford Gateway Development Company Limited	

(i) A ordinary and B ordinary shares

(ii) Ordinary and preference shares

(iii) Ordinary and deferred shares

(iv) Ordinary, deferred and preference shares

(v) List contains companies that are a principal to agency agreements but are not agents themselves

(vi) Registered office is 83 The Avenue, Sunbury-On-Thames, Middlesex, TW16 5HZ

(vii) Ordinary and redeemable preference shares

(viii) Registered office is 19 Portsmouth Road, Cobham, Surrey, KT11 1JG

† Partnership with no share capital

The subsidiary companies listed below are incorporated outside of England and Wales. Their country of incorporation and registered offices are listed below. Their principal activities continue to be that of residential-led mixed use development and ancillary activities. All of the companies are wholly owned by the Group and unless otherwise indicated, all of the companies have ordinary share capital.

	Country of Incorporation	Registered office
Aragon Investments Limited ⁽ⁱⁱ⁾	Jersey	28 Esplanade, St. Helier, JE2 3QA, Jersey
Berkeley (Carnwath Road) Limited	Isle of Man	First Floor, Jubilee Buildings, Victoria Street, Douglas, IM1 2SH, Isle of Man
Berkeley (Hong Kong) Limited	Hong Kong	3806 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Berkeley Homes Special Contracts Public Limited ⁽ⁱⁱⁱ⁾	Scotland	Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN
Berkeley Investments (IOM) Limited (in liquidation)	Isle of Man	First Floor, Jubilee Buildings, Victoria Street, Douglas, IM1 2SH, Isle of Man
Berkeley Property Investments Limited	Jersey	28 Esplanade, St. Helier, JE2 3QA, Jersey
Berkeley Real Estate Consulting (Beijing) Co. Limited*	China	Unit 1902, floor 19, No.1, Guanghua Road, ChaoYang District, Beijing, China
Berkeley Residential (Singapore) Limited	Singapore	77 Robinson Road, #13-00 Robinson 77, Singapore 068896
Berkeley Whitehart Investments Limited	Jersey	28 Esplanade, St. Helier, JE2 3QA, Jersey
Comiston Properties Limited	Bahamas	Ocean Centre, Montagu Foreshore, East Bay Street, Nassau, New Providence, The Bahamas
Real Star Investments Limited ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	Jersey	28 Esplanade, St. Helier, JE2 3QA, Jersey
Silverdale One Limited ⁽ⁱⁱ⁾	Jersey	28 Esplanade, St. Helier, JE2 3QA, Jersey
St George Battersea Reach Limited	Jersey	2 Hill Street, St. Helier, JE2 4UA, Jersey

(i) Agency company of St James Group Limited

(ii) Non-UK nominee company

(iii) Ordinary, A deferred and B deferred shares

* Accounting date of 31 December

(b) Joint ventures

At 30 April 2024, the Group had an interest in the following joint ventures which have been equity accounted to 30 April and have an accounting date of 30 April unless otherwise indicated. All of the companies listed below are incorporated in England and Wales and have their registered office address at Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG, unless otherwise stated, and the principal activity is residential-led mixed use development and ancillary activities. All of the companies are 50% owned by the Group and unless otherwise indicated, all of the companies have ordinary share capital.

Berkeley Carlton Holdings Limited ⁽ⁱⁱ⁾	St Edward Homes Number One Limited**
Berkeley Sutton Limited ⁽ⁱⁱ⁾	St Edward Homes Number Three Limited** ^(v)
Diniwe One Limited	St Edward Homes Number Two Limited**
Diniwe Two Limited	St Edward Homes Partnership Freeholds Limited
Berkeley Latimer Estates Limited ⁽ⁱⁱ⁾ ^(v) ***	St Edward Strand Partnership Freeholds Limited
Mayflower Residential Limited ⁽ⁱⁱ⁾ ^(v) ***	St George Little Britain (No. 1) Limited ⁽ⁱⁱ⁾
Segro V-Park Grand Union LLP†	St George Little Britain (No.2) Limited ⁽ⁱⁱ⁾
SEH Manager Limited	St Katharine Homes LLP ⁽ⁱⁱ⁾
SEH Nominee Limited	STKM Limited
SES Manager Limited ⁽ⁱⁱ⁾	Strand Property Unit Trust (unregistered)
SES Nominee Limited	The St Edward Homes Partnership (unregistered partnership) ⁽ⁱⁱ⁾
St Edward Homes Limited ⁽ⁱⁱⁱ⁾	The St Edward (Strand) Partnership (unregistered partnership) ⁽ⁱⁱ⁾
St Edward Homes Number Five Limited**	U B Developments Limited ^(iv) ^(v)
St Edward Homes Number Four Limited**	

(i) Partnership with no share capital

(ii) A ordinary and B ordinary shares

(iii) A ordinary, B ordinary, C preference and D preference shares

(iv) B ordinary shares

(v) Registered office is 19 Portsmouth Road, Cobham, Surrey, KT11 1JG

* Accounting date of 31 December

** 100% owned by St Edward Homes Limited

*** Accounting date of 31 March

† Registered office address is 1 New Burlington Place, London, United Kingdom, W1S 2HR

COMPANY BALANCE SHEET

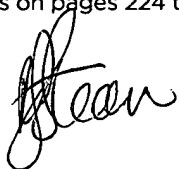
As at 30 April	Notes	2024 £m	2023 £m
Fixed assets			
Investments	C2.4	1,443.1	1,438.1
		1,443.1	1,438.1
Current assets			
Debtors	C2.5	636.4	542.6
Cash at bank and in hand		0.9	0.9
		637.3	543.5
Current liabilities			
Creditors (amounts falling due within one year)	C2.6	(874.0)	(841.6)
Net current liabilities		(236.7)	(298.1)
Total assets less current liabilities and net assets		1,206.4	1,140.0
Capital and reserves			
Called-up share capital	C2.7	6.2	6.3
Share premium account	C2.7	49.8	49.8
Capital redemption reserve		25.3	25.2
Profit and loss account		1,125.1	1,058.7
Total shareholders' funds		1,206.4	1,140.0

As permitted by Section 408 of the Companies Act 2006, The Berkeley Group Holdings plc has not presented its own Income Statement. The profit after taxation of the Company for the financial year was £232.6 million (2023: £278.8 million).

The financial statements on pages 224 to 230 were approved by the Board of Directors on 19 June 2024 and were signed on its behalf by:

R J Stearn

Chief Financial Officer
Registered no: 5172586



COMPANY STATEMENT OF CHANGES IN EQUITY

	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Profit and loss account £m	Total shareholders' funds £m
At 1 May 2023	6.3	49.8	25.2	1,058.7	1,140.0
Profit after taxation for the year	-	-	-	232.6	232.6
Purchase of ordinary shares	(0.1)	-	0.1	(72.3)	(72.3)
Charge in respect of employee share schemes	-	-	-	2.6	2.6
Deferred tax in respect of employee share schemes	-	-	-	1.6	1.6
Dividends to equity holders of the Company	-	-	-	(98.1)	(98.1)
At 30 April 2024	6.2	49.8	25.3	1,125.1	1,206.4
At 1 May 2022	6.5	49.8	25.0	1,038.1	1,119.4
Profit after taxation for the year	-	-	-	278.8	278.8
Purchase of ordinary shares	(0.2)	-	0.2	(155.4)	(155.4)
Charge in respect of employee share schemes	-	-	-	(1.6)	(1.6)
Deferred tax in respect of employee share schemes	-	-	-	(2.7)	(2.7)
Dividends to equity holders of the Company	-	-	-	(98.5)	(98.5)
At 30 April 2023	6.3	49.8	25.2	1,058.7	1,140.0

NOTES TO THE COMPANY FINANCIAL STATEMENTS

C1 Basis of preparation

C1.1 Introduction

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. In preparing these financial statements, the Company applies the recognition measurement and disclosure requirements of UK-adopted international accounting standards, but makes amendments where necessary in order to comply with the Companies Act 2006.

The accounting policies adopted for the Parent Company, The Berkeley Group Holdings plc, are otherwise consistent with those used for the Group which are set out on pages 182 to 223.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- certain disclosures required by IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instrument Disclosures'; and
- disclosures in respect of the compensation of key management personnel.

The principal activity of The Berkeley Group Holdings plc (the Company) is to act as a holding company.

C1.2 Going concern

The Group's business activities together with the factors likely to affect its future development performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are all described in the Trading and Financial Review on pages 29 to 31.

The Group has significant financial resources and the Directors have assessed the future funding requirements of the Group, including the annual return of £0.3 billion to shareholders set out to 2025, and compared this with the level of committed loan facilities and cash resources over the medium term. In making this assessment, consideration has been given to the uncertainty inherent in future financial forecasts and, where applicable, reasonable sensitivities have been applied to the key factors affecting the financial performance of the Group.

Based on the financial performance of the Group, the Directors have a reasonable expectation that the Company has adequate resources to continue its operational existence for at least 12 months from the date of signing the accounts, notwithstanding its net current liability position of £236.7 million (2023: £298.1 million). For this reason they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

C2 Notes to the Company accounts

C2.1 Profit before taxation

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

Profit before taxation is stated after charging the following amounts:

	2024 £m	2023 £m
Auditor's remuneration	0.1	0.1

There were no non-audit services provided by the Company's current auditor during the year (2023: £nil).

C2.2 Directors and employees

The Company operates three equity settled, share based compensation plans (2023: three). The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted.

At each Balance Sheet date, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity. Amounts recognised in respect of Executive Directors of the Company's subsidiaries are recognised as an addition to the cost of the investment.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Pension contributions under defined contribution schemes are charged to the Income Statement as they fall due.

	2024 £m	2023 £m
Staff costs:		
Wages and salaries	2.1	2.4
Social security costs	0.6	0.3
Share based payments – equity settled	2.0	0.6
	4.7	3.3

The average monthly number of persons employed by the Company during the year was 10, all of whom are Directors (2023: 12).

Directors

Details of Directors' emoluments are set out in the Remuneration Report on pages 130 to 156.

Pensions

During the year, the Company participated in one of the Group's pension schemes, The Berkeley Group plc Group Personal Pension Plan. Further details on this scheme are set out in note 2.5 to the Consolidated Financial Statements. Contributions amounting to £nil (2023: £nil) were paid into the defined contribution scheme during the year.

Share based payments

The charge to the profit and loss account in respect of equity settled share based payments in the year are:

- 2011 LTIP of £0.2 million (2023: £0.2 million)
- 2022 LTIP of £1.3 million (2023: £0.3 million)
- RSP of £0.7 million (2023: £0.1 million)

The credit to the reserves during the year in respect of employee share schemes was £2.6million (2023: £1.6 million charge) which includes the corresponding entry to the cost of investment of £5.0 million (2023: £2.4 million) detailed in note C2.4. The offsetting entry within reserves results from the non-cash IFRS 2 charge for the year. Further information on the Company's share incentive schemes are included in the Remuneration Report on pages 130 to 156 as well as note 2.5 to the Consolidated Financial Statements.

C2.3 The Berkeley Group Holdings plc profit and loss account

The profit for the year in the Company is £232.6 million (2023: £278.8 million).

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

C2 Notes to the Company accounts continued

C2.4 Investments

Investments in subsidiary undertakings are included in the Balance Sheet at cost less provision for any impairment.

	2024 £m	2023 £m
Investments at cost:		
Investments in shares of subsidiary undertaking at 1 May	1,438.1	1,435.7
Additions	5.0	2.4
Investments in shares of subsidiary undertaking at 30 April	1,443.1	1,438.1

Additions in the year relate to Company contributions to The Berkeley Group plc for employee services to be settled through the issue of shares on the vesting of the Berkeley Group Holdings plc 2011 LTIP awards, 2022 LTOP awards and RSP awards for the benefit of employees of its subsidiaries.

The Directors believe that the carrying value of the investments is supported by their underlying net assets. Details of subsidiaries are given within note 2.26 to the Consolidated Financial Statements.

C2.5 Debtors

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax is measured on an undiscounted basis.

	2024 £m	2023 £m
Current		
Amounts owed from subsidiary undertakings	630.8	536.6
Deferred tax	5.6	6.0
	636.4	542.6

All amounts owed from subsidiary undertakings are unsecured, bear no interest and are payable on demand. The Company has assessed expected credit losses as immaterial on amounts owed from subsidiary undertakings.

The movements on the deferred tax asset are as follows:

	2024 £m	2023 £m
At 1 May	6.0	10.7
Deferred tax in respect of employee share schemes	1.9	(4.7)
Realisation of deferred tax asset on vesting of employee share scheme	(2.3)	-
At 30 April	5.6	6.0

Deferred tax is calculated in full on temporary differences at the tax rates that are expected to apply for the period when the asset is realised and the liability is settled using a tax rate of 25% (2023: 25%). Accordingly, all temporary differences have been calculated. There is no unprovided deferred tax (2023: £nil) at the Balance Sheet date.

The deferred tax asset of £5.6 million relates to short-term timing differences (2023: £6.0 million).

C2.6 Creditors: Amounts falling due within one year

Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

	2024 £m	2023 £m
Current		
Amounts owed to subsidiary undertakings	(871.3)	(837.9)
Other taxation and social security	(2.7)	(3.7)
	(874.0)	(841.6)

All amounts included above are unsecured. The interest rate on the whole amount (2023: the whole amount) owed to subsidiary undertakings is 4.0% (2023: 4.0%), with no fixed repayment date.

C2.7 Called-up share capital

The movements on allotted and fully paid share capital for the Company in the year were as follows:

	Ordinary shares		Share capital		Share premium	
	2024 No '000	2023 No '000	2024 £m	2023 £m	2024 £m	2023 £m
Issued						
At start of year	116,537	120,590	6.3	6.5	49.8	49.8
Shares cancelled	(1,825)	(4,053)	(0.1)	(0.2)	-	-
At end of year	114,712	116,537	6.2	6.3	49.8	49.8

During the 2024 financial year, 1,825 thousand shares were repurchased (2023: 4,053 thousand) for a total consideration of £72.3 million, excluding transaction costs (2023: £155.4 million). These shares were subsequently cancelled (2023: 4,053 thousand).

Each ordinary share of 5.4141 pence is a voting share in the capital of the Company, is entitled to participate in the profits of the Company and on a winding-up is entitled to participate in the assets of the Company.

On 19 September 2023, 175 thousand ordinary shares (2023: 275 thousand) were issued to the Employee Benefit Trust.

On 2 October 2023, 222 thousand ordinary shares (2023: 245 thousand) were transferred from the Employee Benefit Trust to Executive Directors to satisfy the exercise of options under the 2011 LTIP.

At 30 April 2024, there were 56 thousand shares held in trust (2023: 103 thousand) by the Employee Benefit Trust. The market value of these shares at 30 April 2024 was £2.6 million (2023: £4.6 million).

At 30 April 2024, there were 8,784 thousand (2023: 8,959 thousand) treasury shares held by the Group. The market value of the shares at 30 April 2024 was £414.1 million (2023: £398.4 million).

The movements in the year are disclosed in notes 2.18 and 2.19 to the Consolidated Financial Statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

C2 Notes to the Company accounts continued

C2.8 Dividends per share

Dividend distributions to shareholders are recognised as a liability in the period in which the dividends are appropriately authorised and approved for payout and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

	2024		2023	
	Dividend per share pence	£m	Dividend per share pence	£m
Amounts recognised as distributions to equity shareholders during the year:				
September 2022	-	-	21.25	23.3
March 2023	-	-	69.44	75.2
September 2023	59.30	63.1	-	-
March 2024	33.00	35.0	-	-
Total dividends		98.1		98.5

C2.9 Related party transactions

The Company has not undertaken related party transactions during the year with entities that are not wholly owned subsidiaries of The Berkeley Group Holdings plc. Transactions with wholly owned members of The Berkeley Group Holdings plc are exempt under FRS 101 with reduced disclosure.

FIVE YEAR SUMMARY

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Income statement					
Revenue	2,464.3	2,550.2	2,348.0	2,202.2	1,920.4
Operating profit	479.7	518.3	507.9	502.3	469.7
Share of results of joint ventures	65.6	96.3	56.1	22.4	33.3
Net finance income/(costs)	12.0	(10.6)	(12.5)	(6.6)	0.7
Profit before taxation	557.3	604.0	551.5	518.1	503.7
Basic earnings per share	373.9	426.8p	417.8p	339.4p	324.9p
Statement of financial position					
Capital employed	3,028.5	2,921.9	2,867.2	2,047.2	1,962.7
Net cash	532.0	410.4	268.9	1,128.2	1,138.9
Net assets	3,560.5	3,332.3	3,136.1	3,175.4	3,101.6
Net assets per share attributable to shareholders ⁽¹⁾	3,363p	3,101p	2,818p	2,612p	2,472p
Ratios and statistics					
Return on capital employed ⁽²⁾	18.3%	21.2%	23.0%	26.2%	25.5%
Return on equity after tax ⁽³⁾	11.5%	14.4%	15.3%	13.5%	13.5%
Return on equity before tax ⁽⁴⁾	16.2%	18.7%	17.5%	16.5%	16.6%
Homes sold ⁽⁵⁾	3,521	4,043	3,760	2,825	2,723
Cash due on forward sales ⁽⁶⁾	1,701	2,136	2,171	1,712	1,858
Gross margin on land holdings ⁽⁷⁾	6,929	7,629	8,258	6,884	6,417

(1) 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.

(2) 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).

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

(4) Calculated as profit before taxation attributable to shareholders as a percentage of the average of opening and closing shareholders' funds.

(5) The number of homes legally completed and recorded in revenue in the year excluding joint ventures.

(6) Cash still due from customers during the next three financial years under unconditional contracts for sale.

(7) The measure of expected value in the Group's land holdings in the event the Group successfully sells and delivers the developments planned for.

See note 2.24 Alternative Performance Measure for full definitions where relevant.

FINANCIAL DIARY

Annual General Meeting and Trading Update	6 September 2024
Half year end	31 October 2024
Interim Results Announcement for the six months ending 31 October 2024	6 December 2024
Trading Update	March 2025
Year end	30 April 2025
Announcement of Results for the year ending 30 April 2025	June 2025
Publication of 2025 Annual Report	August 2025

REGISTERED OFFICE AND ADVISORS

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Corporate brokers and financial advisors

Barclays Bank plc
HSBC Bank plc

Share price information

The Company's share capital is listed on the London Stock Exchange. The latest share price is available via the Company's website at www.berkeleygroup.co.uk

Solicitor

Herbert Smith Freehills LLP

Bankers

Barclays Bank plc
HSBC Bank plc
Lloyds Bank plc
Banco Santander, S.A., London Branch
National Westminster Bank plc
Handelsbanken plc

Auditor

KPMG LLP



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