7 September 2017

BOVIS HOMES GROUP PLC

Half Year results for the six months ended 30 June 2017

Highlights

- Half year performance in line with expectations with completions delivered in a disciplined manner
- Strong increase in average selling price driven by changes in mix with modest increase in underlying prices
- Profitability impacted by legacy customer service costs, overweight operating structure, investment to change the business, and defence costs
- Continue to secure attractive land development opportunities that at least meet our increased minimum land acquisition hurdle rates
- Balance sheet remains strong with net debt of £32.4m
- H1 2017 dividend of 15 pence per share in line with prior year

	H1 2017	H1 2016	Change
Total completions	1,512	1,601	-6%
Average selling price	£277.4k	£254.5k	+9%
Group revenue	£427.8m	£412.8m	+4%
Profit before tax(1)	£42.7m	£61.7m	-31%
Earnings per share(1)	25.7p	36.5p	-30%
Dividend per share	15p	15p	-
Net debt	£32.4m	£7.6m	

Note: (1) Profit before tax and earnings per share for H1 2017 after one-off costs totalling £6.3m including £3.5m customer care provision and £2.8m exceptional advisory costs related to bid approaches

Strategic update

- Fundamentals of the business are strong with a valuable land bank
- Operational issues are identified and are all very fixable, with good progress already made
- Clear set of medium term targets set out to return Bovis Homes to being a leading UK housebuilder and deliver significantly improved returns to shareholders
- Targeting 4* customer satisfaction rating with good progress already made
- Completions to grow to 4,000 units per year
- Rebuilding profitability to 23.5% gross margin[1] with further margin opportunity beyond 2020 from new land acquisitions
- Reshaping the business to ensure administrative expenses no more than 5% of revenue
- Significantly increased focus on affordable housing, developing closer relationships with housing associations to establish preferred partner status
- Programme of initiatives to drive return on capital employed delivering a minimum of £180m of additional cash into the business
- Focus on profitability and balance sheet optimisation to deliver c.25% ROCE by 2020

[1] Reflects the reclassification of certain costs from administrative expenses to cost of sales

- Board to recommend 5% increase in ordinary dividend in 2017 to 47.5p with a further 20% increase in 2018 to c.57p, demonstrating its confidence in the business and the strong outlook
- Special dividends totalling £180m equivalent to c.134 pence per share to be paid over three years to 2020
- Group will continue to be strongly cash generative and the Board is committed to reviewing further capacity for returns to shareholders over time

Current trading and outlook

- Strong sales position with 96% of 2017 sales secured
- Good pick-up in sales during the traditionally quieter summer months of July and August with net private reservations per site averaging 0.5 over the past 9 weeks ahead of the 0.48 achieved in the first 6 months
- Significantly improved customer satisfaction rating trending at 74% since 1 February and on track to conclude all legacy customer service issues before the end of 2017
- Clear future visibility with all land for 2018 completions secured with 97% already in construction and 90% of land for 2019 under control

Greg Fitzgerald, Chief Executive commented,

"The first half of 2017 has been a period of stabilisation and strategic reorganisation for Bovis Homes Group. Since joining the business in April 2017 I have visited all our offices and the vast majority of our developments, and have been hugely impressed by the desire of our dedicated staff to address and rectify the challenges faced by the business. As a result I am confident that our new strategy will set the Group on the path to sustainable, profitable growth.

The new strategy of disciplined volume growth, allied with a renewed focus on customer satisfaction and build quality, will deliver the homes that are required in the locations where people want to live. The Group's strong balance sheet and valuable land bank mean we are well set to provide the stable returns to shareholders that their patience and support have deserved."

There will be a meeting for analysts and investors at 9:00am today at Numis, The London Stock Exchange Building, 10 Paternoster Square, London, EC4M 7LT. The presentation will be audiocast live on the Bovis Homes corporate website, www.bovishomesgroup.co.uk from 9:00am. A playback facility will be available shortly after the presentation has finished.

Certain statements in this press release are forward looking statements. Forward looking statements involve evaluating a number of risks, uncertainties or assumptions that could cause actual results to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends, results or activities should not be taken as representation that such trends, results or activities will continue in the future. Undue reliance should not be placed on forward looking statements.

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Chief Executive's review

Half year performance

The Group's performance in the first half was in-line with expectations with completions delivered in a disciplined manner. Our priority focus has been customer service and the homes completed in the period were to a high standard of finish which is reflected in our significantly improved customer satisfaction scores in recent months.

As previously announced, we have intentionally slowed our rate of production for 2017 as we re-set the business and address operational issues. Completions in the first half totalled 1,512 units (H1 2016: 1,601).

Total average selling price was up 9% to £277.4k (H1 2016: £254.5k) largely driven by changes in mix including completions in the period on a number of our higher end sites. Underlying pricing remains robust with a modest increase in the period.

As expected, the Group's first half profitability was impacted by increased build costs within our cost base brought into the year and an overweight operating structure for the reduced volume. We also increased our investment across the business, in particular on customer service and site presentation. As previously announced, an additional £3.5m one-off customer care provision was taken in the first half to ensure that all legacy customer issues are dealt with before the end of 2017, and we incurred one-off advisory costs of £2.8m related to bid approaches.

We continue to see good opportunities in the land market and with our reduced land requirement in 2017 we are able to be even more selective. We saw good pull-through from our strategic land bank in the half, including high quality sites at Bishop Stortford and Witney.

Business review

In my first five months I have visited over 90 of our developments and spent time in each of our regions, meeting with virtually all Bovis Homes employees. The key issues faced by the Group were linked to a priority focus on growth and sector wide labour constraints. This resulted in a decline in build and customer service standards, an underinvestment in people and infrastructure, processes becoming overly complicated, and a lack of hands on management. I am confident these issues are fully identified and are all very fixable, with significant progress already made in many areas since the start of the year.

The fundamentals of the business are strong, in particular the valuable land bank which has very good forward visibility in terms of planning. There has been a significant improvement in our site set up and the on-site management teams are well structured. I am pleased to see such quality and resilience in our sales teams and am confident that the Bovis Homes brand remains strong.

Strategic priorities

We have established a clear set of strategic priorities which will underpin how we operate across all aspects of our business and support driving towards our medium term targets.

1. People satisfaction

Investment in the development and training of our people to ensure a committed, motivated and engaged workforce.

2. Customer satisfaction

Delivering our customers quality new homes and a high level of customer service that meets their expectations throughout their entire journey with Bovis Homes.

3. Healthy and safe working environment

Ensuring the health and safety of our people and minimising the accident frequency rate whilst delivering on time, is unequivocally at the core of our business.

4. Enhanced shareholder returns

Driving enhanced returns for our shareholders through increased profitability, return on capital employed and total shareholder returns.

Strategic review update

Operating structure

We have reviewed our regional operating structure and concluded that the re-sized business, delivering 4,000 new homes per annum, is best served by seven rather than eight operating regions. We have completed the merger of our Eastern and Southern regions creating a South East Region and a larger Southern Counties Region. The proximity of our developments to each of the regional offices is a key criterion for our choice of development land and we are looking to divest some of our out of operating area development land opportunities. In addition, the Southern Counties regional office will be moving to Basingstoke to best serve this geography.

We are also reviewing the efficiency and effectiveness of our in-house functions, in particular our planning, design, engineering and legal functions. We have transitioned to an outsourced or partially outsourced approach in these areas, as this variable cost model will provide stronger development specific visibility and accountability of costs at a site level.

People

As we re-size the business and drive for efficiency we are reducing the Group's workforce with a net reduction in headcount of around 120 already actioned. The total restructuring cost of the business is expected to be approximately £4 million which will be incurred as an exceptional item in the second half of this year.

People development is a priority and in particular we are investing in more training than ever before for our site managers and employees. We are also progressing well with our development programme for Regional Managing Directors which was launched in May.

There is a culture shift across the Group in terms of the way we operate, with a far greater emphasis on accountability and operational focus across everything we do.

Product and brand

Standard housing remains at the core of what we do with 76% of our owned land bank plots for standard housing. Through our Project Phoenix we are reviewing our standard 'Portfolio' housing range and whilst retaining our most popular homes, we are on track to launch a refreshed, new range of traditional homes with a contemporary edge in the first half of 2018. We will also use a proportion of non-standard homes on developments where appropriate to maximise the development value. We have concluded an initial review of our specification and will continue to review both the fabric of the build and our fixtures and fittings.

Customer service

Delivering a high standard of customer service has been a priority across the Group since the start of the year and I am pleased to report we have made good progress. We have invested in our customer service function in terms of people and training to ensure we deliver to our existing and new customers the high level of service they expect when buying a new home. We have provided customer service training to 94% of our staff and appointed our Customer Experience Director in the period. We have seen a significant improvement in our customer satisfaction scores and are making good progress towards addressing all of our legacy customer issues before the end of 2017.

We are very proud to have received a Silver Award in the Armed Services Covenant Employer Recognition Scheme in 2017. It serves to reinforce our long history of support for UK service personnel and we look forward to continuing to work with the Ministry of Defence.

Build process

Our core focus is on 'Getting it right first time' and we are investing in our people and systems to ensure we do this. We have a standard four man team on every site and the Construction Director has control over the timing of our start on site. Four new Construction Directors have been appointed and we continue to target a reduction in site manager headcount turn. We are also investing in our IT systems and have established far more robust inspection and handover procedures across the business. We are focused on further strengthening our subcontractor partnerships, whilst promoting a high level of supply chain accountability.

We are working towards a more balanced build profile and delivery of completions across our financial year, with progressive build across all our developments resulting in a reduced and more consistent level of capital required across the year. This work is already beginning to show benefits and in June we enjoyed our most disciplined period end for more than three years.

Land

Building high quality traditional family homes in prime greenfield locations across the southern half of the UK remains at the core of our business and our consented land bank reflects this.

Looking forward, all land acquisitions will continue to at least meet our minimum hurdle rates of 25% gross margin and 25% ROCE, and we will seek to maximise deferred land payment terms where possible and minimise initial infrastructure spend. Our target development size would deliver c. 3 to 4 years of delivery and on larger sites we will aim to work in partnership or joint venture where appropriate.

We are targeting a 3.5 to 4.0 year owned land bank and in the near term are looking at options to reduce our investment on larger sites in our owned land bank including Wellingborough and Sherford which combined had 3,385 plots as at 30 June 2017.

We have completed a review of our strategic land portfolio leading to 16 sites being exited. We expect to pull through c. 10,000 plots from our strategic land bank over the next 5 years. Strategic land remains a good means of securing future high quality land opportunities for the Group, and we will continue to pursue new strategic land opportunities that are within our key operating area.

Affordable housing

Affordable housing represents a significant opportunity for the Group and we are committed to building our relationships and reputation in this area. The Group's partnerships team is focused on developing our broader relationships with key stakeholders whilst the regional teams are taking greater ownership at a local level. There is an increased focus on operational delivery as well as cash flow, and not just the profitability of affordable housing delivery.

Balance sheet restructuring

We are progressing our programme of balance sheet optimisation and expect to deliver a minimum of £180m additional cash from the business.

On land, we will reduce our exposure and level of investment on a number of our larger sites and will also dispose of a number of developments that are out of our core geographic area, which should generate between £80m and £100m of cash.

We expect to achieve a reduction in our work-in-progress through progressive build on all sites, a reduction in stock including our part-exchange properties, the sale and leaseback of our show homes and lower infrastructure spend. These actions should generate between £40m and £80m of cash.

Other non-returning assets to be divested, including our shared equity portfolio, should in total deliver between £50m and £60m of cash.

Ordinary dividends and capital return plan

The Board intends to pursue a strategy of maximising sustainable dividends to shareholders. In setting the level of dividends the Board will consider a range of factors including the extent to which the dividend is covered by underlying earnings and free cash-flow, the prevailing strength of the balance sheet and general economic circumstances, with particular regard to the cyclicality of the industry.

Based on the current operating plan and reflecting the Board's confidence in the outlook for the business, the Board intends to increase the ordinary dividend to shareholders for FY 2017 by 5% to 47.5 pence per share and by a further 20% in FY 2018 to c. 57 pence per share. Thereafter it intends moving progressively towards an ordinary dividend twice covered by earnings by 2020.

In addition, reflecting the Group's commitment to increasing the efficiency of the balance sheet through a reduction of capital employed in the business, the Board announces its intention that this surplus capital will be returned to shareholders via special dividends totalling £180m or c.134 pence per share in the three years to 2020.

The Company will continue to be strongly cash generative and given the balance sheet position the Board is committed to reviewing capacity for further returns to shareholders over time.

	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**
Ordinary dividend	47.5p per share	c. 57p per share	Trend to 2 x cover	
Special dividend	nil	← £180m / c. 134p per share →		

Medium term targets

The Group has set out its medium term targets to be achieved by 2020 which will return Bovis Homes to being a leading UK housebuilder and deliver significantly improved returns to shareholders.

4* HBF customer satisfaction rating

- Top quartile of the UK housebuilders for customer satisfaction
- Investment in customer service function including people and training
- Complete review of the Bovis Homes customer journey led by Group's newly appointed Customer Experience Director

4,000 completions p.a.

- Optimal business size for the Group's operational structure and land bank
- Balanced structure with each of the 7 regions delivering between 500 and 625 units p.a.
- Maximise economies of scale and minimise execution risk on new site openings

23.5% gross margin – Deliver embedded margin within our land bank – Get it right first time – More balanced completions delivery profile – Specification review – Further margin opportunity from new land acquisitions at min. 25% hurdle rate
5% administrative expense as a % of revenue – Direct selling and marketing, planning, design, engineering and legal costs moved to cost of sales – Minimise fixed costs, maximise economies of scale
3.5 to 4.0 year owned land bank – Reduce investment in larger sites in land bank – Land market benign – Strategic land bank provides good supply of quality land to Group
Min £180m net cash from balance sheet restructuring – Reduction in net land assets – Optimise work-in-progress – Disposal of non-returning assets
c.25% return on capital employed – Deliver the gross margin embedded in our land bank – Heavy focus on effective balance sheet and cash management – Deliver ongoing improvement in capital turn

Management incentives

The management incentive schemes are aligned to the Group's medium term targets. For the 2017 annual bonus, the balance of financial and non-financial metrics has been adjusted with a build programme delivery measure introduced along with greater emphasis on the customer satisfaction measure to drive focus on operational delivery. Financial targets remain profit before tax and return on capital employed.

The LTIP awards for 2017 include a Customer Satisfaction measure which will amount to one third of the potential award with the balance based on total shareholder return, return on capital employed and earnings per share targets. This ensures that the management's interests are aligned with customers as well as shareholders.

Market

The market fundamentals are strong and we continue to see good levels of demand for new homes across all our regions with pricing remaining firm. Interest rates continue to be at historic lows with good competition in the mortgage lending market. The Government is committed to increasing the supply of new homes in the UK and their policy on housing and planning and commitment to Help to Buy reflect this.

The land market dynamics remain attractive with a good supply of high quality development opportunities that at least meet our minimum hurdle rates.

Current trading and outlook

We have started the second half in a strong position with 96% of 2017 sales secured. We have seen a good pickup in sales in the traditionally quieter months of July and August, with an average net private reservation per active site per week of 0.5 over the past 9 weeks. We are pleased to report a significant improvement in our customer satisfaction score[1] which has been trending at 74% since the beginning of February.

We are confident of delivering pre-exceptional profit in-line with management expectations for 2017 and expect to deliver a significant improvement in profit in 2018 as we benefit from the actions we are taking this year to reset the business.

Financial review

Revenue

The Group generated first half total revenue of £427.8m (H1 2016: £412.8m), an increase of 4% on the prior year. Housing revenue was £419.4m (H1 2016: £407.5m) with other revenue of £1.5m (H1 2016: £5.3m). Land sales revenue of £6.9m (H1 2016: £nil) arose from one sale completed in the period.

	H1 2017	**H1 2016**
Units		
Private legal completions	1,140	1,212
PRS	-	19
Affordable legal completions	372	370
Total legal completions	1,512	1,601
Revenue (£m)		
Private legal completions	381.5	359.7
PRS completions	-	2.9
Affordable legal completions	37.9	44.9
Revenue from legal completions	419.4	407.5
Other revenue	1.5	5.3
Housing revenue	420.9	412.8
Land sales revenue	6.9	-
Total revenue	427.8	412.8

The Group delivered a total of 1,512 legal completions (H1 2016: 1,601) of which 1,140 (H1 2016: 1,231) were private completions. Affordable units totalled 372 (H1 2016: 370) and represented 24.6% (H1 2016: 23.1%) of total completions.

Total average selling price increased by 9% to £277,400 (H1 2016: £254,500) with private average selling price increasing to £334,700 (H1 2016: £296,800). The increase was driven by the improving product mix in our land bank and modest market improvements impacting the period. The average private sales price per square foot increased by 5% of which we estimate c. 1-2% was the impact of market house price increases.

[1] 74% of respondents to HBF Customer Satisfaction Survey would recommend Bovis Homes to a friend

Operating profit
As part of our strategic review the Group has reviewed how all development related activities are delivered to the business. This has resulted in certain services being outsourced to ensure best value is delivered to our developments throughout the housing cycle. In line with this review all project specific sales costs which were previously included in the Group's administrative expenses have been reclassified within cost of sales. Certain other technical, legal and build related project costs, previously included in the Group's administrative expenses, have been capitalised into work in progress and will be released through cost of sales as we legally complete homes. This is a change in accounting policy and the Group's income statement has been restated for this change. See Note 1 'Basis of preparation' for further details.

The Group operating profit before exceptional costs in the first half was £48.6m (H1 2016: £63.9m) with an operating profit margin of 11.4% (H1 2016: 15.5%).

Housing gross profit decreased to £77.2m (H1 2016: 87.7m) with a housing gross margin of 18.3% (H1 2016: 21.2%). The housing gross margin was broadly in line with the housing gross margin delivered in H2 2016 (18.4%) with profitability impacted by increased build costs within the cost base brought into the year and an increased level of investment across the business in the period to address legacy issues.

Construction cost increased by 8% to £137 (H1 2016: £127) per square foot in the first half of which we estimate an increase of approximately 4% from labour and material cost inflation.

An additional £3.5m customer care provision was made in the first half 2017. This further provision will ensure that all work related to legacy customer care issues is completed before the end of 2017.

The one land sale completed in the period related to our development in Gloucester and has released capital back into the business along with a £0.2m profit. Further land sales are expected in the second half of 2017 focused on optimising our land bank and releasing capital.

Administrative expenses totalled £28.8m (H1 2016: £23.8m) representing 6.7% of Group revenue. This level of administrative costs reflects the structure existing in the business at the beginning of the period which was aligned with growing the business towards delivering 5,000 new homes a year. The Group has also invested to deliver operational improvements and reset the business for future periods. During the first half the structure of the business has been reviewed with the result being to reduce from 8 operating regions to 7 and to outsource certain activities with a net reduction in headcount of around 120. The impact of this will be seen in future periods and there will be a one-off restructuring cost in the second half of 2017 which is currently estimated at around £4m.

The Group incurred one-off advisory fees of £2.8m related to bid approaches and these have been expensed as exceptional items.

Financing
Net finance costs for the period were £3.2m (H1 2016: £2.4m). This increase was predominantly driven by a higher imputed interest charge on deferred land payments and lower imputed interest income on the Group's shared equity portfolio.

Profit before tax and earnings per share
Profit before tax of £42.7m (H1 2016: £61.7m) comprised operating profit before exceptional items of £48.6m (H1 2016: £63.9m), net financing charge of £3.2m (H1 2016: £2.4), exceptional items of £2.8m (H1 2016: nil) and the Group's share of joint ventures of £0.1m (H1 2016: £0.2m).

Taxation
The tax charge was £8.2m (H1 2016: £12.8m) representing an effective tax rate of 19% (H1 2016: 21%), in line with the underlying corporation tax rate.

Dividends
An interim dividend of 15.0 pence per share (H1 2016: 15.0p) has been declared. The interim dividend will be paid on 17 November 2017 to holders of ordinary shares on the register at the close of business on 22 September 2017. The dividend reinvestment plan, introduced in 2012, gives shareholders the opportunity to reinvest their dividend.

Land

	H1 2017	**H1 2016**
Consented plots added	2,337	1,267
Sites added	9	11
Sites owned at period end	123	138
Plots in consented land bank at period end	19,341	19,477
Average consented land plot ASP	£276,000	£258,000
Average consented land plot cost	£52,000	£50,700

In the six months ended 30 June 2017 the Group added 2,337 plots on 9 sites to the consented land bank at a cost of £102.1m. This included 821 plots at our development in Wellingborough. Based on our appraisal at the time of acquisition, these sites are expected to deliver a future gross margin of 26.4% and a ROCE in excess of 25%.

The estimated embedded gross margin in the consented land bank as at 30 June 2017, based on prevailing sales prices and build costs is 23.0%.

Net assets
Net assets per share as at 30 June 2017 were 756p as compared to 719p at 30 June 2016.

£m	**2017**	**2016**
Net assets at 1 January	1,015.9	957.8
Profit after tax for the six months	34.5	48.9
Share capital issued	0.1	0.5
Purchase of own shares	(2.6)	-
Net actuarial movement on pension scheme through reserves	6.1	(7.6)
Adjustment to reserves for share based payments	0.2	0.7
Shared equity reserve movement	0.2	-
Dividends paid	(40.3)	(35.3)
Net assets at 30 June	1,014.1	965.0

As at 30 June 2017, net assets were £1.8 million lower than at the start of the year. Inventories increased during the six months by £43.0 million to £1,492.2 million, driven by work in progress increasing by £47.7 million to £427.7 million. The value of the land bank increased slightly by £1.4 million to £1,022.0 million and trade and other receivables decreased by £0.6 million to £90.2 million.

Trade and other payables totalled £561.7 million (31 December 2016: £582.8 million). Land creditors represented £324.7 million (31 December 2016: £343.3 million), reflecting the investment in new land benefiting from good levels of deferral, with nearly two-thirds of the total (£199.0 million) being payable in the next 12 months. Trade and other creditors were £237.0 million (31 December 2016: £239.5 million), reflecting the timing of payments to the Group's supply chain partners. Net debt increased by £71.0 million.

Pensions

The Group has a pension scheme surplus of £0.5m as at 30 June 2017 (31 December 2016: £6.6m deficit). Scheme assets grew over the six months to £121.4m from £119.0m. Scheme liabilities decreased to £120.9m from £125.6m. The movement on the scheme in the six months primarily relates to a reduction in bond rates.

Net debt and cash flow

The Group had net debt as at 30 June 2017 of £32.4m (30 June 2016: £7.6m net debt). In the first six months the Group generated an operating cash inflow before land expenditure of £100.4m (H1 2016: £135.2m). As a result of the Group's land investments, payments in H1 2017 associated with land purchases less cash recoveries on land sales were £120.1m (H1 2016: £120.0m). With a cash outflow from non-trading activities totalling £51.3m (H1 2016: £52.8m) including the dividend payment of £40.3m (H1 2016: £35.3m), the overall net cash outflow for the six months ended 30 June 2017 was £71.0m (H1 2016: £37.6m).

Principal risks and uncertainties

The Group is subject to a number of risks and uncertainties as part of its activities. The Board regularly considers these and seeks to ensure that appropriate processes are in place to manage, monitor and mitigate these risks. The directors consider that the principal risks and uncertainties facing the Group are those outlined on pages 26 to 30 of the Annual Report and Accounts 2016, which is available from www.bovishomesgroup.co.uk. The Group has in place processes to monitor and mitigate these risks.

Bovis Homes Group PLC
Group income statement

	Six months ended 30 June 2017 £000 (unaudited)	Six months ended 30 June 2016 £000 (unaudited) (restated)	Year ended 31 Dec 2016 £000 (audited)* (restated)
Revenue	**427,791**	412,797	1,054,804
Cost of sales (1)	**(350,362)**	(325,087)	(845,775)
Gross profit	**77,429**	87,710	209,029
Administrative expenses (1)	**(28,854)**	(23,782)	(49,059)
Operating profit before exceptional items	**48,575**	63,928	159,970
Exceptional items (2)	**(2,800)**	-	-
Operating profit	**45,775**	63,928	159,970
Financial income	**1,218**	1,694	3,035
Financial expenses	**(4,409)**	(4,091)	(8,622)
Net financing costs	**(3,191)**	(2,397)	(5,587)
Share of profit of Joint Ventures	**131**	201	331
Profit before tax	**42,715**	61,732	154,714
Income tax expense	**(8,209)**	(12,824)	(33,866)
Profit for the period attributable to equity holders of the parent	**34,506**	48,908	120,848
Earnings per share			
Basic	**25.7p**	36.5p	90.1p
Diluted	**25.7p**	36.4p	90.0p

(1) The Group has reclassified certain costs from administrative expenses to cost of sales. The rationale for this change is explained within Note 1.
The resulting increases in cost of sales (and offsetting decreases in administrative expenses) for the six months ended 30 June 2016 and the twelve months ended 31 December 2016 were £12,615,000 and £26,652,000 respectively.

(2) Exceptional administrative items of £2,800,000 were incurred during the period to 30 June 2017 (six months ended 30 June 2016: £nil; twelve months ended 31 December 2016: £nil). These costs related to the advisory fees resulting from the approaches from Redrow Plc and Galliford Try Plc.

*Financial statements for the year ended 31 December 2016 were audited prior to the restatement outlined above.

Group statement of comprehensive income

	Six months ended 30 June 2017 £000 (unaudited)	Six months ended 30 June 2016 £000 (unaudited)	Year ended 31 Dec 2016 £000 (audited)
Profit for the period	**34,506**	48,908	120,848
Other comprehensive income			
Items that will not be reclassified to the income statement			
Remeasurements on defined benefit pension scheme	**7,361**	(9,403)	(14,107)
Deferred tax on actuarial remeasurements on defined benefit pension scheme	**(1,263)**	1,827	2,624
Items reclassified to the income statement			
Available for sale reserve movement	**227**	-	-
Deferred tax on available for sale reserve movement	**(38)**	-	-
Total comprehensive income for the period attributable to equity holders of the parent	**40,793**	41,332	109,365

Bovis Homes Group PLC
Group balance sheet

	30 June 2017 £000 (unaudited)	30 June 2016 £000 (unaudited)	31 Dec 2016 £000 (audited)
Assets			
Property, plant and equipment	**10,505**	13,471	11,870
Investments	**8,931**	8,771	8,786
Restricted cash	**1,444**	1,444	1,444
Deferred tax assets	**-**	3,680	1,955
Trade and other receivables	**5,675**	1,100	5,758
Available for sale financial assets	**-**	31,070	27,804
Retirement benefit assets	**451**	-	-
Total non-current assets	**27,006**	59,536	57,617
Inventories	**1,492,206**	1,368,389	1,449,165
Trade and other receivables	**84,522**	71,449	84,992
Available for sale financial assets	**23,821**	-	-
Cash and cash equivalents	**52,566**	17,420	38,552
Total current assets	**1,653,115**	1,457,258	1,572,709
Total assets	**1,680,121**	1,516,794	1,630,326
Equity			
Issued capital	**67,273**	67,234	67,261
Share premium	**215,164**	214,769	215,057
Retained earnings	**731,670**	683,045	733,609
Total equity attributable to equity holders of the parent	**1,014,107**	965,048	1,015,927
Liabilities			
Deferred tax liability	**1,584**	-	-
Trade and other payables	**141,080**	166,162	162,612
Retirement benefit obligations	-	2,312	6,590
Provisions	**812**	812	812
Total non-current liabilities	**143,476**	169,286	170,014
Bank loans	**84,949**	25,000	-
Trade and other payables	**420,653**	341,694	420,220
Provisions	**6,316**	1,366	10,280
Current tax liabilities	**10,620**	14,400	13,885
Total current liabilities	**522,538**	382,460	444,385
Total liabilities	**666,014**	551,746	614,399
Total equity and liabilities	**1,680,121**	1,516,794	1,630,326

These condensed consolidated interim financial statements were approved by the Board of directors on 7 September 2017.

The change in cost classification outlined within the income statement has an immaterial impact on the Group balance sheet, which has therefore not been restated.

Bovis Homes Group PLC
Group statement of changes in equity

	Total retained earnings £000	Issued capital £000	Share premium £000	Total £000
Balance at 1 January 2017	**733,609**	67,261	215,057	**1,015,927**
Total comprehensive income and expense	**40,793**	-	-	**40,793**
Issue of share capital	**-**	12	107	**119**
Purchase of own shares	**(2,575)**	-	-	**(2,575)**
Share based payments	**127**	-	-	**127**
Deferred tax on share based payments	**16**	-	-	**16**
Dividends paid to shareholders	**(40,300)**	-	-	**(40,300)**
Balance at 30 June 2017 (unaudited)	**731,670**	**67,273**	**215,164**	**1,014,107**
Balance at 1 January 2016	**676,201**	67,190	214,368	**957,759**
Total comprehensive income and expense	**41,332**	-	-	**41,332**
Issue of share capital	**-**	44	401	**445**
Share based payments	**749**	-	-	**749**
Deferred tax on share based payments	**36**	-	-	**36**
Dividends paid to shareholders	**(35,273)**	-	-	**(35,273)**
Balance at 30 June 2016 (unaudited)	**638,045**	**67,234**	**214,769**	**965,048**
Balance at 1 January 2016	**676,201**	67,190	214,368	**957,759**
Total comprehensive income and expense	**109,365**	-	-	**109,365**
Issue of share capital	**-**	71	689	**760**
Shared equity movement reclassified to the income statement	**2,099**	-	-	**2,099**
Share based payments	**1,308**	-	-	**1,308**
Deferred tax on share based payments	**48**	-	-	**48**
Dividends paid to shareholders	**(55,412)**	-	-	**(55,412)**
Balance at 31 December 2016 (audited)	**733,609**	**67,261**	**215,057**	**1,015,927**

Bovis Homes Group PLC
Group statement of cash flows

	Six months ended 30 June 2017 £000 (unaudited)	Six months ended 30 June 2016 £000 (unaudited)	Year ended 31 Dec 2016 £000 (audited)
Cash flows from operating activities			
Profit for the period	**34,506**	48,908	120,848
Depreciation	**761**	1,001	2,274
Revaluation of available for sale assets	**1,355**	-	-
Available for sale reserve movement recycled through income statement	**227**	-	1,191
Financial income	**(1,218)**	(1,694)	(3,035)
Financial expense	**4,409**	4,091	8,622
(Profit)/loss on sale of property, plant and equipment	**(1,057)**	87	(764)
Equity-settled share-based payment expense	**127**	749	1,308
Income tax expense	**8,209**	12,824	33,866
Share of results of Joint Ventures	**(131)**	(201)	(331)
Decrease in trade and other receivables	**4,309**	29,107	15,254
Increase in inventories	**(45,845)**	(49,871)	(130,647)
(Increase)/decrease in trade and other payables	**(21,098)**	(28,174)	42,976
(Decrease)/increase in provisions and employee benefits	**(3,731)**	(1,232)	7,395
Net cash (used in)/generated from operations	**(19,177)**	15,595	98,957
Interest paid	**(1,540)**	(3,150)	(4,010)
Income taxes paid	**(9,215)**	(15,028)	(33,142)
Net cash (used in)/generated from operating activities	**(29,932)**	(2,583)	61,805
Cash flows from investing activities			
Interest received	**92**	213	45
Acquisition of property, plant and equipment	**(589)**	(578)	(1,787)
Proceeds from sale of plant and equipment	**2,250**	-	2,389
Movement in loans with Joint Ventures	**-**	30	-
Movement in investment in Joint Ventures	**-**	168	625
Dividends received from Joint Ventures	**-**	-	129
Reduction in restricted cash	**-**	7	7
Net cash generated from/(used in) investing activities	**1,753**	(160)	1,408
Cash flows from financing activities			
Dividends paid	**(40,300)**	(35,273)	(55,412)
Proceeds from the issue of share capital	**119**	445	760
Purchase of own shares	**(2,575)**	-	-
Drawdown of borrowings	**84,949**	25,000	-
Repayment of bank and other loans	**-**	(1,999)	(1,999)
Net cash generated from/(used in) financing activities	**42,193**	(11,827)	(56,651)
Net increase/(decrease) in cash equivalents	**14,014**	(14,570)	6,562
Cash and cash equivalents at start of period	**38,552**	31,990	31,990
Cash and cash equivalents at end of period	**52,566**	17,420	38,552

Notes to the condensed consolidated interim financial statements

1 Basis of preparation

Bovis Homes Group PLC ('the Company') is a company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company for the six months ended 30 June 2017 comprise the Company and its subsidiaries (together referred to as 'the Group') and the Group's interest in joint ventures.

The condensed consolidated interim financial statements were authorised for issue by the directors on 7 September 2017. The financial statements are unaudited but have been reviewed by PricewaterhouseCoopers LLP the Company's auditors.

The condensed consolidated interim financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The figures for the half years ended 30 June 2017 and 30 June 2016 are unaudited. The comparative figures for the financial year ended 31 December 2016 are an extract from the Group's statutory accounts for that financial year, which have been restated for the cost reclassification explained below. Those accounts, before the restatement, have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Following the Group's structural and strategic review we have reviewed the accounting treatment of all project specific costs related to sales, legal, technical and build activities. Where these have previously been included in the Group's administrative expenses we now consider it more appropriate to treat them as follows. All sales costs will be reclassified within cost of sales (impact on six months ended 30 June 2017: £10.2m; impact on six months ended 30 June 2016: £8.7m; impact on year ended 31 December 2016: £19.2m). All other project related costs identified above will be capitalised into work in progress and released to the P&L as we legally complete homes (impact on six months ended 30 June 2017: £4.6m; impact on six months ended 30 June 2016: £3.9m; impact on year ended 31 December 2016: £7.5m). We believe this approach provides reliable and more relevant information. We consider this a change in accounting policy and have restated prior year comparatives in the Group's income statement in line with IAS8. The balance sheet (as at 30 June 2016 and 31 December 2016) and the opening reserves at 1 January 2016 have not been restated as the impact is not considered material.

The preparation of a condensed set of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. A provision of £7m was made during the year ended 31 December 2016 which was an estimate of the costs required to resolve customer care issues. During the first six months of 2017, further costs have been identified in relation to the issues that arose in 2016 and therefore this estimate has been revised. An additional £3.5m provision has been made to resolve these issues.

Judgements made by management in the application of adopted International Financial Reporting Standards (IFRSs) that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in following years have been reviewed by the directors and remain those published in the Company's consolidated financial statements for the year ended 31 December 2016.

The condensed consolidated interim financial statements have been prepared in accordance with IAS34 'Interim Financial Reporting' as endorsed by the EU. As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, and with the exception of the change in accounting policy outlined above, the condensed consolidated interim financial statements have been prepared by applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2016, which were prepared in accordance with IFRSs as adopted by the EU.

As set out in the Group's 2016 Annual Report and Accounts, IFRS 15, 'Revenue from contracts with customers' replaces IAS 18 'Revenue' and IAS 11 'Construction contracts', setting out new revenue recognition criteria particularly with regard to performance obligations which may have some impact on the timing of revenue recognised by the Group on certain contracts. The standard will be effective for the period beginning 1 January 2018 and remains subject to industry interpretations and consensus. Based on the Group's ongoing assessment, the standard is not thought to have an impact on private housing sales, which make up the majority of the Group's revenue and profit. The Group will complete its review of any potential impact on housing association and land sale revenues and profits in the coming months and will provide further details in the Annual Report and Accounts for the year ending 31 December 2017.

IFRS9, 'Financial Instruments' replaces the guidance in IAS39 and is also effective for the period beginning 1 January 2018. Other than its Available for sale assets, which are expected to be disposed of during the second half of 2017, the Group does not hold significant financial instruments for which the standard is expected to have a significant impact on its financial statements.

IFRS16 'Leases' replaces IAS17 'Leases' and is effective from 1 January 2019. The Group has begun to assess the impact of the standard, which requires lease arrangements above a threshold tenure to be recognised on the balance sheet as right of use assets and lease commitment liabilities, and will provide further details in the Annual Report and Accounts for the year ending 31 December 2017.

Exceptional items are those which, in the opinion of the Board, are material by size and non-recurring in nature and therefore require separate disclosure within the income statement in order to assist the users of the financial statements in understanding the underlying business performance of the Group.

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly they continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

2 Seasonality

In common with the rest of the UK housebuilding industry, activity occurs year round, but there are two principal selling seasons: spring and autumn. As these fall into two separate half years, the seasonality of the business is not pronounced, although it is biased towards the second half of the year under normal trading conditions.

3 Segmental reporting

All revenue and profits disclosed relate to continuing activities of the Group and are derived from activities performed in the United Kingdom.

The Chief Operating Decision Maker, which is the Board, notes that the Group's main operation is that of a housebuilder and it operates entirely within the United Kingdom. There are no separate segments, either business or geographic to disclose, having taken into account the aggregation criteria of IFRS8.

4 Earnings per share

	Six months ended 30 June 2017 Pence (unaudited)	Six months ended 30 June 2016 Pence (unaudited)	Year ended 31 Dec 2016 Pence (audited)
Basic earnings per share	**25.7**	36.5	90.1
Diluted earnings per share	**25.7**	36.4	90.0

Basic earnings per share

Basic earnings per ordinary share for the six months ended 30 June 2017 is calculated on a profit after tax of £34,506,000 (six months ended 30 June 2016: profit after tax of £48,908,000; year ended 31 December 2016: profit after tax of £120,848,000) over the weighted average of 134,202,914 (six months ended 30 June 2016: 134,135,345; year ended 31 December 2016: 134,178,673) ordinary shares in issue during the period.

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2017 was based on the profit attributable to ordinary shareholders of £34,506,000 (six months ended 30 June 2016: profit after tax of £48,908,000; year ended 31 December 2016: profit after tax of £120,848,000).

The Group's diluted weighted average ordinary shares potentially in issue during the six months ended 30 June 2017 was 134,337,216 (six months ended 30 June 2016: 134,288,101 year ended 31 December 2016: 134,322,449).

5 Dividends

The following dividends per qualifying ordinary share were settled by the Group.

	Six months ended 30 June 2017 £000 (unaudited)	Six months ended 30 June 2016 £000 (unaudited)	Year ended 31 Dec 2016 £000 (audited)
May 2017: 30.0p (May 2016: 26.3p)	**40,300**	35,273	35,273
November 2016: 15.0p	**-**	-	20,139
	40,300	35,273	55,412

The Board determined on 7 September 2017 that an interim dividend of 15.0p for 2017 be paid. The dividend will be settled on 17 November 2017 to shareholders on the register at the close of business on 22 September 2017. This dividend has not been recognised as a liability at the balance sheet date.

6 Available for sale assets

Available for sale financial assets - shared equity

Receivables on extended terms granted as part of a sales transaction are secured by way of a legal charge on the relevant property, categorised as an available for sale financial asset, and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity in retained earnings, with the exceptions of impairment losses, the impact of changes in future cash flows and interest calculated using the 'effective interest rate' method, which are recognised directly in the income statement. Where the investment is disposed of, or is determined to be impaired, the cumulative gain or loss previously recognised in equity is included in the income statement for the period. Given its materiality, this item is being disclosed separately on the face of the balance sheet.

Available for sale financial assets relate to legal completions where the Group has retained an interest through agreement to defer recovery of a percentage of the market value of the property, together with a legal charge to protect the Group's position. The Group participates in three schemes. 'Jumpstart' schemes are receivable 10 years after recognition with 3% interest charged between years 6 to 10. The 'HomeBuy Direct' and 'FirstBuy' schemes are operated together with the Government. Receivables are due 25 years after recognition with interest charged from year 6 onwards at a base value of 1.75% plus annual RPI increments. These assets are held at fair value being the present value of expected future cash flows taking into account the estimated market value of the property at the estimated date of recovery.

	Six months ended 30 June 2017 £000 (unaudited)	**Six months ended 30 June 2016 £000 (unaudited)**	**Year ended 31 Dec 2016 £000 (audited)**
Non-current asset - available for sale assets	**23,821**	31,070	27,804

Key assumptions

	30 June 2017	**30 June 2016**	**31 Dec 2016**
Discount rate, incorporating default rate	**9.0%**	9.0%	9.0%
Average house price inflation per annum for the next three years	**1.0%**	3.4%	3.0%

Reconciliation of shared equity asset

	2017 £000
Balance at 1 January	27,804
Redemptions	(3,749)
Revaluation taken through the income statement	(1,355)
Imputed interest	1,121
Balance at 30 June	**23,821**

Sensitivity - available for sale financial assets

	30 June 2017 increase assumptions by 1%	**30 June 2016 increase assumptions by 1%**
Discount rate, incorporating default rate	**(904)**	(1,475)
House price inflation	**1,128**	1,750

7 Related party transactions

Transactions between fellow subsidiaries, which are related parties, during the first half of 2017 have been eliminated on consolidation, as have transactions between the Company and its subsidiaries during this period. The Group's joint ventures are disclosed in the Group's Annual Report and Accounts 2016.

Transactions between the Group and key management personnel in the first half of 2017 were limited to those relating to remuneration, previously disclosed as part of the Group's Report on directors' remuneration published with the Group's Annual Report and Accounts 2016. At a General Meeting held on 2 May 2017, remuneration arrangements for Mr Greg Fitzgerald were approved comprising a Recruitment Award and the 2017 Bonus. Full details are contained in the circular sent to shareholders dated 7 April 2017.

Mr Greg Fitzgerald, appointed Group Chief Executive on 18 April 2017, is non-executive Chairman of Ardent Hire Solutions ("Ardent"). The Group hires forklift trucks from Ardent and has also undertaken a sale of forklift trucks to Ardent as part of its capital optimisation initiatives.

The total net value of transactions with Ardent were as follows:

	Six months ended 30 June 2017 £000 (unaudited)	Six months ended 30 June 2016 £000 (unaudited)	Year ended 31 Dec 2016 £000 (unaudited)
Rental expenses paid to Ardent	**704**	346	926
Income received from Ardent for sale of forklifts	**2,250**	833	833

The balance of income receivable from Ardent at 30 June 2017 is £2,000,000 (30 June 2016: nil; 31 December 2016: nil). The balance of rental expenses payable to Ardent at 30 June 2017 was £127,000 (30 June 2016: £86,000; 31 December 2016: £103,000).

There have been no other related party transactions in the first six months of the current financial year which have materially affected the financial performance or position of the Group, and which have not been disclosed.

Transactions with Joint Ventures

Bovis Homes Limited is contracted to provide property and letting management services to Bovis Peer LLP. Fees charged in the period, inclusive of VAT, were £80,000 (six months ended 30 June 2016: £77,000; year ended 31 December 2016: £157,000). None of these fees are outstanding at 30 June 2017 (30 June 2016: nil; 31 December 2016: nil).

Bovis Homes Limited is part of a Joint Venture, IIH Oak Investors LLP, to invest in 190 private rental homes. As at 30 June 2017 loans of £3,503,504 (30 June 2016: £3,638,034; 31 December 2016: £3,503,504) were in place with IIH Oak Investors LLP at an interest rate of 6%. Interest charges made in respect of the loans were £106,000 (six months ended 30 June 2016: £110,000; year ended 31 December 2016: £220,000).

8 Reconciliation of net cash flow to net cash

	Six months ended 30 June 2017 £000 (unaudited)	Six months ended 30 June 2016 £000 (unaudited)	Year ended 31 Dec 2016 £000 (audited)
Net increase/(decrease) in cash and cash equivalents	**14,014**	(14,570)	6,562
(Drawdown of borrowings)/Repayment of loans	**(84,949)**	(23,001)	1,999
Net cash at start of period	**38,552**	29,991	29,991
Net (debt)/cash at end of period	**(32,383)**	(7,580)	38,552
Analysis of net cash:			
Cash	**52,566**	17,420	38,552
Bank and other loans	**(84,949)**	(25,000)	-
Net cash	**(32,383)**	(7,580)	38,552

9 Further information

Further information on Bovis Homes Group PLC can be found on the Group's corporate website www.bovishomesgroup.co.uk, including the analyst presentation document which will be presented at the Group's results meeting on 7 September 2017.

Statement of directors' responsibility

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

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

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

The directors of Bovis Homes Group PLC are listed in the Bovis Homes Group PLC Annual Report for 31 December 2016, with the exception of the following changes in the period: David Ritchie resigned on 9 January 2017, and Greg Fitzgerald was appointed on 18 April 2017. A list of current directors is maintained on the Bovis Homes Group PLC website: www.bovishomesgroup.co.uk

For and on behalf of the Board,

Greg Fitzgerald	Earl Sibley
Chief Executive	Group Finance Director

7 September 2017

Independent review report to Bovis Homes Group PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Bovis Homes Group PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Half Year results of Bovis Homes Group PLC for the 6 month period ended 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Group balance sheet as at 30 June 2017;
- the Group income statement and Group statement of comprehensive income for the period then ended;
- the Group statement of cash flows for the period then ended;
- the Group statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half Year results, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half Year results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year results report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

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

We have read the other information contained in the Half Year results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
7 September 2017

a) The maintenance and integrity of the Bovis Homes Group PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.