Berkeley annual report 2009

THE QUEEN'S AWARDS FOR ENTERPRISE: SUSTAINABLE DEVELOPMENT 2008

A BALANCE OF ENTREPRENEURIAL SPIRIT AND DISCIPLINED DELIVERY BUILT ON STRONG FOUNDATIONS CREATES THE BERKELEY DIFFERENCE

A STRATEGY BUILT ON STRONG FOUNDATIONS

LONG TERM STRATEGY TO ENHANCE SHAREHOLDER VALUE THROUGH USING DEVELOPMENT EXPERTISE TO OPTIMISE RETURNS ON OUR SITES

- Founded on a clear understanding of the cyclical nature and complexity of property development
- Added value not volume
- Experienced entrepreneurial management teams
- Financial strength
- Reputation for delivery and quality

WELL STRUCTURED WITH DISCIPLINED DELIVERY

UNDERPINNED BY AN EMPHASIS ON FINANCIAL STRENGTH AND RISK MANAGEMENT, THE BUSINESS CAN FLOURISH

- Natural size allows Executive Team to operate at strategic and operational level
- Not scalable
- London & South East focus
- Rigorous investment appraisal
- Market led with supply matched to demand
- Forward sell to reduce development risk
- Identification and development of talent

ENTREPRENEURIAL AND AGILE

OUR PEOPLE ARE DRIVEN BY AN ENERGY & PASSION FOR ALL WE DO. THIS IS COMBINED WITH A RELENTLESS ATTENTION TO DETAIL & QUALITY

- Specialist Urban Regenerator
- Added value developer expertise
- Innovative land acquisition
- Customer and design led with the customer at the heart of every decision
- Autonomous management teams
- Short lines of communication
- Passion for quality and innovation
- Creative solutions to challenges

THE BERKELEY DIFFERENCE

BERKELEY CREATES VIBRANT, SUSTAINABLE AND ASPIRATIONAL PLACES WHERE OUR CUSTOMERS WANT TO LIVE, WORK AND PLAY

- The Queen's Award for Enterprise: Sustainable Development 2008
- Numerous industry accolades for our product and business management
- A partner of choice for both Private and Public Sector
- Sector leading returns for our Shareholders

SUSCIPERE ET FINIRE

"TO STRIVE & ACCOMPLISH"

BERKELEY HAS CREATED AN OPERATING ENVIRONMENT IN WHICH ITS GREATEST ASSETS - ITS PEOPLE, LAND AND PRODUCT - CAN ATTAIN THEIR FULL POTENTIAL

- Passion for quality and being the best at all we strive to achieve
- Driven by relentless attention to detail
- Agile with short lines of communication
- Confidence to challenge the accepted norm and innovate to excel
- Ability to make the right decisions without undue financial pressure
- Support of Shareholders and Stakeholders earned from track record of delivery
- Committed to operating as a sustainable business

BERKELEY HAS CREATED AN ENVIRONMENT WHERE OUR PEOPLE HAVE THE CONFIDENCE AND FREEDOM TO OPERATE TO THE BEST OF THEIR ABILITY. THIS ENTREPRENEURIAL CULTURE IS EMBEDDED IN BERKELEY AND BRINGS WITH IT THE RELENTLESS ATTENTION TO DETAIL AND PASSION FOR QUALITY THAT DEFINES THE GROUP

THE QUEEN'S AWARDS FOR ENTERPRISE: SUSTAINABLE DEVELOPMENT 2008

YEAR HIGHLIGHTS OUTSTANDING BALANCE SHEET STRENGTH

PERFORMANCE FOR THE YEAR

- **£269.5 million of cash generated** before net financing cash inflows of £19.8 million
- **17.8% operating margin** (2008: 20.8%)
- **£120.4 million of profit before tax** (2008: £194.3 million)
- **71.3 pence of Earnings per Share** (2008: 114.2 pence)
- **Total value of sales reservations 52% below historic average**

BALANCE SHEET

- **Net cash of £284.8 million** (April 2008: Net debt of £4.5 million)
- **No land write-downs**
- **615 pence of Net Asset Value per Share** (April 2008: 564 pence)
- **£49.6 million cash raised through a share placing in March 2009**
- **£619.8 million of cash due on forward sales** (April 2008: £1,210.0 million)
- **30,044 land bank plots** (April 2008: 31,365)
- **£2.0 billion of land bank future gross margin** (April 2008: £2.7 billion)

REPOSITIONED STRATEGY

In February 2009, Berkeley announced the repositioning of its strategy and a new capital structure to enable it to acquire new land and return to a more traditional dividend policy, with the commitment to return £3 per share by January 2014 no longer forming part of its strategy.

AUTONOMOUS MANAGEMENT TEAMS

Berkeley operates at a natural size through its autonomous management teams. The natural size allows the executive to operate at both a strategic and detailed operational level.

With short lines of communication, decisions are made quickly and effectively.

ST GEORGE

Berkeley HOMES

ST EDWARD HOMES
A Joint Venture company owned by the Prudential & Berkeley Homes

St JAMES

berkeley first

Berkeley Strategic

Berkeley COMMERCIAL

CHAIRMAN'S STATEMENT
STRATEGY REPOSITIONED TO TAKE ADVANTAGE OF MARKET CONDITIONS

"I am delighted that Berkeley is in a position to report these strong results which demonstrate the value of Berkeley's strategy and business model in all market conditions. In spite of the harsh trading environment, in which the value of underlying sales reservations was 52% below the historic average, Berkeley is reporting a pre-tax profit of £120.4 million (2008: £194.3 million). Operating margins are 17.8% and there have been no land write-downs. Berkeley ended the year with net cash of £284.8 million (April 2008: net debt of £4.5 million) as a result of strong cash generation from the business and the £49.6 million net proceeds from the share placing completed in March 2009.

Berkeley is in tremendous shape, and now is the right time to implement the orderly succession of the Board and put in place the right structure for the Group for the future."

CORPORATE STRATEGY

The announcement in February 2009 of the repositioning of Berkeley's strategy represents an evolution that is based on Berkeley's recognition that the UK residential property market is cyclical and the operating model must be flexible and always aligned to the prevailing market conditions.

This time last year Berkeley put forward proposals that were agreed by shareholders at the August 2008 AGM, to defer the final payment of £3 per share until 2014 and use the funds to acquire land. What no one could have predicted at that time was the significant worsening of the global banking crisis in September 2008 and the inevitable direct impact this had on the feel-good factor and mortgage availability; both critical to the housing market. For Berkeley and other developers this meant reduced visibility of future cash flow and profit. For businesses more generally, it resulted in a fundamental reassessment of gearing and capital structures.

In light of these factors and in consultation with shareholders, Berkeley determined that it was no longer appropriate to both acquire new land and commit to return £3 per share to shareholders by January 2014. As a consequence, in February 2009, Berkeley announced the repositioning of its strategy and a new capital structure to enable it to acquire new land and return to a more traditional dividend policy, with the commitment to return £3 per share by January 2014 no longer forming part of its strategy. Berkeley's shareholders demonstrated their support for this repositioned strategy by subscribing for 6.0 million new shares in a placing that raised net proceeds of £49.6 million to ensure Berkeley has the right capital structure with which to embark on this next phase.

The placing of 6.0 million new shares increased Berkeley's issued share capital by 5%. A further 4.0 million new shares were issued in April 2009 on the vesting of the second tranche of shares under Element 1 of the 2004(b) LTIP. Following these events, 130.9 million shares were in issue at 30 April 2009. The final two tranches of Element 1 of the 2004(b) LTIP (4.0 million shares each) are scheduled to vest in September 2009 and March 2010, respectively, at which point a total of 16.0 million shares will have vested under this scheme; the first Element of which was satisfied in part through market purchases by the Company's Employee Benefit Trust in the first half of the year, with the amount represented by tax settled in cash.

A further 5.3 million shares will vest in January 2014, as £3 options, under Part A of the 2009 LTIP, approved by shareholders at the April 2009 EGM. These options replace the 5.3 million shares that were outstanding under Element 2 of the 2004(b) LTIP. Part B of the 2009 LTIP is represented by options over 7.1 million shares with an exercise price of the higher of market value at the date of grant and £8.40 (being the price of the share placing completed in March 2009).

RESULTS

Berkeley is pleased to announce a pre-tax profit of £120.4 million for the year ended 30 April 2009. This is £73.9 million less than the £194.3 million reported last year, a decrease of 38.0%. Basic earnings per share are 71.3 pence, a decrease of 37.6% on the 114.2 pence reported last year.

Total equity (shareholders' funds) increased by £119.9 million to £801.3 million (April 2008: £681.4 million) and net assets per share by 51 pence to 615 pence (April 2008: 564 pence). Return on Capital Employed for the year was 20.6%, compared to 29.3% last year with Berkeley holding £284.8 million of net cash at 30 April 2009 (April 2008: Net debt of £4.5 million).

SUSTAINABILITY

Sustainability is an embedded part of the development process for Berkeley. It is a fundamental element of creating a high quality environment in which today's customers want to live their lives. Indeed, our focus on brownfield development and long-term investment in complex mixed-use projects reflects our passion and commitment to creating a legacy of which we can be proud. We believe that this strategy has given Berkeley a definitive competitive advantage over our peers. This commitment has not been compromised by the current market conditions, as evidenced by our externally recognised industry-leading position on sustainability.

In April 2008, Berkeley was awarded the UK's prestigious Queen's Award for Enterprise: Sustainable Development. This award recognises companies which have made outstanding advances in performance or have a high level of continuous achievement in sustainable development. We were praised for our strong leadership, promoting best practice in the sector and embedding sustainability throughout the entire business operations. In addition, for the second year running, Berkeley ranked first in the NextGeneration benchmark, a benchmark of the Top 20 UK homebuilders overseen by a high-profile committee.


The Living room at No.1 Gunwharf Quays

OUR PEOPLE AND BOARD CHANGES

All successful organisations must evolve and Berkeley believes that key to its own success is the nurturing and development of talent from within the organisation. Most importantly, the cultural values that have led to Berkeley's current position are embedded within the Group and its people. With the foundations well established and a new and exciting era beginning for Berkeley, now is the time to put in place the succession that has been carefully planned by the Board of Berkeley to ensure these fundamentals remain in place.

Following consultation with representatives from our major institutional shareholders, Berkeley has announced proposed changes to the Board which will become effective at the Annual General Meeting in September 2009. I will step down as Chairman and assume the role of deputy Chairman and as an independent Non-executive Director on the Board. After 33 years as Managing Director, Tony Pidgley will become Chairman of Berkeley and Rob Perrins, long identified as Tony's successor, will become Managing Director. Rob has been with Berkeley for 15 years; at one time Managing Director of Berkeley Homes and, since 2001, the Group's Finance Director. Joining the Board at the AGM will be Nick Simpkin and Karl Whiteman. Nick (39) has been with Berkeley since 2002 and has held a number of senior finance positions including Finance Director of St James. Currently Head of Finance for Berkeley, Nick will be the new Finance Director. Karl (44) joined Berkeley in 1996 and currently leads the largest Berkeley Homes division and chairs the Group's Sustainability and Health & Safety committees. He will join the Main Board as a Divisional Executive Director.

The decision to appoint Tony Pidgley as Chairman from his current role as Managing Director takes into consideration the value to the Group of Tony's extensive experience and pre-eminent standing in the industry together with his understanding of the Group's culture and knowledge of the sector. The continuing and full time commitment of Tony to Berkeley is welcomed and will allow the business to deliver its repositioned strategy announced in February. The Board has also taken into consideration the need for the Chairman and Managing Director to be able to work closely and effectively and in Rob Perrins, the Board has a natural and the outstanding successor as Managing Director.

Following these changes, the Board will comprise a Chairman, five Executive Directors and four Non-executive Directors. As a consequence Berkeley will look to appoint a fifth Non-executive Director to achieve the balance envisaged by the Combined Code.

That Berkeley has performed so strongly in these market conditions is a reflection of the qualities embedded within the experienced autonomous management teams that are Berkeley's foundation. Their determination to succeed and innovative approach to all challenges and opportunities is the driving force behind Berkeley's success. It is therefore extremely pleasing that Berkeley has been able to keep its key teams together and is using the opportunity presented by these market conditions to strengthen them wherever possible in readiness for the return to more normal market conditions.

On behalf of the Board and shareholders, we would like again to express our continued thanks and appreciation to all those at Berkeley for their outstanding contributions to the success of the business in these challenging times.

VICTORIA MITCHELL
Chairman

A RELENTLESS ATTENTION TO DETAIL & QUALITY – INSIDE AND OUT

Imperial Wharf, London

MANAGING DIRECTOR'S REVIEW AN EXCITING TIME FOR BERKELEY

"This is an exciting time for Berkeley. We have in place a clear long-term strategy which will enable Berkeley to take advantage of the current market conditions to acquire new land at the right time in the cycle. With its financial strength, Berkeley can now selectively acquire the sites to which, using its development expertise, it can add most value.

Over the years, Berkeley has created an environment where our people have the confidence and freedom to operate to the best of their ability. This entrepreneurial culture is embedded in Berkeley and brings with it the relentless attention to detail and passion for quality that defines the Group. With these foundations in place, I am delighted with the changes to the Board of Berkeley that have been announced and which represent a natural evolution and achieve the succession that will ensure the Berkeley Difference is carried into the next generation."

OPERATING STRATEGY

With an understanding of the cyclical nature and complexity of property development, Berkeley's long-term strategy is to enhance value for shareholders by using its development expertise to optimise the returns from its sites, rather than relying on sales volume. To achieve this Berkeley has created an operating environment and culture within which its greatest assets – its people, land and product – can attain their full potential. This is underpinned by an emphasis on financial strength and risk management which, when combined with a reputation for delivery and quality, provides the right foundation for the business to flourish.

Berkeley operates at a natural size through its autonomous management teams. The natural size allows the executive to operate at both a strategic and detailed operational level.

With short lines of communication, decisions are made quickly and effectively. As a consequence, we do not believe our business is suited to scale and this is also why Berkeley remains focused in London and the South East – the market it understands intimately.

Entrepreneurial by nature, Berkeley is highly disciplined in delivery. Innovative land acquisition and customer-led design, driven by a passion for quality and a strict attention to detail, are matched by rigorous investment appraisal, focused on maximising value. By selling forward where possible, the risk is taken out of the development cycle and production is always matched closely to demand.

While this long-term strategy remains unchanged, the current emphasis has changed during 2009. The pace and scale of the banking crisis and its global reach has placed a premium on those businesses which are agile, can react quickly to changing conditions and which have a strong financial base. For Berkeley, this means acquiring land opportunities at the right prices and using its added value developer expertise to optimise these sites and so enhance value for shareholders.

To date, we have seen only a limited number of opportunities that meet our criteria and, as a consequence, have continued to generate cash since the start of our new financial year.

HOUSING MARKET

Without doubt 2008/09 has been a year of correction for the UK housing market, due in no small part to the well documented global economic events. The previous year saw a moderation from the strong conditions experienced in 2006/07 with interest rates rising to 5% and the beginning of the global financial crisis which saw the collapse of Northern Rock in the UK and Bear Stearns in the US. This was of course only the beginning as the collapse of Lehman Brothers in September 2008 shook the global banking system to its core, leading to unprecedented Central Bank and Government intervention.

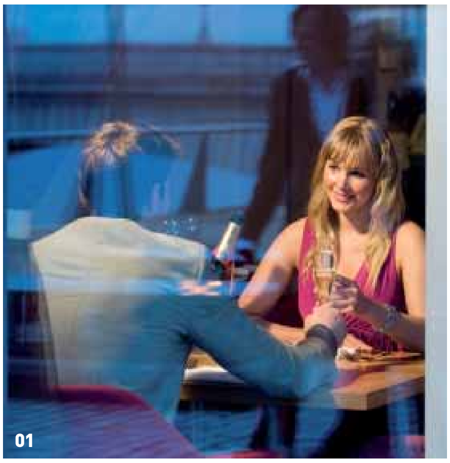
The ramifications for the housing market have been twofold. Firstly, customer confidence, essential for a buoyant housing market, has been badly hit by recession and uncertainty. Secondly, where customers have decided to take advantage of the market conditions and acquire a new home, the difficulty of obtaining a suitable mortgage valuation and the hardening of the banks' lending criteria has introduced a new hurdle to completing transactions.

In this market, Berkeley has achieved underlying sales reservations with a value approximately 52% below the historic average which is based on the last five years' trading. The last quarter saw an increase in activity with sales prices stabilising and this is certainly a positive note on which to end the year.

Sales prices have fallen approximately 20% since the peak in 2007, although this varies significantly according to location. During the year, Berkeley achieved new sales reservations at prices on average 3% below the business plan at the start of the year. Build costs have also fallen in this market and this has partially offset the movement in sales prices.

What is clear is that there continues to be demand for well located homes built to a high quality. While pricing has been under pressure, this has varied significantly from location to location and, in any event, is now stabilising. The UK market has been owner-occupier led. There is a shortage of quality family homes, which will only be exacerbated over the coming years as many developers have largely ceased new starts and this is an area of opportunity for Berkeley.

The investor market has been strongly overseas-led as the fall in asset prices has been magnified by a weakened sterling, and investors continue to view property as a good long-term investment when compared to other asset classes. As a result, investors continue to account for approximately 50% of underlying sales.



01 Creating real places for people' where they cannot only live but also enjoy going out
02 The entrance to Sugar House – a stunning refurbishment
03 Our showhomes are created by renowned interior designers
04 Proud to have received The Queen s Award in 2008

LAND BANK	AT 30 APR 2009	VARIANCE	AT 30 APR 2008
Owned	**23,572**	+ 507	23,065
Contracted	**6,407**	-1,607	8,014
Agreed	**65**	-221	286
Plots *	**30,044**	-1,321	31,365
Sales value	**£7,181m**	-£2,040m	£9,221m
Average selling price	**£239k**	-£55k	£294k
Average plot cost	**£33k**	-£5k	£38k
Land cost %	**13.9%**	+ 0.8%	13.1%
Gross margin	**£2,014m**	-£714m	£2,728m
Gross margin %	**28.0%**	-1.6%	29.6%

*Includes 2,809 plots within joint ventures at 30 April 2009 (30 April 2008: 2,538)

There is also strong investor demand for quality income generating assets such as student accommodation.

LAND HOLDINGS

Berkeley had hoped to see an appropriate softening in the land market during the year and consequential opportunities to acquire land for the future. Instead, there has been very little activity as land prices are yet to reflect the true cost of the planning requirements and Section 106 contributions, which in many instances are continuing to rise, coupled with the uncertain market conditions. The Group's policy during the year has been to acquire land cautiously at robust margins and where we can add value. As a result, we only agreed nine new sites in the year.

At 30 April 2009, the Group (including joint ventures) controlled some 30,044 plots with an estimated gross margin of £2,014 million. This compares with 31,365 plots and an estimated gross margin of £2,728 million at 30 April 2008. Of the total 30,044 plots, 23,572 plots (April 2008: 23,065) are owned and included on the balance sheet. In addition, 6,407 plots (April 2008: 8,014) are contracted and 65 plots (April 2008: 286) have terms agreed. In excess of 95% of our holdings are on brownfield or recycled land.

The movements in the land bank during the year are the result of a full review of plots, revenues and costs to reflect the prevailing market conditions and their impact on the development of our sites. We are submitting revised applications on our sites to ensure that planning costs and obligations reflect today's market conditions and that these are market led. To achieve this, we have identified a number of different development solutions and this involves a great deal of expertise and patience as many local authorities continue to look for planning gain ahead of new homes being built.

We have achieved a number of new planning consents in the year. The two highlighted below are particularly notable as they are examples of how Berkeley is working in close partnership with the Homes & Communities Agency and Local Authorities to ensure the provision of badly needed new family homes in London. Firstly, construction has begun on the first phase of Woodberry Down in the London Borough of Hackney. This covers 440 units and applications for subsequent phases are now being prepared. Secondly, at Kidbrooke in the London Borough of Greenwich, a resolution to grant has been received for the outline masterplan and for the first phase of 449 units.

MANAGING DIRECTOR'S REVIEW [CONTINUED]

JOINT VENTURES
At 30 April 2009 Berkeley had £22.5 million of capital employed in joint ventures, an increase of £20.1 million in the year. £20.8 million of the £22.5 million is represented by Berkeley's investment in St Edward Homes, its joint venture with Prudential, and the remaining £1.7 million by Berkeley's investment in its joint ventures with Saad Investments Company Limited. The total capital employed of the joint ventures with Saad is £18.7 million and this includes £15.3 million of bank debt.

In the year Berkeley has continued to develop St Edward Homes with Prudential and this joint venture now controls in excess of 2,300 plots across four sites with a number of notable achievements. Berkeley has acquired 50% of an existing office building in The Strand, the other 50% already being owned by Prudential, and a planning consent is being worked up for submission by the end of this year. St Edward has started construction on its 800 unit site at Stanmore, secured a planning consent for its 660 unit site at Green Park in Reading and submitted a planning application for its site at Charles House, Kensington which becomes vacant in 2010. Berkeley is also working with Prudential on a further 600 units on other potential sites.

While it is excellent that St Edward is going from strength to strength, Berkeley has been saddened that its long-term joint venture partner, Saad Investments Company Limited, is subject to speculation over its financial position. Berkeley has five joint ventures with Saad, only two of which have active sites – a residential development site of 300 units in Fleet, Hampshire and a commercial site in Fulham, London, for which a residential consent is being pursued. We very much hope that Saad can resolve its difficulties and continue as our partner, while at the same time we are working with our advisers to ensure that the value of Berkeley's investment is secure. Berkeley does not anticipate any financial loss or adverse impact on its business from these joint ventures.

FORWARD SALES
At 30 April 2009, Berkeley had cash due on forward sales of £619.8 million, compared to £1,210.0 million at 30 April 2008. Selling homes at an early stage in the development cycle, often off-plan, to secure customers' commitment and ensure the quality and certainty of future revenue and cash flow remains a fundamental part of Berkeley's strategy. Doing so in the current market conditions is more difficult as customers' confidence in their ability to secure sufficient mortgage finance is diminished. Until customer confidence in the ability to obtain mortgage finance is restored, Berkeley will have to manage its risk by closely matching production to demand.

AWARDS
Our customers remain the single most important ingredient to Berkeley's success and the current market, more than ever, requires attention to detail, quality of product and the creation of sustainable places where people want to live and bring up their families. Berkeley is therefore delighted that, in addition to the recognition for its sustainability achievements, it has received two CABE Building For Life Awards for its developments at Royal Arsenal, Woolwich and Gunwharf Quays in Portsmouth and that Berkeley Homes has also been awarded the "What House? Best Large Housebuilder Gold Award" for 2008. Royal Arsenal, Woolwich also received one of this year's five coveted BURA Best Practice awards.

OUTLOOK
The market has corrected over the last 24 months and house prices are now good value by most historic measures. Unfortunately, the ability to borrow is restricted to the very few and this will be an anchor to transaction levels until mortgages are more widely available. Consequently, while sales prices have stabilised for well located, quality homes, transaction levels are patchy. In this environment, Berkeley will concentrate on matching production to demand, developing its owned land bank and selectively acquiring new land opportunities. Berkeley has positioned itself to perform in these market conditions and is ready to take advantage of opportunities as the market improves. The key to recovery is the feel-good factor which is currently being battered by rising unemployment and increased taxation, offset by the shortage of supply of new homes and low interest rates. Despite this, Berkeley is looking forward to the future with confidence as it has the strategy, financial strength and expertise to continue maximising value for its shareholders and creating communities in which people aspire to live and bring up their families.

TONY PIDGLEY
Managing Director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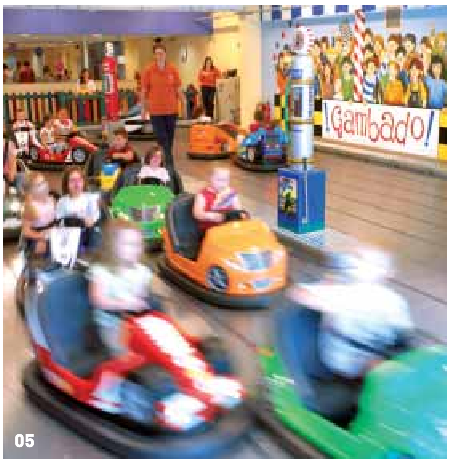


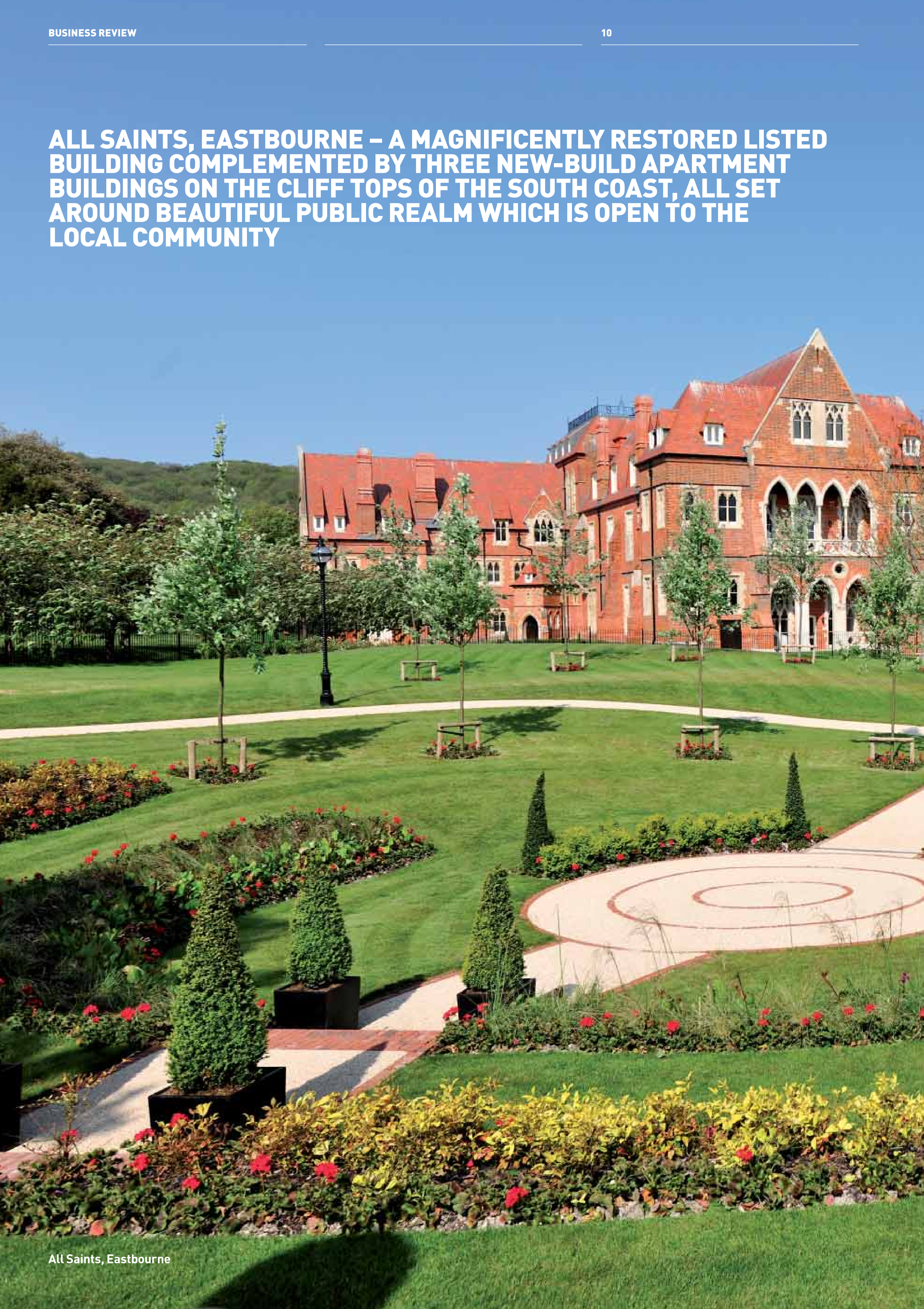
05

NOT JUST A PLACE TO LIVE

We create places where people can live, work and play

01 Young's – one of our regular commercial partners
02 Restaurants, cafés and bars feature on many of our sites
03 Gym & Tonic at Beaufort Park
04 Our art gallery at Grosvenor Waterside
05 The Gambado play centre at Imperial Wharf

ALL SAINTS, EASTBOURNE – A MAGNIFICENTLY RESTORED LISTED BUILDING COMPLEMENTED BY THREE NEW-BUILD APARTMENT BUILDINGS ON THE CLIFF TOPS OF THE SOUTH COAST, ALL SET AROUND BEAUTIFUL PUBLIC REALM WHICH IS OPEN TO THE LOCAL COMMUNITY



All Saints, Eastbourne

TRADING AND FINANCIAL REVIEW UNDERPINNED BY FINANCIAL STRENGTH AND RISK MANAGEMENT

"Berkeley's strategy has been developed for a cyclical market. Residential development is not about individual reporting periods. It is about creating value over the long-term and this requires financial discipline and balance sheet strength. Berkeley acquires land differently to others. The primary focus is on adding value through its development expertise, for which we have an excellent record, and this gives me great confidence in our balance sheet value and minimises the risk of land write-downs.

Above all else, enhancing property value is about having time. This is afforded to Berkeley by its strategy of taking low financial risk through a combination of matching production to demand, selling forward and only gearing when there is sufficient visibility of future cash flow. This is more difficult in these market conditions where customers are exchanging closer to completion. As a result, to retain a similar overall risk profile, requires a reduced level of build."

TRADING ANALYSIS

Revenue for the Group was £702.2 million (2008: £991.5 million). This comprised £671.7 million (2008: £960.1 million) of residential revenue, of which £46.1 million was from land sales (2008: £13.1 million) and £625.6 million was from housebuilding activity (2008: £947.0 million), along with £30.5 million (2008: £31.4 million) of commercial revenue.

During the year, the Group sold 1,501 homes at an average selling price of £395,000. This compares with 3,167 homes at an average selling price of £295,000 last year. The increase in average selling price is due to sales mix with a high proportion of sales revenue in the year coming from the delivery of the forward sales taken in previous periods on the Group's Central London sites and a lower proportion of affordable units compared to last year.

The £46.1 million of revenue from land sales arises on the disposal of four sites, including Berkeley's site at Stanmore which was transferred to St Edward Homes, Berkeley's joint venture with Prudential.

At £30.5 million (2008: £31.4 million), the Group's revenue from commercial activities represents the disposal of commercial units on six mixed-use sites. The most significant of these were the disposals of 17,000 square feet of retail space at Imperial Wharf, 20,000 square feet of retail space at Tabard Square which includes a gym, nursery and a Tesco store, a 15,000 square foot gym at Chelsea Bridge Wharf and 21,000 square feet of office space at Oxford Waterfront.

CASH FLOW

Cash generation remains as important a financial performance indicator to Berkeley as profit.

In summary, Berkeley generated £269.5 million of cash in the year, before a net cash inflow of £19.8 million arising from financing activities. Together this is a net increase in cash of £289.3 million in the year with the Group closing with net cash of £284.8 million at 30 April 2009 compared to net debt of £4.5 million at 30 April 2008. There are six elements to Berkeley's cash flow.

Firstly, profit before tax of £120.4 million was down £73.9 million from £194.3 million in 2008.

Secondly, there was a net inflow of £149.0 million from working capital movements. The £149.0 million inflow arises from a net reduction in inventory of £117.0 million and a net increase in creditors of £61.3 million, offset by a net increase in debtors of £29.3 million. Overall, the net inflow demonstrates the continued effective management of working capital across the Group. Last year the Group had a net working capital outflow of £5.5 million.

Thirdly, the Group received a one-off net taxation inflow of £8.7 million, compared to an outflow of £50.9 million last year. This reduction reflects both the taxation benefit derived from the Scheme of Arrangement and tax planning.

Fourthly, there was a net cash outflow of £21.8 million from investing activities which principally relates to investments in and loans to joint ventures as well as the acquisition of fixed assets. Last year there was an outflow of £7.1 million from investing activities. The increase in the year reflects the acquisition of a new site in The Strand by St Edward, our joint venture with Prudential.

Fifthly, non-cash items and other movements, which relate to timing differences on interest payments and the effect of share-based payments accounting are £13.2 million this year, down £12.1 million from £25.3 million last year.

Finally, cash flows from financing activities were a net inflow of £19.8 million this year compared to an outflow of £241.6 million last year. The £19.8 million arises from the net proceeds from the share placing completed in March 2009 of £49.6 million reduced by the purchase in the year of 2.9 million shares by the Group's Employee Benefit Trust at a total cost of £19.2 million and the cash settlement of employee share schemes for £10.6 million in the year. Last year the £241.6 million payment related to the redemption of the 2008 B Shares.

PROFIT BEFORE TAX

The Group's profit before tax has reduced by £73.9 million to £120.4 million from £194.3 million last year, a decrease of 38.0%. Three principal factors have contributed to this net reduction. Firstly, operating profit has reduced by £81.2 million, reflecting the market conditions in the year, which have been as challenging as any in recent memory. Secondly, net finance costs have reduced by £5.8 million.

TRADING AND FINANCIAL REVIEW

HEADLINE RESULTS	April 2009 £'million*	April 2008 £'million*	Change %
House-building	625.6	947.0	-33.9%
Land sales	46.1	13.1	+251.9%
Residential	671.7	960.1	-30.0%
Commercial	30.5	31.4	-2.9%
Group revenue	702.2	991.5	-29.2%
Operating profit	124.8	206.0	-39.4%
Net finance costs	(3.5)	(9.3)	
Joint ventures	(0.9)	(2.4)	
Profit before tax	120.4	194.3	-38.0%
Tax	(34.3)	(56.5)	
Profit after tax	86.1	137.8	-37.5%
EPS – basic (pence)	71.3p	114.2p	-37.6%
ROCE	20.6%	29.3%	

CASH FLOW AND NET ASSETS	April 2009 £'million*		April 2008 £'million*	Change £'million*
Profit before tax	120.4		194.3	(73.9)
Working capital movements	149.0		(5.5)	154.5
Taxation	8.7		(50.9)	59.6
Investing activities	(21.8)		(7.1)	(14.7)
Non-cash and other movements	13.2		25.3	(12.1)
	269.5		156.1	113.4
Share purchases	(19.2)	19.8	-	(19.2)
Cash settlement of employee share schemes	(10.6)		-	(10.6)
Share placing	49.6		-	49.6
Shareholder payment	-		(241.6)	241.6
Increase in net cash/(debt)	289.3		(85.5)	374.8
Opening net (debt)/cash	(4.5)		81.0	(85.5)
Closing net cash/(debt)	284.8		(4.5)	289.3
Capital employed	516.5		685.9	(169.4)
Net assets	801.3		681.4	119.9
Net assets per share (pence)	615		564	51

* unless otherwise indicated

TRADING AND FINANCIAL REVIEW [CONTINUED]

KEY PERFORMANCE INDICATORS

Our key performance indicators reflect the essential ingredients to delivering Berkeley s strategy. These are financial strength (cash position, cash generation and forward sales), our land bank (plots, future gross margin and brownfield utilisation percentage), our customers and our people.

- **£269.5 million of cash generated,** before net financing cash inflows of £19.8 million
- **£284.8 million of net cash** up from £4.5 million net debt last year
- **£619.8 million of cash due on forward sales** down from £1,210 million last year

- **30,044 plots in the land bank** down from 31,365 last year
- **£2.0 billion of land bank future gross margin*** down from £2.7 billion last year
- **100% brownfield land** used on completed developments over the last 4 years

*New key performance indicator this year

- **91% of our customers** would recommend Berkeley to a friend
- **RIDDOR incident rate of 3.9*** compared to All Builder Average of 6.6

*New key performance indicator this year

Thirdly, there has been a reduction of £1.5 million in the Group's share of losses in joint ventures.

	£'million
Profit before tax: 2008	194.3
Operating activities	-81.2
Interest	+5.8
Joint ventures	+1.5
Profit before tax: 2009	120.4

Operating profit has decreased by £81.2 million to £124.8 million from £206.0 million last year. Berkeley's operating model has always recognised that the business is not scalable and has planned for a cyclical market, so whilst operating profit is down 39.4%, the key feature of the trading result is the operating margin, which at 17.8%, is within the long-term historic range for the Group of 17.0% to 19.5% (depending on sales mix) reported by the Group over recent reporting periods and represents a strong trading performance in the context of the prevailing market conditions. Assuming transaction levels do not fall further, Berkeley is confident of being able to remain broadly in this range; albeit towards the bottom-end until planning requirements take account of the current market conditions.

Net finance costs are £3.5 million, a reduction of £5.8 million from net finance costs of £9.3 million last year. The reduction in net finance costs is due to three factors. Firstly, net bank interest income has increased by £4.3 million from £0.3 million to £4.6 million. Secondly, the imputed finance costs on taxation and deferred land creditors have increased by £0.3 million from £7.8 million to £8.1 million. Finally £1.8 million of finance costs were incurred last year in connection with the re-financing of the Group's bank facilities.

The net bank interest received in the current year of £4.6 million arose from the opening net debt position of £4.5 million increasing by £289.3 million to a closing net cash position of £284.8 million, reflecting the cash generative nature of operating activities as well as the proceeds from the share placing in the year. Last year's net bank interest received of £0.3 million arose from the opening net cash position of £81.0 million increasing by £156.1 million to £237.1 million, before the 2008 B Share redemption of £241.6 million, which resulted in a closing net debt position of £4.5 million.

There has been a reduction of £1.5 million in the Group's share of losses in joint ventures which are £0.9 million this year compared to £2.4 million last year. All of the Group's joint ventures remain in the early stages of their development.

EARNINGS PER SHARE

Basic earnings per share for the Group decreased by 37.6% to 71.3 pence (2008: 114.2 pence). The 37.6% reduction arises principally from the reduction in profit after tax which declined by 37.5% from £137.8 million to £86.1 million. As a result of the proximity of the share placing to the financial year end there was a negligible increase to the weighted average number of shares in issue during the year.

FINANCIAL POSITION

Net assets increased by £119.9 million to £801.3 million from £681.4 million last year end and net assets per share have risen by 51 pence to 615 pence from 564 pence. The net cash inflow in the year of £289.3 million combined with a £169.4 million decrease in capital employed to give the net increase of £119.9 million in net assets.

The £169.4 million decrease in capital employed principally relates to the reduction in working capital (including non-cash movements) in the year of £156.9 million coupled with an increase in the current tax liability of £29.9 million, offset by an increase in non-current assets of £17.4 million.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DIVERSITY OF PRODUCT

Our range and diversity of product is one of the things that makes us different

01 Penthouse at Imperial Wharf
02 Refurbished Manor House at Kingswood Chase
03 Paragon Student accommodation
04 Holborough Lakes – family housing with Super E® technology
05 The Berkeley solution to Urban Family Housing

TRADING AND FINANCIAL REVIEW [CONTINUED]

The first element of the £156.9 million working capital reduction is the decrease in inventory of £117.1 million to £1,114.8 million from £1,231.9 million last year end. The cost of land in the balance sheet has reduced by £156.8 million reflecting the fact that Berkeley has acquired little land in the year as well as the increased level of land sales. This was offset by a net £17.5 million increase in build work in progress and a £22.2 million increase in completed units. Berkeley continues to manage its work in progress levels closely in line with its strategy of matching production to demand. The increase also reflects the fact that Berkeley is selling later in the cycle in these market conditions.

The second element relates to trade debtors which have increased by £30.2 million to £51.0 million from £20.8 million last year end. This increase reflects the transfer of a site into St Edward Homes, our joint venture with Prudential, for which payment is deferred.

The final element relates to trade creditors which have increased by £70.0 million in the year. This arises from a £56.7 million reduction in trade creditors and accruals as activity levels have reduced in line with the prevailing market conditions, a £37.3 million reduction in land creditors due to settlement in the year, offset by a £164.0 million increase in deposits and on account contract receipts from customers as the Group has looked for greater certainty from its customers.

The current taxation liability has increased by £29.9 million to £86.3 million from £56.4 million last year end.

Non-current assets have increased by £17.4 million to £81.4 million from £64.0 million last year end. This increase reflects Berkeley's investment in its joint ventures, notably the acquisition of an existing office building in The Strand by St Edward.

ROCE
Return on average capital employed decreased from 29.3% in 2008 to 20.6% in 2009. The reduction reflects the lower operating profit in the year, partly offset by the strong cash generation in the year, which is ahead of profit largely due to the working capital inflow.

TAXATION
Berkeley's policy is to pay the amount of tax legally due and to observe all applicable rules and regulations.
At the same time we have an obligation to maximise shareholder value and to manage financial and reputational risk. This includes minimising and controlling our tax costs, as we look to do for all costs of our business. Factors that may affect the Group's tax charge include changes in legislation, the impact of corporate activity (restructuring, acquisitions, disposals, etc.), the resolution of open tax issues from prior years and planning opportunities.
The Group makes provision for potential tax liabilities that may arise, however, the amount ultimately paid may differ from the amount accrued.

BANK FACILITIES
The Group currently has £800 million of facilities available through August 2011. These are undrawn as the Group is in a net cash position.

FINANCIAL RISK
The Group finances its operations by a combination of shareholders' funds and, where appropriate, net borrowings. As the Group's operations are in sterling there is no direct currency risk, and therefore the Group's main financial risks are primarily:

- market risk and principally interest rate risk with the Group's cash balances currently held at floating rates linked to LIBOR; and

- liquidity risk – this is the risk that suitable funding for the Group's activities may not be available.

The Board approves treasury policy and senior management control day-to-day operations. The objectives are to manage financial risk, to ensure sufficient liquidity is maintained to meet foreseeable needs, and to invest cash assets safely and profitably. Relationships with banks and cash management are co-ordinated centrally.

OPERATING RISK
All businesses are exposed to risk. Indeed, alongside risk comes opportunity and it is how such risks are managed that determines the success of the Group's strategy and, ultimately, its performance and results. Berkeley's strategy allows management to focus on creating sustainable long-term value for its shareholders, whilst taking advantage of opportunities as they arise in the short- and medium-term.

Risk management is embedded in the organisation at operating company, divisional and Group levels, with different types of risk requiring different levels and types of management response.

The principal operating risks of the Group include, but are not limited to the risks as set out on page 17.

The Internal Control section within the Corporate Governance report on pages 43 to 47 sets out the Group's overall framework for internal control, setting the context for the identification, control and monitoring of these and other risks faced by the Group.

ROB PERRINS
Group Finance Director

BERKELEY'S
PRINCIPAL OPERATING RISKS

ISSUE	RISK	MITIGATION
MORTGAGES	In these market conditions, it is proving difficult for customers to secure sufficient mortgage finance due to banks' lending criteria and mortgage valuations not reflecting market value. This is a restriction on transaction levels and forward sales as customers exchange closer to completion.	Manage financial risk through matching production closely to demand and retain prudent approach to cash and gearing. Work with customers through the completion process.
MACRO ECONOMIC CLIMATE	Employment levels and the overall "feel-good factor" within the UK economy have a direct impact on the demand for housing.	Continual assessment undertaken of economic conditions and the marketplace to ensure that the business is structured accordingly. Business strategy regularly reviewed to ensure that it matches the prevailing market conditions.
SUSTAINABILITY	Urban regeneration has a significant impact on the built environment and the communities in which it occurs. Sustainability issues are an integral component of the risks listed here as failure to address sustainability issues can affect our ability to acquire land, gain planning permission, manage sites effectively and respond to increasing customer demand for sustainable homes. For more details of how these risks are managed, please see our Sustainability Report.	Board level Sustainability Governance Committee has the responsibility of setting the Group's strategy and ensuring it is aligned with business objectives. This committee meets three times a year with external consultants also attending.
LAND AVAILABILITY	Inability to source suitable land to maintain land bank at appropriate margins in a highly competitive market.	Each land acquisition subject to formal appraisal and approval process. Schedule of all land holdings submitted monthly as part of key management information.
PLANNING	Delays or refusals in obtaining commercially viable planning permissions on the Group's land holdings that meet its investment return criteria.	Full detailed planning assessment and risk assessment in place for each site without planning permission in place. Planning status of all sites reviewed at monthly divisional Board meetings and bi-monthly Main Board meetings.
SALES PRICE / VOLUME	Matching supply to demand in terms of product, location and price are key success factors for Berkeley's business. Incorrect assessments can result in missed sales targets and/or inefficient levels of completed stock.	Detailed market assessment undertaken of each site before acquisition, as well as ongoing reviews throughout the duration of the site to ensure supply is matched to demand. Overall mix of product throughout the Group reviewed on a regular basis, as well as stock levels. Forward sales are used to take the risk out of the development cycle where possible.
BUILD COST / PROGRAMME	In what is a competitive marketplace, build costs are affected by the availability of skilled labour and the price and availability of materials. These factors and the relationship with, and performance of, the contractors used by the Group impact on both build cost and programme.	Procurement strategy for each development agreed by divisional Board before site acquisition. Build costs reconciliations and build programme dates are presented and reviewed in detail each month.
PRODUCT QUALITY	Poor quality product could expose the Group to additional cost of remediation, as well as reputational damage.	A detailed review of the product is undertaken throughout the build process by experienced personnel. Director sign off of units undertaken before serving notice of legal completion.
HEALTH & SAFETY	Site accidents or site related catastrophes, including fire and flood can result in serious injury or loss of life. The inability to attract the best staff, business interruption and reputational damage are all additional potential consequences.	Health & Safety Governance Committee responsible for setting strategic objectives of the Group. Dedicated Health & Safety teams in place at each division and at Group, with procedures, training and reporting all regularly reviewed to ensure high standards are maintained. Comprehensive accident investigation procedures in place.
PEOPLE	The Group's success is highly dependent upon its ability to attract and retain the best people working in the industry. Failure to consider the succession of key management could result in lost experience and knowledge from the business.	Remuneration packages constantly reviewed to ensure they are competitive. Succession planning regularly reviewed at divisional and Board level.
GOVERNMENT POLICY	Changes to government policy on housing (at both national and local level), including planning, affordable housing requirements and planning gain obligations all impact on the Group's business.	Effects of changes to planning policies at all levels closely monitored, and representations made where necessary.

Aerial image with computer modelling of our Kidbrooke site, London.

AT KIDBROOKE BERKELEY IS WORKING IN PARTNERSHIP WITH THE LONDON BOROUGH OF GREENWICH AND THE HOMES & COMMUNITIES AGENCY TO REGENERATE THE FERRIER ESTATE AND PROVIDE 4,500 NEW HOMES JUST MINUTES FROM THE CITY

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT AT THE HEART OF OUR BUSINESS

SUSTAINABILITY REMAINS AT THE HEART OF BERKELEY

The past year has been a period of unprecedented global economic turbulence, with the UK homebuilding sector being particularly exposed to great uncertainty and challenges. Despite this, Berkeley remains passionate in its commitment to sustainability. We have integrated principles of sustainability into our core business strategy, both in terms of the day-to-day management of our business, and the developments we build. Indeed, our focus on brownfield development and long-term investment in complex mixed-use projects reflects our passion and commitment to creating a legacy that we can be proud of. We believe that this strategy has given Berkeley a definitive competitive advantage over our peers.

Complete information on our sustainability impacts, actions and achievements can be found on our website and in our Sustainability Report. 2009 will be the second successive year we have been able to certify our sustainability reporting to Level C of the Global Reporting Initiative (GRI) Sustainability Reporting Framework, including an even wider range of indicators than previously. The GRI Framework sets out principles and indicators for measuring and reporting on economic environmental and social performance in a balanced and transparent manner.

LEADING THE SECTOR

In April 2008, The Berkeley Group was awarded the UK's prestigious Queen's Award for Enterprise: Sustainable Development. This award recognises companies which have made outstanding advances in performance or have a high level of continuous achievement in sustainable development. We were praised for our strong leadership, promoting best practice in the sector and embedding sustainability throughout the entire business operations. We also use two external benchmarks – NextGeneration and FTSE4Good – to help us guide our strategy and assess our performance relative to our peers. NextGeneration is a benchmark of the Top 20 UK home builders overseen by a high-profile Executive Committee. In October 2008, we were ranked first in the benchmark for the second year running. FTSE4Good measures the performance of companies that meet globally recognised corporate responsibility standards, and aims to promote investment in those companies. We are delighted that our listing continued in the most recent assessment which took place in March 2009, despite the introduction of more challenging requirements related to the management of our climate change impacts.

A RISK MANAGEMENT APPROACH

For us, the term 'sustainability' describes our management of the environmental, social and economic risks facing our business in a responsible and sustainable way. Key to our sustainability strategy is our commitment to identifying and minimising these risks, and to operate efficiently in order to create new opportunities. Over the coming year we will be working to further assess the complete range of financial, regulatory, reputational and physical risks posed to our business by the sustainability agenda, in order to fully quantify their likelihood and significance.

OUR MATERIAL IMPACTS

In order to establish which sustainability issues were most pertinent to Berkeley and how best to disclose information relating to these in 2008, we applied a five part test for materiality recommended by AccountAbility. These tests identified issues with the following characteristics:

- Direct short-term financial impacts
- Prioritised previously through our sustainability reporting and policy commitments
- Identified by our peers as important and/or material to their business performance
- Affect stakeholder decisions and behaviour
- Embedded, or are expected to become embedded, in regulation or legislation

To refine this further over the past year, we asked a selection of our stakeholders about our reporting and which issues they believed we should be addressing. As a result, we have prioritised the following issues as being material to our strategy and reporting.

ECONOMIC
- Financial performance
- Customer satisfaction
- Local economy and job creation
- Supply chain management
- Housing quality

ENVIRONMENTAL
- Climate change
- Land use
- Energy
- Water
- Waste
- Environmental performance standards
- Transport

SOCIAL
- Health and safety
- Community engagement
- Employees

GOVERNANCE

We manage sustainability in a way that allows us to measure and understand our performance, learn lessons and share good practice across the business.

Our strategy is led by the Main Board, and supported by the Sustainability Governance Committee.
The Sustainability Governance Committee is made up of directors from across the Group and chaired by Rob Perrins, Group Finance Director. This ensures that the sustainability strategy remains closely aligned with our business objectives.

To facilitate dialogue between the Board and each of the working divisions, there is also a Group-level Sustainability Working Group, made up of representatives from across the business. This, in combination with Sustainability Working Groups held at a divisional level, and project team meetings, helps to ensure the application of the sustainability strategy at an operational level. Issue-specific forums also operate on a time-limited basis to address challenges and opportunities arising from key issues such as energy and procurement.

STAKEHOLDER ENGAGEMENT

Engagement with our stakeholders is integral to the development of our strategy, and we communicate with them in a variety of ways.

STAKEHOLDER ENGAGEMENT

A TWO WAY RELATIONSHIP

Customers (Residential and Commercial)
- Commissioning regular market research
- Customer satisfaction surveys
- Pre-letting commercial property, and working with occupiers to determine specification

Local Communities
- Consultation during the planning phase
- Providing local updates before and during construction
- Involvement in charitable initiatives
- Participating in the Considerate Constructors Scheme

Employees
- Lets Talk and Lets Act campaigns
- Training
- Adhering to our comprehensive range of employee and health and safety policies

Contractors, Consultants and Suppliers
- Building collaborative relationships
- Management rules communicate our requirements
- Project evaluations

Affordable Housing Providers
- Building collaborative relationships
- Delivering affordable housing

Investors
- Reporting our financial and sustainability impacts on our website and through the publication of annual reports
- Participation in surveys and indices such as FTSE4Good and NextGeneration
- Providing responses to requests for information

Government (National, Regional and Local)
- Responding to consultations
- Using our practical experience to pro-actively lobby on key issues

Non-Governmental Organisations and Research Organisations
- Participating in industry-wide initiatives
- Engaging with NGOs

Industry Bodies and Trade Associations
- Engaging with industry bodies
- Sitting on relevant industry task groups

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT [CONTINUED] AT THE HEART OF OUR BUSINESS

2008/09 PERFORMANCE

Twenty six management and performance targets guided our progress in 2008/09. Of these, we fully achieved sixteen targets, and partially met a further six. We are delighted with this performance, which demonstrates our continuing commitment to sustainability despite tough market conditions.

Here we provide a focus on our progress in four key areas; climate change, health and safety, waste and local economy and job creation. Our Sustainability Report provides a full assessment of progress against all our targets.

CLIMATE CHANGE

Climate change remains at the forefront of the UK sustainability agenda. The homebuilding sector has a key role to play in helping to reduce the UK's carbon emissions by 80% by 2050, as per the Government's stated goal.

Our biggest climate change impact comes from the homes we build, and we fully support the Government intent for all new homes to be Zero Carbon by 2016. We feel, however, that much greater clarity is needed in relation to this, especially regarding the definition of Zero Carbon. Indeed, we believe that in order to tackle emissions from the housing stock alongside meeting the long-term challenge of increasing the UK's housing supply, a number of fundamental policy issues need to be addressed. We are therefore committed to engaging with Government and relevant industry task groups and over the past year representatives from The Berkeley Group have participated in :

- The UK Green Building Council (GBC) Zero Carbon Task Force;
- The All Party Parliamentary Climate Change Group;
- The Energy Efficiency Partnership for Homes New Build Group; and
- The Zero Carbon Hub Energy Efficiency Workstream.

Over the past year we have also committed 11,132 homes to be built to Code Level 3 and 72,057m^2 of commercial space to BREEAM Very Good, which is equivalent to a 25% improvement above Building Regulations for energy improvement. We have also reduced our operational carbon emissions by 10%, exceeding our target of 5%.

HEALTH AND SAFETY

We are proud to have maintained our strong Health and Safety performance, with an incident rate of 3.91 during 2008/09 compared to the All Builder Average (provisional) of 6.1.

We believe this is in part due to our 'Good Order' campaign, which focuses on eliminating health and safety risk factors that may be the cause of an avoidable accident on site. Over the past year, we have refined the 'Good Order' scoring criteria in order that we can better recognise areas of improvement and address any issues arising.

We have also facilitated the training of 125 of our contractor's management and supervision staff through the provision of twelve 2 day CITB Site Safety Plus and 5 day CITB Site Management Safety Training Scheme courses, equalling in excess of 430 person days of Health and Safety training.

WASTE

Waste continues to be an increasingly important issue within the construction sector. With landfill taxes set to rise by £8/tonne every year until at least 2013, by which point they will be around £72/tonne, this is clearly an area in which significant financial savings may be made.

Our waste management practices are recognised as amongst the best in the industry. All our sites operate a Site Waste Management plan and monitor the waste they produce via a bespoke Waste Data Tool, which is analysed on a quarterly basis. In 2008/09 we reduced the amount of waste we were sending direct to landfill by 35%, generating savings of nearly £1.5 million.

LOCAL ECONOMY AND JOB CREATION

We strive to contribute to the areas in which we work, not just through building homes but also stimulating the local economy and creating long-term employment opportunities. This occurs both through the construction process and our completed mixed-use developments that go on to drive economic regeneration of an area. This becomes even more pertinent during a time of economic downturn.

Our Armouries development at Royal Arsenal, Woolwich is estimated to create around 500 construction jobs. It is also estimated that 1,900 full-time equivalent jobs will be created by the completed Warren development, of which The Armouries forms a part, and around 420 through the non-residential space within The Armouries itself.

In January 2009, St George hosted the second Imperial Wharf job fair in partnership with the London Borough of Hammersmith and Fulham. The aim of this was to highlight to residents the range of local jobs available across the development and provide access to training agencies. The success of the first job fair was demonstrated especially by one Imperial Wharf resident who found employment through last year's job fair, and was in attendance at the 2009 event on behalf of her new employer.


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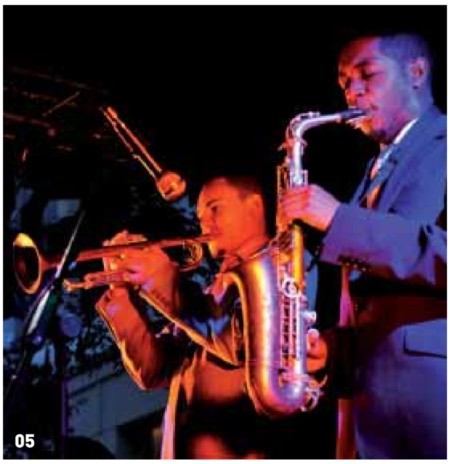
05

QUALITY PUBLIC REALM

Berkeley creates a "sense of place" – places where people want to live, work and play

01 Ten acre riverside park at Imperial Wharf
02 People enjoying opera at Battersea Reach
03 The gardens at Beaufort Park
04 The park at All Saints, Eastbourne
05 Our annual Jazz festival at Imperial Wharf

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT [CONTINUED] AT THE HEART OF OUR BUSINESS

Green roofs feature at many of our developments

Committed to reducing our direct water consumption

Energy Centre at Grosvenor Waterside

LOOKING AHEAD

Our emphasis during 2010 will continue to be on delivering truly sustainable communities and working to achieve ever greater operational efficiencies to support and enhance our financial performance. This will be guided by our desire to retain a leading position within the NextGeneration benchmark, and to remain listed on the FTSE4Good Index. This includes continuing to work to our climate change commitments, which have been in place for a number of years. These commit us to:

- Ensuring that all sites seeking planning permission continue to commit to certifying all new homes to Code Level 3 (excluding refurbishments);
- Ensuring that all sites seeking planning permission continue to commit to certifying all commercial space to BREEAM Very Good, specifically seeking a 25% improvement above Building Regulations for energy performance (excluding refurbishments);
- Ensuring that 95% of completed Berkeley developments are on brownfield land;
- Reducing our direct water consumption (associated with our offices and sites) by 5% annually until 2012, from May 2008 baseline figure;
- Achieving a 5% year-on-year reduction in operational CO_2 emissions until 2012 (associated with our offices and sites) from May 2008 baseline figure; and
- Reducing by 50% construction waste sent directly to landfill by 2010 based on a 2007/08 baseline.

We will continue to take a holistic view of sustainability, and the economic, social and environmental aspects this encompasses. Over the next year, we will therefore also be undertaking work to assess the local and regional socio-economic benefits of one project, with a view to developing a methodology which could be applied to other projects in the future, and working with our estate managers to understand how our own approach may facilitate sustainable estate management.

Details of all 25 of our 2009/10 targets are contained in our 2009 Sustainability Report.

For further information about sustainability within the Berkeley Group, please visit www.berkeleygroup.co.uk/sustainability or email us at sustainability@berkeleygroup.co.uk

IMPERIAL WHARF, LONDON


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IMPERIAL WHARF, LONDON
A truly vibrant cosmopolitan lifestyle in the heart of London

01 The stunning riverside regeneration scheme
02 The view over Riverside Park
03 The Waterside bar and restaurant
04 Quality space, inside and out

SUSTAINABILITY HIGHLIGHTS

10%
reduction in operational carbon emissions

2007	10,572,105 *
2008	8,702,166 *
2009	7,836,644 *

* $kg/CO_2/yr$

Reduced the amount of waste we send directly to landfill by

35%
saving us nearly

£1.5 million
in landfill tax

Consistently high customer satisfaction

2007	90%
2008	89%
2009	91%

Committed

72,057m²
of commercial space to BREEAM Very Good

Low health and safety incident rates

2007	7.2 *
2008	3.8 *
2009	3.9 *

* RIDDOR rate per 1,000

Committed

11,132
homes to be built to Code Level 3

QUEEN MARY'S PLACE, ROEHAMPTON

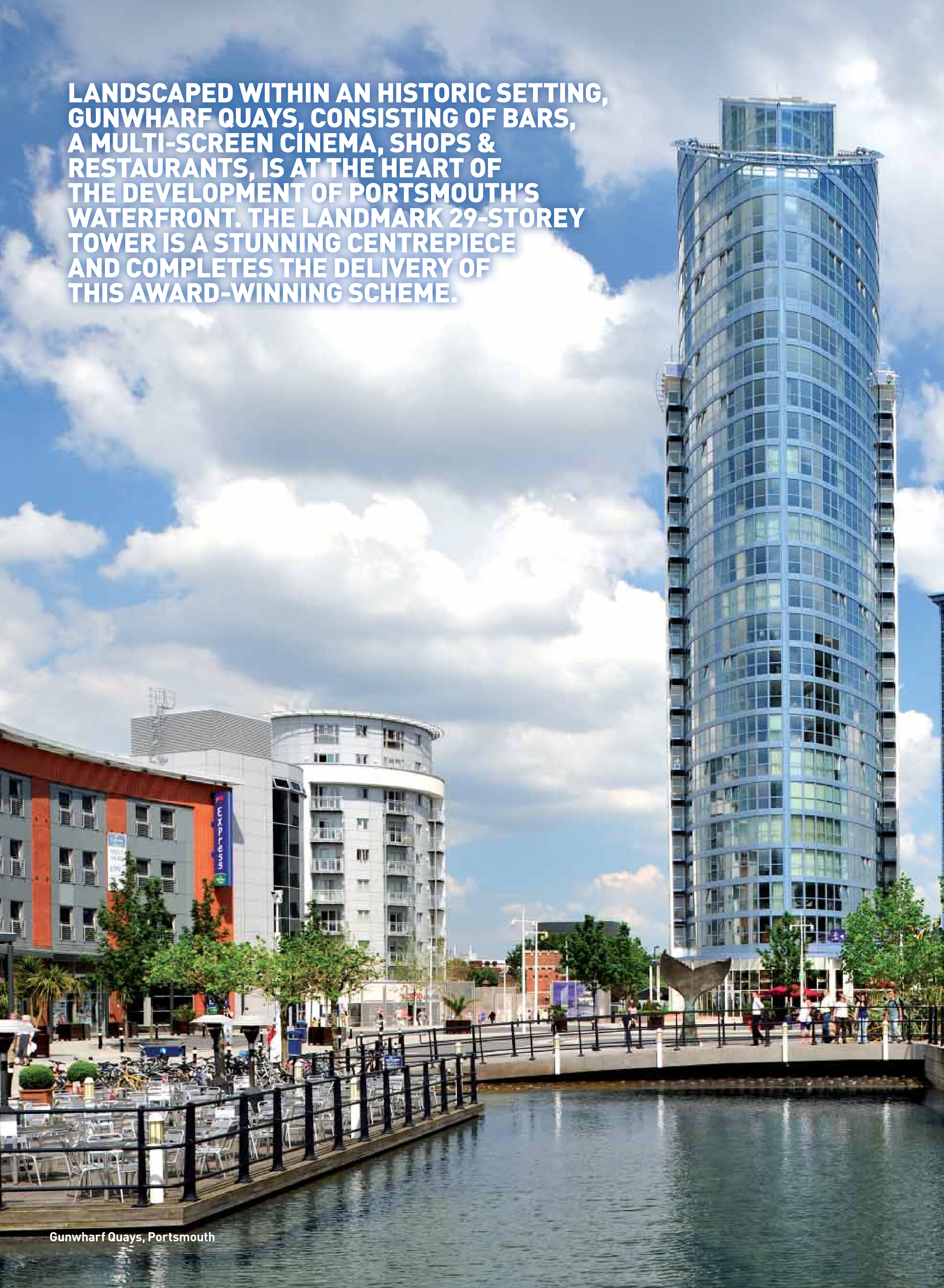

01


02

QUEEN MARY'S PLACE, ROEHAMPTON

01 A stunning refurbishment of a Grade 1 listed building and walled garden
02 The Mews houses and courtyard with water rill

LANDSCAPED WITHIN AN HISTORIC SETTING, GUNWHARF QUAYS, CONSISTING OF BARS, A MULTI-SCREEN CINEMA, SHOPS & RESTAURANTS, IS AT THE HEART OF THE DEVELOPMENT OF PORTSMOUTH'S WATERFRONT. THE LANDMARK 29-STOREY TOWER IS A STUNNING CENTREPIECE AND COMPLETES THE DELIVERY OF THIS AWARD-WINNING SCHEME.



Gunwharf Quays, Portsmouth


REEF
Canal

BOARD OF DIRECTORS

David Howell Alan Coppin Tony Carey Rob Perrins Victoria Mitchell Tony Pidgley John Armitt Greg Fry

EXECUTIVE COMMITTEE
A W Pidgley (Chairman), A Carey, G J Fry, R C Perrins

REMUNERATION COMMITTEE
A Coppin (Chairman), V M Mitchell, J Armitt

AUDIT COMMITTEE
D Howell (Chairman), A Coppin, V M Mitchell (by Invitation)

NOMINATION COMMITTEE
V M Mitchell (Chairman), D Howell, J Armitt

HONORARY LIFE PRESIDENT
Jim Farrer MRICS, 78
Along with Tony Pidgley a co-founder of the company, he was Group Chairman until his retirement in 1992. At that time he was appointed Honorary Life President.

COMPANY SECRETARY
R J Stearn

TONY PIDGLEY, 61
Co-founder of the Company in 1976 with Jim Farrer. He is the Group Managing Director and Chairman of the Executive Committee.

ROB PERRINS BSC (HONS) ACA, 44
Joined the Company in 1994 having qualified as a chartered accountant with Ernst & Young in 1991. He was appointed to the Group Main Board on 1 May 2001 on becoming Managing Director of Berkeley Homes plc, moving to his current role as Group Finance Director on 2 November 2001. He is also a member of the Executive Committee.

VICTORIA MITCHELL, 58
Appointed a Non-executive Director on 1 May 2002 and became Group Chairman on 1 August 2007. Currently a Consultant Director of Savills (LLP) Limited, she was previously an Executive Director of Savills plc. She is currently a Non-executive Director of Pam Golding International (Pty), Development Securities plc, Lennox Investment Management LLP and London First, and a Trustee of The Landmark Trust. Victoria chairs the Nomination Committee and is a member of the Remuneration Committee.

TONY CAREY BSC FRICS, 61
Joined St George PLC in 1987 and was appointed Managing Director of that division in 1990. He joined the Group Main Board in 1993 and is a member of the Executive Committee.

GREG FRY ACA, 52
Joined the Company in 1982 and has been a Director of St George PLC from its inception in 1986. He is currently Chairman of St George's three principal operating companies. He was appointed to the Group Main Board with effect from 1 May 1996 and is a member of the Executive Committee.

DAVID HOWELL FCA, 60
Appointed a Non-executive Director and Chairman of the Audit Committee on 25 February 2004. He is currently Executive Chairman of Western and Oriental plc and a Non-executive Director of two private companies, having previously been a Main Board Director of lastminute.com plc, Group Finance Director of First Choice Holidays plc, Chairman of EBTM plc (Everything but the Music) and a Non-executive Director of Nestor Healthcare Group plc. David became the Senior Independent Director on 5 September 2007 and is also a member of the Nomination Committee.

ALAN COPPIN, 59
Appointed a Non-executive Director on 1 September 2006. He is currently a Non-executive Director of Capital and Regional plc, Chairman of Redstone plc and Non-executive Director of Air Command (Royal Air Force). He was Hon. Chairman of The Prince's Foundation for the Built Environment. Alan is Chairman of the Remuneration Committee and a member of the Audit Committee.

JOHN ARMITT, 63
Appointed a Non-executive Director on 1 October 2007. He is currently Chairman of the Olympic Delivery Authority and Chairman of the Engineering and Physical Science Research Council. From 2001 to 2007 he was Chief Executive of Network Rail and its predecessor, Railtrack. He was previously Chief Executive of Costain and Union Railways. John is a member of the Remuneration and Nomination Committees.

DIRECTORS' REPORT

The Directors submit their report together with the financial statements for the year ended 30 April 2009.

Principal activities and review of the business
The Company is a UK listed holding company of a wider group engaged in residential and commercial property development focusing on urban regeneration and mixed-use developments. The Company is incorporated and domiciled in England and Wales and is quoted on the London Stock Exchange.

The information that fulfils the requirements of the business review can be found in the Chairman's statement on pages 2 and 3, the Managing Director's review on pages 6 to 8, which provides more detailed commentaries on the business during the year together with the outlook for the future, the Trading and Financial review on pages 12 to 17 and the Environmental and Social Responsibility report on pages 20 to 26.

In addition, information in respect of the financial risks of the business is set out in the Trading and Financial review on page 17.

Trading results and dividends
The Group's consolidated profit after tax for the financial year was £86,127,000 (2008: £137,827,000). The Group's joint ventures contributed losses after taxation of £902,000 (2008: losses of £2,416,000).

No dividends were declared or paid in the financial year.

Share capital
At the Extraordinary General Meeting of The Berkeley Group plc on 17 September 2004, shareholders approved the Court Approved Scheme of Arrangement which resulted in a new listed holding company being created, The Berkeley Group Holdings plc. The Scheme became effective on 26 October 2004 and the Company became the holding company of The Berkeley Group plc.

Under the Scheme of Arrangement all shareholders of The Berkeley Group plc, at the effective date, received Units in The Berkeley Group Holdings plc (each comprising one Ordinary Share, one 2004 B share, one 2006 B share, one 2008 B share and one 2010 B share), hereafter referred to as "Units".

During the prior year ended 30 April 2008, the Company redeemed 120,820,642 2008 B shares at a total cost of £241,641,284, having previously redeemed 120,820,642 2006 B shares at £2 per share in the year ended 30 April 2007 and 120,820,642 2004 B shares at £5 per share in the year ended 30 April 2005.

At the Extraordinary General Meeting on 15 April 2009, the Company received approval from shareholders to redeem the entire class of 2010 B Shares following close of business that day for £1 in aggregate. Following this redemption, the issued share capital comprised of only Ordinary Shares.

The Company had 130,859,429 Ordinary Shares in issue at 30 April 2009 and 120,820,642 Units in issue at 30 April 2008. During the year, 6,041,030 Units were issued on 26 February 2009 from a share placing (representing approximately 5% of the issued ordinary share capital prior to the placing), and 3,997,757 Ordinary Shares were issued on 16 April 2009 to participants of The Berkeley Group Holdings plc 2004(b) Long-Term Incentive Plan.

Movements in the Company's share capital are shown in Note 18 to the consolidated financial statements.

Of the 10% authority given at the 2008 Annual General Meeting, no share purchases have been made by the Company. Authority will be sought from shareholders at the forthcoming Annual General Meeting to renew the 10% authority for a further year.

Information on the Group's share option schemes is set out in Note 5 to the consolidated financial statements. Details of the Long-Term Incentive Schemes and Long-Term Incentive Plans for key executives are set out in the Remuneration Committee report on pages 34 and 42.

Directors
The Directors of the Company and their profiles are detailed on page 30. All of the Directors served throughout the year under review with the exception of Mr Mike Tanner who retired on 27 June 2008.

In accordance with the Articles of Association of the Company, Messrs. Pidgley and Carey will retire from the Board by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

The Directors' interests in the share capital of the Company and its subsidiaries are shown in the Remuneration Committee report on page 42. At 30 April 2009 each of the Executive Directors was deemed to have a non-beneficial interest in 662,238 Ordinary Shares (2008: 80,435 Units) held by the Trustees of The Berkeley Group Employee Benefit Trust.

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 25 to the 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' REPORT [CONTINUED]

Directors' indemnities
The Company's practice has always been to indemnify its Directors in accordance with the Company's Articles of Association and to the maximum extent permitted by law. As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, in accordance with the Company's Articles of Association 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 to 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
The Company has been notified of the following interests, pursuant to Rule 5 of the Disclosure Rules and Transparency Rules amounting to 3% or more of the issued capital of the Company, as at 17 July 2009:

	Number of Ordinary Shares held	% of issued capital	Nature of holding
Lloyds TSB Group plc	14,875,305	11.37%	Indirect
Egerton Capital Ltd	7,915,119	6.05%	Direct
Mirabaud Investment Management Ltd	6,136,874	4.69%	Indirect
Legal & General Investment Management Ltd	4,809,902	3.68%	Direct
Anthony William Pidgley	4,500,918	3.44%	Direct

Donations
During the year, donations by the Group for charitable purposes in the United Kingdom amounted to £127,559 (2008: £268,286). The Group made no political contributions (2008: £nil) during the year.

Employment policy
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.

An Equal Opportunities Policy was introduced in 2001 with the aim of ensuring that all employees, potential employees and other individuals receive equal treatment (including access to employment, training and opportunity for promotion) regardless of their age, colour, ethnic or national origin, marital status, nationality, religion, race, sex or sexuality. It is the policy of the Group to support the employment of people with disabilities wherever practicable and to ensure, as far as possible, that training, career development and promotion opportunities are available to all employees.
This policy includes employees who become disabled whilst employed by the Group.

Sustainability
Each year Berkeley produces a Sustainability Report to provide its stakeholders with a full and transparent account of how its sustainability strategy and policies are put into practice throughout the Group.

This year, in its eighth annual Sustainability Report, Berkeley has once again applied the Global Reporting Initiative (GRI) Sustainability Reporting Principles in order to give a balanced and relevant account of its sustainability performance. This approach has allowed Berkeley to focus on what it considers to be the most significant or 'material' issues to the business and how it is managing and responding to them.

The report is structured around the environmental, economic and social dimensions of sustainability, under which performance against each relevant material issue is highlighted. Case studies on specific sustainability issues are integrated throughout the report, and detailed performance data is provided against Key Performance Indicators to track progress over time. The report reviews how Berkeley performed against its 2008/09 targets, and sets new targets to drive progress in the coming year. For further information, please refer to Berkeley's eighth annual Sustainability Report on its website.

Health and Safety
The Group considers the effective management of health and safety to be an integral part of managing its business. Accordingly, the Group Main Board continues to monitor the strategic development and audit the implementation by all divisions of their Occupational Health and Safety Management Systems to ensure that, both at Group and divisional level, they remain compliant with recognised established standards.

We remain committed to enhancing the Group's high standards through continuous improvement. Our Health and Safety Governance Committee is responsible for setting the strategic objectives of the Group, and the Health and Safety Working Group, comprising divisional Executives and managers, is responsible for delivering these objectives and reviewing progress against targets set for our established key performance indicators, reporting this quarterly to the Group Main Board. For further information, please refer to the Environmental and Social Responsibility report on page 22.

In our recently published Sustainability Report 2009, we have reported in more detail on progress made and initiatives undertaken since last year.

Essential contracts
Berkeley has contractual and other arrangements with numerous third parties in support of its business activities. None of the arrangements is individually considered to be essential to the business of Berkeley.

Payment of creditors
Each of the Group's operating companies is responsible for agreeing the terms and conditions, including terms of payment, relating to transactions with its suppliers. It is Group policy to abide by the agreed terms of payment where the supplier has provided the goods and services in accordance with the relevant terms and conditions of contract. At 30 April 2009, the Company did not have any trade creditors (2008: nil).

Takeover Directive – 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 agreement, 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. Similarly, in certain circumstances, a change of control may give Berkeley's joint venture partners, Prudential Assurance Company Limited and Saad Investments Company Limited the ability to exercise certain rights under the shareholder agreements in relation to its St Edward Homes and Saad Berkeley joint ventures, respectively.

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 that provide compensation for loss of office or employment resulting from a takeover.

The remaining information required to be disclosed under the Takeover Directive can be found within Notes 5 and 18 to the consolidated financial statements.

Auditors and disclosure of information to auditors
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 auditors are 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

Annual General Meeting
The Annual General Meeting of the Company is to be held at the Woodlands Park Hotel, Woodlands Lane, Stoke D'Abernon, Cobham, Surrey KT11 3QB at 11.00am on 9 September 2009. The Notice of Meeting, which is contained in a separate letter from the Group Chairman accompanying this report, includes a commentary on the business to be transacted at the Annual General Meeting.

By order of the Board

R J Stearn
Company Secretary
17 July 2009

REMUNERATION COMMITTEE REPORT

Background

This report has been prepared in accordance with The Directors' Remuneration Report Regulations 2002, (the "Regulations"). The auditors are required to report on the 'auditable' part of this report and to state whether, in their opinion, that part of the report has been properly prepared in accordance with the Companies Act 2006. The report is therefore divided into separate sections for audited and unaudited information.

The Board has reviewed the Group's compliance with the Combined Code (the "Code") on remuneration related matters. It is the opinion of the Board that the Group complied with all remuneration related aspects of the Code during the year.

Part 2 of the regulations – Unaudited Information

Remuneration Committee

The following table sets out the members of the Remuneration Committee, their date of appointment, their role and the number of meetings the Committee had during the year and their respective attendance:

Name	Date of Appointment	Role in Committee	Number of Meetings 4 (Attendance %)
Mr Alan Coppin	1 September 2006	Chairman	100%
Mrs Victoria Mitchell	1 May 2002	Member	100%
Mr John Armitt	1 October 2007	Member	75%

The Remuneration Committee of the Board, except the Chairman of the Company, are all Non-executive Directors and independent. The Remuneration Committee members have no personal financial interest other than as shareholders in matters to be decided, no potential conflicts of interest arising from cross directorships and no day-to-day involvement in running the business.

The Remuneration Committee has formal written terms of reference with the full remit of the Committee role described. A copy of the terms of reference can be downloaded from the Company's website.

The Remuneration Committee was advised by Halliwell Consulting until its acquisition by PricewaterhouseCoopers LLP on 31 December 2008 and thereafter by PricewaterhouseCoopers LLP for the remainder of the financial year.

In determining the Executive Directors' remuneration for the year, the Remuneration Committee consulted with the Group Managing Director, Mr A W Pidgley and the Group Finance Director, Mr R C Perrins. No Director played a part in any discussion about his or her remuneration.

Remuneration Policy Overview

The objective of the remuneration policy is to encourage, reward and retain the current Executives. The Remuneration Committee believes that shareholders' interests are best served by remuneration packages having a large emphasis on performance-related pay. Emphasis on performance should encourage Executives to focus on delivering the business strategy. It is the opinion of the Remuneration Committee that the policy provides meaningful incentives to Executives and ensures that the appropriate balance between fixed and performance related compensation is maintained.

The Remuneration Committee reviews on an annual basis whether its remuneration policy remains appropriate for the relevant financial year. Factors taken into account by the Remuneration Committee include:

- market conditions affecting the Company;
- the recruitment market in the Company's sector;
- changing market practice; and
- changing views of institutional shareholders and their representative bodies.

As announced with Berkeley's 2007/08 results, changes were made at the 2008 Annual General Meeting to Berkeley's remuneration policy. This constituted changes to the annual bonus plan performance targets and to the structure of the existing awards under The Berkeley Group Holdings plc 2004(b) Long Term Incentive Plan ("2004(b) LTIP"), which are discussed later in this report.

In February 2009, Berkeley announced the repositioning of its strategy, enabling the Group to take advantage of current market conditions by investing in land and returning to a more traditional dividend policy, rather than committing to return £3 per share by 2014. The annual bonus plan performance targets and the 2004(b) LTIP had been linked to the return of the £3 per share; therefore a review of the remuneration policy to re-align these targets to the repositioned strategy was required. This 2009 Remuneration Policy was approved at the Company's Extraordinary General Meeting on 15 April 2009, and is set out in this report.

Policy for 2008/09 & 2009/10
The 2008/09 financial year started on 1 May 2008 and finished on 30 April 2009.
The 2009/10 financial year started on 1 May 2009 and finishes on 30 April 2010.

The policy is to set the main elements of the Executive Directors' remuneration package against the following quartiles in the Company's comparator group:

Base salary	Annual bonus potential	Pension	Benefits in kind	Share incentives
Upper decile	Upper decile	Lower quartile to median	Market practice	Upper decile

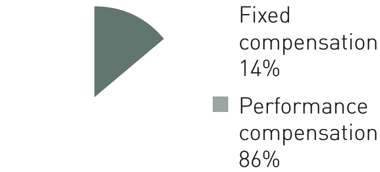
For the purposes of benchmarking remuneration the Remuneration Committee used the following comparator group of companies in the year ended 30 April 2009:

Company name			
Amec Plc	Bellway Plc	Marshalls PLC	Taylor Wimpey Plc
Balfour Beatty Plc	Bovis Homes Group Plc	Persimmon Plc	Travis Perkins Plc
Barratt Developments plc	Carillion Plc	Redrow Plc	

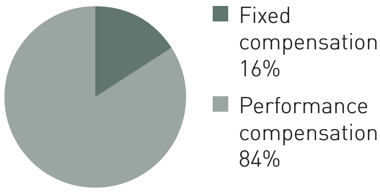
It is the intention of the Remuneration Committee to use the same basis for the comparator group for the year ending 30 April 2010.

2008/09 Balance between Fixed and Variable Performance based Pay
The charts below demonstrate the balance between fixed and variable performance based pay for each Executive Director for the year ended 30 April 2009:

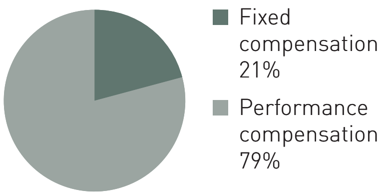
Mr A W Pidgley
Group Managing Director



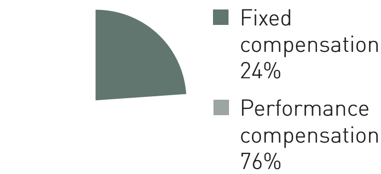
Mr R C Perrins
Group Finance Director



Mr A Carey
Divisional Director



Mr G J Fry
Divisional Director



Key
Fixed performance is calculated as:
– Salary
– Benefits
(including pension contribution/allowance)
Variable performance is calculated as:
– Bonus paid
– Fair value of Element 2 2004(b) LTIP

The Executive Directors hold no external appointments.

The main elements of these packages and the performance conditions are described below.

Elements of Executive Directors' Remuneration

Basic Salary
Policy: Upper decile

Policy
It is the policy of the Remuneration Committee that the salaries of the Executive Directors should be set at the upper decile in line with the Committee's view that the Company has one of the most experienced and capable Executive teams within the sector. When determining the salaries of the Executive Directors the Remuneration Committee takes into consideration:
- the levels of base salary for similar positions with comparable status, responsibility and skills in organisations of broadly similar size and complexity, in particular those companies within the comparator group;
- the performance of the individual Executive Director;
- the individual Executive Director's experience and responsibilities; and
- the pay and conditions throughout the Company.

REMUNERATION COMMITTEE REPORT [CONTINUED]

Year ended 30 April 2009 and year ending 30 April 2010
The Remuneration Committee reviewed the salaries of the Executive Directors in May 2008 for 2008/09, as it had done in May 2007 for 2007/08. On both occasions the Committee felt that:
- taking into account the above criteria;
- the exceptional absolute and comparative performance of the Company during this challenging period; and
- the fact that with the exception of the Finance Director, the Executive Directors have not had a rise in salaries since May 2003;

salary rises were appropriate.

In May 2007, increases of between 5% and 7.5% were awarded by the Remuneration Committee in respect of the year ended 30 April 2008. However, at the time the Executive Directors believed that the current balance of the remuneration package was appropriate and the salary recommendations were therefore not implemented in the year.

In May 2008, further increases of between 6.25% and 9.75% were awarded by the Remuneration Committee in respect of the year ended 30 April 2009. However, in this case the Executive Directors decided, given the prevailing market conditions, not to take increases and therefore the salary recommendations were not implemented in the year.

In respect of 2009/10, the Committee remains of the view that the previously recommended salaries are appropriate. However, they have not been implemented for the reasons set out above and therefore the salaries will remain at their historic level. It should be noted that by keeping salaries at these historic levels the Executive Directors have not taken cumulative increases of between 11.5% and 18% in respect of 2007/08 and 2008/09.

Executive	Current Salary	Salary for the year ending 30 April 2010	% rise in salary
A W Pidgley	750,000	750,000	0%
R C Perrins	350,000	350,000	0%
A Carey	405,000	405,000	0%
G J Fry	290,000	290,000	0%

Annual performance-related bonus
Policy: Upper decile bonus potential

The policy of the Remuneration Committee is to set the maximum annual bonus potential at the upper decile in relation to the comparator group. Bonus payments are not pensionable.

General
The maximum annual bonus potential is 200% of salary.

Bonus targets are reviewed each year and agreed by the Remuneration Committee. The performance measures for the Executive Directors' bonus plan are reviewed by the Remuneration Committee to ensure that they are appropriate to the current market conditions and position of the Company, so that they continue to remain challenging.

Bonuses up to 100% of salary will be paid in cash. The Executive must hold shares equivalent to the net value of any bonus paid above 100% of salary for eighteen months.

Year ended 30 April 2009
The targets for the year ended 30 April 2009, their level of achievement and the corresponding bonus earned by the Executive Directors are set out in the following tables:

Bonus Potentials & Targets for 2008/09 & 2009/10
The following table shows the maximum bonus potential for each of the Executive Directors for the year ended 30 April 2009 and year ending 30 April 2010. In addition, the table shows the percentage of that maximum bonus potential subject to each performance target for the year ended 30 April 2009 and year ending 30 April 2010:

		Bonus targets	
Executive	Maximum annual bonus potential (% of salary)	Group target (see below for full description)	Annual divisional PBT targets (see below for full description)
A W Pidgley	200%	100%	–
R C Perrins	200%	100%	–
A Carey	200%	25%	75%
G J Fry	200%	25%	75%

The following table shows the maximum potential bonus for each Executive and the bonus earned for the year ended 30 April 2009:

Name	A W Pidgley	R C Perrins	A Carey	G J Fry
Effective maximum bonus potential (% of salary)	200%	200%	200%	200%
2008/09 Bonus paid	£1,500,000	£700,000	£607,500	£435,000
2008/09 Bonus paid as % of salary	200%	200%	150%	150%

Bonus Performance Criteria

Group performance condition
The Group annual bonus targets, as approved by shareholders at the 2008 AGM, require the Company to have made payments equivalent to £3 per share by 2010/11, either through:
- Additional Land Expenditure;
- dividends;
- share buy-backs by the Company (or the Company Employee Benefit Trust on behalf of the Company to satisfy the 2004(b) LTIP awards); or
- a combination of the above.

Following the announcement in February 2009 that Berkeley was repositioning its strategy, this target was refined in order to avoid a potential conflict of interest arising from the requirement to actually make the payments by the end of this period as the exact timing of suitable opportunities cannot be predetermined, so that now the targets will also be satisfied where the Company has generated an equivalent amount of cash. This was approved by shareholders at the Extraordinary General Meeting on 15 April 2009.

For the purposes of this target, Additional Land Expenditure is defined as expenditure on land over and above the cost of land that has been expensed through the income statement which is set at 13.1%, being the land cost percentage in the land bank at 30 April 2008.

For 2010/11, this is an absolute target. For 2008/09 and 2009/10, the Remuneration Committee must be satisfied that the Group is on target to meet this test for the bonus to be earned.

Divisional PBT performance condition
The divisional PBT targets are set at the beginning of the financial year at a level which is challenging taking into account the potential level of bonus payments, the market, development availability and other relevant issues. The Remuneration Committee confirms that the annual bonus payments set out within this report for the Divisional Executive Directors are appropriate taking into account the level of profit achieved and the targets set at the beginning of the year ended 30 April 2009.

Share Incentives
Policy: Upper decile

Executive Directors
On 28 August 2008 at the Annual General Meeting of the Company, shareholders approved an amendment to The Berkeley Group Holdings plc 2004(b) Long-Term Incentive Plan which split the original awards granted into two elements (Element 1 and Element 2).

On 15 April 2009, at an Extraordinary General Meeting of the Company, shareholders approved the introduction of a new incentive plan, The Berkeley Group Holdings plc 2009 LTIP. The 2009 LTIP incorporated and replaces Element 2 of the 2004(b) LTIP and the previously approved 2007 LTIP, as set out below:

2004(b) LTIP Element 1
9/12 of the number of shares subject to the original awards under the 2004(b) LTIP, totalling 15,991,021, were conditionally released on 28 August 2008 following shareholder approval at the Company's Annual General Meeting.

The condition of release was that the Executive Director does not resign prior to the relevant unconditional release date set out in the table below. If he does so, any element of the conditionally released award which has not been unconditionally released at this date shall lapse:

Percentage of Element 1 of the Award Unconditionally Released	Unconditional Release Dates
25%	28 October 2008
25%	16 April 2009
25%	On or around 1 September 2009
25%	On or around 1 March 2010

Of the shares conditionally released (subject to shares sold or netted-off to satisfy any tax liability), the Executive Director will only be able to sell each financial year a maximum of 10% of the net award until 31 January 2014 at which point the sale restrictions shall lapse.

REMUNERATION COMMITTEE REPORT [CONTINUED]

2004(b) LTIP Element 2/2009 LTIP Part A
The balance of the shares originally awarded under the 2004(b) LTIP (i.e. 3/12 of the shares), totalling 5,330,340 shares, are to be replaced by options with an exercise price of £3 per share granted under the 2009 LTIP.

This new option is identified as Part A of the 2009 LTIP. These options were awarded after the year end, on 29 June 2009, at which time the Element 2 awards under the 2004 (b) LTIP were surrendered.

Options will become exercisable on 31 January 2014 subject to the relevant Executive's continued employment with the Company.

2009 LTIP Part B
Part B of the 2009 LTIP is equivalent to the number of shares which shareholders agreed could be issued under the 2007 LTIP. Following shareholder approval on 15 April 2009 this number of shares is now capable of being granted as Part B of the 2009 LTIP and the 2007 LTIP has been cancelled.

Shares under Part B of the 2009 LTIP will be granted as market priced options which will vest subject to:-
- continued employment to the relevant vesting date; and
- the satisfaction of the underpin condition that Net Assets Per Share are at least £5.94 at 15 April 2015.

Vesting of these options will be in two tranches:-
- ½ on 15 April 2015; and
- ½ on 15 April 2016.

The total number of shares subject to Part B of the 2009 LTIP is 7,100,000 shares. The initial awards were made shortly after the results for 2008/09 were announced on 29 June 2009.

Summary of Equity Incentives for Executive Directors
The following table summarises the current and future equity incentive position for Executive Directors:

Name	2004(b) LTIP Element 1 Total Conditionally Released Shares (of which the Released Shares are in Brackets)	2004(b) LTIP Element 2 To be replaced by Part A options under the 2009 LTIP*	2009 LTIP Part B Proposed option entitlements*
A W Pidgley	8,528,545 (4,264,273)	2,842,848	1,500,000
R C Perrins	3,198,204 (1,599,102)	1,066,068	750,000
A Carey	2,665,170 (1,332,585)	888,390	500,000
G J Fry	1,599,102 (799,551)	533,034	500,000

* 2009 LTIP options were awarded after the year end, on 29 June 2009, at which time the Element 2 awards under the 2004 (b) LTIP were surrendered.

Other Senior Employees of the Company
The Company's business comprises of a number of operating Divisions. The Remuneration Committee in conjunction with the Board has, therefore, implemented both annual and longer term cash based compensation arrangements for these other senior employees of the Company linked to the performance of the relevant Division for which they work. Some elements of the cash bonus plans are annual while other elements are deferred to ensure long-term consistent delivery by each Division. The Remuneration Committee, in line with best practice, continually reviews with the Board the policy behind the compensation plans at this level in the Company to ensure they remain appropriate to the market and the Company's current circumstances. It is the view of both the Committee and the Board as a whole that these arrangements are very effective at ensuring the delivery of Divisional performance for which these senior employees are responsible. Both the Remuneration Committee and the Board believe that having senior employees focused on the delivery of Divisional results is an excellent way of driving shareholder value.

In addition, a number of senior employees of the Company are eligible to participate in Part B of the 2009 LTIP.

Shareholding Requirement
The Company has a shareholding requirement for both Executive and Non-executive Directors. The following table sets out the shareholding requirement and the actual shareholdings of the Executive Directors as at 30 April 2009:

Name	Current shareholding as a % of salary (based on 30 April 2009 share price)	Shareholder requirement as a % of salary by the year ended 30 April 2009
Group Managing Director (A W Pidgley)	5,884%	400%
Group Finance Director (R C Perrins)	2,255%	200%
Divisional Director (A Carey)	2,759%	200%
Divisional Director (G J Fry)	2,304%	200%

The following table sets out the shareholding requirement and the actual shareholdings of the Non-executive Directors as at 30 April 2009:

Name	Current shareholding as a % of net fees (based on 30 April 2009 share price)	Shareholding requirement to be built up within 3 years of appointment (as a % of net fees)
V M Mitchell	125%	100%
D Howell	111%	100%
J Armitt	136%	100%
A Coppin	69%	100%

Dilution
Both the 2004(b) LTIP and 2009 LTIP were special arrangements approved by shareholders; historically the Company has operated all its share schemes within the ABI dilution limits. It is not intended to operate any other Executive or all employee share incentive arrangements during 2009/10. There has been no dilution other than under these special arrangements for the purposes of the ABI dilution limits in the year ended 30 April 2009.

Pension
Policy: Lower quartile to median

Messrs Pidgley and Perrins receive payments in lieu of pension at 17% and 15% of base salary respectively (all these payments are subject to income tax and national insurance). These payments are not included in salary figures for the purposes of determining any other benefit entitlement.

The other Executive Directors, Messrs Carey and Fry continue to receive contributions into their respective defined contribution plans.

Full details of pension costs for Executive Directors are set out, in the audited section of the report on page 41.

Benefits in Kind
Policy: Market practice

In line with market practice, the Company's policy is to provide Executive Directors with the following additional benefits:
- a fully expensed company car; and
- medical insurance.

Other Remuneration Matters

All Employee Share Plans
The Company has regularly consulted widely with the management and individuals in its operating Divisions on whether it was appropriate to introduce all employee share plans. The consensus view remains that employees preferred the opportunity of receiving annual cash bonuses based on the performance of their respective Divisions rather than participate in a Group based all employee share plan. The Board, therefore, does not believe it is in shareholders' interests to incur the income statement and dilutive cost of share arrangements which would not have the desired effect on employees. Accordingly the Company will continue to operate appropriate annual bonus arrangements in all of its Divisions.

Non-executive Directors' Fees
Policy: Upper decile fees

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. The 2008/09 fee levels are based on a specific survey of the fees paid to Non-executive Directors in the comparator group by Halliwell Consulting. The following table sets out the fee rates for the Non-executive Directors in the year ended 30 April 2009 and those rates which will apply in the year ending 30 April 2010:

Element	V M Mitchell Non-executive Chairman	D Howell Senior Independent Director	A Coppin Independent Director	J Armitt Independent Director
Total Fee Rates 2009/10	£190,000	£60,000	£60,000	£50,000
Total Fee Rates 2008/09	£190,000	£60,000	£60,000	£50,000
% Increase	0%	0%	0%	0%
Breakdown of 2009/10 Fee				
Basic Fee	£190,000	£50,000	£50,000	£50,000
Chair of Committee Fee	–	£10,000	£10,000	–

The Board has decided to review the fees of the Non-executive Directors annually taking into account the following factors:
- the workload and level of responsibility of the Non-executive Directors under the changing corporate governance expectations of shareholders and their representative bodies; and
- the current market rate for fees for Non-executive Directors.

REMUNERATION COMMITTEE REPORT [CONTINUED]

Following the review in 2008/09 the Board has determined that no fee increases will be made for 2009/10.

Non-executive Directors cannot participate in any of the Company's share incentive schemes or performance based plans and are not eligible to join the Company's pension scheme.

Executive Directors' Contracts
The policy on termination is that the Company does not make payments beyond its contractual obligations. The only event on the occurrence of which the Company is potentially liable to make a payment to any of the Executive Directors is on cessation of employment; with the maximum payment being 12 months salary. No payment is due on either a Company takeover or in the event of liquidation. In addition, Executive Directors will be expected to mitigate their loss. Further, the Remuneration Committee ensures that there have been no unjustified payments for failure. None of the Executive Directors' contracts provides for liquidated damages. There are no special provisions contained in any of the Executive Directors' contracts which provide for longer periods of notice on a change of control of the Company. Further, there are no special provisions providing for additional compensation on an Executive Director's cessation of employment with the Company.

Non-executive Directors' Agreements
All Non-executive appointments are subject to a notice period of one month and subject to successful re-election upon retirement by rotation as required by the Company's Articles of Association. All letters of appointment for Non-executive Directors are renewable annually on 1 May.

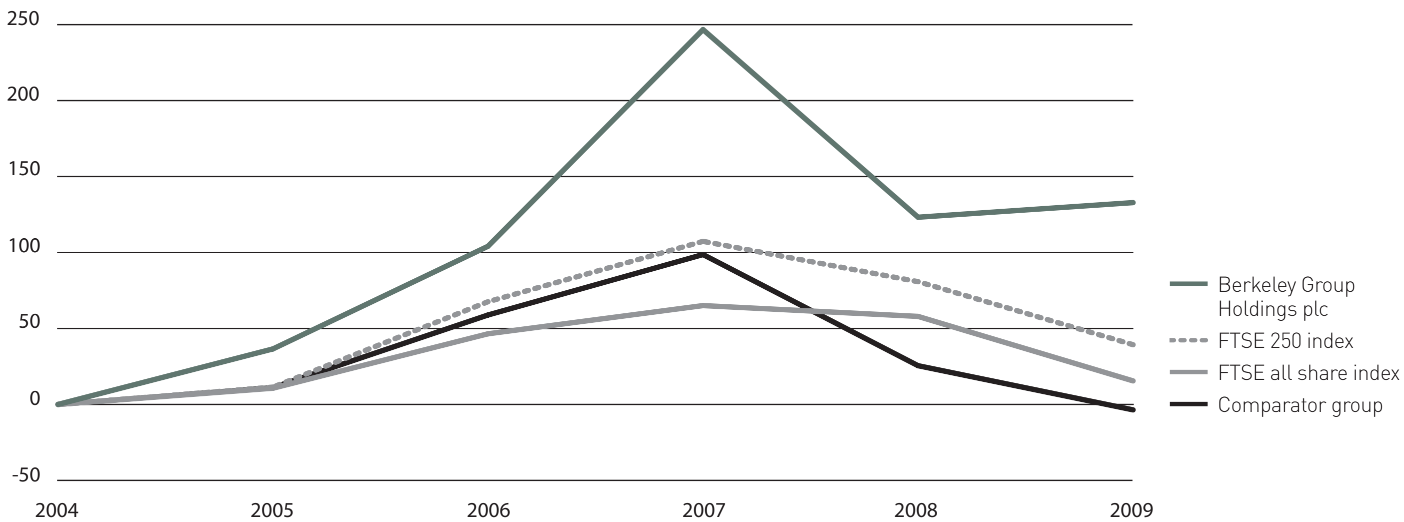
Further details of all Directors' contracts are summarised below:

Directors	Date of Contract	Unexpired Term	Notice Period by Company or Director	Potential Termination Payment	Potential Payment upon Company Takeover	Potential Payment in event of Liquidation
Executive Directors						
A W Pidgley	24 June 1994	1 Year Rolling	12 months	12 months	Nil	Nil
A Carey	20 September 1994	1 Year Rolling	12 months	12 months	Nil	Nil
G J Fry	27 June 1996	1 Year Rolling	12 months	12 months	Nil	Nil
R C Perrins	15 July 2002	1 Year Rolling	12 months	12 months	Nil	Nil
Non-Executive Directors						
V M Mitchell	1 May 2002	n/a	1 month	1 month	Nil	Nil
D Howell	24 February 2004	n/a	1 month	1 month	Nil	Nil
A Coppin	1 September 2006	n/a	1 month	1 month	Nil	Nil
J Armitt	1 October 2007	n/a	1 month	1 month	Nil	Nil
M Tanner*	1 September 2005	n/a	1 month	1 month	Nil	Nil

* M Tanner retired from the Board with effect from 27 June 2008.

Performance graph
The graph shows the Company's performance, measured by total shareholder return ("TSR") , compared with the performance of the FTSE250, the FTSE All Share and the Company's remuneration comparator group (as set out on page 35). The Company considers these the most relevant indices for total shareholder return disclosure required under the Directors' Remuneration Report Regulations 2002.

Total shareholder return from 30 April 2004 (%)



(1) Total shareholder return ("TSR") – is a measure showing the return on investing in one share of the Company over the measurement period (the return is the value of the capital gain and reinvested dividends). This calculation is then carried out for the relevant Indices and constituents of the comparator group.

The following tables and accompanying notes constitute the auditable part of the Remuneration Committee report, as defined in Part 3, Schedule 8a of the Companies Act 2006.

Directors' remuneration
The remuneration of the Directors of the Company for the year is as follows:

	Salary/fees £	Bonus £	Payment in lieu of pension[6] £	Benefits in kind[7] £	**2009 Total £**	2008 Total £
Executive Directors						
A W Pidgley	750,000	1,500,000	127,500	28,660	**2,406,160**	2,410,300
A Carey	405,000	607,500	–	28,660	**1,041,160**	1,245,857
G J Fry	290,000	435,000	–	32,032	**757,032**	900,993
R C Perrins	350,000	700,000	52,500	23,928	**1,126,428**	1,130,465
Non-executive Directors						
V M Mitchell (Chairman) [1]	190,000	–	–	–	**190,000**	156,250
J A Armitt [2]	50,000	–	–	–	**50,000**	29,167
A Coppin	60,000	–	–	–	**60,000**	52,500
D Howell	60,000	–	–	–	**60,000**	55,653
Former Directors						
R St J H Lewis [3]	–	–	–	–	**–**	64,644
H A Palmer [4]	–	–	–	–	**–**	19,312
M B Tanner [5]	–	–	–	–	**–**	50,000
	2,155,000	3,242,500	180,000	113,280	**5,690,780**	6,115,141

(1) Mrs V M Mitchell became Chairman on 1 August 2007, having been a Non-executive Director since her appointment to the Board on 1 May 2002.
(2) Appointed to the Board as a Non-executive Director on 1 October 2007.
(3) Up until his retirement from the Board on 31 July 2007, Mr R St J H Lewis was the Chairman of the Company.
(4) Retired from the Board as a Non-executive Director on 5 September 2007.
(5) Retired from the Board as a Non-executive Director on 27 June 2008.
(6) Having regard to the Lifetime Allowance introduced under the pension simplification legislation which came into force from 6 April 2006, Executive Directors may, as an alternative to receiving a company contribution into a pension arrangement, receive a cash payment in lieu of such pension contributions. Messrs Pidgley and Perrins have chosen this alternative. During the year Mr Pidgley received payments in lieu of pension at 17% of base salary and Mr Perrins at 15% of base salary.
(7) Benefits in kind for all current Executive Directors relate principally to the provision of a fully expensed motor vehicle and private healthcare.

Where Directors were appointed, or resigned, during the year, the figures in the table relate only to the time when the relevant Director was a Main Board Director.

Pensions

Payments in Lieu of Pension
Messrs Pidgley and Perrins received payments in lieu of a pension contribution from the Company during the year and this is set out in the Directors' remuneration table above.

No amounts were paid into pension arrangements in respect of Messrs Pidgley or Perrins during the year ended 30 April 2009.

Defined Contribution Plan
In respect of Messrs Carey and Fry, the following contributions were made to defined contribution plans:

	Age	**Company contributions 2009 £**	Company contributions 2008 £
A Carey	61	**60,750**	60,750
G J Fry	52	**43,500**	43,500
		104,250	104,250

The Berkeley Group Holdings plc 2004(b) and 2009 Long-Term Incentive Plans
On 28 August 2008 at the Annual General Meeting of the Company, shareholders approved an amendment to The Berkeley Group Holdings plc 2004(b) Long-Term Incentive Plan which split the original awards granted into two elements. Subsequently, shareholder approval was obtained on 15 April 2009 to replace the shares subject to Element 2 of this award by options with an exercise price of £3 per share granted under the new plan "The Berkeley Group Holdings plc 2009 Long-Term Incentive Plan". Further details are set out on pages 37 and 38 of this report.

2004(b) LTIP Element 1
9/12 of the number of shares subject to the original awards under the 2004(b) LTIP, totalling 15,991,021 shares, were conditionally released on 28 August 2008.

REMUNERATION COMMITTEE REPORT [CONTINUED]

The unconditional release dates for the awards are set out below:

Percentage of Element 1 of the Award	Unconditional Release Dates
25%	28 October 2008
25%	16 April 2009
25%	On or around 1 September 2009
25%	On or around 1 March 2010

2004(b) LTIP Element 2

The balance of the shares originally awarded under the 2004(b) LTIP (i.e. 3/12 of the shares), totalling 5,330,340 shares, were replaced after the year end, on 29 June 2009, by options under Part A of the 2009 LTIP, with an exercise price of £3 per share, in accordance with the shareholder approval obtained at the EGM on 15 April 2009. They will become exerciseable on 31 January 2014 subject to continued employment at that date.

The Director's entitlements under each element are set out below:

	At 1 May 2008 Shares No	Split of awards at 2008 AGM No	Unconditionally vested in year No	At 30 April 2009 Shares No	Value released £
A W Pidgley					
2004(b) LTIP	11,371,393	(11,371,393)	–	–	–
2004(b) LTIP Element 1[1]	–	8,528,545	(4,264,273)	4,264,272	34,711,182
2004(b) LTIP Element 2[2]	–	2,842,848	–	2,842,848	–
R C Perrins					
2004(b) LTIP	4,264,272	(4,264,272)	–	–	–
2004(b) LTIP Element 1[1]	–	3,198,204	(1,599,102)	1,599,102	13,016,690
2004(b) LTIP Element 2[2]	–	1,066,068	–	1,066,068	–
A Carey					
2004(b) LTIP	3,553,560	(3,553,560)	–	–	–
2004(b) LTIP Element 1[1]	–	2,665,170	(1,332,585)	1,332,585	10,847,242
2004(b) LTIP Element 2[2]	–	888,390	–	888,390	–
G J Fry					
2004(b) LTIP	2,132,136	(2,132,136)	–	–	–
2004(b) LTIP Element 1[1]	–	1,599,102	(799,551)	799,551	6,508,345
2004(b) LTIP Element 2[2]	–	533,034	–	533,034	–
Total					
2004(b) LTIP	21,321,361	(21,321,361)	–	–	–
2004(b) LTIP Element 1[1]	–	15,991,021	(7,995,511)	7,995,510	65,083,460
2004(b) LTIP Element 2[2]	–	5,330,340	–	5,330,340	–

(1) Conditionally vested at Company AGM on 28 August 2008
(2) Replaced by options under Part A of 2009 LTIP with effect from 29 June 2009

The mid-market share price of the Company on 28 October 2008 was 648.0p and on 16 April 2009 was 980.0p.
The mid-market share price of the Company was 921.5p as at 1 May 2008 and was 980.5p at 30 April 2009. The mid-market high and low share prices of the Company were 1036.0p and 613.0p respectively in the year.

Directors' interests in shares (unaudited)

The beneficial interests (unless indicated otherwise) of the Directors in office at the end of the year in the ordinary share capital of the Company were as shown below:

	Units[1] 1 May 2008	Shares[1] 30 April 2009
A W Pidgley	2,175,327	4,500,918
A W Pidgley Non-beneficial	19,183	19,183
A Carey	428,348	1,139,771
G J Fry	194,498	681,436
R C Perrins	90,988	804,876
V M Mitchell	8,274	14,274
D Howell	4,000	4,000
A Coppin	2,500	2,500
J Armitt	3,090	4,090
M B Tanner [2]	3,113	n/a

(1) The beneficial interests in Units (each Unit originally comprising one ordinary share of 5p, one 2004 B share of 5p, one 2006 B share of 5p, one 2008 B share of 5p and one 2010 B share of 5p) at 1 May 2008 relates to Units in the Company of 10p (after the redemption of the 5p 2004 B share, the 5p 2006 B share and the 5p 2008 B share). As at 30 April 2009 the beneficial interest in shares relates to ordinary shares in the Company of 5p following the redemption of the 5p 2010 B share for £1 on 15 April 2009. This disclosure is unaudited, but included in this table for the convenience of the readers of the accounts.
(2) The holding of M B Tanner, who retired from the Board during the year, represent his holdings at the start of the year and at the date of his retirement.

A C Coppin
Chairman, Remuneration Committee
17 July 2009

CORPORATE GOVERNANCE REPORT

The Company is committed to attaining high standards of Corporate Governance in accordance with the principles of Corporate Governance contained in the 2006 Combined Code issued by the Financial Reporting Council (the "Combined Code"), and for which the Board is accountable to shareholders. This report, together with the Directors' Remuneration Report, where applicable, describes how the Board has applied the main and supporting principles of the Combined Code.

Statement of compliance
The Board considers that it complied throughout the year with the provisions of Section 1 of the Combined Code, except in the following areas:

Code provision A.3.2 requires that at least half of the Board, excluding the Chairman, should comprise independent Non-executive Directors. The Company was not in compliance with this requirement throughout the year, as from 27 June 2008, the Board comprised a Chairman, four Executive Directors and three independent Non-executive Directors.

Code provision C.3.1 requires that the Audit Committee is comprised of at least three independent Non-executive Directors. The Company was not in compliance with the requirement from 27 June 2008.

The role of the Board
The Board has adopted a formal schedule of matters reserved for the Board as a whole. The key task of the Board is to formulate strategy and to monitor the operating and financial performance of the Group in pursuit of the Group's strategic long-term objectives. In particular these include the annual budget, share capital changes, approval of interim and annual results, treasury policy, dividend policy, shareholder distributions, Corporate Governance matters and the maintenance and review of the Group's system of internal control.

Formal Board meetings were held six times during the year under review. There were no absences from any Board meetings by any Director except that Mr Mike Tanner did not attend the meeting held on 11 June 2008 due to other commitments. The Board also schedules additional meetings in relation to certain corporate projects and to fulfil legal obligations.

In addition to the formal meetings of the whole Board, the Non-executive Directors meet with the Group Chairman in the months not covered by a Board meeting. The Group Managing Director and Group Finance Director are invited to attend these meetings in part, to provide an update on the business activities of the Group. The Non-executive Directors meet at least annually without the Group Chairman present, chaired by the Senior Independent Director, Mr David Howell.

Board 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, including on a monthly basis, a detailed Group management accounts pack that reports the actual and forecast financial performance, in addition to other key performance indicators across the Group.

The Company has in place an appropriate policy which insures Directors against certain liabilities, including legal costs, which they may incur in carrying out their duties.

The Board and Directors
At the date of this report the Board comprises eight Directors; the Chairman, four Executive Directors and three independent Non-executive Directors. As a consequence, while the Board does not currently have the balance between Executive and Non-executive Directors envisaged by the Code, Berkeley is of the opinion that the overall balance is appropriate for the effective operation of the Board. Notwithstanding this, the Board is looking for an additional Non-executive Director of the appropriate calibre and with skills that complement the existing Non-executive Directors.

The Board considers that all the Non-executive Directors (Messrs David Howell, Alan Coppin and John Armitt) have skills and experience complementary to the Executive Directors, offer independent judgement when required and remain independent. Brief biographies appear on page 30. The Group Executive Directors do not hold any Non-executive Director appointments or commitments required to be disclosed under the Combined Code.

Mr Mike Tanner resigned from the Board on 27 June 2008.

The roles of Group Chairman and Group Managing Director are separately held and there are clear written guidelines to support the division of responsibility between them. The Group Chairman is responsible for the effective conduct of the Board and shareholder meetings and for ensuring that each Director contributes to effective decision-making. The Group Managing Director has day-to-day executive responsibility for the running of the Group's businesses. His role is to develop and deliver the strategy to enable the Group to meet its objectives.

Mr David Howell, Mr Alan Coppin and Mr John Armitt were appointed to the Board as Non-executive Directors on 24 February 2004, 1 September 2006, and 1 October 2007 respectively and it is the unanimous view of the Board that they were independent during the year.

An induction programme is provided for new Directors, which includes the provision of a comprehensive set of background information on the Group, one-to-one meetings with all Directors and key staff as well as visits to major sites. In addition to the induction programme for new Directors, additional ongoing training has been identified as part of the Board evaluation process, which is tailored to each Director. All Directors have access to advice from the Company Secretary and independent professional advisers, at the Company's expense, where specific expertise is required in the course of their duties. Arrangements are also made for the Non-executive Directors to attend site visits and to meet with the Managing Directors of the operating companies independent of the Executive Directors.

CORPORATE GOVERNANCE REPORT [CONTINUED]

No Executive Director has a service contract with a notice period in excess of one year or with provisions for predetermined compensation on termination. The terms of appointment for the Non-executive Directors are renewable annually on 1 May with one month's written notice and are subject to the re-election provisions of the Articles of Association. The Non-executive Directors do not participate in any of the Company's share incentive or bonus plans. A minimum shareholding requirement is set for all Directors.

The Articles of Association of the Company include the requirement for Directors to submit themselves to shareholders for re-election every three years, in accordance with the Combined Code. In addition, all Directors are subject to re-election by shareholders at the first opportunity after their appointment and thereafter at intervals of no more than three years.

Directors' remuneration
The principles and details of Directors' remuneration are contained in the Remuneration Committee report on pages 34 to 42.

Board evaluation
A review of the operation of the Board, its committees and the skills of the Directors was undertaken during the year. The process was led by the Chairman. All Directors completed the wide-ranging appraisal questionnaire and the results were reviewed by the Board. The process confirmed the ongoing effectiveness of the Board.

Board committees
The Board has delegated certain matters to individual Executives and to specific committees of the Board. The responsibilities of the key Board committees are described below.

Executive Committee
The Executive Committee meets monthly and reviews the financial and operating performance of all Group divisions and companies. The Group Managing Director chairs this Committee and other members comprise Messrs. Tony Carey, Greg Fry and Rob Perrins.

The following three Board committees operate within clearly defined Terms of Reference pursuant to the provisions of the Combined Code. The Terms of Reference can be downloaded from the section dealing with Investor Relations on the Berkeley website (www.berkeleygroup.co.uk). Copies are also available to shareholders on application to the Company Secretary.

Audit Committee
The Audit Committee is chaired by Mr David Howell, FCA, and the other member is Mr Alan Coppin.

During the year, Mr Mike Tanner retired from the Committee on 27 June 2008, the date of his retirement from the Board.

The Group Chairman who, prior to being appointed Chairman, was a member of the Audit Committee, continues to attend the Audit Committee meetings by invitation.

The Group Finance Director and representatives of the external and internal auditors also attend the Committee's meetings by invitation.

The Committee met formally on three occasions during the year to 30 April 2009 with no absences, except that Mr Mike Tanner did not attend the meeting held on 24 June 2008 due to other commitments.

Mr David Howell, who qualified as a chartered accountant in 1971 and was the Chief Financial Officer and a Main Board Director of lastminute.com plc until March 2005 is considered by the Board to have recent and relevant financial experience. Mr David Howell was also Chairman of the Audit Committee of Nestor Healthcare Group plc from 2000 to 2003.

The Committee has formal Terms of Reference which set out its role and the authority delegated to it by the Board.

The Audit Committee plays an important role in Corporate Governance by undertaking the following key responsibilities, all of which were performed during the year:

- monitoring the integrity of the financial reporting of the Company, including its annual and interim reports and other formal announcements relating to financial performance;
- reviewing the adequacy and effectiveness of the Group's internal control and risk management systems and disclosure of statements concerning these in the Annual Report;
- monitoring the effectiveness of the Group's internal audit function, reviewing the scope of the Group's internal audit programme and considering the findings and recommendations of the reports produced from this programme; and
- overseeing the relationship with the external auditor, including appointment, removal and fees, and ensuring the auditor's independence and the effectiveness of the audit process.

The Committee has a policy on the use of the auditors for non-audit services in order to safeguard auditor independence, with a pre-determined limit above which approval of the Audit Committee is required and identifies certain areas of work from which the auditors are precluded. Tax and due diligence services are provided by a small number of different firms, including the Group's auditors. The auditors may be used for such services where their knowledge of the business is such that they are deemed the most appropriate supplier. Notwithstanding these safeguards, all non-audit work carried out by the auditors is notified to the Audit Committee Chairman on an ongoing basis and formally reported to the Audit Committee at each meeting.

The auditors have open recourse to the Non-executive Directors, should they consider it necessary, and there is open dialogue between the auditors and the Chairman of the Audit Committee before each Audit Committee meeting and, after the meeting, the opportunity to meet without the Executive Directors present.

Remuneration Committee
The Remuneration Committee is responsible for determining the Company's policy for Executive remuneration and the precise terms of employment and remuneration of the Executive Directors. The Remuneration Committee report is set out on pages 34 to 42.

The Committee is chaired by Mr Alan Coppin and the other members comprise Mrs Victoria Mitchell and Mr John Armitt.

The Committee meets at least twice a year. The Committee takes into consideration the recommendations of the Group Managing Director and Group Finance Director regarding the remuneration of their Executive colleagues.

The Committee met on four occasions during the year to April 2009 with no absences, except that Mr John Armitt was not able to attend the meeting held on 28 October 2008 due to other commitments.

No Director is involved in deciding his or her remuneration. The Executive Directors decide the remuneration of the Non-executive Directors.

Nomination Committee
The Nomination Committee was primarily established to propose new appointments to the Board. It is also responsible for succession planning.

The Committee is chaired by Mrs Victoria Mitchell with Messrs David Howell and John Armitt as Independent Non-executive members.

The Committee meets at least twice a year and at such times as required to carry out the duties of the Committee.

The Committee met formally on two occasions during the year to 30 April 2009 with no absences.

The process for identifying and recommending new appointments to the Board includes a combination of discussions and consultations, in addition to formal interviews, utilising the services of independent recruitment specialists, as appropriate.

Key risks and internal control
The Board acknowledges that it has overall responsibility for the Company's system of internal control and for reviewing its effectiveness.

The Board confirms that an ongoing process for identifying, evaluating and managing the significant risks of the Group has been in place from the start of the year to the date on which the 2009 Annual Report and Accounts were approved.

This process is regularly reviewed by the Board and is in accordance with the revised Turnbull guidance issued in 2005, and includes an annual review by the Directors of the operation and effectiveness of the system of internal control as part of its year-end procedures.

Internal control procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

In conducting these reviews, the Board has taken into consideration the following established framework of internal controls within the Group:

Clear organisational structure 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 review of risk and performance occurs at multiple levels throughout both the operating companies and divisions, and the Group.

CORPORATE GOVERNANCE REPORT [CONTINUED]

Risk assessment Risk reporting is embedded within ongoing management reporting throughout the Group. At operating company and divisional level, Board meeting agendas and packs are structured around the key risks facing the Group. These include sales/demand risk, production risk (build cost and programme), land and planning risk as well as a review of specific site risks. In addition, there is a formalised process whereby each division produces quarterly risk and control reports that identify significant risks, the potential impact and the actions being taken to mitigate the risks. These risk reports are reviewed and updated regularly and reviewed quarterly by the Board.

Berkeley has a variety of systems in place to address the sustainability risks associated with its operations, including a Land Acquisition Sustainability Risk Assessment Checklist, and sustainability issues are incorporated within Strategic Risk Registers for each project.

Each division has processes in place to ensure that sustainability is managed during the construction phase, which includes signing all sites up to the Considerate Constructors Scheme.

Financial reporting A comprehensive budgeting and real-time forecasting system, covering both profit and cash, operates within the Group. This enables executive management to view key financial and operating data on a daily basis. On a weekly and monthly basis more formal reporting up to the Group Executive and the Board is prepared. The results of all operating units are reported monthly and compared to budget and forecast.

Policies and procedures Policies and procedures, including operating and financial controls, are detailed in policies and procedures manuals that are refreshed and improved as appropriate. Training to staff is given where necessary.

Central functions Where appropriate, strong central functions, such as Group Legal, Group Health & Safety and Company Secretarial, provide support and consistency to the rest of the Group. In addition, the principal treasury-related risks, decisions and control processes are managed by the Group Finance function, under the direction of the Group Finance Director.

Investment and contracting controls The Group has clearly defined guidelines for the purchase and sale of land within the Group, which include detailed environmental, planning and financial appraisal and are subject to executive authorisation. Rigorous procedures are also followed for the selection of consultants and contractors. The review and monitoring of all build programmes and budgets are a fundamental element of the Company's financial reporting cycle.

Internal audit Internal auditors are in place in each division and at Group to provide assurance on the operation of the Group's control framework.

Whistleblowing The Group has a whistleblowing policy which has been communicated to all staff, where Directors, management and staff can report in confidence any concerns they may have of malpractice, financial irregularity, breaches of any Group procedures, or other matters.

Relations with shareholders

The Company encourages active dialogue with its current and prospective shareholders through ongoing meetings with institutional investors. Major shareholders have the opportunity to meet all Directors after the Annual General Meeting in addition to individual meetings with shareholders.

Shareholders are also kept up to date with the Company's activities through the Annual and Interim Reports. In addition, the corporate website gives information on the Group and latest news, including regulatory announcements. The presentations made after the announcement of the preliminary and interim results are also available on the website.

The Board is kept informed of the view of the shareholders through periodic reports from the Company's broker UBS. Additionally, the Non-executive Directors have the opportunity to attend the bi-annual analyst presentations.

The Senior Independent Director is available to shareholders if they have concerns where contact through the normal channels has failed or when such contact is inappropriate.

Annual General Meeting

All shareholders are invited to participate in the Annual General Meeting where the Group Chairman, the Group Managing Director and the Chairmen of the Audit, Remuneration and Nomination Committees will be available to answer questions and will also be available for discussions with shareholders both prior to and after the meeting.

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 Annual General Meeting.

The Company complies with the provisions of the Combined Code relating to the disclosure of proxy votes, which, including abstentions, are declared at the Annual General Meeting after each resolution has been dealt with on a show of hands and are announced to the Stock Exchange shortly after the close of the meeting. The Company also complies with the requirements of the Combined Code with the separation of resolutions and the attendance of the Chairmen of the Board Committees.

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 at the Annual General Meeting and during normal business hours at the Company's registered office.

Following approval at the 2004 Annual General Meeting of the amendment to the Company's Articles to allow the Company the power to provide electronic voting facilities for shareholders who hold their shares through Crest, the Company was then able to use Crest voting facilities for the 2005 Annual General Meeting.

Going concern
After making proper enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements
The Directors are responsible for preparing the Annual Report, the Directors' Remuneration report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), and applicable law.

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 the Company and of the profit or loss of the Group for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union and applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement
Each of the Directors, whose names and functions are listed in the Directors' Remuneration Report confirm that, to the best of each person's knowledge:

a. the Group financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
b. the management report, which is incorporated into 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.

By order of the Board

R J Stearn
Company Secretary
17 July 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BERKELEY GROUP HOLDINGS PLC

We have audited the group financial statements of The Berkeley Group Holdings plc for the year ended 30 April 2009 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Recognised Income and Expense and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 47, the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements
In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 30 April 2009 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the Group financial statements are prepared is consistent with the Group financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 47, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the 2006 Combined Code specified for our review.

Other matter
We have reported separately on the parent company financial statements of The Berkeley Group Holdings plc for the year ended 30 April 2009 and on the information in the Directors' Remuneration Report that is described as having been audited.

Mark Gill (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 July 2009

CONSOLIDATED INCOME STATEMENT

For the year ended 30 April	Notes	2009 £'000	2008 £'000
CONTINUING OPERATIONS			
Revenue	2	**702,192**	991,465
Cost of sales		**(502,391)**	(687,071)
Gross profit		**199,801**	304,394
Net operating expenses		**(74,959)**	(98,376)
Operating profit	2	**124,842**	206,018
Finance income	3	**5,690**	6,480
Finance costs	3	**(9,248)**	(15,774)
Share of post tax results of joint ventures using the equity method	10	**(902)**	(2,416)
Profit before taxation	2 & 4	**120,382**	194,308
Taxation	6	**(34,255)**	(56,481)
Profit after taxation		**86,127**	137,827
Earnings per Ordinary Share			
– Basic	7	**71.3p**	114.2p
– Diluted	7	**65.6p**	114.1p

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the year ended 30 April	Notes	2009 £'000	2008 £'000
Profit for the financial year		**86,127**	137,827
Actuarial loss recognised in the pension scheme	5	**(676)**	(644)
Deferred tax on actuarial loss recognised in the pension scheme	17	**190**	180
Deferred tax in respect of employee share schemes	17	**11,766**	(7,830)
Total recognised income for the financial year		**97,407**	129,533

CONSOLIDATED BALANCE SHEET

As at 30 April	Notes	2009 £'000	2008 £'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	8	**17,315**	17,869
Property, plant and equipment	9	**3,725**	4,667
Investments accounted for using the equity method	10	**22,472**	2,447
Deferred tax assets	17	**37,927**	39,074
		81,439	64,057
CURRENT ASSETS			
Inventories	11	**1,114,827**	1,231,852
Trade and other receivables	12	**50,990**	20,800
Cash and cash equivalents	13	**284,842**	–
		1,450,659	1,252,652
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	14	**(66)**	(4,549)
Trade and other payables	15	**(586,853)**	(526,114)
Current tax liabilities		**(86,325)**	(56,437)
		(673,244)	(587,100)
Net current assets		**777,415**	665,552
Total assets less current liabilities		**858,854**	729,609
NON-CURRENT LIABILITIES			
Other non-current liabilities	16	**(57,558)**	(48,202)
Net assets		**801,296**	681,407
SHAREHOLDERS' EQUITY			
Share capital	18 & 19	**6,543**	12,082
Share premium	19	**49,315**	264
Capital redemption reserve	19	**24,516**	18,173
Other reserve	19	**(961,299)**	(961,299)
Revaluation reserve	19	**4,166**	11,329
Retained profit	19	**1,678,055**	1,600,858
Total equity		**801,296**	681,407

The financial statements on pages 49 to 73 were approved by the Board of Directors on 17 July 2009 and were signed on its behalf by:

R C Perrins
Finance Director

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 April	Notes	2009 £'000	2008 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	23	**278,015**	215,246
Dividends from joint ventures	10	**–**	323
Interest received		**5,649**	6,376
Interest paid		**(1,079)**	(7,908)
Tax received/(paid)		**8,736**	(50,854)
Net cash flow from operating activities		**291,321**	163,183
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(291)**	(3,598)
Sale of property, plant and equipment		**281**	324
Purchase of investment in joint ventures		**(15,000)**	(70)
Movements in loans with joint ventures		**(6,809)**	(3,709)
Net cash flow from investing activities		**(21,819)**	(7,053)
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of shares	18	**–**	(241,641)
Purchase of own shares		**(19,215)**	–
Cash settlement of employee share scheme		**(10,617)**	–
Share placing proceeds		**49,655**	–
Repayment of loan stock		**(19)**	–
Repayment of short-term borrowings		**–**	(59,283)
Net cash flow from financing activities		**19,804**	(300,924)
Net increase/(decrease) in cash and cash equivalents, including bank overdraft		**289,306**	(144,794)
Cash and cash equivalents, including bank overdraft, at the start of the financial year		**(4,464)**	140,330
Cash and cash equivalents, including bank overdraft, at the end of the financial year		**284,842**	(4,464)
Cash and cash equivalents at the end of the financial year	13	**284,842**	–
Bank overdraft at the end of the financial year	14	**–**	(4,464)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared in accordance with EU endorsed International Financial Reporting Standards ("IFRSs"), IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention modified by fair values as applicable by IFRSs, and on the going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed on page 55.

The following new Interpretation is mandatory for accounting periods beginning on or after 1 May 2008 and has been adopted in the preparation of these accounts:

- IFRIC 12 "Service Concession Arrangements"

The adoption of this Interpretation has had no impact on the consolidated financial statements.

At the date of authorisation of these financial statements, the following new Standards, amendments to Standards and Interpretations were in issue but not effective for the financial year ended 30 April 2009:

- IFRS 8 "Operating Segments";
- IAS 1 (Revised) "Presentation of financial statements";
- IAS 23 (Amendment) "Borrowing Costs";
- IFRS 2 "Share-based payment amendment: Vesting conditions and cancellations";
- IFRIC13 "Customer Loyalty Programmes";
- IFRIC15 "Agreements for the Construction of Real Estate";
- IFRIC16 "Hedges of a Net Investment in a Foreign Operation";
- IFRIC17 "Distributions of Non-cash Assets to Owners"; and
- IFRIC18 "Transfers of Assets from Customers".

The Group has not adopted these new Standards, amendments to Standards and Interpretations early. Their adoption is not expected to have a significant impact on the consolidated financial statements.

Basis of consolidation

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. In the case of acquisitions or disposals, the Group's result includes that proportion from or to the effective date of acquisition or disposal as appropriate.

Subsidiary undertakings are entities that are directly or indirectly controlled by the Group. Control exists where the Group has the power to govern the financial and operating policies of the entity so as to obtain the benefits from its activities.

The purchase method of accounting is used to account for the acquisition of subsidiary undertakings by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiary undertakings are changed where necessary to ensure consistency with the policies adopted by the Group.

Joint ventures
Entities which are jointly controlled with another party or parties ("joint ventures") are accounted for using the equity method of accounting. The results attributable to the Company's holding in joint ventures are shown separately in the consolidated income statement. The amount included in the consolidated balance sheet is the Group's share of the net assets of the joint ventures plus net loans receivable. Goodwill arising on the acquisition of joint ventures is accounted for in accordance with the policy set out below. The carrying value of goodwill is included in the carrying value of the investment in joint ventures.

Revenue
Revenue represents the amounts receivable from the sale of properties during the year and other income directly associated with property development. Properties are treated as sold and profits are taken when contracts are exchanged and the building work is physically complete. This policy applies to both residential housebuilding and commercial property activities.

Segmental reporting
A business segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns which are different from those of segments operating in other economic environments.

Expenditure
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.

Borrowing costs
Interest is written off to the income statement as incurred.

Taxation
The taxation expense represents the sum of the current tax payable and deferred tax. Current tax, including UK Corporation tax, is 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 balance sheet date.

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. 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.

Intangible assets
(a) Goodwill
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, with any impairment losses recognised immediately in the income statement. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Goodwill written off to reserves prior to 1998 under UK GAAP was not reinstated on transition to IFRS and is not included in determining any subsequent profit or loss on disposal.

(b) Other intangible assets
Other intangible assets, which include customer contracts, have a finite useful life and are carried at cost less accumulated amortisation. Other intangible assets are amortised over their estimated useful lives.

Property, plant and equipment
Property, plant and equipment is carried at historic purchase cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for 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 property	2%	Fixtures and fittings	15%/20%
Motor vehicles	25%	Computer equipment	33$\frac{1}{3}$%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [CONTINUED]

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 asset's 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 derecognised. 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.

Inventories
Property in the course of development is valued at the lower of cost and net realisable value. Direct cost comprises the cost of land, raw materials and development costs but excludes indirect overheads and interest. 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 fair value. Where such land is purchased on deferred settlement terms, and the fair value 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.

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. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. 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.

Cash and cash equivalents
Cash and cash equivalents comprises 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.

Share Capital
Ordinary shares and redeemable preference 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 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.

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.

Trade and other payables
Trade and other payables on normal terms are not interest bearing and are stated at their nominal 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.

Deposits
New property deposits and on account contract receipts are held within current trade and other payables.

1 ACCOUNTING POLICIES [CONTINUED]

Employee benefits

(a) Pensions

The Group accounts for pensions under IAS 19 "Employee benefits". The Group adopted early the amendment to IAS 19 issued by the IASB on 16 December 2004 which allows all actuarial gains and losses to be charged or credited to equity through the statement of recognised income and expense. Since the Group has elected to follow this approach, all cumulative actuarial gains and losses in relation to employee benefit schemes were recognised at the beginning of the first IFRS reporting period (1 May 2004).

For defined benefit schemes, the obligations are measured at discounted present value whilst plan assets are recorded at fair value. 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 recognised income and expense.

Pension contributions under defined contribution schemes are charged to the income statement as incurred.

(b) Share-based payments

The Company operates two 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. At each balance sheet date, the Group 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 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.

Leasing agreements

Payments under operating lease agreements are charged against profit on a straight line basis over the life of the lease.

Accounting estimates and judgements

Management applies the Group's accounting policies as described above when making critical accounting judgements, of which no individual judgement is deemed to have a significant impact upon the financial statements, apart from those involving estimations, which are detailed below.

(a) Carrying value of land and work in progress and estimation of costs to complete

The Group holds inventories stated at the lower of cost and net realisable value. Such inventories include land, work in progress and completed units. 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, there is a degree of inherent estimation uncertainty. The Group has established internal controls designed to effectively assess and centrally review inventory carrying values and ensure the appropriateness of the estimates made.

(b) Pensions

Pension assumptions are set out within Note 5 and are as advised by the Group's actuary. The assumptions include the expected long-term rate of return on assets, the discount rate used and the mortality rates. Such estimations are based on assumed rates and, should these differ from what actually transpires, the pension liability of the Group would change.

(c) Goodwill impairment

In determining whether or not goodwill is impaired requires an estimation of value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires an estimate of the future cash flows expected to arise from the cash-generating unit, the future growth rate of revenue and costs, and a suitable discount rate.

(d) Deferred tax

Assumptions are made as to the recoverability of deferred tax assets, especially as to whether there will be sufficient future profits to fully utilise these in future years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [CONTINUED]

2 SEGMENTAL REPORTING

Business segments are analysed as the primary reporting format below:

	Residential housebuilding 2009 £'000	Commercial property and other activities 2009 £'000	Unallocated 2009 £'000	Group 2009 £'000	Residential housebuilding 2008 £'000	Commercial property and other activities 2008 £'000	Unallocated 2008 £'000	Group 2008 £'000
INCOME STATEMENT INFORMATION								
CONTINUING OPERATIONS								
Revenue	**671,717**	**30,475**	**–**	**702,192**	960,036	31,429	–	991,465
Operating profit	**118,785**	**6,057**	**–**	**124,842**	197,553	8,465	–	206,018
Finance income	**–**	**–**	**5,690**	**5,690**	–	–	6,480	6,480
Finance costs	**–**	**–**	**(9,248)**	**(9,248)**	–	–	(15,774)	(15,774)
Share of post tax profit of joint ventures using the equity method	**(902)**	**–**	**–**	**(902)**	(2,416)	–	–	(2,416)
Profit before taxation	**117,883**	**6,057**	**(3,558)**	**120,382**	195,137	8,465	(9,294)	194,308
Taxation	**–**	**–**	**(34,255)**	**(34,255)**	–	–	(56,481)	(56,481)
Profit after taxation	**117,883**	**6,057**	**(37,813)**	**86,127**	195,137	8,465	(65,775)	137,827
BALANCE SHEET INFORMATION								
Intangible assets	**17,315**	**–**	**–**	**17,315**	17,869	–	–	17,869
Property, plant and equipment	**3,563**	**162**		**3,725**	4,519	148	–	4,667
Investment in equity accounted joint ventures	**22,472**	**–**	**–**	**22,472**	2,447	–	–	2,447
Other segment assets	**1,155,073**	**10,744**	**–**	**1,165,817**	1,223,333	29,319	–	1,252,652
Unallocated assets:								
Deferred taxation	**–**	**–**	**37,927**	**37,927**	–	–	39,074	39,074
Cash and cash equivalents	**–**	**–**	**284,842**	**284,842**	–	–	–	–
Total assets	**1,198,423**	**10,906**	**322,769**	**1,532,098**	1,248,168	29,467	39,074	1,316,709
Segment liabilities	**(638,472)**	**(5,939)**	**–**	**(644,411)**	(560,874)	(13,442)	–	(574,316)
Unallocated liabilities:								
Borrowings	**–**	**–**	**(66)**	**(66)**	–	–	(4,549)	(4,549)
Current taxation	**–**	**–**	**(86,325)**	**(86,325)**	–	–	(56,437)	(56,437)
	(638,472)	**(5,939)**	**(86,391)**	**(730,802)**	(560,874)	(13,442)	(60,986)	(635,302)
Net assets	**559,951**	**4,967**	**236,378**	**801,296**	687,294	16,025	(21,912)	681,407
OTHER SEGMENT ITEMS								
CONTINUING OPERATIONS								
Property, plant and equipment expenditure	**291**	**–**	**–**	**291**	3,482	116	–	3,598
Depreciation	**956**	**8**	**–**	**964**	968	48	–	1,016
Amortisation of intangible assets	**554**	**–**	**–**	**554**	1,817	–	–	1,817
Share-based payments	**2,544**	**115**	**–**	**2,659**	11,562	378	–	11,940

All revenue and profit is derived from sales to external customers and from activities performed in the United Kingdom, which is considered a single economic environment for the Group's activities. For this reason segment reporting is only presented by business segment. Included in Group residential housebuilding revenue and operating profit are £46,088,000 and £3,644,000 (2008: £13,106,000 and £806,000) in respect of land sales.

Unallocated income, costs, assets and liabilities relate to those areas that are managed centrally by the Group, and cannot be reasonably allocated to the business segments. These comprise the Group's net cash/(debt) and associated interest receivable and payable, the current tax creditor, the deferred tax asset and the tax charge.

3 FINANCE INCOME/(COSTS)

Continuing operations	2009 £'000	2008 £'000
Finance income	**5,690**	6,480
Finance costs		
Interest payable on bank loans, overdrafts and non-utilisation fees	**(1,012)**	(6,035)
Bank facility refinancing costs	**–**	(1,792)
Other finance costs	**(8,236)**	(7,947)
	(9,248)	(15,774)
Net finance costs	**(3,558)**	(9,294)

Finance income represents interest earned on net cash balances.

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

4 PROFIT BEFORE TAXATION – ANALYSIS BY NATURE

Profit before taxation is stated after charging/(crediting) the following amounts:

Continuing operations	2009 £'000	2008 £'000
Staff costs (note 5)	**74,640**	94,290
Depreciation of property, plant and equipment	**964**	1,016
Amortisation of intangible assets	**554**	1,817
Profit on sale of property, plant and equipment	**(12)**	(41)
Operating lease costs – motor vehicles	**475**	638
Operating lease costs – land and buildings	**2,036**	1,840
Fees payable to the Company's auditors for the audit of the Parent Company and consolidated financial statements	**120**	120
Fees payable to the Company's auditors for other services:		
– Audit fee for the accounts of the Company's subsidiaries pursuant to legislation	**110**	110
– Services relating to taxation	**660**	883
– Remuneration consultancy services	**192**	–
– Other services supplied pursuant to legislation	**35**	35

The value of inventories expensed and included in the cost of sales in 2009 was £476,241,067 (2008: £657,611,895).

Remuneration paid to the auditors in respect of taxation services was incurred primarily in connection with compliance matters and corporate activity in the year.

Remuneration paid to the auditors in respect of other services supplied pursuant to legislation of £35,000 relates to the interim review (2008: £35,000).

In addition to the above services, the Group's auditor acted as auditor to The Berkeley Group plc Staff Benefit Plan and The Berkeley Group Money Purchase Pension Plan. The appointment of auditors to the Group's pension schemes and the fees paid in respect of those audits are agreed by the trustees of each scheme, who act independently of the management of the Group. The aggregate fees paid to the Group's auditors for audit services to the pension schemes during the year were £6,000 (2008: £16,900).

Net operating expenses represent administration costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [CONTINUED]

5 DIRECTORS AND EMPLOYEES

	2009 £'000	2008 £'000
STAFF COSTS		
Wages and salaries	**57,290**	**72,853**
Social security costs	**12,346**	**7,054**
Share-based payments	**2,659**	**11,940**
Pension costs	**2,345**	**2,443**
	74,640	**94,290**

The average number of persons employed by the Group during the year was 836 (2008: 996), all of which (2008: 993) were employed in residential housebuilding activities with no employees being involved solely in commercial and other activities.

Key management compensation
Key management comprises the Main Board, as the Directors are considered to have the authority and responsibility for planning, directing and controlling the activities of the Group. Details of Directors' emoluments are set out in the Remuneration Committee report on pages 34 to 42.

Share-based payments
The charge to the income statement in respect of share-based payments in the year, relating to grants of shares and options awarded under The Berkeley Group Holdings 2004(b) and 2009 Long-Term Incentive Plans, was £2,659,000 (2008: £11,940,000). The charge relates to key management personnel.

The Berkeley Group Holdings plc 2004(b) and 2009 Long-Term Incentive Plans
As announced with Berkeley's 2008 results, changes were made at the 2008 AGM to Berkeley's remuneration policy. This constituted changes to the structure of the existing awards under The Berkeley Group Holdings plc 2004(b) Long-Term Incentive Plan which split the original awards granted into two elements (Element 1 and Element 2). 9/12 of the number of shares subject to the original awards under the 2004(b) LTIP, totalling 15,991,021, were conditionally released with the Directors entitled to the final 3/12 of the number of shares, totalling 5,330,340, only if shareholders received £3 per share by 31 January 2014.

In February 2009, Berkeley announced the repositioning of its strategy, enabling the Group to take advantage of current market conditions by investing in land and returning to a more traditional dividend policy, rather than committing to return £3 per share by 2014. The Long-Term Incentive Plan had been linked to the return of the £3 per share; therefore a review of the remuneration policy to re-align the targets to the repositioned strategy was required. The balance of the shares originally awarded under the 2004(b) Long-Term Incentive Plan (i.e. 3/12 of the shares), totalling 5,330,340 shares, were replaced by options with an exercise price of £3 per share granted under the 2009 Long-Term Incentive Plan.

The 2009 Remuneration Policy was approved at the Company's Extraordinary General Meeting on 15 April 2009 with further details set out, including the above amendments, in the Remuneration Committee Report on pages 34 to 42.

Pensions
During the year, two principal pension schemes were in place for employees. The Berkeley Group plc Group Personal Pension Plan (the "Berkeley Group Personal Pension Plan") and the St George PLC Group Personal Pension Plan (the "St George Group Personal Pension Plan") are defined contribution schemes. The assets of these schemes were held in separate trustee administered funds.

The Berkeley Final Salary Plan is a defined benefit scheme which was closed to future accrual with effect from 1 April 2007.

Defined contribution plan
Contributions amounting to £2,162,225 (2008: £2,204,325) were paid into the defined contribution schemes during the year.

Defined benefit plan
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 1 May 2007 and finalised in July 2008. The method adopted in the 2007 valuation was the projected unit method, which assumed a return on investment prior to and after retirement of 6.5% and 5.0% per annum respectively and pension increases of 3.25% per annum. The market value of the Berkeley Final Salary Plan assets at 1 May 2007 was £9,974,000 and was sufficient to cover 101% of the scheme's liabilities. Following the finalisation of the 2007 valuation, with effect from 1 July 2008, employer's required regular contributions were reduced to zero. Notwithstanding this the Company made additional voluntary contributions of £500,000.

5 DIRECTORS AND EMPLOYEES [CONTINUED]

The major assumptions used by the actuary were:

Valuation at:	30 April 2009	30 April 2008
Rate of increase in salaries	–	–
Discount rate	6.6%	6.6%
Inflation assumption	3.0%	3.8%
Rate of increase in pensions in payment (post-97) (Pre-97 receive 3% p.a. increases)	3.0%	3.8%

The mortality assumptions are the standard PMA92 base table for males and PFA92 base table for 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 19.9 years and 22.9 years respectively (2008: 19.8 and 22.8). The life expectancy of male and female deferred pensioners (now aged 50) retiring at age 65 after the balance sheet date is 20.9 years and 23.9 years respectively (2008: 20.8 and 23.8).

The fair value of the assets and the expected rates of return on the assets were as follows:

	30 April 2009		30 April 2008	
	Long-term rate of return	Value (£'000)	Long-term rate of return	Value (£'000)
Equities	7.05%	3,212	7.60%	4,143
Government Bonds	4.05%	2,935	4.60%	2,877
Corporate Bonds	6.50%	2,846	6.40%	2,824
Cash	0.50%	419	5.00%	6
Fair value of plan assets		9,412		9,850

The overall expected rate of return on scheme assets is a weighted average of the individual expected rates of return on each asset class.

The amounts recognised in the balance sheet are determined as follows:

	2009 £'000	2008 £'000
Present value of defined benefit obligations	(8,275)	(9,214)
Fair value of plan assets	9,412	9,850
Net surplus	1,137	636
Unrecognised asset in accordance with IAS 19	(1,137)	(636)
Net amount recognised on the balance sheet	–	–

The amounts recognised in the income statement are as follows:

	2009 £'000	2008 £'000
Current service cost	–	–
Past service cost	–	–
Interest on pension scheme liabilities	594	537
Expected return on plan assets	(635)	(641)
Total included within profit before taxation	(41)	(104)

The total credit for the Group of £41,000 (2008: credit of £104,000) is included in finance income/costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [CONTINUED]

Changes in the present value of the defined benefit obligation

	2009 £'000	2008 £'000
Present value of defined benefit obligations at 1 May	**9,214**	9,832
Current service cost	**–**	–
Interest on pension scheme liabilities	**594**	537
Contributions by plan participants	**–**	–
Actuarial gain on scheme liabilities (recognised in SORIE)	**(1,107)**	(974)
Net benefits paid out	**(426)**	(181)
Present value of defined benefit obligations at 30 April	**8,275**	9,214

Changes in the fair value of plan assets

	2009 £'000	2008 £'000
Fair value of plan assets at 1 May	**9,850**	9,974
Expected return on plan assets	**635**	641
Actuarial losses on plan assets (recognised in SORIE)	**(1,282)**	(1,124)
Contributions by the employer	**635**	540
Contributions by plan participants	**–**	–
Net benefits paid out	**(426)**	(181)
Fair value of plan assets at 30 April	**9,412**	9,850

Cumulative actuarial gains and losses recognised in equity

	2009 £'000	2008 £'000
Cumulative amounts of losses recognised in Statement of Recognised Income and Expense at 1 May	**(1,020)**	(376)
Net actuarial losses recognised in the year	**(175)**	(150)
Change in irrecoverable surplus in accordance with IAS 19	**(501)**	(494)
Cumulative amounts of losses recognised in Statement of Recognised Income and Expense at 30 April	**(1,696)**	(1,020)

Actual return/(loss) on plan assets

	2009 £'000	2008 £'000
Expected return on scheme assets	**635**	641
Actuarial loss on scheme assets	**(1,282)**	(1,124)
Actual loss on scheme assets	**(647)**	(483)

History of asset values, defined benefit obligations, and experience gains and losses

	30 April 2009 £'000	30 April 2008 £'000	30 April 2007 £'000	30 April 2006 £'000	30 April 2005 £'000
Fair value of scheme assets	**9,412**	9,850	9,974	28,337	21,381
Present value of scheme liabilities	**(8,275)**	(9,214)	(9,832)	(38,679)	(33,470)
Net surplus/(deficit) in plan	**1,137**	636	142	(10,342)	(12,089)

	2009	2008	2007	2006	2005
Experience adjustments arising on scheme assets:					
Amount (£'000)	**(1,282)**	(1,124)	383	4,821	8
% of scheme assets	**(13.62%)**	(11.41%)	3.84%	17.01%	0.04%
Experience adjustments arising on scheme liabilities					
Amount (£'000)	**67**	90	346	(342)	(1,198)
% of the present value of scheme liabilities	**(0.81%)**	(0.98%)	(3.52%)	0.88%	3.58%

6 TAXATION

The tax charge for the year is as follows:

Continuing operations	2009 £'000	2008 £'000
Current tax		
UK corporation tax payable	**(35,306)**	(72,565)
Adjustments in respect of previous periods	**(148)**	3,954
	(35,454)	(68,611)
Deferred tax at 28/30% rate (note 17)	**1,199**	13,317
Adjustment in respect of change of tax rate from 30% to 28%	**–**	(1,187)
	(34,255)	(56,481)

Tax is recognised on items charged to equity as follows:

	2009 £'000	2008 £'000
Deferred tax on actuarial loss recognised in the pension scheme	**190**	180
Deferred tax in respect of employee share schemes	**(2,536)**	(7,830)
	(2,346)	(7,650)

The total tax charge recognised in the year is as follows:

	2009 £'000	2008 £'000
Current tax	**(35,454)**	(68,611)
Deferred tax	**(1,147)**	4,480
	(36,601)	(64,131)

The tax charge assessed for the year differs from the standard rate of UK corporation tax of 28.0% (2007: 29.8%). The standard rate of corporation tax in the UK changed to 28% with effect from 1 April 2008. The differences are explained below:

Continuing operations	2009 £'000	2008 £'000
Profit before tax	**120,382**	194,308
Tax on profit at standard UK corporation tax rate	**33,707**	57,974
Effects of:		
Expenses not deductible for tax purposes	**88**	136
Tax effect of share of results of joint ventures	**253**	721
Adjustments in respect of previous periods – current tax	**148**	(3,954)
Adjustments in respect of previous period – deferred tax	**(1,229)**	–
Other	**1,288**	1,604
Tax charge	**34,255**	56,481

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [CONTINUED]

7 EARNINGS PER ORDINARY SHARE

Basic earnings per Ordinary Share is calculated as the profit for the financial year of £86,127,000 (2008: £137,827,000) divided by the weighted average number of Ordinary Shares in issue during the year of 120,751,895 (2008: 120,669,135) adjusted to exclude shares held by the Company to satisfy awards under its Long-Term Incentive Plan.

For diluted earnings per Ordinary Share, the weighted average number of shares in issue is adjusted to assume the conversion of all dilutive potential Ordinary Shares. The dilutive potential Ordinary Shares relate to the number of shares subject to released awards under employee share schemes and share options where the exercise price is less than the average market price of the shares during the financial year. The effect of the dilutive Ordinary Potential Shares is 10,637,407 shares (2008: 71,072), giving a diluted weighted average number of shares of 131,389,302 (2008: 120,740,207). Reconciliations of the earnings and weighted average number of shares used in the calculations are set out in the table below:

	2009			2008		
	Earnings £'000	**Weighted average number of shares '000**	**Per-share amount pence**	Earnings £'000	Weighted average number of shares '000	Per-share amount pence
Basic earnings per Ordinary Share	**86,127**	**120,752**	**71.3**	137,827	120,669	114.2
Effect of dilutive potential Ordinary Shares	**–**	**10,637**		–	71	
Diluted earnings per Ordinary Share	**86,127**	**131,389**	**65.6**	137,827	120,740	114.1

8 INTANGIBLE ASSETS

	Goodwill £'000	**Other Intangible assets £'000**	**Total £'000**
COST			
At 1 May 2008 and 30 April 2009	**17,159**	**3,273**	**20,432**
ACCUMULATED AMORTISATION			
At 1 May 2008	–	2,563	2,563
Amortisation charge for the year	–	554	554
At 30 April 2009	**–**	**3,117**	**3,117**
NET BOOK VALUE			
At 30 April 2008	17,159	710	17,869
At 30 April 2009	**17,159**	**156**	**17,315**
COST			
At 1 May 2007 and 30 April 2008	17,159	3,273	20,432
ACCUMULATED AMORTISATION			
At 1 May 2007	–	746	746
Amortisation charge for the year	–	1,817	1,817
At 30 April 2008	–	2,563	2,563
NET BOOK VALUE			
At 30 April 2007	17,159	2,527	19,686
At 30 April 2008	17,159	710	17,869

The goodwill balance relates to the acquisition of the 50% of the ordinary share capital of St James Group Limited that was not already owned by the Group. The acquisition was completed on 7 November 2006 and resulted in the recognition of goodwill of £17,159,000. The goodwill balance is tested annually for impairment. The recoverable amount has been determined on the basis of the current five year pre-tax divisional forecasts. Key assumptions are as follows:

(i) Cash flows beyond the initial five year period are not extrapolated
(ii) A pre-tax discount rate of 9.46% 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. The goodwill balance has been allocated to residential housebuilding within the segmental analysis.

Other intangible assets relate to contracts for the sale of units that had reserved or exchanged at the date of the acquisition of the 50% of the ordinary share capital of St James Group Limited that the Group did not already own. This resulted in an intangible asset of £3,273,000 at the acquisition date. This intangible asset is amortised as these reserved or exchanged units are taken to profit and is included within Net Operating Expenses.

9 PROPERTY, PLANT AND EQUIPMENT

	Freehold property £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
COST				
At 1 May 2008	1,754	6,877	3,250	11,881
Additions	–	177	114	291
Disposals	–	(1,575)	(922)	(2,497)
At 30 April 2009	**1,754**	**5,479**	**2,442**	**9,675**
ACCUMULATED DEPRECIATION				
At 1 May 2008	23	5,758	1,433	7,214
Charge for the year	35	494	435	964
Disposals	–	(1,560)	(668)	(2,228)
At 30 April 2009	**58**	**4,692**	**1,200**	**5,950**
NET BOOK VALUE				
At 30 April 2008	1,731	1,119	1,817	4,667
At 30 April 2009	**1,696**	**787**	**1,242**	**3,725**
COST				
At 1 May 2007	–	6,123	2,936	9,059
Additions	1,754	941	903	3,598
Disposals	–	(187)	(589)	(776)
At 30 April 2008	1,754	6,877	3,250	11,881
ACCUMULATED DEPRECIATION				
At 1 May 2007	–	5,431	1,260	6,691
Charge for the year	23	507	486	1,016
Disposals	–	(180)	(313)	(493)
At 30 April 2008	23	5,758	1,433	7,214
NET BOOK VALUE				
At 30 April 2007	–	692	1,676	2,368
At 30 April 2008	1,731	1,119	1,817	4,667

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [CONTINUED]

10 INVESTMENTS

	2009 £'000	2008 £'000
Investments accounted for using the equity method	**22,472**	2,447

Details of the principal joint ventures are provided in Note 26.

Investments accounted for using the equity method

	2009 £'000	2008 £'000
Unlisted shares at cost	**15,226**	226
Loans	**11,438**	4,629
Share of post-acquisition reserves	**(3,310)**	(2,408)
Elimination of profit on transfer of inventory to joint ventures	**(882)**	–
	22,472	2,447

The movement on the investment in joint ventures during the year is as follows:

	2009 £'000	2008 £'000
At the start of the year – Net assets	**2,447**	1,729
– Goodwill	**–**	–
	2,447	1,729
Retained loss for the year	**(902)**	(2,416)
Elimination of profit on transfer of inventory to joint ventures	**(882)**	–
Acquisition of shares in joint ventures	**15,000**	70
Net increase in loans	**6,809**	3,387
Dividends received	**–**	(323)
At the end of the year – Net assets	**22,472**	2,447
– Goodwill	**–**	–
	22,472	2,447

The Group's share of joint ventures' net assets, income and expenses is made up as follows:

	2009 £'000	2008 £'000
Non-current assets	**–**	–
Current assets	**56,050**	17,495
Current liabilities	**(16,928)**	(15,048)
Non-current liabilities	**(16,650)**	–
	22,472	2,447

Revenue	**169**	98
Costs	**(919)**	(2,649)
Operating loss	**(750)**	(2,551)
Interest	**(456)**	(629)
Loss before taxation	**(1,206)**	(3,180)
Tax credit	**304**	764
Share of post tax loss of joint ventures	**(902)**	(2,416)

The joint ventures have no significant contingent liabilities to which the Group is exposed and nor has the Group any significant contingent liabilities in relation to its interest in the joint ventures.

11 INVENTORIES

	2009 £'000	2008 £'000
Land not under development	**124,577**	184,569
Work in progress	**918,526**	997,805
Completed units	**71,724**	49,478
	1,114,827	1,231,852

12 TRADE AND OTHER RECEIVABLES

	2009 £'000	2008 £'000
CURRENT		
Trade receivables	**46,198**	17,629
Other receivables	**4,078**	1,537
Prepayments and accrued income	**714**	1,634
	50,990	20,800

Further disclosures relating to trade and other receivables are set out in Note 24.

13 CASH AND CASH EQUIVALENTS

	2009 £'000	2008 £'000
Cash at bank and in hand	**284,842**	–

14 FINANCIAL LIABILITIES – BORROWINGS

	2009 £'000	2008 £'000
CURRENT		
Unsecured loan stock [1]	**(66)**	(85)
Bank overdraft	**–**	(4,464)
	(66)	(4,549)

[1] Unsecured loan stock is repayable on three months' notice being given to the Company, with interest rates linked to LIBOR.

Further disclosures relating to security over the Group's financial liabilities are set out in Note 24.

15 TRADE AND OTHER PAYABLES

	2009 £'000	2008 £'000
CURRENT		
Trade payables	**(196,060)**	(292,913)
Deposits and on account contract receipts	**(334,827)**	(170,758)
Loans from joint ventures	**(96)**	(96)
Other taxes and social security	**(16,441)**	(20,050)
Accruals and deferred income	**(39,429)**	(42,297)
	(586,853)	(526,114)

All amounts included above are unsecured. The total of £16,441,000 (2008: £20,050,000) for other taxes and social security includes £11,116,000 (2008: £13,598,000) for Employer's National Insurance accrual in respect of share-based payments.

Further disclosures relating to trade and other payables are set out in Note 24.

16 OTHER NON-CURRENT LIABILITIES

	2009 £'000	2008 £'000
Trade payables	**(57,558)**	(48,202)

All amounts included above are unsecured.

Further disclosures relating to other non-current liabilities are set out in Note 24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [CONTINUED]

17 DEFERRED TAX

The movement on the deferred tax account is as follows:

	Accelerated capital allowances £'000	Retirement benefit obligation £'000	Other short-term timing differences £'000	Total £'000
At 1 May 2008	1,019	–	38,055	39,074
Adjustment in respect of previous period	2	–	1,227	1,229
(Charged)/credited to income statement	(154)	(190)	314	(30)
Credited to equity	–	190	11,766	11,956
Realisation of deferred tax asset on vesting of employee share scheme	–	–	(14,302)	(14,302)
At 30 April 2009	**867**	**–**	**37,060**	**37,927**
At 1 May 2008	900	–	33,694	34,594
Credited/(charged) to income statement at 30%	192	(180)	13,305	13,317
Adjustment in respect of change of tax rate from 30% to 28%	(73)	–	(1,114)	(1,187)
Credited/(charged) to income statement in year	119	(180)	12,191	12,130
Credited/(charged) to equity at 30%	–	180	(6,226)	(6,046)
Adjustment in respect of change of tax rate from 30% to 28%	–	–	(1,604)	(1,604)
Credited/(charged) to income statement in year	–	180	(7,830)	(7,650)
At 30 April 2008	1,019	–	38,055	39,074

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28% (2008: 28%). There is no unprovided deferred tax.

All of the deferred tax assets were available for offset against deferred tax liabilities and hence the net deferred tax asset at 30 April 2009 was £37,927,000 (2008: £39,074,000).

The deferred tax (charged)/credited to equity during the year was as follows:

	2009 £'000	2008 £'000
Deferred tax on actuarial loss recognised in the pension scheme	**190**	180
Deferred tax in respect of employee share schemes	**(2,536)**	(7,830)
Movement in the year	**(2,346)**	(7,650)
Cumulative deferred tax credited to equity at 1 May	**23,410**	31,060
Cumulative deferred tax credited to equity at 30 April	**21,064**	23,410

18 SHARE CAPITAL

	Ordinary Shares No. '000	2004 B Shares No. '000	2006 B Shares No. '000	2008 B Shares No. '000	2010 B Shares No. '000
AUTHORISED					
At 1 May 2008 and 30 April 2009	**185,000**	**185,000**	**185,000**	**185,000**	**185,000**
Redeemable preference shares of £1 each - at 1 May 2008 and 30 April 2009	**50**				

Since the capital reorganisation of the Company, incorporating a Scheme of Arrangement, in the year ended 30 April 2005, the share capital of the Company has been represented by Units (each Unit comprising one ordinary share of 5p, one 2004 B share of 5p, one 2006 B share of 5p, one 2008 B share of 5p and one 2010 B share of 5p).

Each ordinary share of 5p 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.

The 2004, 2006, 2008 and 2010 B shares are non-voting redeemable shares in the capital of the Company, having a nominal value of 5p per share.

The movements on allotted, called-up and fully paid share capital for the Company in the year were as follows:

	Ordinary Shares No. '000	2004 B Shares No. '000	2006 B Shares No. '000	2008 B Shares No. '000	2010 B Shares No. '000
ISSUED					
At 1 May 2007	120,821	–	–	120,821	120,821
Redeemed during the year	–	–	–	(120,821)	–
At 1 May 2008	120,821	–	–	–	120,821
Issued during the year	6,041	–	–	–	6,041
Redeemed during the year	–	–	–	–	(126,862)
Equity settlement of employee share scheme	3,997	–	–	–	–
At 30 April 2009	**130,859**	**–**	**–**	**–**	**–**

	Ordinary Shares £'000	2004 B Shares £'000	2006 B Shares £'000	2008 B Shares £'000	2010 B Shares £'000	Total £'000
ISSUED						
At 1 May 2007	6,041	–	–	6,041	6,041	18,123
Redeemed during the year	–	–	–	(6,041)	–	(6,041)
At 1 May 2008	6,041	–	–	–	6,041	12,082
Issued during the year	302	–	–	–	302	604
Redeemed during the year	–	–	–	–	(6,343)	(6,343)
Equity settlement of employee share scheme	200	–	–	–	–	200
At 30 April 2009	**6,543**	**–**	**–**	**–**	**–**	**6,543**

The 2004, 2006 and 2008 B shares were redeemed in prior years as set out in the table below:

	Return	Date Redeemed	Value £'000
2004 B Share	£5 per share	3 December 2004	604,103
2006 B Share	£2 per share	8 January 2007	241,641
2008 B Share	£2 per share	4 January 2008	241,641
	£9 per share		**1,087,385**

Responding to the rapidly changing global economic environment Berkeley repositioned its strategy during 2009, away from a commitment to return the final £3 per share to shareholders under the 2010 B share, to investing its free cash flow in new land. This move was fully supported by shareholders who also subscribed for 6,041,030 new shares in a placing completed in March 2009. The shares were fully subscribed at a price of £8.40 for a total consideration of £50,744,652. Share issue expenses of £1,090,000 incurred were deducted from the share premium account, resulting in net proceeds raised of £49,654,652 (Note 19).

With the 2010 B Shares no longer having any value for shareholders and therefore no ongoing purpose, they were redeemed as a class in their entirety for a nominal £1 in aggregate on 16 April 2009, following approval by shareholders at the Company's Extraordinary General Meeting on 15 April 2009.

The Company issued a further 3,997,757 shares on 16 April 2009 in settlement of the awards under the second tranche of Element 1 of the 2004(b) LTIP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [CONTINUED]

19 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Revaluation Reserve £'000	Retained profit £'000	Total £'000
At 1 May 2008	12,082	264	18,173	(961,299)	11,329	1,600,858	681,407
Profit for the financial year	–	–	–	–	–	86,127	86,127
Reserves transfer from revaluation reserve	–	–	–	–	(7,163)	7,163	–
Share issue	604	49,051	–	–	–	–	49,655
Redemption of 2010 B shares	(6,343)	–	6,343	–	–	–	–
Purchase of own shares	–	–	–	–	–	(19,215)	(19,215)
Cash settlement of employee share schemes	–	–	–	–	–	(10,617)	(10,617)
Equity settlement of employee share schemes	200	–	–	–	–	(200)	–
Actuarial loss recognised in the pension scheme	–	–	–	–	–	(676)	(676)
Deferred tax on actuarial loss recognised in the pension scheme	–	–	–	–	–	190	190
Credit in respect of employee share schemes	–	–	–	–	–	2,659	2,659
Deferred tax in respect of employee share schemes	–	–	–	–	–	11,766	11,766
At 30 April 2009	**6,543**	**49,315**	**24,516**	**(961,299)**	**4,166**	**1,678,055**	**801,296**

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Revaluation Reserve £'000	Retained profit £'000	Total £'000
At 1 May 2007	18,123	264	12,132	(961,299)	17,725	1,694,630	781,575
Profit for the financial year	–	–	–	–	–	137,827	137,827
Reserves transfer from revaluation reserve	–	–	–	–	(6,396)	6,396	–
Redemption of shares	(6,041)	–	6,041	–	–	(241,641)	(241,641)
Actuarial loss recognised in the pension scheme	–	–	–	–	–	(644)	(644)
Deferred tax on actuarial loss recognised in the pension scheme	–	–	–	–	–	180	180
Credit in respect of employee share schemes	–	–	–	–	–	11,940	11,940
Deferred tax in respect of employee share schemes	–	–	–	–	–	(7,830)	(7,830)
At 30 April 2008	12,082	264	18,173	(961,299)	11,329	1,600,858	681,407

The Other reserve of £961,299,000 (2007: £961,299,000) 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.

The revaluation reserve arose following the acquisition on 7 November 2006 of the 50 per cent of the ordinary share capital of St James Group Limited not already owned. A revaluation reserve of £20,297,000 was originally created in accordance with IFRS 3 through fair value adjustments to the 50 per cent of the net assets of St James Group Limited owned by the Group prior to 7 November 2006. Transfers of £7,163,000 in the year (2008: £6,396,000) to distributable reserves were recognised as the associated fair value adjustments were charged to the income statement.

The Company's Employee Benefit Trust acquired 2,940,477 shares through purchases on the London Stock Exchange in 2009 (2008: nil). The total amount paid to acquire the shares, including expenses, was £19,215,000 and has been deducted from retained earnings.

The first and second tranche of the awards under the 2004(b) LTIP vested in the year. The first tranche was satisfied by the issue to Directors of 2,358,674 shares previously held by the Employee Benefit Trust and cash of £10,617,000. The second tranche was satisfied by the issue to Directors of 3,997,757 shares for no cost. The retained profits of the Company have been reduced by the nominal cost of the shares issued under the second tranche of £200,000.

At 30 April 2009 there were 662,238 shares held in Trust (2008: 80,435). The market value of these shares at 30 April 2009 was £6,493,000 (2008: £756,089).

20 CONTINGENT LIABILITIES

The Group has not guaranteed any bank facilities in joint ventures (2008: £nil).

The Group has guaranteed road and performance agreements in the ordinary course of business of £9,492,000 (2008: £70,763,000).

21 CAPITAL COMMITMENTS

The Group had no capital commitments at 30 April 2009 (2008: £nil).

22 OPERATING LEASES – MINIMUM LEASE PAYMENTS

The total future minimum lease payments of the Group under non-cancellable operating leases is set out below:

	Land and buildings		Motor vehicles	
	2009 £'000	2008 £'000	**2009 £'000**	2008 £'000
OPERATING LEASES WHICH EXPIRE:				
Within one year	**–**	–	**75**	31
Between one and five years	**881**	798	**519**	1,072
After five years	**16,663**	18,672	**–**	–
	17,544	19,470	**594**	1,103

23 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Reconciliation of profit for the financial year to net cash inflow from operating activities:

Net cash flows from operating activities

	2009 £'000	2008 £'000
CONTINUING OPERATIONS		
Profit for the financial year	**86,127**	137,827
Adjustments for:		
– Taxation	**34,255**	56,481
– Depreciation	**964**	1,016
– Amortisation of intangible assets	**554**	1,817
– Profit on sale of property, plant and equipment	**(12)**	(41)
– Finance income	**(5,690)**	(6,480)
– Finance costs	**9,248**	15,774
– Share of results of joint ventures after tax	**902**	2,416
– Non-cash charge in respect of share awards	**2,659**	11,940
Changes in working capital:		
– Decrease/(increase) in inventories	**117,025**	(102,478)
– (Increase)/decrease in receivables	**(29,308)**	6,801
– Increase in payables	**61,926**	90,713
– Employee benefit obligations	**(635)**	(540)
Net cash flow from operating activities	**278,015**	215,246

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [CONTINUED]

Reconciliation of net cash flow to net cash/(debt)

For the year ended 30 April	2009 £'000	2008 £'000
Net increase/(decrease) in cash and cash equivalents, including bank overdraft	**289,306**	(144,794)
Cash outflow from decrease in borrowings	**19**	59,283
Movement in net cash/(debt) in the year	**289,325**	(85,511)
Opening net (debt)/cash	**(4,549)**	80,962
Closing net cash/(debt)	**284,776**	(4,549)

Net cash/(debt)

As at 30 April	2009 £'000	2008 £'000
Cash and cash equivalents	**284,842**	–
Borrowings	**(66)**	(4,549)
Net cash/(debt)	**284,776**	(4,549)

24 CAPITAL MANAGEMENT, TREASURY POLICY AND FINANCIAL INSTRUMENTS

The Group finances its operations by a combination of shareholders' funds and, where appropriate, net borrowings. The Group's objectives when managing capital are to maintain an appropriate capital structure in the business to allow management to focus on creating sustainable long-term value for its shareholders, with flexibility to take advantage of opportunities as they arise in the short- and medium-term. During the period of the Scheme of Arrangement, initiated in 2004, the Group's strategy has centred on maintaining the Group at its natural size and returning surplus cash to shareholders. In total, £1,087 million (£9 per share) was repaid to shareholders in a little over four years. In response to the rapidly changing global economic environment the Group repositioned its strategy during 2009, away from a commitment to return £3 per share to shareholders, to investing its free cash flow in new land.

The Group monitors capital levels principally by monitoring net debt/cash levels, cash generated and Return on Average Capital Employed. As part of the repositioning of the strategy during 2009 Berkeley placed 6,041,030 shares which were fully subscribed for by shareholders raising net proceeds of £49.6 million. This ensures Berkeley has the right capital structure with which to embark on this next phase and secure the future profitability of the Group. The Group generated net cash of £289.3 million during the year (2008: £156.1 million before the £241.6 million B share redemption) resulting in closing net cash at 30 April 2009 of £284.8 million (30 April 2008: net debt of £4.5 million). Return on Average Capital Employed (which is calculated based on profit before interest and tax, including joint venture profit before tax, divided by the average shareholders' funds adjusted for net cash/debt) was 20.6% for the year (2008: 29.3%) and continues to demonstrate efficient capital management.

The Group's financial instruments comprise cash at bank and in hand, loan stock, trade receivables, trade payables, loans from joint ventures and accruals. Cash at bank and in hand is the principal financial instrument used to finance the business. The other financial instruments highlighted arise in the ordinary course of business.

From time to time the Group uses derivative instruments as described in the Market risk section below. During the year and at the year end the Group held no such instruments (2008: nil). It is the Group's policy that no trading in financial instruments shall be undertaken.

Financial risk

As all of the operations carried out by the Group are in sterling there is no exposure to currency risk, and, with credit risk in the Group being low as set out in Financial assets below, the Group's main financial risks are primarily:

- market risk, and principally interest rate risk, with the Group's cash balances currently held at floating rates linked to LIBOR; and

- liquidity risk - this is the risk that suitable funding for the Group's activities may not be available.

Further disclosures relating to market risk and liquidity risk are set out as applicable within the relevant sections below.

24 CAPITAL MANAGEMENT, TREASURY POLICY AND FINANCIAL INSTRUMENTS CONTINUED

Financial assets

The Group's financial assets can be summarised as follows:

	2009 £'000	2008 £'000
CURRENT		
Trade receivables	**46,198**	17,629
Cash at bank and in hand	**284,842**	–
	331,040	17,629

Cash at bank and in hand is at floating rates linked to interest rates related to LIBOR. Trade and other receivables are non-interest bearing. Together, these balances represent the Group's exposure to credit risk at the balance sheet date. Trade receivables are spread across a wide number of customers, with no significant concentration of credit risk in one area. There has been no impairment of trade receivables during the year (2008: £nil), nor are there any provisions held against trade receivables (2008: £nil), and no trade receivables are past their due date (2008: £nil).

Financial liabilities

The Group's financial liabilities can be summarised as follows:

	2009 £'000	2008 £'000
CURRENT		
Unsecured loan stock	**(66)**	(85)
Bank overdraft	**–**	(4,464)
Trade payables	**(196,060)**	(292,913)
Deposits and on account contract receipts	**(334,827)**	(170,758)
Loans from joint ventures	**(96)**	(96)
Accruals and deferred income	**(39,429)**	(42,297)
	(570,478)	(510,613)
NON-CURRENT		
Other non-current liabilities	**(57,558)**	(48,202)
	(57,558)	(48,202)

All amounts included above are unsecured.

Unsecured loan stock is repayable on three months' notice being given to the Company, with floating interest rates linked to LIBOR. Trade and other payables and other current liabilities are non-interest bearing. The Group held no fixed rate liabilities at 30 April 2009 (2008: nil). Disclosures relating to the security over the bank facilities are set out in Committed borrowing facilities below.

Maturity of non-current financial liabilities

The maturity profile of the Group's non-current financial liabilities is as follows:

	2009 £'000	2008 £'000
FINANCIAL LIABILITIES – NON-CURRENT		
In more than one year but not more than two years	**10,044**	19,101
In more than two years but not more than five years	**43,526**	22,014
In more than five years	**3,988**	7,087
	57,558	48,202

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [CONTINUED]

Fair value of financial assets and financial liabilities
The carrying amounts of the Group's financial assets and financial liabilities approximate to fair value. The carrying amount of current trade and other receivables and of 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).
The unsecured loan stock is repayable at book value on three months' notice being given to the Company.

Other non-current liabilities principally comprise long-term land creditors which are held at their discounted present value (calculated by discounting expected future cash flows at prevailing interest rates and yields as appropriate). The discount rate applied reflects the nominal, risk-free pre-tax rate at the balance sheet date, applied to the maturity profile of the individual land creditors within the total. At 30 April 2009 a rate of 1.44% was applied (30 April 2008: 4.69%).

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 contractual undiscounted maturity profile of the Group's financial liabilities, included at their balance sheet carrying value in the tables above, is as follows:

	2009 £'000	2008 £'000
In less than one year	**570,478**	510,613
In more than one year but not more than two years	**10,318**	20,240
In more than two years but not more than five years	**45,351**	24,653
In more than five years	**4,312**	10,565
	630,459	566,071

Market risk
As the Group is not exposed to currency risk, the principal market risk to which the Group is exposed is interest rate risk. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group does not have any fixed rate borrowings.

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.

From time to time the Group uses derivative instruments, when commercially appropriate, to manage interest rate risk by altering the interest rates on investments and funding so that the resulting exposure gives greater certainty of future costs. During the year and at the year end the Group held no such instruments (2008: nil).

If interest rates on the Group's cash balances had been 50 basis points higher/lower throughout the year ended 30 April 2009, profit after tax for the year would have been £508,000 higher/lower (2008: £78,000). This calculation is based on the monthly closing net cash/debt position throughout the financial year. The Group's loan stock amounts to £66,000 (2008: £85,000) and so no sensitivity analysis has been prepared against this interest-bearing financial liability as any impact would not be material.

Committed borrowing facilities
The Group has committed borrowing facilities, all at floating rates linked to LIBOR, as follows:

	2009				2008			
	Available £'000	**Drawn £'000**	**Undrawn £'000**	**Termination Date**	Available £'000	Drawn £'000	Undrawn £'000	Termination Date
Revolving facility	**800,000**	**–**	**800,000**	**Aug-11**	800,000	4,464	795,536	Aug-11

The secured revolving credit facility is secured by debentures provided by certain Group holding companies over their assets. The facility agreement contains financial covenants, which is normal for such agreements, all of which the Group is in compliance with.

25 RELATED PARTY TRANSACTIONS

The Group has entered into the following related party transactions:

a) Transactions with Directors

During the financial year, Mr A W Pidgley paid £108,437 to Berkeley Homes plc for works carried out at his home under the Group's own build scheme (2008: £625,500). This is a scheme whereby eligible employees may enter into an arrangement, at commercial rates, with the Group for the construction or renovation of their own home. There were no balances outstanding at the year end.

b) Transactions with Joint Ventures

During the financial year, inventory was transferred to St Edward Homes Ltd for £17,411,000 (2008: £nil).

26 SUBSIDIARIES, JOINT VENTURES AND LIMITED PARTNERSHIP

At 30 April 2009 the Group had the following principal subsidiary undertakings which have all been consolidated, are registered and operate in England and Wales, are all 100% owned and for which 100% of voting rights are held:

Residential housebuilding

Berkeley First Limited [1]
Berkeley Gemini Limited [3]
Berkeley Homes plc
Berkeley Homes (Capital) plc [1]
Berkeley Homes (Central London) Limited [1]
Berkeley Homes (East Thames) Limited [1]
Berkeley Homes (Eastern) Limited [1]
Berkeley Homes (Festival Waterfront Company) Limited [1]
Berkeley Homes (Hampshire) Limited [1]
Berkeley Homes (Kent) Limited [1]
Berkeley Homes (North East London) Limited [1]
Berkeley Homes (Oxford & Chiltern) Limited [1]
Berkeley Homes (South East London) Limited [1]
Berkeley Homes (Southern) Limited [1]
Berkeley Homes (Urban Renaissance) Limited [1]
Berkeley Homes (West London) Limited [1]
Berkeley Partnership Homes Limited [1]
Berkeley Strategic Land Limited
St George PLC
St George Central London Limited [2]
St George South London Limited [2]
St George West London Limited [2]
St George Battersea Reach Limited [3]
St James (Grosvenor Dock) Limited
St James Group Limited
St James Homes Limited
The Berkeley Group plc [4]
West Kent Cold Storage Company Limited [3]

[1] Agency companies of Berkeley Homes plc
[2] Agency companies of St George PLC
[3] The substance of the acquisition of these companies was the purchase of land for development and not of a business, and as such, fair value accounting and the calculation of goodwill is not required.
[4] The Berkeley Group plc is the only direct subsidiary of the parent company.

Commercial property and other activities

Berkeley Commercial Developments Limited †

†Direct subsidiary of The Berkeley Group plc.

At 30 April 2009 the Group had interests in the following joint ventures which have been equity accounted to 30 April and are registered and operate in England and Wales (except where stated in brackets) and which are all 50% owned, except where stated:

	Accounting date	Principal activity
Saad Berkeley Investment Properties Limited (Jersey) [1]	30 April	Commercial property
Saad Berkeley Limited	30 April	Residential housebuilding
Saad Berkeley Regeneration Limited (Isle of Man)	30 April	Residential housebuilding
Saad Berkeley Developments Limited	30 April	Residential housebuilding
Saad Berkeley Investments Limited (Isle of Man) [2]	30 April	Property investment
St Edward Homes Ltd	30 April	Residential housebuilding

[1] The Group has a 40% interest in Saad Berkeley Investment Properties Limited.
[2] The Group has a 39% interest in Saad Berkeley Investments Limited.

The interests in the joint ventures are in equity share capital.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERKELEY GROUP HOLDINGS PLC

We have audited the parent company financial statements of The Berkeley Group Holdings plc for the year ended 30 April 2009 which comprise the Parent Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 47, the Directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 to 497 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements
In our opinion the parent company financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2009;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the parent company financial statements are prepared is consistent with the parent company financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.

Other matter
We have reported separately on the group financial statements of The Berkeley Group Holdings plc for the year ended 30 April 2009.

Mark Gill (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 July 2009

COMPANY BALANCE SHEET

As at 30 April	Notes	2009 £'000	2008 £'000
FIXED ASSETS			
Investments	C5	**1,385,365**	1,384,656
		1,385,365	1,384,656
CURRENT ASSETS			
Debtors	C6	**5,501**	8,133
Cash at bank and in hand		**945**	201
		6,446	8,334
CREDITORS			
Creditors (amounts falling due within one year)	C7	**(532,650)**	(812,550)
Net current liabilities		**(526,204)**	(804,216)
Total assets less current liabilities and net assets		**859,161**	580,440
CAPITAL AND RESERVES			
Called-up share capital	C8	**6,543**	12,082
Share premium	C9	**49,315**	264
Capital redemption reserve	C9	**24,516**	18,173
Profit and loss account	C9	**778,787**	549,921
Total shareholders' funds		**859,161**	580,440

The financial statements on pages 75 to 79 were approved by the Board of Directors on 17 July 2009 and were signed on its behalf by:

R C Perrins
Finance Director

NOTES TO THE COMPANY FINANCIAL STATEMENTS

C1 ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared under the historical cost convention, modified by fair values for share-based payments and in accordance with the Companies Act 2006, where applicable, and applicable accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice) and on the going concern basis. A summary of the more important Company accounting policies is set out below.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year and their historical cost equivalents.

The principal activity of the Company is to act as a holding company.

Under Financial Reporting Standard 1 "Cash Flow Statements (Revised 1996)", the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its consolidated financial statements, which include the Company, are publicly available.

Adoption of new Accounting Standards and pronouncements
No new Accounting Standards or Amendments to Accounting Standards under Financial Reporting Standards are applicable to the Company during the year.

At the date of authorisation of these financial statements, the following new Amendment to Accounting Standards was in issue but not effective for the financial year ended 30 April 2009:

Amendment to FRS 20 "Share-based payment"

The Company has not adopted this Amendment early. Its adoption is not expected to have a significant impact on the financial statements.

Expenditure
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.

Investments
The parent Company's investments in subsidiary undertakings are included in the balance sheet at cost less provision for any impairment.

Taxation
The taxation expense represents the sum of the tax currently payable and deferred tax.

Deferred taxation
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.

Share-based payments
The Company operates two 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. At each balance sheet date, the Group 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.

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.

C2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging the following amounts:

	2009 £'000	2008 £'000
Auditors' remuneration - audit fees	**12**	12

C3 DIRECTORS AND EMPLOYEES

	2009 £'000	2008 £'000
STAFF COSTS		
Wages and salaries	**3,904**	4,257
Social security costs	**4,658**	473
Share-based payments	**1,950**	8,755
	10,512	13,485

The average number of persons employed by the Company during the year was 6 (2008: 7), all of whom were employed in residential housebuilding activities.

Directors

Details of Directors' emoluments are set out in the Remuneration Committee report on pages 34 to 42.

Pensions

During the year, the Company participated in one of the Group's pension schemes, The Berkeley Group Personal Pension Plan. Further details on this scheme are set out in Note 5 of the consolidated financial statements. Contributions amounting to £nil (2008: £nil) were paid into the defined contribution scheme during the year.

Share-based payments

The charge to the income statement in respect of share-based payments in the year, relating to grants of shares and share options awarded under the 2004(b) and 2009 Long-Term Incentive Plans, respectively, was £1,950,000 (2008: £8,755,000). See Note 5 in the consolidated financial statements for further information on the Long-Term Incentive Plans.

C4 THE BERKELEY GROUP HOLDINGS PLC PROFIT AND LOSS ACCOUNT

The Berkeley Group Holdings plc has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006.

The profit for the year dealt with in the accounts of the Company is £256,239,000 (2008: £67,859,000).

C5 INVESTMENTS

	£'000
Investments in shares of subsidiary undertaking at cost at 1 May 2008	1,384,656
Additions	759
Disposals	(50)
Investment in shares of subsidiary undertaking at cost at 30 April 2009	**1,385,365**

Details of principal subsidiaries are given within Note 26 on page 73.

NOTES TO THE COMPANY FINANCIAL STATEMENTS [CONTINUED]

C6 DEBTORS

	2009 £'000	2008 £'000
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Other debtors	**5,501**	8,133
	5,501	8,133

Other debtors comprise deferred tax assets of £5,501,000 (2008: £8,133,000) arising from short-term timing differences. The movements on the deferred tax asset are as follows:

	£'000
At 1 May 2008	8,133
Debit to profit and loss account	(2,632)
At 30 April 2009	**5,501**

C7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Taxation and social security	**8,152**	9,975
Amounts owed to subsidiary undertakings	**524,498**	802,575
	532,650	812,550

All amounts included above are unsecured. Amounts owed to subsidiary undertakings are at floating interest rates linked to LIBOR and have no fixed repayment date.

C8 CALLED-UP SHARE CAPITAL

	Ordinary Shares No. '000	2004 B Shares No. '000	2006 B Shares No. '000	2008 B Shares No. '000	2010 B Shares No. '000
AUTHORISED					
At 1 May 2008 and 30 April 2009	**185,000**	**185,000**	**185,000**	**185,000**	**185,000**
Redeemable preference shares of £1 each - at 1 May 2008 and 30 April 2009	**50**				

The movements in the allotted, called-up and fully paid share capital of the Company are set out in Note 18 of the consolidated financial statements.

	Ordinary Shares No. '000	2004 B Shares No. '000	2006 B Shares No. '000	2008 B Shares No. '000	2010 B Shares No. '000
ISSUED					
At 1 May 2007	120,821	–	–	120,821	120,821
Redeemed during the year	–	–	–	(120,821)	–
At 1 May 2008	120,821	–	–	–	120,821
Issued during the year	6,041	–	–	–	6,041
Redeemed during the year	–	–	–	–	(126,862)
Equity settlement of employee share scheme	3,997	–	–	–	–
At 30 April 2009	**130,859**	**–**	**–**	**–**	**–**

	Ordinary Shares £'000	2004 B Shares £'000	2006 B Shares £'000	2008 B Shares £'000	2010 B Shares £'000	Total £'000
ISSUED						
At 1 May 2007	6,041	–	–	6,041	6,041	18,123
Redeemed during the year	–	–	–	(6,041)	–	(6,041)
At 1 May 2008	6,041	–	–	–	6,041	12,082
Issued during the year	302	–	–	–	302	604
Redeemed during the year	–	–	–	–	(6,343)	(6,343)
Equity settlement of employee share scheme	200	–	–	–	–	200
At 30 April 2009	**6,543**	**–**	**–**	**–**	**–**	**6,543**

Each ordinary share of 5p 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.

C9 RESERVES

	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At 1 May 2008	264	18,173	549,921	568,358
Retained profit	–	–	256,239	256,239
Redemption of 2010 B shares	–	6,343	–	6,343
Issue of shares	49,051	–	–	49,051
Purchase of own shares	–	–	(19,215)	(19,215)
Cash settlement of employee share schemes	–	–	(10,617)	(10,617)
Equity settlement of employee share schemes	–	–	(200)	(200)
Credit in respect of employee share schemes	–	–	2,659	2,659
At 30 April 2009	**49,315**	**24,516**	**778,787**	**852,618**

C10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £'000	2008 £'000
Retained profit	**256,239**	67,859
Redemption of shares	**–**	(241,641)
Issue of shares	**49,655**	–
Purchase of own shares	**(19,215)**	–
Cash settlement of employee share schemes	**(10,617)**	–
Credit in respect of employee share schemes	**2,659**	11,940
	278,721	(161,842)
Opening equity shareholders' funds	**580,440**	742,282
Closing equity shareholders' funds	**859,161**	580,440

C11 RELATED PARTY TRANSACTIONS

The Company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of The Berkeley Group Holdings plc or investees of The Berkeley Group Holdings plc. Disclosures in respect of transactions with Directors of the Company are set out in Note 25 of the consolidated financial statements.

FIVE YEAR SUMMARY

Years ended 30 April	**2009 IFRS (i) £'000**	2008 IFRS (i) £'000	2007 IFRS (i) £'000	2006 IFRS (i) £'000	2005 to IFRS £'000	Transition to IFRS £'000	2005 UK GAAP (ii) £'000
INCOME STATEMENT							
Revenue (excluding joint ventures)	**702,192**	991,465	918,410	917,926	794,461	(275,856)	1,070,317
Operating profit – Group							
– residential housebuilding	**118,785**	197,553	170,097	156,846	146,026	(44,461)	190,487
– commercial and other	**6,057**	8,465	6,975	4,029	8,986	(96)	9,082
– merger expenses	**–**	–	–	–	(1,633)	–	(1,633)
	124,842	206,018	177,072	160,875	153,379	(44,557)	197,936
Share of operating profit of joint ventures	**–**	–	–	–	–	(15,244)	15,244
Share of post tax results of joint ventures	**(902)**	(2,416)	6,798	11,562	10,358	10,358	–
Finance costs – net	**(3,558)**	(9,294)	4,180	(7,336)	(8,281)	2,008	(10,289)
Profit before taxation	**120,382**	194,308	188,050	165,101	155,456	(47,435)	202,891
Taxation	**(34,255)**	(56,481)	(52,505)	(43,736)	(41,439)	16,809	(58,248)
Profit after taxation	**86,127**	137,827	135,545	121,365	114,017	(30,626)	144,643
Profit from discontinued operations	**–**	–	–	80,782	24,941	24,941	–
Retained profit	**86,127**	137,827	135,545	202,147	138,958	(5,685)	144,643
Earnings per share	**71.3p**	114.2p	112.6p	168.4p	116.2p	(4.8p)	121.0p
Dividends per share	**–**	–	–	–	16.5p	16.5p	–
BALANCE SHEET							
Capital employed	**516,520**	685,956	700,613	616,605	876,549	(48,073)	924,622
Net cash/(debt)	**284,776**	(4,549)	80,962	220,585	(255,140)	–	(255,140)
Shareholders' funds	**801,296**	681,407	781,575	837,190	621,409	(48,073)	669,482
Net assets per share	**615p**	564p	649p	697p	518p	(40p)	558p
RATIOS AND STATISTICS							
Return on capital employed (note iii)	**20.6%**	29.3%	28.1%	24.0%	22.0%	(0.2%)	22.2%
Return on shareholders' funds (note iv)	**11.6%**	18.8%	16.7%	16.6%	15.9%	(0.1%)	16.0%
Units sold	**1,501**	3,164	2,852	3,001	2,292	(1,278)	3,570

Note i: Information relating to 2009, 2008, 2007, 2006 and 2005 is presented under IFRS.

Note ii: 2005 is presented under UK GAAP for comparison purposes. The main adjustments that would be required to comply with FRS would be those set out in Note 29 to the Group Financial Statements in the 2006 Annual Report, including the impact of IAS 18 "Revenue recognition", IAS 10 "Events after the balance sheet date", IAS 19 "Employee benefits" and IAS 2 "Inventory". In addition, under IFRS, discontinued operations are excluded from individual lines in the income statement, and included in the line Profit from discontinued operations. This applies to the Crosby business which was disposed in the year ended 30 April 2006.

Note iii: Calculated as profit before interest and taxation (including joint venture profit before tax) divided by the average shareholders' funds adjusted for net cash/debt.

Note iv: Calculated as profit after taxation as a percentage of the average of opening and closing shareholders' funds..

FINANCIAL DIARY

Annual General Meeting and Interim Management Statement	9 September 2009
Half Year End	31 October 2009
Interim Report for six months to 31 October 2009	4 December 2009
Interim Management Statement	March 2010
Preliminary Announcement of results for the year ending 30 April 2010	June 2010
Publication of 2009/10 Annual Report	July 2010

REGISTERED OFFICE AND ADVISORS

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Registered number: 5172586

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Capita Registrars
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Beckenham,
Kent BR3 4TU
Tel: 0870 162 3100

Corporate broker and financial advisor
UBS Investment Bank

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

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Skadden, Arps, Slate Meager & Flom (UK) LLP

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Lloyds TSB Bank plc

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