BERKELEY GROUP
ANNUAL REPORT 0
20110

THE QUEEN'S AWARDS FOR ENTERPRISE: SUSTAINABLE DEVELOPMENT 2008

vision 2020
Our vision for the future

Berkeley Group

ABOUT THIS REPORT

Welcome to the Berkeley Group's 2011 Annual Report. The Berkeley Group is a publicly 0 owned company, listed on the London Stock Exchange within the FTSE 250.0

This year's report begins with an introduction to who we are and what we do, followed by 0 a summary of the financial highlights of the past year called "Delivering Value", before a 0 presentation of a number of our developments to demonstrate the values and essence 0 of the Berkeley Group. We have then summarised the Group's strategy (which we refer 0 to as Vision2020), explaining how our performance is measured against this.0

This is followed by a detailed review of the year contained within a Statement from the 0 Group's Chairman, our Managing Director's Review, a review of Trading and Performance 0 from our Finance Director and a report on Sustainability.0

Our Governance section then sets out how the business is run from the top down by 0 the Board of Directors and this is followed by the detailed financial statements which 0 are accompanied by a report from the Group's auditors.0

BUSINESS REVIEW

GOVERNANCE

FINANCIALS

WHO WE ARE AND WHAT WE DO

The Berkeley Group is a residential-led property developer with a passion 0 for creating successful, sustainable places.0

This process begins with acquiring land in the right locations. We then 0 develop schemes renowned for their design, public realm, transport, 0 open space and access to employment and amenities – all the things 0 that people look for in a place to live.0

We operate in London and the South East at a natural size, respecting the 0 cyclical nature of property development and are currently developing more 0 new homes than anyone in our Capital, one of the world's greatest cities. 0

Over the last two years, our financial strength has enabled Berkeley to 0 acquire some outstanding sites – making the most of 'once in a cycle' 0 opportunities. In addition the level of construction has increased across 0 our portfolio, delivering a diverse range of product for our customers, 0 all to the same exacting standards of quality and workmanship. 0

Berkeley has the vision, expertise and commitment to transform 0 these sites into thriving, successful places. 0

DELIVERING VALUE TODAY...0

Profit Before Tax
Up 23.5% to £136.2 million (2010: £110.3 million)0

+23.5%

Operating Margin
Up 1% to 18.3% (2010: 17.3%)0

18.3%

Net Asset Value per Share
Up 11.4% to 709.2 pence (April 2010: 636.7 pence) 0

709.2p

Share Buy Backs
Acquisition of 3.8 million shares for £30.0 million at an average 0 price of 785 pence per share0

Net Cash
£42.0 million (April 2010: £316.9 million)0

Cash Due on Forward Sales
Up 25.5% to £813.5 million (April 2010: £648.1 million)0

+25.5%0

Land Bank
27,026 plots and £2.3 billion of future gross margin – an increase 0 of 13.1% since 30 April 2010 0

+13.1%

Return on Equity
Pre-tax return on shareholders' equity of 15.3% (2010: 13.3%)0

15.3%

...AND OVER THE NEXT TEN YEARS

Long Term Strategic Plan
During the year, the Board of Berkeley has undertaken a strategic 0 review. The outcome of this is to propose a long term strategic 0 plan under which the business will operate over the next 10 years 0 and to return approximately £1.7 billion in cash to existing 0 shareholders in a series of dividends, totalling £13 per share.0

This puts in place a framework which allows Berkeley to operate 0 at its natural size and to optimise returns to shareholders while 0 managing the risks of a cyclical market.0

£1.7 billion
in dividends 0
(£13/share)0

Grosvenor Waterside, SW10

1. ONCE IN A CYCLE OPPORTUNITIES0

Visualisations of future schemes, acquired in the year:
Right: Johnson House, SW1 0
Below: Image looking towards Abell and Cleland House, SW10
Below right: Fulham Reach, SW60

Berkeley set out a clear strategy in 2009 to invest in land, taking advantage 0 of a weaker land market and 'once in a cycle' opportunities. Since then, we 0 have invested over £500m in land, acquiring over 6,300 new plots – all in 0 excellent locations including, in London, Belgravia, Westminster, Hammersmith 0 and Wimbledon and, in the South East, Ascot, Oxford and Weybridge.0

Computer generated image0

Computer generated image0

2. THE RIGHT LOCATION0

Left: 375 Kensington High Street, W14 0
Above: Atkinson Morley, SW20
Below: Queens Acre, Beaconsfield0

Berkeley's strategy is to acquire land selectively in the right locations in London 0 and the South East and then to use its development expertise to realise their 0 true value, transforming them into successful and sustainable places. 0


wallpaper*
ST GEORGE

3. REGENERATING LONDON'S 0 RIVERSIDE0

Visualisations of schemes currently in development:
Left: Kew Bridge, TW80
Below: Riverlight, SW80
Bottom: One T0wer Bridge, SE10

London – one of the world's greatest cities – has for many years been 0 Berkeley's heartland. We are committed to developing quality homes in the 0 Capital and bringing new life to London's riverside.0

4. REAL ENGAGEMENT TO 0 DELIVER SOLUTIONS0

Left: Engagement with stakeholders – sharing the vision for the delivery of Kidbrooke Village SE30
Below left: Public consultation, Riverlight, SW80
Below right: The Berkeley Group at Skills London, 2010
Bottom: The Regeneration Centre, Kidbrooke Village, SE30

Building good relationships helps build better places. Berkeley engages with 0 local people and other partners to understand their needs, entering into a 0 genuine dialogue with the people who will be affected by our developments, 0 to shape the look and feel of the places we create. 0

We know that our long term success is directly linked to the fortunes of the 0 people living in and near each scheme. Berkeley has a particular commitment 0 to young people. We promote opportunities for them to find employment 0 and training, as well as offering support through the recently launched 0 Berkeley Foundation. 0

5. DEVELOPING FOR THE FUTURE0

Left: Regeneration at Kidbrooke Village, SE3 where new homes 0
are replacing the 1960s estate0
Above: Construction at 375 Kensington High Street, W140

Berkeley's strong performance and increased level of forward sales has 0 enabled the Group to invest in work in progress and increase the level of 0 production across its sites. The Group has several large scale regeneration 0 schemes in progress which will underpin the business for years to come. 0

Computer generated image0

6. RESTORING OUR HERITAGE0

Top: Roehampton House, SW15 (prior to refurbishment)0
Above: Camberwell Grove, SE50
Left: 75 Leman Street, E10

Not everything we build is new. Berkeley uses its expertise to bring historic 0 buildings back to life, while preserving our heritage. Many of these buildings 0 now provide a focal point to larger developments. 0

7. DEVELOPING TO THE HIGHEST STANDARDS

Right: Stanmore Place, HA7
Below right: Construction in progress, Stanmore Place, HA7

To fully realise the value of our sites, quality is inherent in every aspect of the design and development process. As part of our commitment to our customers, we became the country's first developer to adopt the Building for Life 'Silver Standard' of design as a minimum commitment for all new developments. 43 of the Group's schemes have now committed to achieving this 'Silver Standard.'

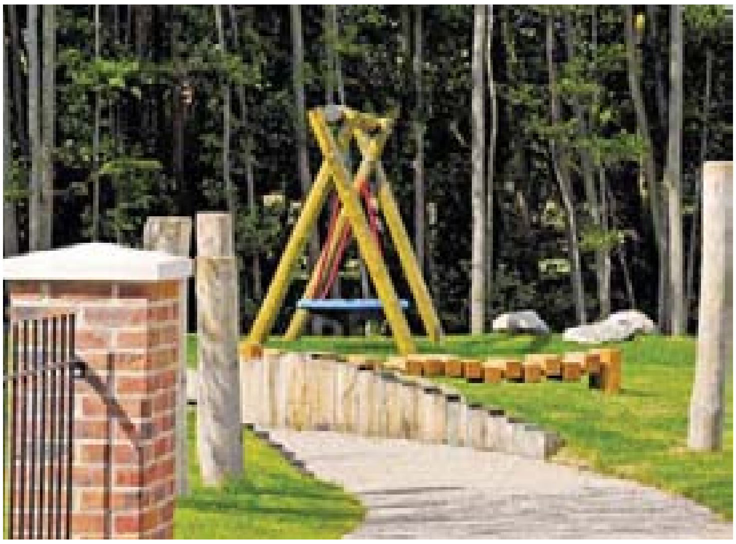
Having been awarded a Gold Standard, Stanmore Place has gone on to win a full Building for Life Award, one of only 10 developments in England to be awarded this highly sought-after accolade in 2010.

8. THE INGREDIENTS 0 OF A GREAT PLACE0

Top row: 0
Kennet Island, Reading0

Middle row, left to right:
Children's playground, Edenbrook, Fleet0
Concierge, Royal Arsenal Riverside0
Jazz Festival, Imperial Wharf0
Youngs, Royal Arsenal Riverside0

Bottom row, left to right:
Waitrose Supermarket, Raynes Park0
Gymstar, Victory Pier0
Health and Fitness Spa, Grosvenor Waterside0
Wifi Lounge, Victory Pier0



Successful communities have variety 0
– different people and different things 0
to do. A mix of facilities and tenures 0
makes a place more vibrant and creates 0
the environment for a modern lifestyle. 0

We invest in these facilities as early 0
as possible. It quickly creates a sense 0
of place and somewhere you feel at 0
home. Alongside low-carbon design 0
and construction, this is what makes 0
a community sustainable. 0

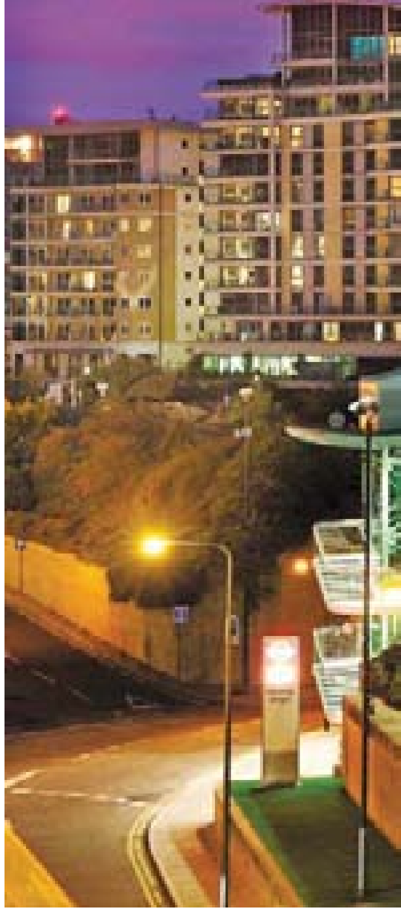
9. ENHANCING LOCAL TRANSPORT 0 & INFRASTRUCTURE0

Top row: 0
Imperial Wharf Train Station0

Middle row, left to right:
Street Car, Grosvenor Waterside0
Computer generated image of proposed Crossrail station at Royal Arsenal Riverside0
Electric car charging points at Beaufort Park0

Bottom row, left to right:
Car Club, Kennet Island, Reading0
Thames Clipper, Royal Arsenal Riverside0

Homes and new buildings do not exist in isolation. They depend on good 0 infrastructure and Berkeley invests to make sure each site is well-connected. 0 This can include railway stations, car clubs, shuttle buses and electric 0 charging points. We regularly make significant contributions to local 0 transport improvements as part of the development process. 0




thames clippers

10. HOMES TO BE PROUD OF0

Top row, left to right:
Battersea Reach, SW180
Post Graduate accommodation for Imperial College at Griffon Studios, SW11 0
Royal Clarence Marina, Hampshire0

Bottom row, left to right:
Kingsbrook Park, Canterbury0
Edenbrook, Fleet0

Berkeley builds a wide range of properties, from exclusive apartments 0 in London to homes for families and first time buyers, and from 0 accommodation for students to detached houses and affordable homes 0 across the South East.0

They all receive the same attention to detail and the design of each of our 0 developments is bespoke. There is no standard Berkeley scheme or home. 0 We pride ourselves on the highest standards of design and construction as 0 we seek to create homes that our customers are proud of. 0

VISION2020 OUR STRATEGY FOR DELIVERING VALUE

Vision2020 provides Berkeley with the framework 0 to meet this ambition and focuses the business 0 on four key impact areas:0

- Running a Sustainable Business 0
- The Customer Experience 00
- Delivering Sustainable Communities 0
- Building Greener Homes0

Berkeley's vision is simple0

"BY 2020 BERKELEY WILL BE ONE 0 OF THE MOST SUCCESSFUL AND 0 SUSTAINABLE BUSINESSES IN BRITAIN"0

DELIVERING THE STRATEGY - HOW AND WHY

Focused in London and the South East, Berkeley's strategy reflects the cyclical nature of property development and seeks 0 to maximise value for shareholders over the long-term in a sustainable and safe way, for an acceptable level of risk. With 0 a strong financial base, it is responsive to market conditions, able to invest, generate cash or protect the balance sheet 0 as conditions dictate. Since 20 9, Berkeley has been in the investment phase of the cycle. This means acquiring land in the 0 right locations, at the right time on the right terms and investing in work in progress on existing sites to meet local demand. 0 While continuing to invest, Berkeley is now transitioning into the delivery and execution phase which requires discipline and 0 flair to maximise value.0

In implementing its strategy, Berkeley concentrates on sites where it can add greatest value, frequently large-scale urban 0 regeneration schemes on brownfield land, where the development solutions are highly complex and take time to create 0 enhanced returns. The expertise required, availability of suitable land and cyclicality of property development mean that 0 there is an optimum size at which to operate this business model. 0

Alongside financial strength there are many more elements that contribute to running a sustainable business. We seek 0 to operate in a manner that touches lightly on the environment through careful management of our impacts. This reduces 0 risk and can reduce operational costs. We are also committed to ensuring the health, safety and well-being of our staff 0 and contractors working in our offices and construction sites. We deliver this through comprehensive health and safety 0 management systems. 0

Berkeley recognises the importance of having a highly skilled, committed and passionate workforce in delivering our 0 vision. We also recognise that we have a responsibility to give something back to the communities in which we work. 0 Both of these elements of running a sustainable business are therefore reflected in our ongoing strategy.0

Our customers are fundamental to our success. We aim to provide them with an exceptional experience throughout the 0 purchasing process and with our aftersales service. We ensure our customers are at the heart of the decisions that we 0 make, from the land that we buy, through development planning to the detailed design, specification and construction 0 of homes and commercial space. Meeting and exceeding our customers' expectations helps secure our reputation and 0 leads to repeat custom, both of which are key in maintaining our financial performance over time. 0

Berkeley is a mixed-use developer and it is important that we realise the sustainability expectations of our commercial 0 customers, as well as our residential customers. We therefore expect the commercial spaces that we design and build 0 to meet the BREEAM Very Good standard.0

Berkeley's strategy for every site is to create a successful, sustainable place. We develop a specific solution, using bespoke 0 design. We do not have standard products. We consistently use specialist architects to design each scheme, whether it 0 consists of 10 or 4,0   homes. 0

Each place we create emerges through the management of a complex series of relationships and processes. Together these 0 deliver the right mix of housing, transport, open space, retail and other facilities. We work very closely with the community 0 to achieve this. Their needs and ideas inform the design. Ultimately, they must take pride in the place and responsibility for 0 its long term success. 0

The homes we build have an environmental impact not only during the construction process but also through their occupation. 0 Designing homes to meet environmental performance standards such as the Code for Sustainable Homes helps minimise these 0 impacts whilst giving us the ability to clearly demonstrate their performance to our customers and other stakeholders. 0

However we know that environmental performance standards alone do not include all of the measures that we could take to 0 reduce the environmental impact of the homes we build. Our strategy therefore commits us to integrating additional measures 0 to reduce this impact where we believe these add value or meet the demands of our stakeholders. One such commitment is to 0 maximise land-use efficiency, which Berkeley achieves through a prevalence to develop on brownfield land. This ensures that 0 ecologically valuable greenfield sites are retained and that the value of brownfield land is realised.0

vision 2020

Our vision for the future

In terms of financial performance, the vision is equally clear:

"TO MAXIMISE SHAREHOLDER VALUE OVER THE LONG-TERM IN A SUSTAINABLE AND SAFE WAY, FOR AN ACCEPTABLE LEVEL OF RISK"

HOW WE MEASURE IT (KEY PERFORMANCE INDICATORS)	PERFORMANCE
Profit Before Tax – measures how much profit has been earned for shareholders in the period. Growth in PBT will depend upon the stage in the cycle.	**£136.2 million** (2010: £110.3 million)
Return on Equity – compares profit before tax to average shareholders' funds and is a measure of the effectiveness and efficiency of how the strategy has been implemented.	**15.3%** (2010: 13.3%)
Operating Margin – is a measure of the quality of profit - it compares profit to revenue and reflects both selling price performance and control of costs.	**18.3%** (2010: 17.3%)
Forward Sales – is the future cash inflow secured by advance sales to customers. Maximising forward sales provides visibility for investment in new and existing sites.	**£813.5 million** (2010: £648.1 million)
Land Bank – Berkeley's long-term success is dependent upon the value created in the land bank which we express as the value of estimated future gross margin to be earned from our sites.	**£2.3 billion** (2010: £2.0 billion)
RIDDOR accident incident rate – an indicator of health and safety performance that measures the number of fatalities, major incidents and over three day absences per 1,0 people working on our construction sites.	**3.63** (2010: 3.83)
Total direct operational carbon emissions per operative on site – is used to measure our normalised year-on-year change in our direct carbon impact. This indicates the impact of our operations on climate change.	**1.81 tonnes CO_2e** (2010: 1.88 tonnes CO_2e)
Percentage of customers that would "Recommend us to a friend" – is the measure we use to indicate the level of our customers' satisfaction with our product and service.	**96%** (2010: 93%)
Percentage of commercial space completed which achieved BREEAM Very Good – measures the proportion of commercial space we design and build which minimises the environmental impact for our commercial customers.	**45%**
Percentage of homes completed which met the Lifetime Homes standard – Lifetime Homes are designed to be adaptable to people's changing needs over their lifetime, thus preventing social exclusion. This measure therefore indicates the inclusivity of the communities we create.	**29%**
Number of developments achieving the Building for Life Standard – Building for Life is a national standard for well-designed homes and neighbourhoods. We use this measure to demonstrate design quality in the communities we create.	**5** (One Gold and four Silver)
Percentage of homes certified using an environmental performance methodology – this demonstrates the proportion of homes we build that have been designed to minimise environmental impact.	**65%** (2010: 64%)
Percentage of development on brownfield land – this measures the extent to which Berkeley use previously developed land, rather than greenfield land.	**92%** (2010: 10 %)

CHAIRMAN'S STATEMENT

"THE PERFORMANCE OVER THE PAST 12 MONTHS HAS ONCE AGAIN DEMONSTRATED THE EXPERIENCE, EXPERTISE AND HARD WORK OF BERKELEY'S PEOPLE WHO ARE THE KEY TO DELIVERING VALUE IN THE FUTURE."

I AM DELIGHTED THAT IN THE TWO YEARS SINCE SHAREHOLDERS SUPPORTED THE BOARD'S PROPOSAL TO INVEST AT THE RIGHT POINT IN THE CYCLE, BERKELEY HAS MADE GREAT PROGRESS AND ACQUIRED A NUMBER OF EXCELLENT SITES IN LONDON AND THE SOUTH EAST, COMMITTING IN EXCESS OF £50 MILLION TO THE LAND BANK IN THE PROCESS AND LAYING THE FOUNDATION FOR THE NEXT PHASE OF THE GROUP'S STRATEGY.

THE BOARD'S RECOMMENDATION TO RETURN £13 IN CASH OVER THE NEXT TEN YEARS IS THE RESULT OF THESE ACHIEVEMENTS. THE PROPOSED LONG TERM PLAN PUTS IN PLACE AN EXCITING AND CHALLENGING PROPOSITION THAT BUILDS ON THE STRENGTHS OF BERKELEY'S UNIQUE BUSINESS MODEL TO REALISE SIGNIFICANT VALUE IN CASH FOR EXISTING SHAREHOLDERS, YET RETAINS SUFFICIENT WORKING CAPITAL TO INVEST IN THE CONTINUING BUSINESS AND PROVIDES A REAL INCENTIVE FOR MANAGEMENT TO MAXIMISE ITS LONG TERM VALUE. THIS STRATEGIC FRAMEWORK PROVIDES CLARITY OVER THE CORPORATE STRATEGY AND FULLY ALIGNS THE INTERESTS OF MANAGEMENT AND SHAREHOLDERS FOR AN EXTENDED PERIOD – AN ALIGNMENT THAT HAS BEEN SO IMPORTANT TO BERKELEY'S SUCCESS IN THE PAST.

RESULTS

Berkeley is pleased to announce a pre-tax profit of £136.2 million for the year ended 30 April 2011. This is a 23.5% increase on the £110.3 million for the previous year, driven principally by an increase in revenue of 20.7% from £615.3 million to £742.6 million. Operating margin of 18.3% has improved from the 17.3% achieved in the previous year; net finance expense is £1.5 million (2010: net income of £4.4 million) as net cash has reduced from £316.9 million at the start of the year to £42.0 million; and joint ventures have contributed £2.0 million of profit (2010: £0.3 million loss). Basic earnings per share for the year are 72.1 pence, compared to 60.0 pence for the previous year; an increase of 20.2%. The pre-tax return on equity is 15.3% (2010: 13.3%).

Total equity attributable to shareholders increased by £70.8 million to £929.4 million (2010: £858.6 million) following Berkeley's acquisition of 3.6 million shares into treasury at a cost of £28.2 million and a further 0.2 million shares acquired by the Employee Benefit Trust. As a result, net assets per share increased by 72.5 pence (11.4%) to 709.2 pence at 30 April 2011 (2010: 636.7 pence) with 131.0 million net shares in issue at the year end (2010: 134.9 million).

STRATEGIC REVIEW

Focused on London and the South East, Berkeley's strategy reflects the cyclical nature of property development and seeks to optimise returns for shareholders over the long term in a sustainable and safe way. In February 20 9, Berkeley announced a placing which raised net proceeds of £49.7 million which, together with existing cash resources, has enabled the Group to acquire in excess of £500 million of new land and invest an additional £250 million into construction and a new private rental fund in the period to 30 April 2011.

This investment has positioned Berkeley with an enviable land bank and the Board has considered various strategic options for realising its value over the delivery phase taking into account a number of factors which are relevant to Berkeley's business model. Firstly, that Berkeley has a natural size at which it can efficiently add value to the land bank. Secondly, that property development is cyclical and effective management of operational and financial risk is a key requirement of any strategy. Thirdly, the need to provide visibility on both the timing and quantum of returns to shareholders. Finally, a strategy which facilitates investment in land opportunities and construction over the next two years to create long term shareholder value.

As a consequence, the Board is proposing a series of dividends over the next 10 0 years totalling £13 per share in cash payable on or before the following milestones: 0

Dividend per share

30 September 2015 0	£4.340
30 September 2018 0	£4.330
30 September 2021 0	£4.330
0	£13.0

This equates to approximately £1.7 billion based on 131.0 million shares in issue, 0 and represents a premium of 83% to the current net asset value per share of 0 709.2 pence per share.0

In determining the amount and timing of the proposed dividends, the Board has 0 balanced a number of factors, including the availability of working capital and bank 0 facilities, the headroom required to acquire land selectively over the cycle, the 0 visibility of future cash flow provided by the current level of forward sales and 0 has been mindful of the degree of uncertainty in the macro-economic outlook.0

Given the demanding nature of this ambition, it is proposed to put in place a new 0 long term remuneration plan that incentivises management both to deliver this 0 return and to create value in the ongoing business. The Company intends to consult 0 with shareholders on the remuneration plan prior to seeking their approval at the 0 Annual General Meeting on 5 September 2011.0

OUR PEOPLE AND BOARD CHANGES

Berkeley is operating in a sector that has been as hard hit as any by the global 0 financial crisis of the past three years. The performance over the past 12 months has 0 once again demonstrated the experience, expertise and hard work of its people who 0 are the key to delivering value in the future. The Shareholders and Directors would 0 like to take this opportunity to thank Berkeley's people and recognise their 0 exceptional efforts and achievements.0

The Board of Berkeley has evolved over recent years to put in place the succession 0 planning that all successful organisations require and the Board is pleased to 0 announce two further appointments, both of which will take effect following the 0 AGM on 5 September 2011.0

Alison Nimmo will join the Board as a Non-executive Director. Alison is currently 0 Director of Regeneration and Design at the Olympic Delivery Authority and has 0 wide experience in both the public and private sector of delivering complex urban 0 regeneration development projects, most recently responsible for delivering the 0 2012 Olympic and Paralympic venues. Berkeley continues to consider opportunities 0 to make further Non-executive appointments. Greg Fry, who stepped down from the 0 Board in September 2010, has accepted an invitation to re-join the Board to oversee 0 the delivery of the St George developments through the period of the proposed 0 shareholder return. Berkeley is delighted that it has been able to secure the 0 expertise and experience that Greg brings to the business. 0

Tony Pidgley
Chairman

15.3%
pre-tax return on equity (2010: 13.3%)

£2.3 billion
future gross margin in the land bank – an increase of 13.1%

£50 million
of new land acquired over the last two years

MANAGING DIRECTOR'S REVIEW

"BY INVESTING IN THE LAND BANK EARLY IN THE CYCLE DURING THE LAST TWO YEARS AND TAKING OUT THE PLANNING RISK WHEREVER POSSIBLE, THE GROUP IS NOW WELL POSITIONED TO DELIVER FURTHER GROWTH IN EARNINGS TO THE EXTENT MARKET CONDITIONS ALLOW. THE FOCUS OF THE LONG TERM STRATEGY IS TURNING THIS TACTICAL ADVANTAGE INTO STRONG AND TANGIBLE RETURNS FOR SHAREHOLDERS OVER THE NEXT 10 YEARS."

BERKELEY HAS PERFORMED STRONGLY DURING THE YEAR, EXCEEDING THE TARGETS SET FOR BOTH RETURN ON EQUITY AND LAND BANK GROWTH. THE 20.2% GROWTH IN EARNINGS PER SHARE REFLECTS THE DEPTH OF DEMAND FOR WELL LOCATED PROPERTY IN LONDON AND THE SOUTH EAST WHERE SUPPLY IS CONSTRAINED AND BERKELEY HAS THE LAND AND EXPERTISE TO DELIVER QUALITY HOMES AND PLACES. IN ADDITION, BERKELEY HAS ACQUIRED SOME 3,600 PLOTS ACROSS 24 SITES IN EXCELLENT LOCATIONS DURING THE YEAR, AND HAS INCREASED THE NUMBER OF ACTIVE SITES IN LINE WITH OUR STRATEGY TO INVEST AT THIS POINT IN THE CYCLE.

THE INCREASE IN FORWARD SALES OF 25.5%, LAND BANK GROWTH OF 13.1% AND OUR PLANNING SUCCESSES CONTRIBUTE TO AN IMPROVEMENT IN OPERATIONAL VISIBILITY. THIS PROVIDES US WITH CONFIDENCE THAT BERKELEY CAN MAINTAIN THE RATE OF EARNINGS GROWTH IN THE CURRENT YEAR AND INCREASE THE VALUE OF THE LAND BANK OVER THE NEXT TWO YEARS, THROUGH A COMBINATION OF OPTIMISATION AND LAND ACQUISITION, BEFORE COMMENCING THE RETURN IN CASH TO SHAREHOLDERS ENVISAGED IN THE LONG TERM PLAN.

HOUSING MARKET

Overall sales reservations were some 30% ahead of last year resulting in an improved operating performance. Underlying the improvement in overall sales has been the release of an additional net 15 sites to the market and continuing strength of demand in London.

Average visitors per site were broadly consistent with the previous year indicating resilience in the UK domestic market, while the release of new schemes in London, which traditionally attract international purchasers, has largely driven the increase in forward sales of 25.5% in the year, from £648.1 million to £813.5 million. Investors in both the UK and overseas continue to account for approximately 50% of sales. The London and South East market continues to be characterised by a shortage of supply and there is demand for quality new homes, particularly where these are located in areas with good infrastructure, transport, employment and amenities. In these locations, mortgage availability has not been a significant constraint to demand as approximately 50% of Berkeley customers do not require a mortgage.

Build costs have remained broadly stable during the year. The long term threat to the cost base comes from further regulation of the industry, be this through building regulations, design standard or planning tariffs. Regulators need to work with developers to create an environment in which the priority is the delivery of homes that are well designed, comfortable and affordable where customers want to live.

Achieving commercially viable planning consents in the current market remains an industry wide challenge. It is too early to fully assess the impact of Localism on planning although Berkeley has always been fully supportive of local decision making and our policy has always been to consult widely with the local community. The likelihood is that we will now have to consult at an even earlier stage in order to gauge the reaction of the local community to our proposals and this will entail working up a scheme in more detail even sooner, with its attendant cost. We will thus, continue to place emphasis on the importance of building good relationships with Local Authorities and communities. Positively, there are a number of recent initiatives introduced by the Government that provide greater certainty within the planning environment. These include: a presumption in favour of sustainable development; the more efficient processing of planning applications; the New Homes Bonus; a review of the role of local housing targets; and consultation on proposals to make it easier to convert commercial property to residential.

BERKELEY CONCENTRATES ON SITES WHERE IT CAN ADD THE GREATEST VALUE, FREQUENTLY LARGE-SCALE URBAN REGENERATION SCHEMES ON BROWNFIELD LAND, WHERE THE DEVELOPMENT SOLUTIONS ARE HIGHLY COMPLEX AND TAKE TIME TO CREATE ENHANCED RETURNS.

THE DEVELOPMENT CYCLE

1. LAND IDENTIFICATION AND ACQUISITION

- Acquiring selectively in the right locations where Berkeley has a competitive advantage, where there is underlying demand for new homes and where Berkeley can add value through its development expertise
- Adding value to existing land bank through optimisation
- Using innovative approaches to developing land – regeneration of Government land (e.g. Kidbrooke, Woodberry Down, Dickens Yard) or working with joint venture partners (e.g. St Edward)

2. PLANNING

- Forging long term partnerships with Local Authorities
- Having a vision for creating places people aspire to live in with a focus on design, placemaking and public realm
- Building relationships and undertaking close consultation with all stakeholders, including local communities and planning authorities
- Maintaining a reputation for delivery and quality

3. PRODUCT

- Maintaining a breadth of product and innovation in terms of design – e.g. executive houses, refurbished buildings, student accommodation, extra care or simply designing flats with innovative storage and use of space
- A relentless attention to detail
- Committing to sector leading design standards and building sustainable developments

4. CONSTRUCTION

- Matching supply to demand and controlling work in progress
- Controlling quality and retaining flexibility
- Taking ownership of health & safety and sustainability

5. SALES

- Selling forward early to take risk out of the development cycle
- Focusing on markets we know intimately – London and the South East
- Understanding the demand from overseas markets
- Reacting to market conditions and the opportunities they present – e.g. working with the HCA to launch a private rental fund, working in partnership with universities to deliver student accommodation

3,612

new plots were added to the land bank in the year

There are now considerably less public funds available to contribute to the financing 0 of affordable housing and this, together with escalating other S106 requirements 0 will threaten the commercial viability of some schemes. The combination of these 0 two factors allied to the localism will impact on housing supply. Berkeley, however, 0 is accustomed to dealing with complexities of this nature and it is difficult planning 0 conditions such as these that we relish, since expertise, professionalism and a track 0 record of delivery become vital to success. 0

LAND HOLDINGS

At 30 April 2011, the Group (including joint ventures) controlled some 27,026 plots 0 with an estimated gross margin of £2,304 million. This compares with 28,099 plots 0 and an estimated gross margin of £2,038 million at 30 April 2010. Of the total 0 27,026 plots, 26,865 plots (2010: 27,094) are owned and included on the balance 0 sheet. In addition, 147 plots (2010: 935) are contracted and 14 plots (2010: 70) have 0 terms agreed. In excess of 95% of our holdings are on brownfield or recycled land. 0

The movements in the land bank during the year reflect the addition of 3,612 new 0 plots, net of 2,708 units taken to sales (including St Edward Homes) in the year and 0 the reclassification of 890 homes which are earmarked for the private rental fund. 0 In addition, a further 425 plots previously included in the land bank were disposed 0 of as land sales in the year. A combination of a greater proportion of land acquired 0 in London and the effect of changes to the mix of properties on certain sites to 0 favour larger properties and housing in place of flats has resulted in a reduction 0 in the number of plots and at the same time increased the potential future gross 0 margin and average selling price in the land bank. 0

The 3,612 new plots added to the land bank in the year were across 24 new sites. 0 These include: complex prime London sites of between 200 and 80 units each in 0 Westminster, Kensington, the City and Hammersmith Embankment; traditional sites 0 in St Albans and Oxford; a site in Horsham for over 1,00 units acquired through 0 strategic land in Berkeley's long-term pipeline; and a number of small sites in the 0 southern Home Counties and Oxfordshire of up to 20 homes each. All of the sites 0 agreed are in excellent locations in London and the South East with strong 0 underlying demand for quality new homes where Berkeley can create vibrant 0 new communities and enhance value through its development expertise. 0

LAND HOLDINGS	**April 2011**	**Variance**	**April 2010**
Owned0	26,8650	– 2290	27,0940
Contracted0	1470	– 7880	9350
Agreed0	140	– 560	70
Plots *0	27,0260	– 1,0730	28,0990
Sales value0	£8,135m0	+ £915m0	£7,220m0
Average selling price0	£301k0	+ £44k0	£257k0
Average plot cost0	£44k0	+ £8k0	£36k0
Land cost 0	14.6%0	+ 0.6%0	14.0% 0
Gross margin0	£2,304m0	+ £266m0	£2,038m0
GM0	28.3%0	+ 0.1%0	28.2%0

* Includes 1,548 plots within joint ventures 0 at 30 April 2011 (30 April 2010: 1,50)0

In addition to the 27,026 plots in its land bank, and after accounting for the transfer 0 of the site at Horsham acquired in the period to the land bank, Berkeley continues 0 to have approximately 10,00 plots in its long-term pipeline, which it envisages 0 delivering over the next ten years. This includes the latter phases of Kidbrooke 0 and Woodberry Down, strategic land and a number of sites being worked up within 0 St Edward Homes, Berkeley's joint venture with Prudential. Of a more long-term nature, 0 Berkeley hopes these sites will come through into the land bank but they currently 0 have an uncertain outcome due to planning policy or vacant possession issues. 0

In terms of planning, Berkeley has achieved new or revised planning consents on 29 of its development sites. These include new planning consents on sites in Belgravia, Westminster, Greenwich, Vauxhall, Southwark, Hackney, Roehampton and Oxford, and revised consents for schemes in Battersea, Acton and Reading and the second phase of the student scheme being developed in Clapham for Imperial College.

290

Berkeley has achieved new or revised planning consents on 29 of its development sites

ST EDWARD HOMES

St Edward Homes is Berkeley's joint venture with Prudential and currently owns three development sites which include some 1,548 plots. These are: 375 Kensington High Street, which is in production and has been successfully launched to the market in this year; Stanmore Place, where the first two phases are complete and which received a Building for Life Gold Award in the year; and 190 Strand, which received a resolution to grant planning for 206 homes in the year. In addition, Berkeley continues to work with Prudential to identify further sites to which St Edward Homes can add value and three of these are in the long-term pipeline.

At 30 April 2011, Berkeley's investment in St Edward Homes stood at £38.6 million. At the same time as the refinancing of the Group's corporate facilities, St Edward Homes put in place a five-year £60 million facility which will support a planned level of construction and enable St Edward to deliver the first phase of its development at 375 Kensington High Street in 2013/14.

£38.6 million

Berkeley's investment in St. Edward Homes in April 2011

PRIVATE RENTAL FUND

During the year, Berkeley established a private rental fund with support from the Homes and Communities Agency which, at 30 April 2011, comprised 215 properties. Rental demand for these properties has been strong, reflecting the underlying attraction of the homes Berkeley develops. When complete the fund is expected to comprise some 890 properties which will be available for rent. This is a good example of how the supply of new homes can be increased if the public and private sector work collaboratively to find innovative solutions to the challenge.

2150

During the year, Berkeley established a private rental fund with support from the Homes and Communities Agency which, at 30 April 2011, comprised 215 properties, with a further 675 to come

SUSTAINABILITY

Berkeley's approach to sustainability reflects its core philosophy on place-making which is focused on the customer and creating successful, cohesive communities where people want to live and that will stand the test of time. This begins with acquiring land in the right locations and then developing schemes with an emphasis on good design, public realm, transport, open space and access to employment and amenities – the things people look for from a home they are proud of. This approach was captured last year in the launch of Vision2020, a total business strategy for the whole Berkeley Group, designed to make us one of the most successful and sustainable businesses in Britain. It sets ambitious, sector-leading objectives in the following four areas: The Customer Experience; Delivering Sustainable Communities; Building Greener Homes; and Running a Sustainable Business.

This scale of commitment helped Berkeley rank first, for the fourth year running, in the NextGeneration index, which benchmarks the Top 25 UK home builders on sustainability. Noting the significant progress made by the industry over recent years on the environmental dimensions of sustainability, such as energy and carbon reduction, this year's benchmark focused on the role that developers play in addressing social and economic issues. Berkeley was also delighted to win PwC's Building Public Trust Award for its Sustainability Report and remains honoured to hold a Queen's Award for Enterprise in the Sustainable Development category.

1st0

for the fourth year running, in the NextGeneration index, which benchmarks the Top 25 UK home builders on sustainability

AWARDS

In addition to its sustainability achievements, Berkeley is delighted to have won a series of prestigious awards during the year, that endorse the quality we strive for in the business. These include: Housebuilder of the Year at the 2011 Building Awards, for the second consecutive year; Sustainable Housebuilder of the Year at the 2010 Housebuilder Awards; and, at the Property Week 2011 Awards, receiving the Residential Achievement of the Year Award for establishing a private rental fund with the Homes and Communities Agency. Berkeley was again winner in its sector in Management Today's Britain's Most Admired Companies listing, advancing to 6th place overall.

Alongside the focus on our customers, the safety of our people is of paramount importance to Berkeley and Berkeley's incident rate remains well below the industry average. Our commitment to health and safety in the workplace has been recognised by several awards schemes over the year; most notably in the NHBC Health & Safety Awards, with St George named National Winner in the Best Sites Awards for The Tower, One St George Wharf. Four other Berkeley Group sites were highly commended. In addition, St George was presented with a Gold Medal Award at the 2011 RoSPA Awards. These are presented to organisations which have achieved five to nine consecutive Gold Awards. The Group also received a further 14 Gold Awards in the RoSPA Awards.

OUTLOOK

Berkeley is confident that its current financial position, which includes the quality land bank, when combined with the proposed long-term strategic plan, provides the right environment in which its management expertise can create enhanced returns in a market where residual uncertainties from the financial downturn continue to affect the sector and the wider economy.

By investing in the land bank early in the cycle during the last two years and taking out the planning risk wherever possible, the Group is now well positioned to deliver further growth in earnings to the extent market conditions allow. The focus of the long term strategy is turning this tactical advantage into strong and tangible returns for shareholders over the next 10 years.

In the short term, the imbalance of supply and demand in the best locations and London's position as a world city is expected to underpin current market conditions. Over the long term, history shows that residential property, as well as being a home, is likely to be one of the best forms of investment.

Rob Perrins
Managing Director

TRADING AND 0 FINANCIAL REVIEW0

"THE 20.2% GROWTH IN EARNINGS 0 PER SHARE REFLECTS THE DEPTH 0 OF DEMAND FOR WELL LOCATED 0 PROPERTY IN LONDON AND THE 0 SOUTH EAST WHERE SUPPLY IS 0 CONSTRAINED AND BERKELEY 0 HAS THE LAND AND EXPERTISE 0 TO DELIVER QUALITY HOMES 0 AND PLACES."0

TRADING ANALYSIS

Revenue for the Group was £742.6 million (2010: £615.3 million), comprising 0 £721.4 million (2010: £595.7 million) of residential revenue, of which £13.8 million 0 (2010: none) was from land sales, and £21.2 million (2010: £19.6 million) of 0 commercial revenue.0

During the year, the Group sold 2,544 homes at an average selling price of £271,00 . 0 This compares with 2,201 units at an average selling price of £263,00 last year. 0 Berkeley's average selling price always fluctuates due to sales mix. £271,00 is 0 slightly lower than the average selling price of units in the land bank and, like the 0 £263,0 for last year, reflects a relatively high proportion of sales of homes with 0 a lower capital value, including a 374 room student scheme in Oxford, as opposed to 0 a fluctuation in underlying sales prices. The revenue from land sales of £13.8 million 0 reflects the disposal of three sites in the second half of the year. It has always been 0 the Group's policy to take advantage of suitable land sale opportunities where the 0 commercial and strategic reasons are compelling, although its performance does 0 not depend on realising such opportunities.0

At £21.2 million (2010: £19.6 million), revenue from commercial activities 0 represents the disposal of commercial units on nine of the Group's mixed-use sites. 0 The most significant of these were the disposal of 22,00 ft^2 of retail space at 0 Raynes Park, which was pre-let to Waitrose as a supermarket and 64,500 ft^2 at 0 Reading which is in use as a Post Office sorting depot and builders' merchant yard.0

HEADLINE RESULTS	April 2011 £'million*	April 2010 £'million*	Change %
Revenue0	742.60	615.30	+20.7%0
Operating profit0	135.70	106.20	+27.8%0
Net finance (costs)/income0	(1.5)0	4.40	
Joint ventures0	2.0	(0.3)0	
Profit before tax0	136.20	110.30	+23.5%0
Tax0	(41.8)0	(30.8)0	
Profit after tax0	94.40	79.50	+18.7%0
EPS - basic0	72.1p0	60.0p0	+20.2%0
Return on equity0	15.3%0	13.3%0	
Units sold (units)0	2,5440	2,2010	
Average selling price (£'00)0	2710	2630	

* unless otherwise stated0

PROFIT BEFORE TAX

Profit before tax increased by £25.9 million to £136.2 million, an increase of 23.5%. 0
Three principal reasons have contributed to this £25.9 million increase.0

	£ million0
Profit before tax: 20 9/10 0	110.30
Operating activities 0	+29.50
Interest 0	-5.90
Joint ventures 0	+2.30
Profit before tax: 2010/11 0	136.20

Operating profit has increased by £29.5 million, there was a net finance cost of 0 £1.5 million this year compared to net finance income of £4.4 million last year, 0 a net movement of £5.9 million, and joint ventures contributed a profit of £2.0 0 million compared to a loss of £0.3 million last year, a net increase of £2.3 million.0

The increase in operating profit of 27.8% to £135.7 million is largely driven by an 0 increase in Group turnover, as well as an increase in Berkeley's net operating margin 0 to 18.3% from 17.3% last year. The Group's operating margin has fluctuated around 0 this level in recent reporting periods, influenced largely by sales mix, as well as the 0 prevailing market conditions, with a higher proportion of property in London 0 completing this year.0

18.3%

Operating margin
(2010: 17.3%)

Net finance costs of £1.5 million compares to net finance income for the year ended 0 30 April 2010 of £4.4 million, a net movement of £5.9 million. The two principal 0 reasons for the change are higher finance costs due to financing and re-financing 0 facilities and lower average net cash balances in the year reflecting the significant 0 expenditure on working capital, and higher imputed finance costs on taxation and 0 deferred land creditors. 0

Berkeley's share of the post-tax results of joint ventures was £2.0 million, compared 0 to a loss of £0.3 million last year. This year's result includes the sale of 164 homes at 0 an average selling price of £251,00 by St Edward Homes, Berkeley's joint venture 0 with Prudential.0

EARNINGS PER SHARE

Basic earnings per share are 72.1 pence compared to 60.0 pence last year, 0 an increase of 20.2%. Of this increase, 19.4% is due to the increase in earnings 0 (profit after tax) with the remaining 0.8% increase due to a decrease in the 0 weighted average number of shares in issue to 131,962,00 (2010: 132,824,00).0

72.1 pence

Basic earnings per share, an increase of 20.2%

CASH FLOW

Over the course of the year, net cash reduced by £274.9 million, from £316.9 million 0 at 30 April 2010 to £42.0 million at 30 April 2011. There are six elements to the 0 Group's cash flow:0

Profit before tax of £136.2 million was up £25.9 million from £110.3 million in 2010.0

Berkeley's strategy to invest in both new land and production on its existing sites 0 has resulted in a significant working capital outflow this year of £345.1 million, 0 predominantly due to increases in land of £207.4 million and in build work in 0 progress and stock of £151.7m. Working capital was broadly neutral over the 0 course of 20 9/10 with increased land expenditure offsetting an increase 0 in deposits and on account receipts from customers.0

The Group paid tax of £32.6 million, compared to £12.4 million in the previous year, 0 which benefitted from the tax effect of settling share schemes.0

There was a net cash outflow of £11.0 million from investing activities which 0 primarily relates to investments in and loans to the St Edward joint venture.0

Non cash items and other movements, which principally relate to timing differences 0 on interest receipts and payments and the effects of share based payments 0 accounting are £7.6 million, compared to £4.7 million last year.0

Finally, cash flows from financing activities were an outflow of £30.0 million 0 compared to an outflow of £25.4 million last year. The £30.0 million arises from 0 the acquisition of own shares purchased in the year. Last year, the £25.4 million 0 outflow related to the cost of settling awards under share schemes.0

CASH FLOW AND NET ASSETS	April 2011 £'million*	April 2010 £'million*
Profit before tax0	136.20	110.30
Increase in inventory - land0	(207.4)0	(85.2)0
Increase in inventory - build WIP & stock0	(151.7)0	(25.9)0
Other working capital movements0	14.0	92.20
Acquisition of Saad Berkeley joint ventures0	–0	(17.7)0
Taxation0	(32.6)0	(12.4)0
Investing activities0	(11.0)0	(8.5)0
Non-cash and other movements0	7.60	4.70
	(244.9)0	57.50
Share purchases0	(30.0)0	(12.8)0
Cash settlement of employee share schemes0	–0	(12.6)0
(Decrease)/Increase in net cash0	(274.9)0	32.10
Opening net cash0	316.90	284.80
Closing net cash0	42.0	316.90
Capital employed0	891.80	545.40
Net assets0	933.80	862.30
Non-controlling Interest0	(4.4)0	(3.7)0
Net assets attributable to shareholders0	929.40	858.60
Net assets per share0	709.2p0	636.7p0

* unless otherwise stated0

CHANGE IN INVENTORY	30 April 2011 £'million	Movements £'million	30 April 2010 £'million
Land not under development0	316.60	74.50	242.10
Work in progress: Land cost0	631.90	132.90	499.0
	948.50	207.40	741.10
Work in progress: Build cost0	615.70	169.0	446.70
Completed units0	49.0	(17.3)0	66.30
	1,613.20	359.10	1,254.10

FINANCIAL POSITION

Net assets attributable to shareholders increased by £70.8 million to £929.4 million 0 from £858.6 million last year end and net assets per share have risen by 72.5 pence 0 to 709.2 pence from 636.7 pence last year end.0

The Group's balance sheet includes £4.4 million of non-controlling interest representing 0 Imperial College's 49% share in a fully consolidated subsidiary formed to develop the 0 site at Winstanley Road, in Clapham. Consequently the combined net assets attributable 0 to shareholders of the Group and attributable to non-controlling interest stand at £933.8 0 million, up £71.5 million from £862.3 million a year ago. This net increase of £71.5 million 0 represents a net cash outflow in the year of £274.9 million offset by a £346.4 million 0 increase in capital employed.0

The £346.4 million increase in capital employed principally relates to the increase in 0 working capital (including non-cash movements) in the year of £300.2 million combined 0 with an increase in non-current assets of £46.2 million.0

The overall net £300.2 million working capital increase reflects increases in inventory, 0 debtors and trade and other payables. 0

Berkeley's strategy to invest in both new land and production in the period has resulted in 0 the cost of inventory in the balance sheet increasing by £359.1 million to £1,613.2 million, 0 with land increasing by £207.4 million to £948.5 million and build work in progress and 0 stock increasing by £151.7 million to £664.7 million.0

This investment has been financed by the reduction in net cash and an increase in 0 creditors, with trade payables and accruals increasing by £74.0 million to £299.8 million, 0 land creditors increasing by £2.6 million to £66.4 million and deposits and on account 0 receipts increasing by £10.4 million to £472.0 million. 0

Debtors have also increased by £39.0 million due to a higher level of legal completions 0 towards the end of the year.0

Non-current assets have increased by £46.2 million to £113.9 million at 30 April 2011. 0 The balance sheet includes £28.6 million (2010: nil) of investment properties which 0 are carried at cost. These properties are included in a rental fund to which the Homes & 0 Communities Agency has provided a loan of £6.5 million at 30 April 2011. In addition there 0 has been a net investment in the Group's joint ventures of £12.7 million during the year.0

RETURN ON EQUITY

Return on equity for the year was 15.3% compared to 13.3% last year. This reflects 0 a 23.5% increase in profit before tax and a 7.7% increase in average equity for the year.0

TAXATION

The Group's policy is to pay the amount of tax legally due and to observe all applicable 0 rules and regulations. At the same time we have an obligation to maximise shareholder 0 value and to manage financial and reputational risk. This includes minimising and controlling 0 our tax costs, as we look to do for all costs of our business. Factors that may affect the 0 Group's tax charge include changes in legislation, the impact of corporate activity 0 (restructuring, acquisitions, disposals, etc), the resolution of open tax issues from prior 0 years and planning opportunities. The Group makes provisions for potential tax liabilities 0 that may arise, however the amount ultimately paid may differ from the amount accrued.0

£450 million

Committed bank facilities increased from £30 million and term extended

BANKING

In the second half of the year, Berkeley increased its committed corporate bank facilities from £30 million to £450 million, of which £20 million expires in November 2013 and £250 million in April 2016. These facilities provide certainty of available finance for the next five years to underpin Berkeley's strategy. Berkeley also has a £68.0 million site specific bank facility in respect of the student scheme it is developing with Imperial College in Clapham, of which £17.5 million was drawn at the year end.

JOINT VENTURES

At 30 April 2011, Berkeley's investment in St Edward Homes stood at £38.6 million. At the same time as the refinancing of the Group's corporate facilities, St Edward Homes put in place a five-year £60 million facility which will support a planned level of construction and enable St Edward to deliver the first phase of its development at 375 Kensington High Street in 2013/14.

FINANCIAL RISK

The Group finances its operations by a combination of shareholders' funds, non-controlling interest, deposits and on account receipts and, where taken out, 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:

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

Market credit risk - the risk that a counterparty will default on their contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk encompasses the current assets set out in note 22 to the consolidated financial statements which comprise cash in hand and trade receivables.

Market interest rate risk - the risk that Group financing activities are adversely affected by fluctuation in market interest rates.

The Board approves treasury policy and senior management control day-to-day operations. Relationships with banks and cash management are co-ordinated centrally. The objectives of the treasury policy are to maintain an appropriate capital structure and in doing so manage the financial risks identified above. The procedures for mitigation of the financial risks are set out in note 22 of the consolidated financial statements.

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 which have been considered by the Board include, but are not limited to the risks as set out on pages 40 and 41.

The Internal Control section within the Corporate Governance report on pages 65 to 69 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.

Nick Simpkin
Finance Director

Computer generated image of the public realm at Riverlight, SW8

BERKELEY'S PRINCIPAL OPERATING RISKS

RISK DESCRIPTIONS	IMPACT	MITIGATION
Macro economic climate		
• Overall "feel-good factor" within 0 the UK economy 0 • Employment levels0	• The level of economic confidence has a direct 0 impact on the demand for housing and hence the 0 Group's ability to deliver its corporate strategy 0 and targets0	• Continual assessment of economic conditions 0 and marketplace0 • Business strategy reflects cyclical nature of property 0 development and is regularly reviewed to ensure it 0 matches prevailing market conditions0 • Regular assessment of levels of committed expenditure 0 to secured income and bank facilities available0
Health and safety		
• Adequate procedures and systems not in place to mitigate, as far as possible, the dangers 0 inherent in the construction process 0	• Site accidents or site related catastrophes, including fire and flood can result in serious 0 injury or loss of life0 • Potential consequences include the inability to attract the best staff, business interruption and 0 reputational damage 0	• Board level Sustainability/Health & Safety Committee has the responsibility of setting the direction of the 0 Group's strategy0 • Dedicated Health & Safety teams in place at each division and at Group, with procedures, training and 0 reporting all regularly reviewed to ensure high 0 standards are maintained0 • Comprehensive accident investigation 0 procedures in place0
People		
• Inability to attract and retain the best people working in the industry 0	• Failure to consider the retention and succession 0 of key management could result in lost experience 0 and knowledge from the business 0	• Remuneration packages constantly reviewed to ensure they are competitive0 • Succession planning regularly reviewed 0 at divisional and Main Board level0 • Close relationships and dialogue with key personnel0
Government policy		
• Changes to government policy on housing (at both national and local level), including 0 planning, affordable housing requirements 0 and planning gain obligations0	• These all impact on the Group's business and any adverse policies would restrict the ability of the 0 Group to deliver its strategy 0	• Effects of changes to planning policies at all levels closely monitored, and representations 0 made where necessary0 • Experienced teams with strong planning expertise0
Product quality		
• Berkeley's product not meeting the high standards of quality for which it is renowned 0	• If product quality is not maintained, it would expose the Group to reputational damage, 0 as well as reduced sales and increased cost 0	• Beginning with design, detailed review of the product is undertaken throughout the build process by 0 experienced personnel0 • Local director sign off of units undertaken before 0 serving notice of legal completion0
Land availability		
• Inability to source suitable land to maintain land bank at appropriate margins in a highly 0 competitive market0	• The ability to source suitable land is a key component of the Group's strategy and this 0 would therefore have a direct impact on the 0 Group's profitability0	• Strategy set to acquire land at the right point in the cycle0 • Reputation for delivery0 • Each land acquisition subject to formal appraisal and approval process • Experienced teams with strong market knowledge0

RISK DESCRIPTIONS	IMPACT	MITIGATION
Planning0		
• Delays or refusals in obtaining commercially viable planning permissions on the Group's 0 land holdings that meet its investment 0 return criteria0	• Without planning, the Group is unable to develop the land purchased and hence this has a direct 0 impact on the Group's profitability and the places 0 it is able to create 0	• Full detailed planning assessment and risk assessment in place for each site without planning permission 0 in place0 • Planning status of all sites reviewed at monthly divisional Board meetings and bi-monthly Main 0 Board meetings0 • Strong local relationships are maintained 0 with local authorities and planning officers0 • Reputation for delivery0
Sales price / volume0		
• Inability to match supply to demand in terms of product, location and price 0	• Incorrect assessments can result in missed sales targets and/or inefficient levels of 0 completed stock 0	• Detailed market assessment undertaken of each site before acquisition, as well as ongoing reviews 0 throughout the duration of the site to ensure supply 0 is matched to demand0 • Focus on location, design and product quality to meet local customer aspirations0 • Forward sales are used to take the risk out 0 of the development cycle where possible0
Build cost / programme0		
• In what is a competitive marketplace, build costs are affected by the availability 0 of skilled labour and the price and availability 0 of materials0	• These factors and the relationship with, 0 and performance of, the contractors used 0 by the Group impact on both build cost 0 and programme0	• Procurement strategy for each development agreed by divisional Board before site acquisition0 • Build costs reconciliations and build programme dates are presented and reviewed in detail each month0 • Reputation for fairness with sub-contractors0
Mortgages0		
• The inability for customers to secure sufficient mortgage finance 0	• The lack of mortgage availability would have a direct result on transaction levels 0	• Deposits taken on all sales0 • Broad product mix and customer base reduces reliance on mortgages0 • Work with customers throughout the sales process0
Sustainability0		
• Urban regeneration has a significant impact 0 on the built environment and the communities 0 in which it occurs0	• Sustainability issues are an integral component 0 of the risks listed above0 • Failure to address sustainability issues can 0 affect our ability to acquire land, gain planning 0 permission, manage sites effectively and 0 respond to increasing customer demand 0 for sustainable homes0	• Vision2020 strategy places sustainability 0 at the forefront of all business processes0 • Board level Sustainability/Health & Safety Committee 0 has the responsibility of setting the direction of the 0 Group's strategy and ensuring it is aligned with 0 business objectives0 • Sustainability assessments built into land purchases 0 and planning applications0 • For more details of how these risks are managed, 0 please see our Sustainability Report0

SUSTAINABILITY REVIEW

SUSTAINABILITY IS AT THE HEART OF BERKELEY

Berkeley is passionate about its commitment to sustainability. It is integrated into all decision making, both in terms of the day to day management of the business, and the homes and communities built by the Group. In the past, the sustainability strategy was integrated into the wider business strategy; today, it has become the strategy for the business, and with it, the realisation that sustainability performance and financial performance are inter-dependent. Berkeley believes that this approach has contributed to its strong financial performance and has given the Group a definitive competitive advantage over its peers.

Complete information on Berkeley's sustainability impacts, actions and achievements can be found on the website and in the 2011 Sustainability Report, which is self-certified to Level B of the Global Reporting Initiative (GRI) Sustainability Reporting Framework. The GRI Framework sets out principles and indicators for measuring and reporting on economic, environmental and social performance in a balanced and transparent manner.

DELIVERING SUSTAINABLE COMMUNITIES

Fundamental to the success of Berkeley's strategy is the understanding that long-term value is not only generated through the homes that are built, but through the communities which are created. These communities must be inherently sustainable if they are to deliver a successful, long-lasting legacy.

There is no single approach to creating a sustainable community, rather each community Berkeley develops represents a unique combination of elements that are suited to their particular context.

LEADING THE SECTOR

Berkeley's strong sustainability commitment and performance continues to be recognised externally through awards and the two external benchmarks which have been consistently used to help guide its strategy and assess performance relative to its peers – NextGeneration and FTSE4Good. Berkeley was ranked first, for the fourth year running, in the NextGeneration benchmark, which ranks the top 25 UK homebuilders according to their sustainability strategy and performance. This year's benchmark focused on sustainable communities and the role that developers play in addressing social and economic issues. FTSE4Good measures the performance of companies that meet globally recognised corporate responsibility standards, and aims to promote investment in those companies. Berkeley has been listed in FTSE4Good since 20 2 and retained its listing in the latest index review in March 2011.

Berkeley is proud to hold the prestigious Queen's Award for Enterprise: Sustainable Development, which was awarded in 2008, and retained for five years. This award recognises companies which have made outstanding advances in performance or have a high level of continuous achievement in sustainable development. On winning the award, Berkeley was praised for its strong leadership, promoting best practice in the sector and embedding sustainability throughout the entire business operations.

Berkeley has also won numerous industry awards this year including Sustainable Housebuilder of the Year at the What House Awards and the PwC Building Public Trust Award for its Sustainability Report. A number of projects have also been recognised for their individual sustainability achievements, including a Building for Life Gold Standard for Stanmore Place. External recognition for Berkeley's strong Health & Safety performance has included 14 RoSPA Gold Awards and 1 Gold Medal Award. Berkeley was also recognised at the NHBC Health and Safety Awards through winning the National Winner Best Site Award for The Tower at St George Wharf and achieving a further seven commendations.

VISION2020

In 2010 Berkeley launched Vision2020, an ambitious ten-year sustainability strategy that defines how it wants the business to perform by 2020 and how it is going to get there. Over the past year Berkeley has successfully implemented the strategy whilst also further developing the thinking behind it to ensure that the Group continues to be viewed by its stakeholders as the leader in delivering sustainable homes and communities, as well as being one of the most sustainable businesses in Britain.

Berkeley realises that sustainability and financial performance do not exist in isolation from one another and that delivering value to shareholders is integral to running a sustainable business. This is reflected in Vision2020's headline mission statement illustrated on the right hand side of this page.

To achieve this vision, the strategy is divided into four action areas, which form the framework of Vision2020. Each action areas has its own headline objective.

Each Vision2020 objective is supported by a set of forward thinking, sector leading two-year commitments and future ambitions. These help Berkeley to manage risks, exploit opportunities and continue to drive performance. For further details on Berkeley's sustainability risk and opportunity assessment, please see the 2011 Sustainability Report.

Our vision is that

"BY 2020 BERKELEY WILL BE ONE OF THE MOST SUCCESSFUL AND SUSTAINABLE BUSINESSES IN BRITAIN

We will achieve this by

CREATING BEAUTIFUL PLACES THAT MAKE IT EASY FOR PEOPLE TO LIVE SUSTAINABLE LIVES"

THE CUSTOMER EXPERIENCE

Vision2020 OBJECTIVE

"We will consistently meet or exceed our customers' expectations by delivering well-designed, beautiful homes and communities where they can live happy, healthy and environmentally-efficient lifestyles. The service that we provide to our customers throughout the purchasing process and after completion will be exceptional. Customers will be positioned at the heart of our business and will be central to the decisions that we make"

BUILDING GREENER HOMES

Vision2020 OBJECTIVE

"We will have completed our first zero carbon community and all our new developments will be low or zero carbon. Our proven track record of delivering high quality, well-designed, comfortable homes with low environmental impact will make them highly desirable to customers and will have expanded our market base. Homes built by Berkeley will be recognised throughout the industry as the very best examples of sustainable design and construction"

vision 2020

DELIVERING SUSTAINABLE COMMUNITIES

Vision2020 OBJECTIVE

"We will create high quality, sustainable places where people choose to live, work and spend their time. These will be places that directly encourage the well-being of residents and offer them a space and a base from which to lead safe and fulfilling lives. Our ability to transform sites into thriving communities will be considered the best in our industry. Through our ability both to engage and to deliver, Berkeley will be the developer of choice for local authorities and existing communities"

RUNNING A SUSTAINABLE BUSINESS

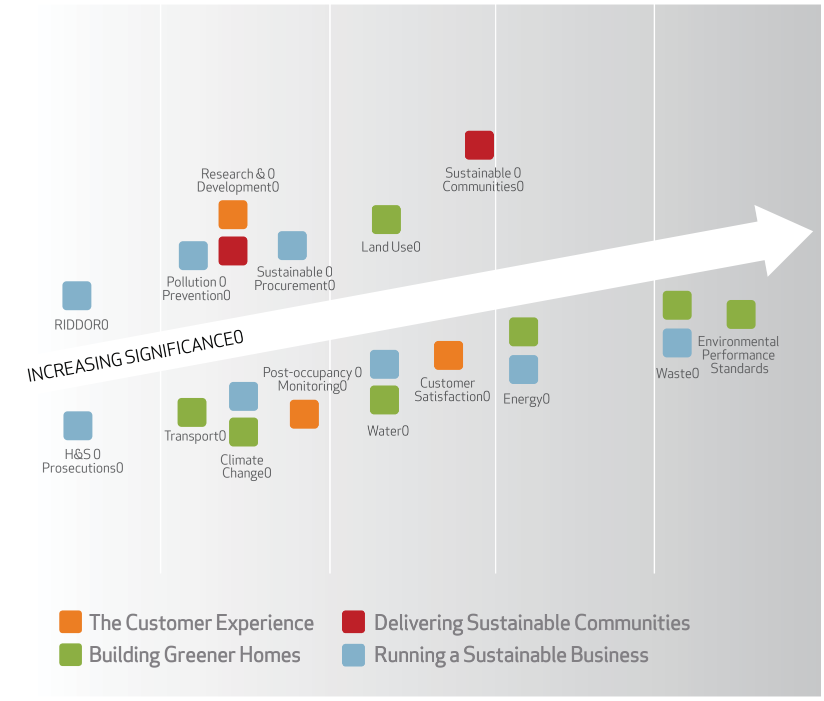
Vision2020 OBJECTIVE

"Sustainability will be fully integrated into our business strategy and operations. Our environmental impact will be as low as possible and our operational sites will be healthy and safe places to work. We will retain a highly skilled and passionate workforce and through The Berkeley Foundation we will have given help to many young people, their families and communities. We will maximise shareholder value over the long-term in a sustainable and safe way, for an acceptable level of risk"

MATERIAL IMPACTS

In order to establish which issues were most pertinent to Berkeley and how best to 0 disclose information relating to these, a materiality review was completed in 2011 0 by applying the five-part materiality test, in line with Global Reporting Initiative 0 guidelines. The results of the materiality review, which sought the views of key 0 stakeholders, identify the most significant issues to Berkeley and align these 0 with the Vision2020 strategy.0

Berkeley Group materiality review: significant issues



GOVERNANCE

Berkeley has a strong governance structure to manage the future direction 0 of the Vision2020 strategy and its implementation within the business. 0

The strategy is led by the Main Board, and supported by the Board-level 0 Sustainability/Health & Safety Committee. This Committee comprises a number 0 of the Group's Board members, and is chaired by Non-executive Director, John Armitt. 0 The role of this Committee is to agree the direction for Berkeley's Sustainability 0 and Health & Safety strategies and ensure that the Sustainability strategy 0 remains closely aligned with Berkeley's business objectives.0

A Berkeley Group Sustainability Working Group oversees the detail, monitoring 0 and implementation of the strategy. The members of this working group include 0 Managing Directors from each of Berkeley's divisions. Further sustainability working 0 group meetings are also held in each division to share best practice and ensure the 0 dissemination and implementation of the strategy at an operational level.0

THE BERKELEY FOUNDATION

Launched in the year, the Berkeley Foundation is designed to capture, 0 co-ordinate and drive forward the Group's corporate social responsibility 0 activities. The objective of the Foundation is to "improve the lives of young 0 people, their families and communities." The main strategic focus is on supporting 0 young people in London and the South East, particularly those not in education, 0 employment or training. We believe there is a direct connection between their 0 fortunes and the success of the places and communities in which Berkeley works.0

With this goal in mind, the Berkeley Foundation will support the following charities 0 over the next 12 months:0

Shelter | The Lord's Taverners | Princess Alice Hospice | Richard House London's First Children's Hospice

Berkeley marked the launch of the Foundation with a charity evening at Horse 0 Guards Parade in March from which over £300,0 was raised for the Mayor's 0 Fund for London and the charities listed above. The Berkeley Foundation is also 0 supporting three Olympians and Paralympians, at the 2012 Olympic and Paralympic 0 Games as well as continuing Berkeley's support for a number of other worthy causes.0

The Berkeley Foundation intends to work with organisations that can model 0 new ways of supporting young people, as well as funding projects and services 0 that have already proved their worth. A new partnership has recently been 0 announced with The Lords Taverners Cricket for Change called "Street Elite". 0 This has been specifically designed to harness the power of rugby, cricket and 0 football to transform the lives of disadvantaged young people. The programme 0 also creates a workforce of young coaches. The initial phase in London will give 0 4,0 young people living in 12 housing estates in 6 boroughs the opportunity 0 to work as a team, play by the rules, and make positive choices about their lives.0

In total, including money raised by the Berkeley Foundation, the Berkeley Group and 0 its staff contributed £0.8 million to charitable and worthy causes during the year.0

The Berkeley Foundation's Objective

"TO IMPROVE THE LIVES 0 OF, AND OPPORTUNITIES 0 FOR YOUNG PEOPLE, 0 THEIR FAMILIES 0 AND COMMUNITIES"0

£0.8 million

contributed to charitable and worthy causes

Children from Greycoat Hospital School in Westminster taking part 0 in a game of Street Elite on one of the Berkeley Group's central 0 London developments.0

2010/11 SUSTAINABILITY 0 PERFORMANCE0

The following section summarises Berkeley's 2010/11 progress against 0 the Vision2020 commitments established in 2010 and against the key 0 performance indicators within each of the four impact areas. 0

THE CUSTOMER EXPERIENCE

Positioning our customers at the heart of every decision we make0

2010/11 PERFORMANCE0

96%0

of customers would 0 "Recommend us to a friend"0

COMMENTARY0

The 2010/11 score of 96% continues the 0 5-year trend of improved customer service 0 performance and emphasises the success of 0 Vision2020 in embedding the commitment 0 to The Customer Experience.0

Achieved BREEAM Very Good 0 on 0

45% 0

of completed commercial 0 developments0

The commitment to sustainability and high 0 environmental performance standards also applies 0 to commercial units. This year, Berkeley completed 0 7,067m^2 of commercial space, of which 45% was 0 certified to BREEAM Very Good. 100% of 0 commercial developments in planning have 0 committed to achieve BREEAM Very Good.0

OTHER PROGRESS IN 2010/110

Completed market research with 26% of 0 customers to establish how sustainability 0 issues influenced purchasing decisions. 0

Communicated Vision2020 to customers via 0 a number of mediums, including brochures, 0 marketing boards, websites and Berkeley's 0 annual reports.0

COMMITMENTS FROM MAY 20110

Survey every customer to measure satisfaction and continue 0 to target that over 90% would recommend us to a friend. 0

Ensure that all commercial space and student accommodation 0 achieves BREEAM Very Good or is capable of achieving BREEAM 0 Very Good if the fit-out is to be undertaken by the tenant.0

AMBITIONS FROM MAY 20120

Install Smart Meters in all new homes to help 0 our customers understand their energy use.0

On selected developments provide customers with a 0 'sustainability options' package which enables them to 0 purchase additional sustainability features for their homes.0

DELIVERING SUSTAINABLE COMMUNITIES

Developing high quality places where people want to live, work and spend leisure time0

2010/11 PERFORMANCE0

29%0

of homes completed 0 met the Lifetime 0 Homes standard0

COMMENTARY0

By designing homes to meet the Lifetime Homes 0 standard, Berkeley ensures those homes are able 0 to adapt to the changing needs of the residents 0 who live in them during their life.0

10 % of homes submitted for planning in 2010/11 committed to apply the Lifetime Homes principles 0 in their design.0

5

schemes achieved 0 Building for 0 Life Standard0

Berkeley demonstrates its commitment to delivering well-designed homes and communities by committing to the Building for Life Silver Standard on all schemes.

In 2010/11, Stanmore Place achieved the Building 0 for Life Gold Standard and a further four schemes achieved the Silver Standard. In addition, 43 schemes in planning have committed to achieving this standard.

OTHER PROGRESS IN 2010/110

Achieved an average score in the 0 Considerate Constructors Scheme of 35.5, 0 higher than the UK all sector average.0

COMMITMENTS FROM MAY 20110

Achieve at least the Building for Life Silver Standard 0 on all new developments.0

Apply Berkeley's Community Engagement Strategy 0 on all planning applications over 500 units.0

AMBITIONS FROM MAY 20120

Publish annually an independently verified assessment 0 of the design quality of all new Berkeley developments.0

Ensure all homes meet the Lifetime Homes standard.0

Some of the main commitments for the coming year and the ambitions 0 for 2012 onwards have been identified in the tables below. A total of 40 0 commitments were made in May 2010 and we have added a further seven 0 new commitments from May 2011. 0

More details on Berkeley's 2010/11 0 sustainability performance and a full 0 explanation of Vision2020 can be found in the 0 2011 Sustainability Report or on our website0 **www.berkeleygroup.co.uk/sustainability**

BUILDING GREENER HOMES

Minimising the environmental impact of our homes0

2010/11 PERFORMANCE0	COMMENTARY0
65%0 of completed homes certified 0 using an environmental 0 performance methodology0	Of the 65% of certified units, 34% were certified to 0 Code for Sustainable Homes Level 3 with the 0 remainder certified using the EcoHomes 0 methodology. In addition, Berkeley started the first 0 Code Level 4 development during 2010/11 at 0 Ropetackle in Shoreham-by-Sea.0
92% 0 of development completed 0 on brownfield land 0	The percentage of development completed on 0 brownfield land dropped below the target of 95% 0 in 2010/11 due to completions occurring on four 0 greenfield sites. In future years, Berkeley expects 0 that this will rise back to the target level as the 0 commitment to brownfield land is reflected in the 0 land purchasing decisions made by the Group.0

OTHER PROGRESS IN 2010/110

10 % of sites submitted for planning are 0 within 1km of a public transport node and 0 provide cycle storage.0

96% of sites submitted for planning have 0 committed to employing an ecologist.0

COMMITMENTS FROM MAY 20110

Design all new homes to achieve at least Level 3 0 of the Code for Sustainable Homes.0

Consider future climate change risks as part 0 of development design and construction.0

AMBITIONS FROM MAY 20120

Design all new homes to achieve Level 4 of the Code 0 for Sustainable Homes.0

Ensure over 75% of completed homes are supplied with 0 energy from renewable or low carbon technologies.0

RUNNING A SUSTAINABLE BUSINESS

Managing the economic, social and environmental impacts of our business0

2010/11 PERFORMANCE0	COMMENTARY0
RIDDOR Accident 0 Incident Rate of0 3.630	The Accident Incident Rate (AIR) achieved is 0.20 0 lower than 2009/10, despite an increase in the 0 number of operatives employed on Berkeley sites. 0 This result is also below the industry average.0
Total Carbon 0 Emissions of 0 1.81 0 tonnes CO_2e 0 per operative0	Berkeley collects data on all direct carbon 0 emissions (electricity, gas, petrol, diesel 0 consumption) and those relating to business travel. 0 In 2010/11, the normalised direct emissions decreased by 3.94% against the 2009/10 baseline.

OTHER PROGRESS IN 2010/110

Reused or recycled 82% of construction, 0 demolition and excavation waste.0

Contributed over 600 hours of staff time to communities and charities.0

Enhanced the Good Work Health 0 & Safety initiative and arranged to 0 run contractor conferences during 0 2011/12 for sub-contractor Directors.0

COMMITMENTS FROM MAY 20110

Reduce operational carbon dioxide emissions 0 by 5% annually until April 2012.0

Reuse or recycle over 80% of construction, 0 demolition and excavation waste.0

AMBITIONS FROM MAY 20120

Achieve a reportable accident rate of less than 3.5 0 incidents per 10   employees and sub-contractors.0

Carry out audits of at least 25% of our suppliers to ensure 0 compliance with our Sustainable Procurement Policy.0

DIRECTORS' REPORT

BOARD OF DIRECTORS

NOMINATION COMMITTEE

A W Pidgley (Chairman), V M Mitchell, D Howell, J Armitt

AUDIT COMMITTEE

D Howell (Chairman), A C Coppin, V M Mitchell

REMUNERATION COMMITTEE

A C Coppin (Chairman), V M Mitchell, J Armitt

COMPANY SECRETARY

R J Stearn

HONORARY LIFE PRESIDENT

Jim Farrer MRICS

Along with Tony Pidgley a co-founder of Berkeley, he was Group Chairman until his retirement in 1992. At that time he was appointed Honorary Life President.

TONY PIDGLEY

Co-founder of Berkeley in 1976 with Jim Farrer. He was appointed Group Chairman on 9 September 20 9, having previously been the Group Managing Director since the formation of the Group in 1976. He is Chairman of the Nomination Committee.

ROB PERRINS BSC (HONS) ACA

Joined Berkeley in 1994 having qualified as a chartered accountant with Ernst & Young in 1991. He was appointed to the Group Main Board on 1 May 20 1 on becoming Managing Director of Berkeley Homes plc. He became Group Finance Director on 2 November 2001, moving to his current role as Group Managing Director on 9 September 20 9.

NICK SIMPKIN ACA

Joined Berkeley in 2002 and has held a number of senior finance positions including Finance Director of St James and Head of Finance for the Berkeley Group. He joined the Group Main Board and became Group Finance Director on 10 September 20 9.

KARL WHITEMAN BSC (HONS)

Joined Berkeley in 1996 as a Construction Director and currently leads the largest Berkeley division and chairs the Group's Sustainability and Health & Safety Working Groups. He joined the Group Main Board on 10 September 20 9 as a Divisional Executive Director.

SEAN ELLIS

Joined Berkeley in 2004 with an expertise in land and is currently Managing Director of St James Group. He joined the Group Main Board on 9 September 2010 as a Divisional Executive Director.

Tony Pidgley | Rob Perrins | Nick Simpkin | David Howell | Victoria Mitchell

NON-EXECUTIVE DIRECTORS0

DAVID HOWELL

Appointed a Non-executive Director 0
and Chairman of the Audit Committee 0
on 25 February 20 4. Previously a Main 0
Board Director of lastminute.com plc, 0
Group Finance Director of First Choice 0
Holidays plc, Executive Chairman of 0
Western and Oriental plc, Chairman of 0
EBTM plc (Everything but the Music) 0
and a Non-executive Director of Nestor 0
Healthcare Group plc, David is currently 0
a Non-executive Director of two private 0
companies. David is also a member 0
of the Nomination Committee.0

ALAN COPPIN

Appointed a Non-executive Director 0
on 1 September 20 6. He is currently 0
a Non-executive Director of Capital 0
and Regional plc and Marshalls plc and 0
a member of both the Royal Air Force 0
Board Standing Committee and Air 0
Command (formerly Strike Command). 0
He was Hon. Chairman of The Prince's 0
Foundation for the Built Environment. 0
Alan is Chairman of the Remuneration 0
Committee and a member of the 0
Audit Committee.0

JOHN ARMITT

Appointed a Non-executive Director 0
on 1 October 20 7. He is currently 0
Chairman of the Olympic Delivery 0
Authority and Chairman of the 0
Engineering and Physical Science 0
Research Council. From 20 1 to 20 7 0
he was Chief Executive of Network Rail 0
and its predecessor, Railtrack. He was 0
previously Chief Executive of Costain 0
and Union Railways. John is Chairman 0
of the Group's Sustainability and 0
Health & Safety Committee and is 0
a member of the Remuneration and 0
Nomination Committees.0

VICTORIA MITCHELL

Appointed a Non-executive 0
Director on 1 May 20 2 and became 0
Group Chairman on 1 August 20 7, 0
moving to her current role as Deputy 0
Chairman on 9 September 20 9. 0
Currently a Consultant Director 0
of Savills (L and P) Limited, she was 0
previously an Executive Director 0
of Savills plc. She is currently a 0
Non-executive Director of Pam Golding 0
International (Pty), Development 0
Securities plc, Lennox Investment 0
Management LLP and London First. 0
Victoria is the Senior Independent 0
Director and a member of the 0
Audit, Remuneration and 0
Nomination Committees.0

John Armitt0 Karl Whiteman0

Sean Ellis0 Alan Coppin0

The Directors submit their report together with the audited financial statements for the year ended 30 April 2011.0

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS0

The Company is a UK listed holding company of a Group engaged in residential-led property development focusing on urban regeneration and 0 mixed-use developments. The Company is incorporated and domiciled in England and Wales and is quoted on the London Stock Exchange.0

The information that fulfils the requirements of the business review can be found in the Chairman's statement on pages 26 and 27, the Managing 0 Director's review on pages 28 to 33, which provides more detailed commentaries on the business during the year together with the outlook for the 0 future, the Trading and Financial review on pages 34 to 41 and the Sustainability review on pages 42 to 47. 0

In addition, information in respect of the principal financial risks of the business is set out in the Trading and Financial review on page 38.0

TRADING RESULTS AND DIVIDENDS0

The Group's consolidated profit after taxation for the financial year was £94,456,00 (2010: £79,525,0). The Group's joint ventures contributed 0 profit after taxation of £2,059,0 (2010: losses of £261,0).0

No dividends were declared or paid in the financial year.0

SHARE CAPITAL0

The Company had 134,857,183 ordinary shares in issue at 30 April 2011 (2010: 134,857,183). During the year, the Group purchased 3,577,506 of its 0 own shares, representing 2.7% of the share capital, which are held in treasury. 0

Authority will be sought from shareholders at the forthcoming Annual General Meeting to renew the authority given at the 2010 Annual General 0 Meeting for a further year, permitting the Company to purchase its own shares in the market up to a limit of 10% of its issued share capital.0

Movements in the Company's share capital are shown in note 17 to the consolidated financial statements.0

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 0 Schemes and Long-Term Incentive Plans for key executives are set out in the Remuneration Committee report on pages 53 to 64.0

ARTICLES OF ASSOCIATION0

The Articles of Association set out the basic management and administrative structure of the Company. They regulate the internal affairs of the 0 Company and cover such matters as the issue and transfer of shares, Board and shareholder meetings, powers and duties of Directors and 0 borrowing powers. In accordance with the Articles of Association, Directors can be appointed or removed by shareholders in a general meeting. The 0 Articles may only be amended by special resolution at a general meeting of shareholders. Copies are available by writing to the Company Secretary 0 and are also open to inspection at Companies House.0

DIRECTORS0

The Directors of the Company and their profiles are detailed on pages 48 and 49. All of the Directors served throughout the year under review with 0 the exception of Sean Ellis who was appointed to the Board on 8 September 2010, Greg Fry who resigned from the Board on 8 September 2010 and 0 Tony Carey who left the Board on 16 September 2010.0

At the forthcoming Annual General Meeting, in accordance with the Articles of Association of the Company and the 2008 Combined Code which 0 require Directors to submit themselves for re-election every three years, Victoria Mitchell and John Armitt will retire from the Board by rotation 0 and, being eligible, offer themselves for re-election. Also in accordance with the Articles of Association of the Company and the 2008 Combined 0 Code, Sean Ellis, having been appointed since the last Annual General Meeting, will retire from the Board and, being eligible, offer himself for 0 re-election.0

The Directors' interests in the share capital of the Company and its subsidiaries are shown in the Remuneration Committee report on page 64. At 30 0 April 2011 each of the Executive Directors were deemed to have a non-beneficial interest in 237,363 (2010: 3,561) ordinary shares held by the 0 Trustees of The Berkeley Group Employee Benefit Trust.0

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 0 interested, other than those set out in note 23 to the consolidated financial statements, the contracts of employment of the Executive Directors, 0 which are terminable within one year, and the appointment terms of the Non-executive Directors, which are renewable annually and terminable on 0 one month's notice.0

DIRECTORS' INDEMNITIES0

The Company's practice has always been to indemnify its Directors in accordance with the Company's Articles of Association and to the maximum 0 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 0 accordance with the Company's Articles of Association and to the maximum extent permitted by law, in respect of all costs, charges, expenses, 0 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 0 (as defined in Section 256 of the Companies Act 20 6), or as a result of duties performed by the Directors on behalf of the Company or any such 0 associated company.0

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 22 July 2011:

	Number of ordinary shares held	% of issued capital[1]	Nature of holding
Lloyds Banking Group plc	17,141,608	13.06%	Indirect
First Eagle Investment Management, LLC	14,443,625	11.0 %	Indirect
Anthony William Pidgley	6,756,838	5.15%	Direct
Mirabaud Investment Management Ltd	6,543,445	4.98%	Indirect
Blackrock Inc	6,159,637	4.69%	Indirect
Egerton Capital Ltd	5,280,534	4.02%	Direct
Legal & General Investment Management Ltd	4,809,902	3.66%	Direct

(1) Net of shares held in treasury.

DONATIONS

During the year, donations by the Group for charitable purposes in the United Kingdom amounted to £574,00 (2010: £239,0). The Group made no political contributions (2010: £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. Following periodic reviews (the most recent in September 2010) the policy is now an Equality and Diversity Policy 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, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief (including lack of belief), sex and sexual orientation. It is the policy of the Group to support the employment of people with disabilities wherever practicable and to ensure, as far as possible, the 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 tenth annual Sustainability Report, Berkeley provides a summary of the progress made against its sustainability strategy for the period from May 2010 to April 2011, with an overview of what Berkeley does, an explanation of Vision2020 and how it is being delivered, as well as case studies demonstrating how Berkeley incorprates sustainability into its work. Summary performance data is also provided against Key Performance Indicators to track progress over time.

Once again, Berkeley has applied the Global Reporting Initiative (GRI) Sustainability Reporting Principles in order to give a balanced and relevant account of its sustainability performance.

For further information, please refer to Berkeley's tenth 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 & 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 & Safety Governance Committee is responsible for setting the strategic objectives of the Group, and the Health & 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 Sustainability Review on pages 42 to 47.

In our Sustainability Report 2011, 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 are 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. This is on an individual contract basis, rather than following a standard code. 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 2011, the Company did not have any trade creditors (2010: £nil).

TAKEOVER DIRECTIVE – AGREEMENTS0

Pursuant to the Companies Act 20 6, the Company is required to disclose whether there are any significant agreements that take effect, alter or 0 terminate upon a change of control.0

Change of control provisions are included as standard in many types of commercial agreement, notably bank facility agreements and joint venture 0 shareholder agreements, for the protection of both parties. Such standard terms are included in Berkeley's bank facility agreement which contains 0 provisions that give the banks certain rights upon a change of control of the Company. Similarly, in certain circumstances, a change of control may 0 give Berkeley's joint venture partner, Prudential Assurance Company Limited, the ability to exercise certain rights under the shareholder agreement 0 in relation to its St Edward Homes joint venture.0

In addition, the Company's share schemes contain provisions which take effect upon change of control. These do not entitle the participants to a 0 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 0 any Director that provide compensation for loss of office or employment resulting from a takeover. 0

The remaining information required to be disclosed under the Takeover Directive can be found within notes 5 and 17 to the consolidated financial 0 statements.0

INDEPENDENT AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS0

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:0

- 0So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and0
- 0The 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 0 information and to establish that the Company's auditors are aware of that information.0

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.0

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.0

ANNUAL GENERAL MEETING0

The Annual General Meeting of the Company is to be held at the Woodlands Park Hotel, Woodlands Lane, Stoke D'Abernon, Cobham, Surrey 0 KT11 3QB at 11.0 am on 5 September 2011. The Notice of Meeting, which is contained in a separate letter from the Group Chairman accompanying 0 this report, includes a commentary on the business to be transacted at the Annual General Meeting.0

By order of the Board0

R J Stearn 0
Company Secretary
22 July 2011 0

REMUNERATION COMMITTEE REPORT

BACKGROUND0

This report has been prepared in accordance with The Directors' Remuneration Report Regulations 2002 and Large & Medium-Sized Companies and 0 Groups (Accounts and Reports) Regulations 20 8 (the "Regulations"). The report also meets the relevant requirements of the Listing Rules of the 0 Financial Services Authority and describes how the Board has applied the principles and complied with the provisions of the Combined Code and 0 the Markets Law relating to Directors' remuneration.0

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 0 properly prepared in accordance with the above Regulations. The report is therefore divided into separate sections for audited and unaudited 0 information.0

As required by the Regulations, an advisory resolution to approve this report will be proposed at the Annual General Meeting of the Company at 0 which the financial statements will be approved.0

PART 2 OF THE REGULATIONS – UNAUDITED INFORMATION0

REMUNERATION COMMITTEE0

The following table sets out the members of the Remuneration Committee, their date of appointment, their role and the number of meetings the 0 Committee had during the year and their respective attendance:0

Name 0	Date of appointment 0	Role in Committee 0	Number of meetings 2 (% age attendance)0
A C Coppin 0	1 September 2006 0	Chairman 0	10 %0
V M Mitchell 0	1 May 20 2 0	Member 0	10 %0
J Armitt 0	1 October 20 7 0	Member 0	10 %0

The Remuneration Committee of the Board are all Non-executive Directors and independent. The Remuneration Committee members have no 0 personal financial interest other than as shareholders in matters to be decided, no potential conflicts of interest arising from cross directorships 0 and no day-to-day involvement in running the business.0

The Remuneration Committee has formal written terms of reference with the full remit of the Committee role described. A copy of the terms of 0 reference can be downloaded from the Company's website. The Committee, as part of the Board, has received advice from PricewaterhouseCoopers 0 LLP who provides advice on executive reward to the Board as a whole. The Remuneration Committee is able to seek independent advice at the 0 expense of the Company; other than the above, no advice has been sought by the Committee during the year under review.0

In determining the Executive Directors' remuneration for the year, the Remuneration Committee consulted with the Group Chairman, Tony Pidgley, 0 the Group Managing Director, Rob Perrins and the Group Finance Director, Nick Simpkin. No Director played a part in any discussion about his 0 remuneration.0

The following chart shows how the Remuneration Committee spent its time during the year under review:0

- Executive remuneration
- Performance metrics including bonus
- Oversight of share based incentives
- Other including best practice updates

REMUNERATION POLICY OVERVIEW0

2010/110

The objective of the remuneration policy is to encourage, reward and retain the current Executives. The Remuneration Committee believes that 0 shareholders' interests are best served by remuneration packages having a large emphasis on performance-related pay. Emphasis on performance 0 should encourage Executives to focus on delivering the business strategy. It is the opinion of the Remuneration Committee that the policy provides 0 meaningful incentives to Executives and ensures that the appropriate balance between fixed and performance-related compensation is maintained.0

The Remuneration Committee reviews on an annual basis whether its remuneration policy remains appropriate for the relevant financial year. 0 Factors taken into account by the Remuneration Committee include:0

- 0market conditions affecting the Company;0
- 0the recruitment market in the Company's sector, other comparable companies and the FTSE 250;0
- 0aligning remuneration to the corporate strategy and delivering value to shareholders by encouraging long-term sustainable performance;0
- 0changing market practice; and0
- 0changing views of institutional shareholders and their representative bodies and Corporate Governance best practice.0

The review at the beginning of 2010/11 took account of the changes to, and roles within, the Board. The main structural change to the remuneration 0 for Executives was the introduction of a new bonus arrangement for 2010/11 and beyond, The Berkeley Group Holdings plc Bonus Plan (the "Bonus 0 Plan"). Details of the Bonus Plan are set out in the relevant section of this Report. The Company fully consulted with its major shareholders, the ABI 0 and RiskMetrics prior to the introduction of the Bonus Plan. 0

2011/120

The Company has successfully ensured that its reward strategy supports the Company strategy over the last period. This direct link and the focus it 0 has provided to the Executive team has incentivised them to outperform with the corresponding benefit to the Company and shareholders. The 0 Company has introduced a new corporate strategy for the next period which has required consequential changes to the Remuneration Committee 0 policies and structures for incentivising Executives.0

The accompanying Shareholder Circular sets out details of the new corporate strategy and remuneration arrangements to support this strategy. 0 Therefore, this Remuneration Committee Report focuses on the actual Executive remuneration for 2010/11.0

POLICY FOR 2010/110

The 2010/11 financial year started on 1 May 2010 and finished on 30 April 2011.0

The policy is to set the main elements of the Executive Directors' remuneration package against the following quartiles in the Company's 0 comparator group:0

Base salary 0	Annual bonus potential 0	Pension	Benefits in kind 0	Share incentives0
See Salary Section 0	Upper decile 0	Lower quartile to median 0	Market practice 0	Upper decile0

For the purposes of benchmarking remuneration, the Remuneration Committee used the following comparator group of companies in the year 0 ended 30 April 2011:0

Company name0			
Amec Plc 0	Bellway Plc 0	Marshalls PLC 0	Taylor Wimpey Plc0
Balfour Beatty Plc 0	Bovis Homes Group Plc 0	Persimmon Plc 0	Travis Perkins Plc0
Barratt Developments plc 0	Carillion Plc 0	Redrow Plc0	

The Remuneration Committee also considers the remuneration in the FTSE 250 as a control to the main comparator group set out above due to its 0 relatively small number of constituent companies. 0

2010/11 BALANCE BETWEEN FIXED AND VARIABLE PERFORMANCE BASED PAY0

The charts below demonstrate the balance between fixed and variable performance based pay for each Executive for the year ended 30 April 2011 0 (it should be noted that where an Executive has only been on the Board for part of the year, his remuneration package has been annualised to allow a 0 direct comparison to be made with Executives who have served on the Board for the full year):0

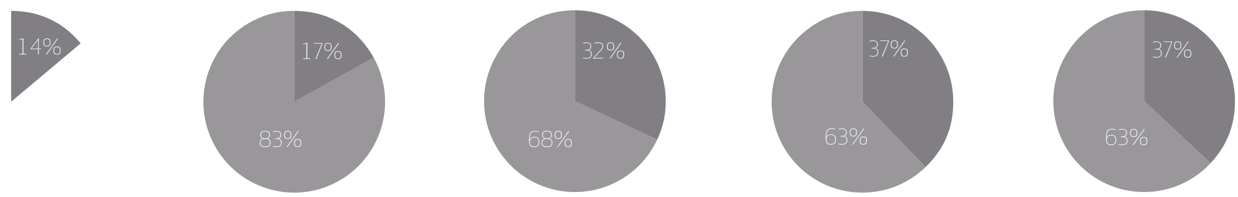
A W PIDGLEY
Chairman

R C PERRINS
Group Managing Director

N G SIMPKIN
Group Finance Director

K WHITEMAN
Divisional Director

S ELLIS
Divisional Director



KEY

- FIXED PERFORMANCE is calculated as:
  - Salary
  - Benefits (including pension contribution/allowance)
- VARIABLE PERFORMANCE is calculated as:
  - Bonus earned
  - Fair value of 2009 LTIP (annualised)

The Executive Directors hold no external appointments. 0

The main elements of these packages and the performance conditions are described as follows. 0

ELEMENTS OF EXECUTIVE DIRECTORS' REMUNERATION0

BASIC SALARY0

Policy: Based on experience and role0

POLICY0

The Remuneration Committee has historically set the salaries of some of the Executives at the upper decile against the Company's comparator 0 group reflecting the Committee's view that Berkeley has one of the most experienced and capable Executive teams within the sector and that 0 Executive Directors had been in their roles for a number of years. The Committee believes that it is right to take account of the following factors 0 in setting individual salary levels:0

• 0the individual Executive Director's experience and responsibilities;0

• 0the levels of base salary for similar positions with comparable status, responsibility and skills in organisations of broadly similar size and 0 complexity, in particular those companies within the comparator group, other comparable companies and the FTSE 250;0

• 0the performance of the individual Executive Director and the Group; and0

• 0the pay and conditions throughout the Group.0

In applying its policy on appointment to the Board and promotion, the Remuneration Committee sets salaries at a lower quartile level which, based 0 on appropriate levels of individual and corporate performance, will be increased with experience gained over time. 0

The salaries for 2011/12 are set out below with the Remuneration Committee's reasons for changes to salary levels:0

Executive 0 0	2010/11 0 Salary 0		2011/12 0 Salary0		% rise 0	Note 0
A W Pidgley 0	£750,0	0	£780,0	0	4% 0	In line with general salary rises across the Group.0
R C Perrins 0	£450,0	0	£470,0	0	4% 0	In line with general salary rises across the Group.0
N G Simpkin 0	£250,0	0	£270,0	0	8% 0	Rises reflect their development as Main Board Directors 0 following their appointments.0
K Whiteman 0	£250,0	0	£270,0	0	8% 0	
S Ellis 0	£250,0	0	£270,0	0	8% 0	

ANNUAL PERFORMANCE-RELATED BONUS 2010/11 & 2011/120

Policy: Upper decile bonus potential0

THE BERKELEY GROUP HOLDINGS PLC BONUS PLAN 0

BACKGROUND0

The Remuneration Committee took into account the following specific factors when designing the Bonus Plan for Executives, first operated for 0 the year ended 30 April 2011:0

• 0the previous bonus arrangements were a legacy of the Scheme of Arrangement period which saw £9 per share returned to shareholders. It was 0 the opinion of the Remuneration Committee that a new incentive arrangement should be implemented which is clearly aligned to the Company's 0 current strategy of investing in land and its developments, and no longer aligned to the Scheme of Arrangement;0

• 0while the previous bonus plan could have continued until 2011, a new incentive arrangement should be implemented from 2010/11 because 0 the Committee believed it was appropriate to put in place a new arrangement more clearly supportive of the current strategy;0

• 0a desire by the Committee to ensure that the incentive arrangements operated by the Company are supportive of the risk profile for the 0 business determined by the Board and that these arrangements support the long-term sustainable performance of the Company; and0

• 0because the Bonus Plan encourages a sustainable level of performance through ensuring bonuses earned in respect of a particular financial 0 year are at risk of future years' performance through risk adjustment and claw back mechanisms.0

OVERVIEW OF THE BONUS PLAN0

• 0At the beginning of the plan period of five financial years, participants will have a plan account to which Company contributions will be made.0

• 0No Company contribution will be made to a participant's plan account unless the annual performance criteria are met.0

• 0The Company contribution will be set annually as a percentage of salary for each Executive.0

• 0There will be two types of performance condition, Group and Divisional. The Group performance condition will be a matrix of Return on Equity 0 ("ROE") and Land Bank Growth. The Divisional performance condition will be based upon Divisional Profit before Tax ("PBT").0

• 0The Remuneration Committee will set:0

0 – 0the performance levels (including minimum performance thresholds) for the performance conditions for each plan year; and0

0 – 0the maximum annual Company contribution for each participant for the plan year.0

The Remuneration Committee will set these levels having regard to the strategy of the Company.

- These criteria will be disclosed in full in the relevant Remuneration Committee report along with the annual contributions earned and deferred balances for each participant.
- Where the minimum threshold performance criteria on both measures are not achieved, 50% of the deferred balance in a participant's plan account will be forfeited.
- Participants will be entitled to an annual payment of 50% of their plan account at the end of each financial year, with the balance deferred in shares or notional shares. At the end of the five year plan period 100% of the balance of participants' accounts will be paid.

KEY FEATURES OF THE BONUS PLAN

The Remuneration Committee designed the Bonus Plan based on the following rationale:

TWO TARGETS – the Remuneration Committee felt that the dynamic tension between operating a return based measure ("ROE") and a value based measure ("Land Bank Growth") should ensure that there was a balance between incentivising the Executives to provide a sustainable ongoing level of return to shareholders whilst ensuring the long-term sustainability of the Company. In the Remuneration Committee's opinion the impact of these two measures over the five year plan period should incentivise the Executives to ensure the creation of long-term shareholder value as follows:

- the Bonus Plan incentivises the delivery of increased profits in order to achieve ROE at the same time as growing the land bank. It should be noted that the ROE will be set from a challenging base as the Company has not taken any land write downs as is the case with the majority of its competitors;
- ROE is a compound measure and therefore if shareholder funds are reinvested and not paid as dividends, earnings growth will be compounded to achieve the targets;
- the fact that the Bonus Plan targets also include growth in the land bank value, means that Executives are encouraged to acquire land in the current market on favourable terms as well as maximise sustainable profit growth;
- the cash target in the previous bonus plan had the potential to restrict value creation. Longer term, ROE is aligned to shareholders' interests and if the Company raises further equity in the future, the investment decision is clearly set out; and
- ROE as a measure highlights the inefficiency of retaining surplus cash on the balance sheet. In order to deliver the targeted level of returns, this will encourage the Company to invest or return cash to shareholders.

LEVEL OF TARGETS – the Remuneration Committee wishes to incentivise the Executives to achieve a good level of returns to shareholders whilst ensuring the long-term sustainability of the Company. Therefore the targets set have to take into account an appropriate level of risk. It is not in the interests of any of the stakeholders in the Company to set targets that encourage a level of risk inconsistent with the agreed risk profile for the Company. The Bonus Plan allows a close tailoring by the Remuneration Committee of the performance conditions to the budget and performance of the Company for each financial year.

The Remuneration Committee when setting the annual performance requirements is currently targeting an average over the full five years of ROE of 12.5% p.a. and average Land Bank Growth of 10% p.a.; although there is likely to be annual variability in the performance requirements actually set to reflect the environment at that time (see performance targets for 2010/11 and 2011/12 operation of the plan set out on pages 57 and 58). The Bonus Plan performance requirements will be set and reviewed each year 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.

LEVEL OF AWARDS – the proposed maximum award bonus potential is 300% of salary; however, because 50% of the balance on the plan account is deferred, the actual annual payment profile, based on, for these illustrative purposes, maximum awards each year and 100% satisfaction of both performance conditions, would be:

Year 1	Year 2	Year 3	Year 4	Year 5
150%	225%	262.5%	281%	581%

RISK ADJUSTMENT – there is a risk adjustment mechanism built into the operation of the Bonus Plan with a claw back of contributions if the threshold levels of ROE and Land Bank Growth are not met for any financial year during the five years of operation of the Bonus Plan. This adjustment mechanism ensures:

- performance must be maintained over the five years of operation of the Bonus Plan or the value in the participant's plan account will not increase; and
- if there is a material deterioration in performance there is a claw back of 50% of the balance of the participant's account.

ALIGNMENT OF INTERESTS – there is a real alignment of participants' interests with shareholders:

- shareholders receive a minimum level of performance prior to any incentive payments to Executives;
- Executives are encouraged to maximise consistent levels of performance (or lose through the risk adjustment mechanism); and
- there is a long-term alignment with the interests of shareholders as the deferred elements of the Bonus Plan are in shares or notional shares.

OPERATION OF THE BONUS PLAN FOR THE YEAR ENDED 30 APRIL 20110

The bonus payable to each of the Group Chairman, Group Managing Director and Group Finance Director is determined by reference to the Group 0 performance condition. For the Divisional Directors, 50% of the potential bonus payable is determined by reference to the Group performance 0 condition and 50% by reference to the Divisional PBT performance condition.0

The maximum bonus potential for the year ended 30 April 2011 is set out in the table below:0

Information 0	A W Pidgley 0	R C Perrins 0	N G Simpkin 0	K Whiteman 0	S Ellis0
Maximum Potential (% age of Salary) 0	30 % 0	30 % 0	220% 0	175% 0	175%0

The following tables set out:0

- 0the performance conditions for the Bonus Plan for the year ended 30 April 2011; and0
- 0the level of satisfaction of those performance conditions.0

GROUP PERFORMANCE CONDITION (YEAR ENDED 30 APRIL 2011)0

Annual Bonus Performance Requirement Matrix			**Land Bank Growth**						
		Target0	<0%	0%0	2%0	4%0	6%0	8%0	10%0
	Target0	Factor	**0%**	**50%**	**60%**	**70%**	**80%**	**90%**	**10 %**
Return on Equity	<11.0%	**0%**	Forfeit 50% 0 of Balance	0%	0%	0%	0%	0%	0%0
	11.0%0	**50%**	0%0	25%0	30%0	35%0	40%0	45%0	50%0
	11.5%0	**60%**	0%0	30%0	36%0	42%0	48%0	54%0	60%0
	12.0%0	**70%**	0%0	35%0	42%0	49%0	56%0	63%0	70%0
	12.5%0	**80%**	0%0	40%0	48%0	56%0	64%0	72%0	80%0
	13.0%0	**90%**	0%0	45%0	54%0	63%0	72%0	81%0	90%0
	13.5%0	**10 %**	0%0	50%0	60%0	70%0	80%0	90%0	10 %0

Notes:0

1 The matrix shows the percentage of each of the performance requirements for a given level of performance and the corresponding percentage of the targeted maximum annual bonus potential earned for 2010/11.0

2 0There will be straight line bonus vesting between points.0

3 The matrix demonstrates the dynamic tension between the two performance conditions. One cannot be met at the expense of the other. If the minimum threshold levels for either are not met, no contribution is made to the Bonus Plan account. If the minimum threshold levels of performance are not met for both performance conditions, 50% of the participant's plan 0 account will be forfeited. Structuring the performance conditions in this way will ensure consistent levels of ROE at the same time as the Group invests and adds value to the land bank.0

4 0ROE is defined as profit before tax divided by average shareholders' funds.0

5 Land Bank Growth is defined as the annual percentage increase in the development margin in the land bank. This is the anticipated future gross margin to be earned from plots controlled and included in the Group's land bank. To be included in the land bank, management must have reasonable certainty that the plots will come forward for development, either 0 benefiting from a planning consent or being on land zoned for development. For the avoidance of doubt, the land bank excludes plots subject to strategic land options. Calculated plot 0 by plot, the development margin is measured on a consistent basis according to prevailing sales prices for revenue, historic cost for costs already incurred and prevailing prices for 0 costs still to be incurred. It is separately disclosed within the annual report and the presentations to analysts. Each year the land bank gross margin is reduced naturally by the amount of 0 gross margin sold in the year. Therefore, zero % growth in the land bank means that replacement matches usage.0

DIVISIONAL PBT PERFORMANCE CONDITION (YEAR ENDED 30 APRIL 2011)0

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 0 bonus payments, the market, development availability and other relevant issues.0

LEVEL OF SATISFACTION OF PERFORMANCE CONDITIONS (YEAR ENDED 30 APRIL 2011)0

GROUP0

DIVISIONAL0

The Remuneration Committee confirms that the annual bonus payments set out in this report for the Divisional Executive Directors are appropriate 0 taking into account the level of profit achieved and the targets set at the beginning of the year ended 30 April 2011.0

LEVEL OF BONUS EARNED (YEAR ENDED 30 APRIL 2011)0

The Group performance conditions and Divisional performance conditions were met in full; therefore the maximum bonus potentials set out above 0 were earned. It should be noted that under the Bonus Plan only 50% of the cumulative balance of a participant's account is paid at the end of the 0 relevant year with the balance deferred in shares. See page 63 of the audited section of the Report for details of the Plan accounts for each 0 Executive Director.0

OPERATION OF THE BONUS PLAN FOR THE YEAR ENDING 30 APRIL 20120

The following tables set out:0

- 0the maximum bonus potential for 2011/12; and0
- 0the Group performance conditions:0

Information 0	A W Pidgley 0	R C Perrins 0	N G Simpkin 0	K Whiteman 0	S Ellis0
Maximum Potential (% age of Salary) 0	30 % 0	30 % 0	220% 0	175% 0	175%0

GROUP PERFORMANCE CONDITION (YEAR ENDING 30 APRIL 2012)0

Annual Bonus Performance Requirement Matrix			**Land Bank Growth**					
		Target0	<0%	0%0	2%0	4%0	6%0	8%0
	Target0	Factor	**0.0%**	**50.0%**	**62.5%**	**75.0%**	**87.5%**	**10 .0%**
Return on Equity	<11.5%	**0%**	Bonus Plan 0 Deduction	0%	0%	0%	0%	0%0
	11.5%0	**50%**	0%0	25%0	31%0	38%0	44%0	50%0
	12.5%0	**60%**	0%0	30%0	38%0	45%0	53%0	60%0
	13.5%0	**70%**	0%0	35%0	44%0	53%0	61%0	70%0
	14.5%0	**80%**	0%0	40%0	50%0	60%0	70%0	80%0
	15.5%0	**90%**	0%0	45%0	56%0	68%0	79%0	90%0
	16.5%0	**10 %**	0%0	50%0	63%0	75%0	88%0	10 %0

DIVISIONAL PBT PERFORMANCE CONDITION (YEAR ENDING 30 APRIL 2012)0

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 0 bonus payments, the market, development availability and other relevant issues.0

SHARE INCENTIVES 2010/11 0

Policy: Upper decile0

EXECUTIVE DIRECTORS0

This section of the report sets out the share incentives for the year ended 30 April 2011. The accompanying Shareholder Circular sets out details of 0 the proposed new long-term incentive to be implemented in conjunction with the new Company strategy. The Circular also sets out the effect of the 0 new Company strategy on the subsisting share incentives described below.0

On 15 April 20 9, at an Extraordinary General Meeting of the Company, shareholders approved the introduction of a new incentive plan, The 0 Berkeley Group Holdings plc 2009 Long-Term Incentive Plan. The 2009 LTIP incorporated and replaced Element 2 of The Berkeley Group Holdings 0 plc 20 4(b) Long-Term Incentive Plan (the "2004(b) LTIP") and the previously approved 2007 LTIP, as set out below.0

20 4(B) LTIP0

All shares granted under Element 1 the 2004(b) LTIP have now been unconditionally released. The restriction on the ability of the Executive 0 Directors to sell a maximum of 10% of the net award of shares released each financial year continues until 31 January 2014 at which point the sale 0 restrictions lapse.0

20 9 LTIP PART A0

The balance of the shares originally awarded under the 20 4(b) LTIP (i.e. 3/12 of the shares), totalling 5,330,340 shares, were replaced by options 0 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 0 awarded on 29 June 20 9, at which time the Element 2 awards under the 2004 (b) LTIP were surrendered.0

Options will become exercisable on 31 January 2014 subject to the relevant Executive's continued employment with the Company.0

20 9 LTIP PART B0

Following shareholder approval on 15 April 2009 a maximum of 7,10 ,0 shares were capable of being granted under Part B of the 2009 LTIP. 0
Shares under Part B of the 20 9 LTIP are granted as market priced options which will vest subject to:0

- 0continued employment to the relevant vesting date; and0
- 0the satisfaction of the underpin condition that Net Assets Per Share are at least £5.94 at 15 April 2015.0
- 0Vesting of these options will be in two tranches:0
  - 0 – 50% on 15 April 2015; and0
  - 0 – 50% on 15 April 2016.0

The initial awards were made on 29 June 2009.0

SUMMARY OF EQUITY INCENTIVES FOR EXECUTIVE DIRECTORS0

The following table summarises the equity incentive position for Executive Directors as at 30 April 2011:0

Awards 0	A W Pidgley 0	R C Perrins 0	N G Simpkin 0	K Whiteman 0	S Ellis0
20 9 LTIP Part A 0	2,842,848 0	1,066,068 0	– 0	– 0	–0
20 9 LTIP Part B 0	1,50 ,0 0	750,0 0	250,0 0	250,0 0	175,0

OTHER SENIOR EMPLOYEES OF THE COMPANY0

The Company's business comprises of a number of operating Divisions. The Remuneration Committee in conjunction with the Board has, therefore, 0 implemented both annual and longer term cash based compensation arrangements for these other senior employees of the Company linked to the 0 performance of the relevant Division for which they work. Some elements of the cash bonus plans are annual while other elements are deferred to 0 ensure long-term consistent delivery by each Division. The Remuneration Committee, in line with best practice, continually reviews with the Board 0 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 0 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 0 Divisional performance for which these senior employees are responsible. Both the Remuneration Committee and the Board believe that having 0 senior employees focused on the delivery of Divisional results is an excellent way of driving shareholder value.0

In addition, a number of senior employees of the Company have been granted awards under Part B of the 2009 LTIP.0

SHAREHOLDING REQUIREMENT0

The Company has a shareholding requirement for both Executive and Non-executive Directors. The following table sets out the shareholding 0 requirement and the actual shareholdings of the Executive Directors as at 30 April 2011:0

0	A W Pidgley 0	R C Perrins 0	N G Simpkin 0	K Whiteman 0	S Ellis0
Shareholder requirements as a %age of salary 0	40 % 0	20 % 0	20 %[(1)] 0	20 %[(1)] 0	20 %[(1)]
Current shareholding as a %age of salary 0 (based on 30 April 2011 share price)0	9,550% 0	3,977% 0	114% 0	132% 0	21% 0

(1) It should be noted that these Executive Directors have five years from their appointment to the Board to achieve the minimum shareholding requirement.0

The following table sets out the shareholding requirement and the actual shareholdings of the Non-executive Directors as at 30 April 2011:0

0	0	V M Mitchell 0	D Howell 0	J Armitt 0	A Coppin0
Shareholder requirements as a %age of 0 net fees to be met within 3 years of appointment0	0	10 % 0	10 % 0	10 % 0	10 % 0
Current Shareholding as a %age of net fees 0 (based on 30 April 2011 share price)0	0	292% 0	111% 0	113% 0	111% 0

DILUTION0

Both the 20 4(b) LTIP and 2009 LTIP were special arrangements approved by shareholders; historically the Company has operated all its share 0 schemes within the ABI dilution limits. There has been no dilution other than under these special arrangements for the purposes of the ABI dilution 0 limits in the year ended 30 April 2011.0

PENSION 0

Policy: Lower quartile to median0

Tony Pidgley, Rob Perrins and Karl Whiteman receive payments in lieu of pension at 17%, 17% and 15% of base salary respectively. Nick Simpkin 0 receives 3% of base salary as a cash payment in lieu, in addition to pension contributions of 12%. Sean Ellis receives a 12% pension contribution.0

All payments in lieu of pension are subject to income tax and national insurance. These payments are not included in salary figures for the purposes 0 of determining any other benefit entitlement.0

Full details of pension costs for Executive Directors are set out, in the audited section of the report on pages 62 and 63.0

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 or cash allowance alternative; 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 following table sets out the fee rates for the Non-executive Directors in the year ended 30 April 2011 and those rates which will apply in the year ending 30 April 2012:

Element	V M Mitchell Senior Independent Director	D Howell Independent Director	A C Coppin Independent Director	J Armitt Independent Director
Total fee rates 2011/12	£10 ,0	£67,50	£67,50	£67,50
Total fee rates 2010/11	£10 ,0	£65,0	£65,0	£65,0
% Increase	0%	3.8%	3.8%	3.8%
Breakdown of 2011/12 fee				
Basic fee	£10 ,0	£55,0	£55,0	£55,0
Chair of Committee fee	–	£12,50	£12,50	£12,50
Committee Chair		Audit	Remuneration	Sustainability and Health & Safety

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.

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.

Following his departure from the Board, Tony Carey has initiated proceedings against the Company which will be heard at an Employment Tribunal in due course.

NON-EXECUTIVE DIRECTORS' AGREEMENTS0

All Non-executive appointments are subject to a notice period of one month and subject to successful re-election upon retirement by rotation as 0 required by the Company's Articles of Association. All letters of appointment for Non-executive Directors are renewable annually on 1 May. 0

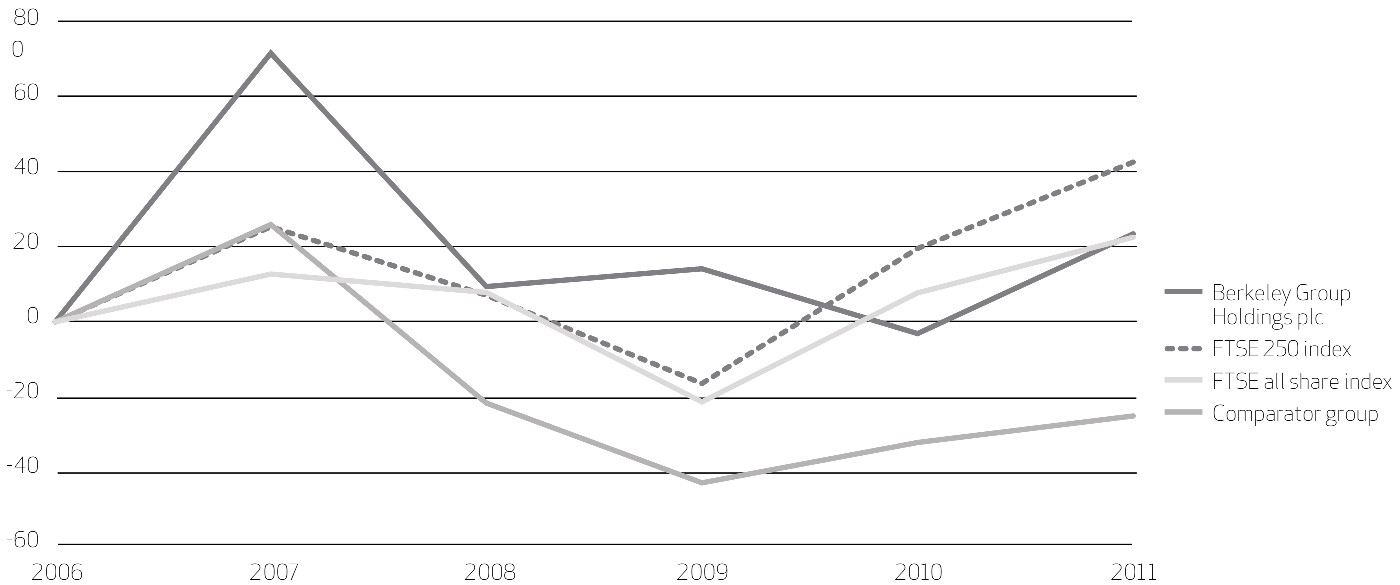
Further details of all Directors' contracts are summarised below:0

0 0 0 0 Directors 0	0 0 0 Date of 0 contract 0	0 0 0 Unexpired 0 term 0	0 Notice 0 period by 0 Company or 0 Director 0	0 0 Potential 0 termination 0 payment 0	Potential 0 payment 0 upon 0 Company 0 takeover 0	Potential 0 payment in 0 event of 0 liquidation 0
Executive Directors0						
A W Pidgley 0	24 June 1994 0	1 Year Rolling 0	12 months 0	12 months 0	Nil 0	Nil0
R C Perrins 0	15 July 20 2 0	1 Year Rolling 0	12 months 0	12 months 0	Nil 0	Nil0
N G Simpkin 0	11 September 20 2 0	1 Year Rolling 0	12 months 0	12 months 0	Nil 0	Nil0
K Whiteman 0	15 January 1996 0	1 Year Rolling 0	12 months 0	12 months 0	Nil 0	Nil0
S Ellis 0	5 May 20 4 0	1 Year Rolling 0	12 months 0	12 months 0	Nil 0	Nil0
Non-Executive Directors0						
V M Mitchell 0	1 May 20 2 0	n/a 0	1 month 0	1 month 0	Nil 0	Nil0
D Howell 0	24 February 20 4 0	n/a 0	1 month 0	1 month 0	Nil 0	Nil0
A C Coppin 0	1 September 20 6 0	n/a 0	1 month 0	1 month 0	Nil 0	Nil0
J Armitt 0	1 October 20 7 0	n/a 0	1 month 0	1 month 0	Nil 0	Nil0

PERFORMANCE GRAPH0

The graph shows the Company's performance, measured by total shareholder return ("TSR"), compared with the performance of the FTSE250, the 0 FTSE All Share and the Company's remuneration comparator group (as set out on page 54). The Company considers these the most relevant indices 0 for total shareholder return disclosure required under the Regulations.0

TOTAL SHAREHOLDER RETURN FROM 30 APRIL 2006 (%)



(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 0 reinvested dividends). This calculation is then carried out for the relevant Indices and constituents of the comparator group.0

The following tables and accompanying notes constitute the auditable part of the Remuneration Committee report, as defined in Part 3, Schedule 8 0 of the Companies Act 20 6.0

DIRECTORS' REMUNERATION0

The remuneration of the Directors of the Company for the year is as follows:0

0 0 0	0 Salary/fees 0 £ 0	0 Earned bonus[5] 0 £ 0	Payment in lieu 0 of pension[6] 0 £ 0	Benefits 0 in kind[7] 0 £ 0	Compensation for 0 loss of office[8] 0 £ 0	**2011** **Total** **£**	0 1 0Total £
Chairman 0							
A W Pidgley 0	750,0 0	2,250,0 0	127,50 0	30,139 0	– 0	**3,157,639** 0	2,406,286 0
Executive Directors 0							
R C Perrins 0	450,0 0	1,350,0 0	76,50 0	24,919 0	– 0	**1,901,419** 0	1,126,554 0
N G Simpkin[1] 0	250,0 0	550,0 0	7,50 0	20,131 0	– 0	**827,631** 0	329,294 0
K Whiteman[1] 0	250,0 0	437,50 0	37,50 0	20,815 0	– 0	**745,815** 0	397,587 0
S Ellis[2] 0	160,959 0	281,678 0	– 0	10,903 0	– 0	**453,540**	0
A Carey[3] 0	154,471 0	– 0	– 0	11,667 0	497,444 0	**663,582** 0	1,040,784 0
G J Fry[4] 0	104,082 0	– 0	– 0	10,404 0	– 0	**114,486** 0	776,699 0
Non-executive Directors 0							
V M Mitchell 0	10 ,0 0	– 0	– 0	– 0	– 0	**1 0,0** 0	190,0 0
J Armitt 0	65,0 0	– 0	– 0	– 0	– 0	**65, 0** 0	50,0 0
A C Coppin 0	65,0 0	– 0	– 0	– 0	– 0	**65, 0** 0	60,0 0
D Howell 0	65,0 0	– 0	– 0	– 0	– 0	**65, 0**	60,0 0
	2,414,512 0	4,869,178 0	249,0 0	128,978 0	497,444 0	**8,159,112** 0	6,437,204

(1) Appointed to the Board on 10 September 2009.0

(2) Appointed to the Board on 8 September 2010.0

(3) Left the Board on 16 September 2010.0

(4) Resigned from the Board on 8 September 2010.0

(5) The earned bonus for the year is added to each individual Director's plan account. 50% of the balance on the plan account at the end of the financial year is paid in cash and 50% deferred. The plan is set out in page 63.0

(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. Tony Pidgley, Rob Perrins and Karl Whiteman have chosen 0 this alternative in respect of their total pension entitlement from the Company. During the year Tony Pidgley and Rob Perrins received payments in lieu of pension at 17% of base salary 0 and Karl Whiteman at 15% of base salary. Nick Simpkin received 3% of base salary as a cash payment in lieu, in addition to pension contributions of 12%.0

(7) Benefits in kind for the current Chairman and Executive Directors relate principally to the provision of a fully expensed motor vehicle or cash allowance alternative and private healthcare.

(8) Compensation for loss of office represents 12 months pay, pension and benefits.0

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 0 Board Director.0

PENSIONS0

PAYMENTS IN LIEU OF PENSION0

Tony Pidgley, Rob Perrins and Karl Whiteman received payments in lieu of a pension contribution from the Company during the year and this is set out 0 in the Directors' remuneration table above. Nick Simpkin received payments in lieu of an element of his pension entitlement from the Company during 0 the year, the remainder of his entitlement was received by way of pension contributions as set out in the table on page 63.0

No amounts were paid into pension arrangements in respect of Tony Pidgley, Rob Perrins and Karl Whiteman during the year ended 30 April 2011.0

DEFINED CONTRIBUTION PLAN0

In respect of Tony Carey, Greg Fry, Nick Simpkin and Sean Ellis the following contributions were made to defined contribution plans:0

0 0 0	0 0 0 0			Age	**Company 0 contributions 0 2011 0 £**	Company0 contributions 0 201 0 £
A Carey (1) 0	0	0	0	63 0	**23,135** 0	60,750 0
G J Fry (2) 0	0	0	0	54 0	**15,612** 0	43,50 0
N G Simpkin (3) 0	0	0	0	41 0	**30,0** 0	15,321 0
S Ellis (4) 0	0	0	0	42 0	**17,770**	0
					86,517	119,571

(1) Left the Board on 16 September 2010.0

(2) Resigned from the Board on 8 September 2010.0

(3) Appointed to the Board on 10 September 20 9.0

(4) Appointed to the Board on 8 September 2010.0

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 0 Board Director.0

BONUS EARNED BUT DEFERRED UNDER THE BONUS BANKING PLAN0

Under the Bonus Plan, the earned bonus for the year is added to each individual Director's plan account. 50% of the balance on the plan account at 0 the end of the financial year is paid in cash and 50% deferred.0

The deferred balances on each Director's plan account are set out below:0

0 0 0 0	0 Plan account 0 brought forward 0 Shares 0	0 Plan account 0 brought forward(1) 0 £ 0	0 Earned bonus 0 for the year 0 £ 0	Plan account 0 balance at 0 30 April 2011 0 £ 0	Amount 0 released as of 0 30 April 2011 0 £ 0	0 Plan account 0 carried forward 0 £ 0	0 Plan account 0 carried forward (1)0 Shares0
A W Pidgley 0	– 0	– 0	2,250,0 0	2,250,0 0	(1,125,0) 0	1,125,0 0	106,132 0
R C Perrins 0	– 0	– 0	1,350,0 0	1,350,0 0	(675,0) 0	675,0 0	63,679 0
N G Simpkin 0	– 0	– 0	550,0 0	550,0 0	(275,0) 0	275,0 0	25,9430
K Whiteman 0	– 0	– 0	437,50 0	437,50 0	(218,750) 0	218,750 0	20,637 0
S Ellis 0	– 0	– 0	281,678 0	281,678 0	(140,839) 0	140,839 0	13,287 0
	– 0	– 0	4,869,178 0	4,869,178 0	(2,434,589) 0	2,434,589 0	229,678 0

(1) Based on the share price of £10.60 at 30 April 2011.0

SHARE INCENTIVE PLANS

The entitlements under share incentive plans for Directors serving on the Main Board at 30 April 2011 are set out below:

	At 1 May 2010 options [1]	Options vested in year	Options granted in year	**At 30 April 2 11 options**	Value released £
A W Pidgley					
20 9 LTIP Part A [2]	2,842,848	–	–	**2,842,848**	–
20 9 LTIP Part B [3]	1,50 ,0	–	–	**1,500,**	–
R C Perrins					
20 9 LTIP Part A [2]	1,066,068	–	–	**1,066,068**	–
20 9 LTIP Part B [3]	750,0	–	–	**750,0**	–
N G Simpkin					
20 9 LTIP Part B [3]	250,0	–	–	**250,0**	–
K Whiteman					
20 9 LTIP Part B [3]	250,0	–	–	**250,0**	–
S Ellis [4]					
20 9 LTIP Part B [3]	175,0	–	–	**175,**	–
Total					
20 9 LTIP Part A [2]	3,908,916	–	–	**3,908,916**	–
20 9 LTIP Part B [3]	2,925,0	–	–	**2,925,**	–

(1) Or date of joining the Board if later

(2) Exercise price of £3.00 per share

(3) Exercise price of £8.40 per share

(4) Appointed to the Board on 8 September 2010

Further details are set out on pages 58 and 59 of this report.

Greg Fry and Tony Carey left the Board on 8 September 2010 and 16 September 2010 respectively. At 1 May 2010 and their dates of leaving the Board, Greg Fry, who remains employed by St George PLC, held 533,034 options under Part A and 500,0 options under Part B of the 2009 LTIP, and Tony Carey held 888,390 options under Part A and 500,0 options under Part B of the 2009 LTIP. The entitlement to share options for Directors is determined by reference to the relevant plan rules.

Following his departure from the Board, Tony Carey has initiated proceedings against the Company which will be heard at an Employment Tribunal in due course.

The mid-market share price of the Company was 819p as at 4 May 2010 and was 1060p at 28 April 2011. The mid-market high and low share prices of the Company were 1066p and 751p respectively in the year.

DIRECTORS' INTERESTS IN SHARES

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:

Name	1 May 2010	**30 April 2011**
A W Pidgley	6,756,838	**6,756,838**
A W Pidgley Non-beneficial	19,183	**19,183**
R C Perrins	1,688,346	**1,688,346**
N G Simpkin	12,0	**27,**
K Whiteman	21,126	**31,126**
S Ellis [1]	–	**5,**
V M Mitchell	14,274	**16,274**
D Howell	4,0	**4, 0**
A C Coppin	2,50	**4,**
J Armitt	4,090	**4, 9**

(1) Appointed to the Board on 8 September 2010.

A C Coppin
Chairman, Remuneration Committee
22 July 2011

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE0

The Company is committed to attaining high standards of Corporate Governance in accordance with the principles of Corporate Governance 0 contained in the 20 8 Combined Code issued by the Financial Reporting Council (the "Combined Code"), and for which the Board is accountable to 0 shareholders. This report, together with the Directors' Remuneration Report, where applicable, describes how the Board has applied the main and 0 supporting principles of the Combined Code.0

The Company welcomes the new UK Corporate Governance Code, which applies to accounting periods beginning on or after 29 June 2010, and will 0 report on its compliance with the new Code in the 2012 Annual Report and Accounts.0

STATEMENT OF COMPLIANCE0

The Board considers that it complied throughout the year with the provisions of Section 1 of the Combined Code, except in respect of Code 0 provision A.3.2, which requires that at least half of the Board, excluding the Chairman, should comprise independent Non-executive Directors. 0 The Company was not in compliance with this requirement from the start of the year until 16 September 2010 during which time the Board 0 comprised a Chairman, five Executive Directors and four independent Non-executive Directors.0

THE ROLE OF THE BOARD0

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 0 monitor the operating and financial performance of the Group in pursuit of the Group's strategic long-term objectives. In particular these include 0 the annual budget, share capital changes, approval of interim and annual results, treasury policy, dividend policy, shareholder distributions, 0 Corporate Governance matters and the maintenance and review of the Group's system of internal control.0

The Board meets formally six times a year. In 2010/11, the April meeting was deferred until the first week of May due to the unusually high number 0 of public holidays in April this year and hence five meetings were held during the year under review. There were no absences, other than Tony Carey 0 did not attend the meeting on 8 September 2010 as he was on holiday.0

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 0 Board meeting. The Group Managing Director and Group Finance Director are invited to attend these meetings in part, to provide an update on the 0 business activities of the Group. The Non-executive Directors meet at least annually without the Group Chairman present, chaired by the Senior 0 Independent Director.0

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 0 documents beforehand. In addition, the Board is supplied with comprehensive management information on a regular basis, including on a monthly 0 basis, a detailed Group management accounts pack that reports the actual and forecast financial performance, in addition to other key 0 performance indicators across the Group.0

The Company has in place an appropriate policy which insures Directors against certain liabilities, including legal costs, which they may incur in 0 carrying out their duties.0

THE BOARD AND DIRECTORS0

At the date of this report the Board comprises of nine Directors; the Chairman, four Executive Directors and four independent Non-executive 0 Directors. Following the appointments to take place after the Annual General Meeting on 5 September 2011, the Board will comprise eleven 0 Directors; the Chairman, five Executive Directors and five independent Non-executive Directors. 0

The Board considers that all the Non-executive Directors (Victoria Mitchell, David Howell, Alan Coppin and John Armitt) have skills and experience 0 complementary to the Executive Directors and offer independent judgement when required. Brief biographies appear on pages 48 and 49. The 0 Group Executive Directors do not hold any Non-executive Director appointments or commitments required to be disclosed under the Combined 0 Code.0

The roles of Group Chairman and Group Managing Director are separately held and there are clear written guidelines to support the division of 0 responsibility between them. The Group Chairman is responsible for the effective conduct of the Board and shareholder meetings and for ensuring 0 that each Director contributes to effective decision-making. The Group Managing Director has day-to-day executive responsibility for the running 0 of the Group's businesses. His role is to develop and deliver the strategy to enable the Group to meet its objectives.0

Victoria Mitchell, David Howell, Alan Coppin and John Armitt were appointed to the Board as Non-executive Directors on 1 May 2002, 24 February 0 20 4, 1 September 20 6, and 1 October 20 7 respectively and it is the unanimous view of the Board that they were independent throughout 0 the year. 0

An induction programme is provided for new Directors, which includes the provision of a comprehensive set of background information on the 0 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 0 Directors, additional ongoing training has been identified as part of the Board evaluation process, which is tailored to each Director. All Directors 0 have access to advice from the Company Secretary and independent professional advisers, at the Company's expense, where specific expertise is 0 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 0 Managing Directors of the operating companies independent of the Executive Directors.0

No Executive Director has a service contract with a notice period in excess of one year or with provisions for predetermined compensation on 0 termination. The terms of appointment for the Non-executive Directors are renewable annually on 1 May with one month's written notice and are 0 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 0 incentive or bonus plans. A minimum shareholding requirement is set for all Directors.0

The Articles of Association of the Company include the requirement for Directors to submit themselves to shareholders for re-election every three 0 years, in accordance with the Combined Code. In addition, all Directors are subject to re-election by shareholders at the first opportunity after their 0 appointment and thereafter at intervals of no more than three years. 0

DIRECTORS' REMUNERATION

The principles and details of Directors' remuneration are contained in the Remuneration Committee report on pages 53 to 64.

BOARD EVALUATION

A review of the operation of the Board, its committees and the skills of the Directors was undertaken during the year. The form of this year's Board Evaluation was reviewed by independent consultants.

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 Chairman chairs this Committee and other members comprise, Rob Perrins, Nick Simpkin, Karl Whiteman and Sean Ellis.

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 David Howell, FCA, and the other members are Alan Coppin and Victoria Mitchell.

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 2011 with no absences.

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 20 5 is considered by the Board to have recent and relevant financial experience. David Howell was also Chairman of the Audit Committee of Nestor Healthcare Group plc from 20 to 20 3.

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 53 to 64.

The Committee is chaired by Alan Coppin and the other members comprise Victoria Mitchell and 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 formally on two occasions during the year to April 2011 with no absences.

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

NOMINATION COMMITTEE0

The Nomination Committee was primarily established to propose new appointments to the Board. It also gives full consideration to succession 0 planning. 0

The Committee regularly reviews the structure, size and composition (including the skills, knowledge and experience) required of the Board 0 compared to its current position and makes recommendations with regard to any changes. Appointments to the Board are made based on merit and 0 the specific skills and expertise required for the role. Further information on the composition of the Board is set out in our Sustainability Report.0

The Committee is chaired by the Group Chairman, Tony Pidgley, with Victoria Mitchell, David Howell and John Armitt as Independent Non-executive 0 members.0

The Committee meets at least twice a year and at such times as required to carry out the duties of the Committee.0

The Committee met formally on two occasions during the year to 30 April 2011 with no absences.0

The process for identifying and recommending new appointments to the Board includes a combination of discussions and consultations, in addition 0 to formal interviews, utilising the services of independent recruitment specialists, as appropriate.0

The Nomination Committee was actively involved in the appointment of Sean Ellis to the Board in the year.0

KEY RISKS AND INTERNAL CONTROL0

The Board acknowledges that it has overall responsibility for the Group's system of internal control and for reviewing its effectiveness.0

The Board confirms that an ongoing process for identifying, evaluating and managing the significant risks of the Group has been in place from the 0 start of the financial year to the date on which the 2011 Annual Report and Accounts were approved.0

This process is regularly reviewed by the Board and is in accordance with the revised Turnbull guidance issued in 2005, and includes an annual 0 review by the Directors of the operation and effectiveness of the system of internal control as part of its year end procedures.0

Internal control procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide 0 reasonable and not absolute assurance against material misstatement or loss.0

In conducting these reviews, the Board has taken into consideration the following established framework of internal controls within the Group:0

CLEAR ORGANISATIONAL STRUCTURE The Group operates through autonomous divisions and operating companies, each with its own board. 0 Operating company boards meet on a weekly basis and divisional boards on a monthly basis, and comprehensive information is prepared for such 0 meetings on a standardised basis to cover all aspects of the business. Formal reporting lines and delegated levels of authority exist within this 0 structure and review of risk and performance occurs at multiple levels throughout both the operating companies and divisions, and the Group.0

RISK ASSESSMENT Risk reporting is embedded within ongoing management reporting throughout the Group. At operating company and divisional 0 level, Board meeting agendas and packs are structured around the key risks facing the Group. These include sales/demand risk, production risk 0 (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 0 division produces quarterly risks and control reports that identify significant risks, the potential impact and the actions being taken to mitigate the 0 risks. These risk reports are reviewed and updated regularly.0

A Risk Management Report for the Group is presented at each Board Meeting, setting out the current factors affecting the risk profile of the Group, 0 the mitigation of these risks and the key changes to this risk profile since the last report.0

Berkeley has a variety of systems in place to address the sustainability risks associated with its operations, including a Land Acquisition 0 Sustainability Risk Assessment Checklist, and sustainability issues are incorporated within Strategic Risk Registers for each project.0

Each division has processes in place to ensure that sustainability is managed during the construction phase, which includes signing all sites up to 0 the Considerate Constructors Scheme.0

FINANCIAL REPORTING A comprehensive budgeting and real-time forecasting system, covering both profit and cash, operates within the Group. 0 This enables executive management to view key financial and operating data on a daily basis. On a weekly and monthly basis more formal reporting 0 up to the Group Executives and the Board is prepared. The results of all operating units are reported monthly and compared to budget and forecast.0

There is a consolidation process in place which ensures that there is an audit trail between the Group's financial reporting system and the Group's 0 statutory financial statements.0

POLICIES AND PROCEDURES Policies and procedures, including operating and financial controls, are detailed in policies and procedures manuals 0 that are refreshed and improved as appropriate. Training to staff is given where necessary.0

CENTRAL FUNCTIONS Where appropriate, strong central functions, such as Group Legal, Group Health & Safety and Company Secretarial, provide 0 support and consistency to the rest of the Group. In addition, the principal treasury-related risks, decisions and control processes are managed by 0 the Group Finance function, under the direction of the Group Finance Director.0

INVESTMENT AND CONTRACTING CONTROLS The Group has clearly defined guidelines for the purchase and sale of land within the Group, which 0 include detailed environmental, planning and financial appraisal and are subject to executive authorisation. Rigorous procedures are also followed 0 for the selection of consultants and contractors. The review and monitoring of all build programmes and budgets are a fundamental element of the 0 Company's financial reporting cycle.0

INTERNAL AUDIT Internal auditors are in place in each division and at Group to provide assurance on the operation of the Group's control 0 framework.0

WHISTLEBLOWING The Group has a whistleblowing policy which has been communicated to all staff, where Directors, management and staff can 0 report in confidence any concerns they may have of malpractice, financial irregularity, breaches of any Group procedures, or other matters.0

BRIBERY ACT In readiness for the implementation of the Bribery Act on 1 July 2011, the Group has undertaken a thorough review of the requirements of the Act to ensure that it has adequate policies and procedures in place to prevent bribery. The Finance Director has the executive responsibility to implement the policy and report to the Audit Committee, who will oversee the development and implementation of the Group's policies and procedures and monitor compliance.

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 the Company.

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 views 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.

GOING CONCERN

The Group's business activities together with the factors likely to affect its future development performance and position are set out in the Business Review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are all described in the Trading and Financial review on pages 34 to 41.

The Group has significant financial resources and the Directors have assessed the future funding requirements of the Group and compared this to the level of committed loan facilities and cash resources over the medium term. In making this assessment consideration has been given to the uncertainty inherent in future financial forecasts and where applicable reasonable sensitivities have been applied to the key factors affecting the financial performance of the Group.

The Directors have a reasonable expectation that the Company has adequate resources to continue its operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

SHARE CAPITAL STRUCTURE

The Company is compliant with DTR 7.2.6. and the information relating to the Company's share capital structure is included in the Directors' Report on page 50.

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 Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and have prepared the Parent Company Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 these 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' 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
22 July 2011

INDEPENDENT AUDITORS' REPORT 0
TO THE MEMBERS OF THE BERKELEY GROUP HOLDINGS PLC0

We have audited the Consolidated Financial Statements of The Berkeley Group Holdings plc for the year ended 30 April 2011 which comprise the 0 Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the 0 Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that 0 has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. 0

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS 0

As explained more fully in the Directors' Responsibilities Statement set out on page 68, the Directors are responsible for the preparation of the 0 Consolidated Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion 0 on the Consolidated Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those 0 standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. 0

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of 0 the Companies Act 20 6 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to 0 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.0

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS 0

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that 0 the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the 0 accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness 0 of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the 0 financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we 0 become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.0

OPINION ON FINANCIAL STATEMENTS0

In our opinion the Consolidated Financial Statements: 0

- 0give a true and fair view of the state of the Group's affairs as at 30 April 2011 and of its profit and cash flows for the year then ended; 0
- 0have been properly prepared in accordance with IFRSs as adopted by the European Union; and 0
- 0have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation. 0

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006 0

In our opinion:0

- 0the information given in the Directors' Report for the financial year for which the Consolidated Financial Statements are prepared is consistent 0 with the Consolidated Financial Statements; and0
- 0the information given in the Corporate Governance Statement set out on pages 65 to 69 with respect to internal control and risk management 0 systems and about share capital structures is consistent with the Consolidated Financial Statements. 0

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION 0

We have nothing to report in respect of the following: 0

Under the Companies Act 20 6 we are required to report to you if, in our opinion: 0

- 0certain disclosures of Directors' remuneration specified by law are not made; or 0
- 0we have not received all the information and explanations we require for our audit; or0
- 0a corporate governance statement has not been prepared by the Parent Company.0

Under the Listing Rules we are required to review: 0

- 0the Directors' statement, set out on page 68, in relation to going concern; 0
- 0the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code 0 specified for our review; and0
- 0certain elements of the report to shareholders by the Board on Directors' remuneration.0

OTHER MATTER 0

We have reported separately on the Parent Company Financial Statements of The Berkeley Group Holdings plc for the year ended 30 April 2011 and 0 on the information in the Directors' Remuneration Report that is described as having been audited. 0

Mark Gill (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors 0
London 0
22 July 20110

CONSOLIDATED INCOME STATEMENT

For the year ended 30 April	Notes	**2011 £’**	2010 £’
Revenue		**742,612**	615,303
Cost of sales		**(533,542)**	(448,939)
Gross profit		**2 9, 70**	166,364
Net operating expenses		**(73,42)**	(60,145)
Operating profit		**135,65**	106,219
Finance income	3	**10,056**	9,498
Finance costs	3	**(11,520)**	(5,115)
Share of post tax results of joint ventures using the equity method	10	**2, 59**	(261)
Profit before taxation for the year	2, 4	**136,245**	110,341
Taxation	6	**(41,789)**	(30,816)
Profit after taxation for the year		**94,456**	79,525
Profit attributable to:			
Shareholders		**95,1 9**	79,674
Non-controlling interest		**(653)**	(149)
		94,456	79,525
Earnings per ordinary share attributable to shareholders:			
Basic	7	**72.1p**	60.0p
Diluted	7	**70.3p**	58.7p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April	Notes	**2011 £’**	2010 £’
Profit after taxation for the year		**94,456**	79,525
Other comprehensive (expense)/income:			
Actuarial loss recognised in the pension scheme	5	**(653)**	(604)
Deferred tax on actuarial loss recognised in the pension scheme	6	**170**	169
Other comprehensive expense for the year		**(483)**	(435)
Total comprehensive income for the year		**93,973**	79,090
Attributable to:			
Shareholders		**94,626**	79,239
Non-controlling interest		**(653)**	(149)
		93,973	79,090

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April	Notes	2011 £'	2010 £'
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	8	**17,159**	17,159
Property, plant and equipment	9	**1 ,620**	9,687
Investment properties	9	**28,558**	–
Investments accounted for using the equity method	10	**38,675**	26,018
Deferred tax assets	16	**18,881**	14,857
		113,893	67,721
CURRENT ASSETS			
Inventories	11	**1,613,192**	1,254,127
Trade and other receivables	12	**96,725**	57,720
Cash and cash equivalents	13	**266,3 7**	349,119
		1,976,224	1,660,966
Total assets		**2, 9 ,117**	1,728,687
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	14	**(24,233)**	(25,203)
Trade and other payables	15	**(51, 9)**	(51,848)
		(75,242)	(77,051)
CURRENT LIABILITIES			
Borrowings	14	**(2 0,029)**	(7,048)
Trade and other payables	15	**(787,2 4)**	(699,377)
Current tax liabilities		**(93,864)**	(82,895)
		(1,081,097)	(789,320)
Total liabilities		**(1,156,339)**	(866,371)
Total net assets		**933,778**	862,316
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	17	**6,743**	6,743
Share premium	17	**49,315**	49,315
Capital redemption reserve	18	**24,516**	24,516
Other reserve	18	**(961,299)**	(961,299)
Revaluation reserve	18	**3,435**	3,489
Retained earnings	18	**1,8 6,7 4**	1,735,832
		929,414	858,596
NON-CONTROLLING INTEREST		**4,364**	3,720
Total equity		**933,778**	862,316

The financial statements on pages 71 to 95 were approved by the Board of Directors on 22 July 2011 and were signed on its behalf by:

N G Simpkin
Finance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders								
	Share capital £' 00	Share premium £' 00	Capital redemption reserve £' 00	Other reserve £' 00	Revaluation reserve £' 00	Retained earnings £' 00	Total £' 00	Non-controlling interest £' 00	Total equity £'0
At 1 May 2010	6,743	49,315	24,516	(961,299)	3,489	1,735,832	858,596	3,720	862,316
Profit/(loss) after taxation for the year	–	–	–	–	–	95,109	95,109	(653)	94,456
Other comprehensive expense for the year	–	–	–	–	–	(483)	(483)	–	(483)
Funding from non-controlling interest in subsidiary undertaking	–	–	–	–	–	–	–	1,297	1,297
Reserves transfer from revaluation reserve (note 18)	–	–	–	–	(54)	54	–	–	–
Transactions with shareholders:									
Purchase of own shares (note 18)	–	–	–	–	–	(30,0 2)	(30,0 2)	–	(30,0 2)
Credit in respect of employee share schemes (note 5)	–	–	–	–	–	4,146	4,146	–	4,146
Deferred tax in respect of employee share schemes (note 6)	–	–	–	–	–	2,048	2,048	–	2,048
At 30 April 2011	**6,743**	**49,315**	**24,516**	**(961,299)**	**3,435**	**1,8 6,704**	**929,414**	**4,364**	**933,778**

	Attributable to shareholders								
	Share capital £' 00	Share premium £' 00	Capital redemption reserve £' 00	Other reserve £' 00	Revaluation reserve £' 00	Retained earnings £' 00	Total £' 00	Non-controlling interest £' 00	Total equity £'0
At 1 May 20 9	6,543	49,315	24,516	(961,299)	4,166	1,678,055	801,296	–	801,296
Profit/(loss) after taxation for the year	–	–	–	–	–	79,674	79,674	(149)	79,525
Other comprehensive expense for the year	–	–	–	–	–	(435)	(435)	–	(435)
Acquisition of subsidiary	–	–	–	–	560	–	560	–	560
Disposal of non-controlling interest in subsidiary undertaking	–	–	–	–	–	–	–	3,869	3,869
Reserves transfer from revaluation reserve	–	–	–	–	(1,237)	1,237	–	–	–
Transactions with shareholders:									
Purchase of own shares	–	–	–	–	–	(12,812)	(12,812)	–	(12,812)
Cash settlement of employee share schemes	–	–	–	–	–	(12,650)	(12,650)	–	(12,650)
Equity settlement of employee share schemes	20	–	–	–	–	(20)	–	–	–
Credit in respect of employee share schemes	–	–	–	–	–	4,491	4,491	–	4,491
Deferred tax in respect of employee share schemes	–	–	–	–	–	(1,528)	(1,528)	–	(1,528)
At 30 April 2010	**6,743**	**49,315**	**24,516**	**(961,299)**	**3,489**	**1,735,832**	**858,596**	**3,720**	**862,316**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 April	Notes	**2011** **£'**	2010 £'0
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (outflow)/inflow from operations	21	**(2 4,266)**	92,847
Dividends from joint ventures	10	**–**	108
Interest received		**9,416**	5,265
Interest paid		**(5,49)**	(2,132)
Income tax paid		**(32,631)**	(12,380)
Net cash flow from operating activities		**(232,971)**	83,708
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	**(2, 8)**	(6,939)
Sale of property, plant and equipment		**267**	133
Funding of non-controlling interest in subsidiary undertaking		**1,297**	3,869
Acquisition of subsidiary undertaking		**–**	(1,473)
Purchase of shares in joint ventures	10	**440**	(996)
Movements in loans with joint ventures	10	**(11, 38)**	(4,533)
Net cash flow from investing activities		**(11, 42)**	(9,939)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of own shares	18	**(3 , 02)**	(12,812)
Cash settlement of employee share scheme		**–**	(12,650)
Repayment of loan stock		**(19)**	(18)
Proceeds from borrowings		**191,222**	15,988
Net cash flow from financing activities		**161,201**	(9,492)
Net (decrease)/increase in cash and cash equivalents		**(82,812)**	64,277
Cash and cash equivalents, including bank overdraft, at the start of the financial year		**349,119**	284,842
Cash and cash equivalents at the end of the financial year	13	**266,3 7**	349,119

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS0

1 ACCOUNTING POLICIES 0

General Information

The Berkeley Group Holdings plc (the "Company") is a public limited company incorporated and domiciled in the United Kingdom. The address of its 0 registered office is Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG. The Company and its subsidiaries (together the "Group") are 0 engaged in residential-led, mixed-use property development. Further information about the nature of the Group's operations and its principal 0 activities are set out in the Directors' Report on page 50.0

Basis of preparation

These Consolidated Financial Statements have been prepared in accordance with European Union endorsed International Financial Reporting 0 Standards ("IFRSs"), IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The 0 Consolidated Financial Statements have been prepared under the historical cost convention and on the going concern basis. Historical cost is 0 generally based on the fair value of the consideration given in exchange for the assets.0

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires 0 management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement 0 or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements, are disclosed on page 78.0

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year ended 30 April 0 2011, but have had no impact on the Consolidated Financial Statements:0

- IFRS 1 (Revised) "First-time adoption"; 0
- IFRS 3 (Revised) "Business combinations"; 0
- IFRS 2 (Amendment) "Share-based payment"; 0
- IFRS 5 (Amendment) "Non-current assets held for sale and discontinued operations"; 0
- IFRS 8 (Amendment) "Operating segments"; 0
- IAS 1 (Amendment) "Presentation of financial statements"; 0
- IAS 7 (Amendment) "Statement of cash flows"; 0
- IAS 17 (Amendment) "Leases"; 0
- IAS 32 (Amendment) "Financial instruments: presentation"; 0
- IAS 36 (Amendment) "Impairment of assets"; 0
- IAS 38 (Amendment) "Intangible assets"; 0
- IAS 39 (Amendment) "Financial instruments: recognition and measurement"; 0
- IFRIC16 "Hedges of a net investment in a foreign operation"; 0
- IFRIC17 "Distribution of non-cash assets to owners"; and 0
- IFRIC18 "Transfer of assets from customers".0

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year ended 30 0 April 2011 and have not been adopted early:0

- IFRS 1 (Amendment) "First-time adoption" (effective 1 July 2010); 0
- IFRS 3 (Amendment) "Business combinations" (effective 1 July 2010); 0
- IFRS 7 "Financial instruments" (effective 1 July 2011); 0
- IFRS 9 "Financial instruments" (effective 1 July 2013); 0
- IFRS 10 "Consolidated financial statements" (effective 1 July 2013); 0
- IFRS 11 "Joint arrangements" (effective 1 July 2013); 0
- IFRS 12 "Disclosures of interests in other entities" (effective 1 July 2013); 0
- IFRS 13 "Fair value measurement" (effective 1 July 2013); 0
- IAS 1 (Amendment) "Presentation of financial statements" (effective 1 January 2011); 0
- IAS 12 (Amendment) "Income tax on deferred tax" (effective 1 January 2012); 0
- IAS 24 (Revised) "Related party disclosures" (effective 1 January 2011); 0
- IAS 27 (Amendment) "Consolidated and separate financial statements" (effective 1 January 2013); 0
- IAS 34 (Amendment) "Interim financial reporting" (effective 1 January 2011); 0
- IFRIC 13 (Amendment) "Customer loyalty programmes" (effective 1 January 2011); 0
- IFRIC14 (Amendment) "Prepayments of minimum funding requirement" (effective 1 January 2011); and 0
- IFRIC19 "Extinguishing financial liabilities with equity instruments" (effective 1 July 2010).0

These standards are not expected to have a significant impact on the Consolidated Financial Statements. These standards apply to periods 0 commencing on or after the stated effective dates.0

Basis of consolidation

(a) Subsidiaries

The Consolidated Financial Statements comprise the financial statements of the Parent Company and all its subsidiary undertakings. The 0 accounting date for subsidiary undertakings is 30 April.0

Subsidiary undertakings are entities that are directly or indirectly controlled by the Group. Control exists where the Group has the power to govern 0 the financial and operating policies of the entity so as to obtain the benefits from its activities. 0

The purchase method of accounting is used to account for the acquisition of subsidiary undertakings by the Group. The cost of an acquisition is 0 measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs 0 directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are 0 measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of cost of 0 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 0 than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.0

1 ACCOUNTING POLICIES CONTINUED

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

(b) Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and those interests' share of changes in the equity since the date of the combination.

(c) 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 Group'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 above. The carrying value of goodwill is included in the carrying value of the investment in joint ventures. On transfer of land and/or work in progress to joint ventures, the Group recognises only its share of any profits or losses, namely that proportion sold outside the Group.

Segmental reporting

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group determines its reportable segments having regard to permitted aggregation criteria with the principal condition being that the operating segments should have similar economic characteristics.

The Group is predominantly engaged in residential-led, mixed-use property development, comprising residential revenue, revenue from land sales and commercial revenue.

For the purposes of determining its operating segments, the chief operating decision-maker has been identified as the Executive Committee of the Board. This committee approves investment decisions, allocates the Group's resources and reviews the internal reporting in order to assess performance.

The Group has determined that its operating segments are the management teams that report into the Executive Committee of the Board. These management teams are all engaged in residential-led, mixed-use development in the United Kingdom and, having regard to the aggregation criteria in IFRS 8, the Group has one reportable operating segment.

In addition to its development activities, the Group holds certain residential properties for investment purposes. These investment activities represent a separate segment which is included within "Other activities", as it does not meet the size thresholds to be disclosed as a separate reportable segment.

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 recognised when contracts are exchanged and the building work is physically complete.

Rental income is recognised in the income statement on a straight line basis over the life of the lease. Any lease incentives are recognised as an integral part of the total rental income.

Expenditure

Expenditure recorded in inventory is expensed through cost of sales at the time of the related property sale. Net operating expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

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 substantively 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 based on tax laws and rates that have been enacted at the balance sheet date. The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which taxable temporary differences can be utilised. Deferred taxation is charged or credited to the income statement, except when it relates to items charged or credited directly to reserves, in which case the deferred taxation is also dealt with in reserves.

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 0 acquired, the resulting premium on acquisition (goodwill) is capitalised and its subsequent measurement is based on annual impairment reviews 0 and impairment reviews performed where an impairment indicator exists, with any impairment losses recognised immediately in the income 0 statement. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating 0 units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. 0

(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 0 intangible assets are amortised over their estimated useful lives.0

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 0 costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided to write off the cost of the assets on 0 a straight line basis to their residual value over their estimated useful lives at the following annual rates:0

Freehold buildings 0	2% 0	Fixtures and fittings 0	15% / 20%0
Motor vehicles 0	25% 0	Computer equipment 0	33 1/3 %0

No depreciation is provided on freehold land.0

Computer equipment is included within fixtures and fittings. The assets' residual values, carrying values and useful lives are reviewed on an annual 0 basis and adjusted if appropriate at each balance sheet date. Where an impairment is identified, the recoverable amount of the asset is identified 0 and an impairment loss, where appropriate, is recognised in the income statement.0

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future 0 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 0 replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are 0 incurred.0

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within net operating 0 expenses in the income statement.0

Investment properties

Investment properties, which are properties held to earn rental income, are recognised using the "cost model" and are carried in the statement of 0 financial position at historic cost less accumulated depreciation.0

Depreciation is provided to write off the element of the cost of the assets that relates to buildings at 2% per annum on a straight line basis. No 0 depreciation is charged on the element of the cost of the assets that relates to land. 0

Inventories

Property in the course of development and completed units are valued at the lower of cost and net realisable value. Direct cost comprises the cost 0 of land, raw materials and development costs but excludes indirect overheads. Provision is made, where appropriate, to reduce the value of 0 inventories and work in progress to their net realisable value.0

Land purchased for development, including land in the course of development, is initially recorded at fair value. Where such land is purchased on 0 deferred settlement terms, and the fair value differs from the amount that will subsequently be paid in settling the liability, this difference is 0 charged as a finance cost in the income statement over the period to settlement.0

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less 0 provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be 0 able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's 0 carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the 0 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 0 expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of 0 amounts previously written off are credited against net operating expense in the income statement.0

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 0 Group's cash management, for which offset arrangements across Group businesses have been applied where appropriate.0

Share capital

Ordinary shares and redeemable preference shares are classified as equity. 0

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.0

1 ACCOUNTING POLICIES CONTINUED

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, sold or reissued. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

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 which is considered to be their fair value. Trade payables on extended terms are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs.

Deposits

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

Employee benefits

(a) Pensions

The Group accounts for pensions under IAS 19 "Employee benefits". The Group has both defined benefit and defined contribution plans. The defined benefit plan was closed to future accrual with effect from 1 April 2007.

For the defined benefit scheme, the obligations are measured using the projected unit method. The calculation of the net obligation is performed by a qualified actuary. The operating and financing costs of these plans are recognised separately in the income statement; service costs are set annually on the basis of actuarial valuations of the scheme and financing costs are recognised in the period in which they arise. Actuarial gains and losses are recognised immediately in the statement of comprehensive income and expense. In accordance with IAS 19 the Group does not recognise on the statement of financial position any surplus in the scheme.

Pension contributions under defined contribution schemes are charged to the income statement as they fall due.

(b) Share-based payments

Where the Company operates equity-settled, share-based compensation plans, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. 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 asset 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.

2 SEGMENTAL DISCLOSURE

The Group is engaged in residential-led, mixed-use property development, comprising residential revenue, revenue from land sales and commercial revenue.

For the purposes of determining its operating segments, the chief operating decision-maker has been identified as the Executive Committee of the Board. This committee approves investment decisions, allocates the Group's resources and reviews the internal reporting in order to assess performance.

The Group has determined that its operating segments are the management teams that report into the Executive Committee of the Board. These management teams are all engaged in residential-led, mixed-use development in the United Kingdom and, having regard to the aggregation criteria in IFRS 8, the Group has one reportable operating segment.

In addition to its development activities, the Group holds certain residential properties for investment purposes. These investment activities represent a separate segment which is included within other activities, as it does not meet the size thresholds to be disclosed as separate reportable segments.

Segment results

	2011 **£'**	2010 £'
Profit before tax		
Residential-led mixed-use development	**136,512**	110,341
Other activities	**(267)**	–
	136,245	110,341

Segment profit before tax represents the profit before tax allocated to each segment. This is the measure reported to the Executive Committee of the Board for the purpose of resource allocation and assessment of segment performance.

Segment assets

	2011 **£'**	201 £'
Assets		
Residential-led mixed-use development	**2, 61,559**	1,728,687
Other activities	**28,558**	–
	2, 9 ,117	1,728,687

For the purpose of monitoring segment performance and allocating resources between segments all assets are considered to be attributable to residential-led mixed-use development with the exception of investment properties which are held for the Group's investing activities and have therefore been allocated to other activities.

3 NET FINANCE (COSTS)/INCOME

	2011 **£'**	2010 £'
Finance income	**10,056**	9,498
Finance costs		
Interest payable on bank loans and non-utilisation fees	**(4,13)**	(1,623)
Amortisation of facility fees	**(2, 84)**	(598)
Other finance costs	**(5,3 6)**	(2,894)
	(11,520)	(5,115)
Net finance (costs)/income	**(1,464)**	4,383

Finance income predominantly represents interest earned on cash deposits.

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

4 PROFIT BEFORE TAXATION

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

	2011 £'	2010 £'
Staff costs (note 5)	85,722	62,813
Depreciation of property, plant and equipment (note 9)	858	804
Amortisation of intangible assets (note 8)	–	156
(Profit)/loss on sale of property, plant and equipment	(5)	40
Rental income from investment properties	535	–
Direct operating expense in relation to investment properties including depreciation	(725)	–
Operating lease costs	1,515	1,460
Fees payable to the Company's auditor for the audit of the Parent Company and consolidated financial statements	12	120
Fees payable to the Company's auditors for other services:		
- Audit fee for the financial statements of the Company's subsidiaries pursuant to legislation	125	110
- Services relating to taxation	623	509
- Remuneration consultancy services	50	185
- Other services supplied pursuant to legislation	50	5

The value of inventories expensed and included in the cost of sales is £489,779,00 (2010: £421,553,0).

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 £50,00 relates to the interim review (2010: £50,0).

In addition to the above services, the Group's auditor acted as auditor to The Berkeley Final Salary Plan. The appointment of auditors to the Group's pension scheme and the fees paid in respect of the audit are agreed by the trustees of the scheme, who act independently of the management of the Group. The fees paid to the Group's auditors for audit services to the pension scheme during the year were £7,00 (2010: £7,0).

5 DIRECTORS AND EMPLOYEES

	2 11 £'	2010 £'
Staff costs		
Wages and salaries	68,229	50,380
Social security costs	1 ,922	5,746
Share-based payments	4,146	4,491
Pension costs	2,425	2,196
	85,722	62,813

The average number of persons employed by the Group during the year was 935 (2010: 748).

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 53 to 64.

Share-based payments

The Group operates two equity-settled share based payments schemes. 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 2009 Long-Term Incentive Plan and deferred shares or notional shares under the 2010/11 Bonus Plan, was £4,146,0 (2010: £4,491,0). The charge to the income statement attributable to key management is £3,099,00 (2010: £3,619,0).

20 9 Long-Term Incentive Plan

Part A

On 29 June 20 9 the balance of the shares originally awarded under the 2004(b) Long-Term Incentive Plan, totalling 5,330,340 shares, were replaced by options under Part A of the 2009 Long-Term Incentive Scheme, with an exercise price of £3.00 per share, in accordance with the shareholder approval obtained at the Extraordinary General Meeting on 15 April 2009. These will become exercisable by the relevant Executive Directors on 31 January 2014, subject to continued employment at that date.

Part B

Part B of the 20 9 Long-Term Incentive Plan covers 6,830,00 share options with an exercise price of £8.40. Vesting of the options is in two tranches: 50% on 15 April 2015 and 50% on 15 April 2016. The options are conditional on continued employment at 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.

201 /11 Bonus Plan

Under the terms of the 2010/11 Bonus Plan set out in the Remuneration Report participants to the plan are entitled to 50% of the balance of their 0 plan account at the end of each financial year. The remaining balance is deferred in shares or notional shares. 0

Pensions

During the year, two principal pension schemes were in place for employees. The Berkeley Group plc Group Personal Pension Plan and the St George 0 PLC Group Personal Pension Plan are defined contribution schemes. The assets of these schemes were held in separate trustee administered funds.0

The Berkeley Final Salary Plan is a defined benefit scheme which was closed to future accrual with effect from 1 April 2007.0

Defined contribution plan

Contributions amounting to £2,155,0 (2010: £1,975,0) were paid into the defined contribution schemes during the year.0

Defined benefit plan

The Berkeley Final Salary Plan is subject to an independent actuarial valuation at least every three years. The most recently finalised valuation was 0 carried out as at 1 May 2010 and was finalised in March 2011. The method adopted in the 2010 valuation was the projected unit method, which 0 assumed a return on investment both prior to and after retirement of 5.75% per annum and pension increases of 3.25% per annum. The market 0 value of the Berkeley Final Salary Plan assets at 1 May 2010 was £11,692,00 and was sufficient to cover 100% of the scheme's liabilities. 0 Following the finalisation of the 2007 valuation, with effect from 1 July 2008, employer's required regular contributions were reduced to zero. 0 Following the finalisation of the 2010 valuation this position remains unchanged. Notwithstanding this the Company made additional voluntary 0 contributions of £60 ,0 during the year (2010: £600,0). 0

For the purposes of IAS 19, the 2010 valuation was updated for 30 April 2011.0

The major assumptions used by the actuary were:0

0 Valuation at: 0	0 0	0	0	0	**30 April** 0 **2 11** 0	30 April 0 201 0
Rate of increase in salaries 0	0	0	0	0	**–** 0	– 0
Discount rate 0	0	0	0	0	**5.4%** 0	5.5% 0
Inflation assumption 0	0	0	0	0	**3.4%** 0	3.5% 0
Rate of increase in pensions in payment post-97 (Pre-97 receive 3% p.a. increases) 0			0	0	**3.4%** 0	3.5%0

The mortality assumptions are the standard S1PA CMI_2009_X [1.0%] (2010: PXA92 YOB) base table for males and females, both adjusted for each 0 individual's year of birth to allow for future improvements in mortality rates. The life expectancy of male and female pensioners (now aged 65) 0 retiring at age 65 on the balance sheet date is 22.0 years and 24.0 years respectively (2010: 20.0 and 23.0). The life expectancy of male and female 0 deferred pensioners (now aged 50) retiring at age 65 after the balance sheet date is 23.0 years and 25.2 years respectively (2010: 20.9 and 23.9).0

The fair value of the assets and the expected rates of return on the assets were as follows: 0

0 0 0 0		0	**Long-term rate of return**	0 **30 April 2 11** 0 0 **Value** 0 **(£')** 0	Long-term0 rate of 0 return 0	0 30 April 2010 0 Value0 (£'0) 0
Equities 0	0	0	**7. %**	**5,260** 0	7.40% 0	4,588 0
Government Bonds 0	0	0	**4. %**	**3,694** 0	4.40% 0	3,264 0
Corporate Bonds 0	0	0	**5.2 %**	**3,7 7** 0	5.30% 0	3,427 0
Cash 0	0	0	**0.5 %**	**191** 0	0.50% 0	208 0
Fair value of plan assets 0	0	0	0	**12,852** 0	0	11,487 0

The overall expected rate of return on scheme assets is a weighted average of the individual expected rates of return on each asset class.0

The amounts recognised in the balance sheet are determined as follows:0

0 0	0 0			0 0	**2 11** **£'** 0	0 1 £' 00
Present value of defined benefit obligations 0	0	0	0	0	**(12,4 2)** 0	(11,445)0
Fair value of plan assets 0	0	0	0	0	**12,852** 0	11,487 0
Net surplus 0	0	0	0	0	**450** 0	42 0
Unrecognised asset in accordance with IAS 19 0	0	0	0	0	**(45)** 0	(42)0
Net amount recognised on the balance sheet 0	0	0	0	0	**–**	0

5 DIRECTORS AND EMPLOYEES CONTINUED

The amounts recognised in the income statement are as follows:

	2 11 £'	201 £'
Current service cost	–	–
Past service cost	–	–
Interest on pension scheme liabilities	621	538
Expected return on plan assets	(674)	(542)
Total included within finance income	(53)	(4)

Changes in the present value of the defined benefit obligation:

	2 11 £'	201 £'
Present value of defined benefit obligations at 1 May	11,445	8,275
Current service cost	–	–
Interest on pension scheme liabilities	621	538
Contributions by plan participants	–	–
Actuarial loss on scheme liabilities recognised in the statement of comprehensive income	638	2,888
Net benefits paid out	(302)	(256)
Present value of defined benefit obligations at 30 April	12,4 2	11,445

Changes in the fair value of plan assets:

	2 11 £'	2 1 £'
Fair value of plan assets at 1 May	11,487	9,412
Expected return on plan assets	674	542
Actuarial gains on plan assets recognised in the statement of comprehensive income	393	1,189
Contributions by the employer	6 0	60
Contributions by plan participants	–	–
Net benefits paid out	(302)	(256)
Fair value of plan assets at 30 April	12,852	11,487

Cumulative actuarial gains and losses recognised in equity:

	2 11 £'	2 1 £'
Cumulative amounts of losses recognised in the statement of comprehensive income at 1 May	(2,3)	(1,696)
Net actuarial losses recognised in the year	(245)	(1,699)
Change in irrecoverable surplus in accordance with IAS 19	(4 8)	1,095
Cumulative amounts of losses recognised in the statement of comprehensive income at 30 April	(2,953)	(2,30)

Actual gain on plan assets:

	2 11 £'	2 1 £'
Expected gain on scheme assets	674	542
Actuarial gain on scheme assets	393	1,189
Actual gain on scheme assets	1, 67	1,731

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

	30 April 2011 £'	30 April 2010 £'	30 April 20 9 £'	30 April 20 8 £'	30 April 20 7 £'
Fair value of scheme assets	**12,852**	11,487	9,412	9,850	9,974
Present value of scheme liabilities	**(12,4 2)**	(11,445)	(8,275)	(9,214)	(9,832)
Net surplus in the plan	**450**	42	1,137	636	142

	30 April 2011	30 April 2010	30 April 20 9	30 April 2 8	30 April 20 7
Experience adjustments arising on scheme assets:					
Amount (£'0)	**393**	1,189	(1,282)	(1,124)	383
% of scheme assets	**3.06%**	10.35%	(13.62%)	(11.41%)	3.84%
Experience adjustments arising on scheme liabilities:					
Amount (£'0)	**62**	(49)	67	90	346
% of the present value of scheme liabilities	**(0.5 %)**	0.43%	(0.81%)	(0.98%)	(3.52%)

6 TAXATION

The tax charge for the year is as follows:

	2 11 £'	2010 £'
Current tax		
UK corporation tax payable	**(44,767)**	(23,424)
Adjustments in respect of previous periods	**1,285**	(656)
	(43,482)	(24,080)
Deferred tax at 28% (note 16)	**2,724**	(6,736)
Adjustment in respect of change of tax rate from 28% to 26% (note 16)	**(1, 31)**	–
	(41,789)	(30,816)

Tax on items recognised directly in other comprehensive income is as follows:

	2 11 £'	2 1 £'
Deferred tax on actuarial loss recognised in the pension scheme (note 16)	**170**	169

Tax on items recognised directly in equity is as follows:

	2 11 £'	2 1 £'
Deferred tax in respect of employee share schemes	**2, 48**	(16,658)
Current tax in respect of employee share schemes	**–**	15,130
	2, 48	(1,528)

6 TAXATION CONTINUED

The tax charge assessed for the year differs from the standard rate of UK corporation tax of 27.84% (2010: 28.0%). The differences are explained below:

	2 11 £'	1 £'
Profit before tax	136,245	110,341
Tax on profit at standard UK corporation tax rate	37,931	30,895
Effects of:		
Expenses not deductible for tax purposes	664	106
Tax effect of share of results of joint ventures	(573)	73
Adjustments in respect of previous periods - current tax	(1,285)	656
Adjustments in respect of previous period - deferred tax	–	(1,632)
Adjustments in respect of deferred tax change of rate from 28% to 26%	1, 31	–
Other	4, 21	718
Tax charge	41,789	30,816

The statutory tax rate in 2011 was at 27.84% (11 months at 28%, 1 month at 26%)

The adjustments in respect of previous periods includes items such as contaminated land relief, research and development relief and other timing differences that are not individually significant and have not therefore been separately disclosed.

The other adjustment predominantly relates to the deferred tax effect of transferring the ownership of certain properties during the year to subsidiaries incorporated in overseas tax jurisdictions with different rates to the UK.

7 EARNINGS PER ORDINARY SHARE

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

	2 11	201
Profit attributable to shareholders (£'0 's)	95,1 9	79,674
Weighted average number of shares (00 's)	131,962	132,824
Basic earnings per ordinary share (p)	72.1	60.0

For diluted earnings per ordinary share, the weighted average number of shares in issue is adjusted to assume the conversion of all potentially dilutive ordinary shares. At 30 April 2011, the Group had three categories of potentially dilutive ordinary shares: 5.3 million £3.00 share options under the 20 9 LTIP Part A, 6.8 million £8.40 share options under the 2009 LTIP Part B and 0.2 million notional shares under the the 2010/11 Bonus Plan.

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

	2 11	1
Profit used to determine diluted EPS (£'0 's)	95,1 9	79,674
Weighted average number of shares (00 's)	131,962	132,824
Adjustments for:		
Share options - 20 9 LTIP Part A (00 's)	3,2 9	3,0 4
Share options - 20 9 LTIP Part B (00 's)	–	–
2010/11 Bonus plan shares (0 's)	46	–
Shares used to determine diluted EPS (0 's)	135,217	135,828
Diluted earnings per ordinary share (p)	7 .3	58.7

8 INTANGIBLE ASSETS

	Goodwill £'000	Other intangible assets £'000	Total £'000
Cost			
At 1 May 2010 and 30 April 2011	**17,159**	**–**	**17,159**
Accumulated amortisation			
At 1 May 2010	–	–	–
Amortisation charge for the year	–	–	–
At 30 April 2011	**–**	**–**	**–**
Net book value			
At 1 May 2010	17,159	–	17,159
At 30 April 2011	**17,159**	**–**	**17,159**
Cost			
At 1 May 20 9 and 30 April 2010	17,159	3,273	20,432
Accumulated amortisation			
At 1 May 20 9	–	3,117	3,117
Amortisation charge for the year	–	156	156
At 30 April 2010	–	3,273	3,273
Net book value			
At 1 May 20 9	17,159	156	17,315
At 30 April 2010	17,159	–	17,159

The goodwill balance relates solely to the acquisition of the 50% of the ordinary share capital of St James Group Limited, completed on 7 November 20 6, that was not already owned by the Group. The goodwill balance is tested annually for impairment. The recoverable amount has been determined on the basis of the current five year pre-tax forecasts. Key assumptions are as follows:

(i) Cash flows beyond a five year period are not extrapolated;

(ii) A pre-tax discount rate of 8.71% (2010: 9.12%) 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.

Other intangible assets related 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 £3,273,00 at the acquisition date. This intangible asset was amortised as these reserved or exchanged units were taken to profit and was included in net operating expenses. In the period to 30 April 2010 the last units which were forward sold at the acquisition date were taken to profit. From 1 May 2010 the accumulated amortisation against other intangible assets has been eliminated against the brought forward cost reducing both balances to nil.

9 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

		Property, plant and equipment				
		Freehold property £’ 00	Fixtures and fittings £’ 00	Motor vehicles £’ 00	Total £’ 00	Investment property £’
Cost						
At 1 May 2010		8,0 6	5,123	2,535	15,664	–
Additions		–	944	1,064	2,0 8	28,685
Disposals		–	(36)	(783)	(819)	–
At 30 April 2011		**8, 6**	**6, 31**	**2,816**	**16,853**	**28,685**
Accumulated Depreciation						
At 1 May 2010		93	4,638	1,246	5,977	–
Charge for the year		124	345	389	858	127
Disposals		–	(28)	(574)	(602)	–
At 30 April 2011		**217**	**4,955**	**1, 61**	**6,233**	**127**
Net book value						
At 1 May 2010		7,913	485	1,289	9,687	–
At 30 April 2011		**7,789**	**1, 76**	**1,755**	**1 ,620**	**28,558**

Cost						
At 1 May 20 9		1,754	5,479	2,442	9,675	–
Additions		6,252	125	562	6,939	–
Disposals		–	(481)	(469)	(950)	–
At 30 April 2010		8,0 6	5,123	2,535	15,664	–
Accumulated Depreciation						
At 1 May 20 9		58	4,692	1,20	5,950	–
Charge for the year		35	402	367	804	–
Disposals		–	(456)	(321)	(777)	–
At 30 April 2010		93	4,638	1,246	5,977	–
Net book value						
At 1 May 20 9		1,696	787	1,242	3,725	–
At 30 April 2010		7,913	485	1,289	9,687	–

Additions to investment property represent the value at cost of completed properties transferred from the Group’s inventory, which are to be held for rental purposes. The market value of these properties is £42,049,00 as determined by the Directors taking into account all relevant factors including their nature and location.

£13,70 ,0 of the investment properties, at cost, are subject to an agreement with the Homes and Communities Agency which requires these properties to be available for rent until at least 31 March 2015, although Berkeley is able to dispose of its investment properties prior to this date.

10 INVESTMENTS

	2 11 £'	2010 £'
Unlisted shares at cost	**15,687**	16,127
Loans	**24,538**	13,50
Share of post-acquisition reserves	**(668)**	(2,727)
Elimination of profit on transfer of inventory to joint ventures	**(882)**	(882)
	38,675	26,018

Details of the principal joint ventures are provided in note 24.

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

	2 11 £'	201 £'
At 1 May	**26,018**	22,472
Profit/(loss) after tax for the year	**2, 59**	(261)
Acquisition of shares in joint ventures	**(44)**	996
Carrying value of share of joint ventures' net assets owned prior to acquisition	**–**	(1,614)
Net increase in loans to joint ventures	**11, 38**	4,533
Dividends received	**–**	(108)
At 30 April	**38,675**	26,018

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

	2 11 £'	2 1 £'
Non-current assets	**–**	–
Current assets	**146,155**	46,243
Current liabilities	**(46,837)**	(6,911)
Non-current liabilities	**(6 ,643)**	(13,314)
	38,675	26,018
Revenue	**2 ,594**	4,224
Costs	**(17,923)**	(3,653)
Operating profit	**2,671**	571
Interest charges	**(543)**	(164)
Profit before taxation	**2,128**	407
Tax charge	**(69)**	(668)
Share of post tax profit/(loss) of joint ventures	**2, 59**	(261)

11 INVENTORIES

	2 11 £'	2010 £'
Land not under development	**316,591**	242,074
Work in progress	**1,247,553**	945,734
Completed units	**49, 48**	66,319
	1,613,192	1,254,127

12 TRADE AND OTHER RECEIVABLES

	2 11 £'	2 1 £'
Trade receivables	**79,422**	42,842
Other receivables	**8,530**	7,883
Prepayments and accrued income	**8,773**	6,995
	96,725	57,720

Further disclosures relating to trade receivables are set out in note 22.

13 CASH AND CASH EQUIVALENTS

	2011 £'	2010 £'
Cash at bank and in hand	**266,3 7**	349,119

14 BORROWINGS

	2011 £'	2010 £'
Current		
Loan stock	**(29)**	(48)
Bank loans	**(2 ,)**	(7,0)
	(2 0,029)	(7,048)
Non-current		
Bank loans	**(24,233)**	(25,203)
Total borrowings	**(224,262)**	(32,251)

Loan stock is unsecured and is repayable on three months notice being given to the Company, with interest rates linked to LIBOR.

Non-current bank loans include amounts drawn under site specific bank facilities. The loans are secured by a fixed charge over the specific assets. Further disclsoures relating to current and non-current bank loans are set out in note 22.

15 TRADE AND OTHER PAYABLES

	2011 £'	2010 £'
Current		
Trade payables	**(264,963)**	(204,864)
Deposits and on account contract receipts	**(471,967)**	(461,568)
Loans from joint ventures	**(96)**	(96)
Other taxes and social security	**(8,95)**	(4,378)
Accruals and deferred income	**(41,228)**	(28,471)
	(787,2 4)	(699,377)
Non-current		
Trade payables	**(51, 9)**	(51,848)
Total trade and other payables	**(838,213)**	(751,225)

All amounts included above are unsecured. The total of £8,950,00 (2010: £4,378,0) for other taxes and social security includes £4,552,00 (2010: £2,411,0) for Employer's National Insurance provision in respect of share-based payments.

Further disclosures relating to current trade and non-current trade payables are set out in note 22.

16 DEFERRED TAX

The movement on the deferred tax account is as follows:

	Accelerated capital allowances £’ 0	Retirement benefit obligation £’ 0	Other short-term timing differences £’ 0	Total £’
At 1 May 2010	746	–	14,111	14,857
Transfer from corporation tax receivable	–	–	113	113
Charged to the income statement at 28%	(181)	(183)	3,088	2,724
Adjustment in respect of change of tax rate from 28% to 26% (note 6)	(40)	13	(1,0 4)	(1,031)
Charged to the income statement in year	(221)	(170)	2,084	1,693
Debited to equity at 28%	–	183	2,451	2,634
Adjustment in respect of change of tax rate from 28% to 26%	–	(13)	(403)	(416)
Charged to equity in year	–	170	2,048	2,218
At 30 April 2011	**525**	**–**	**18,356**	**18,881**
At 1 May 20 9	867	–	37,060	37,927
Adjustments in respect of previous period	(15)	–	1,647	1,632
Charged to the income statement	(106)	(169)	(8,093)	(8,368)
Credited/(debited) to equity	–	169	(1,528)	(1,359)
Realisation of deferred tax asset on vesting of employee share scheme	–	–	(15,130)	(15,130)
Deferred tax arising on acquisition of subsidiary undertakings	–	–	155	155
At 30 April 2010	746	–	14,111	14,857

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 26.0% (2010: 28.0%). 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 2011 was £18,881,0 (2010: £14,857,0).

Deferred tax assets of £15,398,0 (2010: £12,644,0) are expected to be recovered after more than one year.

The Finance (No.3) Bill 2010-11 which became substantively enacted on the 5 July 2011 includes legislation to reduce the main rate of corporation tax from 26% to 25% from April 2012. Further reductions to the main rate of corporation tax are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014 and these are expected to be enacted separately each year. These changes had not been substantively enacted at 30 April 2011 and therefore they are not reflected in these financial statements.

The effect of the change substantively enacted on 5 July 2011 would be to reduce the value of the deferred tax asset at April 2011 by £592,00 .

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

	2011 £’	2010 £’
Deferred tax on actuarial loss recognised in the pension scheme	**170**	169
Deferred tax in respect of employee share schemes	**2, 48**	(16,658)
Movement in the year	**2,218**	(16,489)
Cumulative deferred tax credited to equity at 1 May	**4,575**	21,064
Cumulative deferred tax credited to equity at 30 April	**6,793**	4,575

17 SHARE CAPITAL AND SHARE PREMIUM

The authorised share capital of the Company in the year was as follows:

	2011 **No.'**	2010 No.'
At 30 April		
Ordinary share capital	**925,**	925,
Redeemable preference shares of £1 each	**50**	50

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

	Ordinary shares No.'
At 1 May 20 9	130,859
Equity settlement of employee share scheme	3,998
At 30 April 2010	134,857
At 30 April 2011	**134,857**

	Share capital £'	Share premium £'
At 1 May 20 9	6,543	49,315
Equity settlement of employee share scheme	20	–
At 30 April 2010	6,743	49,315
At 30 April 2011	**6,743**	**49,315**

The Company issued 3,997,754 shares on 10 September 20 9 to the relevant Executive Directors, for no cost, in settlement of the awards under Element 1C of the 20 4(b) Long-Term Incentive Scheme. Last year the issued share capital was increased by the total par value of the shares issued of £20 ,0 .

At 30 April 2011 there were 3,577,506 shares held as 'treasury shares' (2010: nil). The company has the right to re-issue these shares at a later date.

At 30 April 2011 there were 237,363 shares held in trust (2010: 3,561). The market value of these shares at 30 April 2011 was £2,516,048 (2010: £30,0).

18 RESERVES

The movement in reserves is set out in the Consolidated Statement of Changes in Equity on page 73.

Other reserve

The Other reserve of negative £961,299,00 (2010: negative £961,299,00) 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 20 5.

Revaluation reserve

The revaluation reserve consists of balances in relation to two separate transactions.

The first element arose following the acquisition on 7 November 2006 of the 50% of the ordinary share capital of St James Group Limited not already owned. A revaluation reserve of £20,297,00 was originally created in accordance with IFRS 3 through fair value adjustments to the 50% of the net assets of St James Group Limited owned by the Group prior to 7 November 2006. Transfers of £35,00 in the year (2010: £1,237,00) to distributable reserves were recognised as the associated fair value adjustments were charged to the income statement. At 30 April 2011 the balance in the revaluation reserve relating to the acquisition of St James Group Limited is £2,894,00 (2010: £2,929,0).

The second element arose in the previous financial year following the acquisition on 23 July 2009 of the shares owned by Saad Investments Company Limited and the outstanding shareholder loans in five joint ventures which became fully owned subsidiaries from this date. A revaluation reserve of £560,00 was created in accordance with IFRS 3 through fair value adjustments to the 50% of the net assets of the joint ventures owned by the Group prior to 23 July 2009. Transfers of £19,00 in the year (2010: nil) to distributable reserves were recognised as the associated fair value adjustments were charged to the income statement. At 30 April 2011 the balance in the revaluation reserve relating to the acquisition of the five entities that were previously joint ventures with Saad Investments Company Limited is £541,00 (2010: £560,0).

Capital redemption reserve fund

The capital redemption reserve fund was created to maintain the capital of the Company following the redemption of the B Shares associated with 0 the Scheme of Arrangement created in 2004 which completed on 10 September 2009 with the re-designation of the unissued B shares as ordinary 0 shares.0

Retained earnings

The Company acquired 3,577,506 of its own shares through purchases on the London Stock Exchange between 29 June 2010 and 25 August 2010. 0 The total amount to acquire the shares was £28,210,179 and has been deducted from retained earnings within shareholders' equity. These shares 0 are held as 'treasury shares'.0

The Company's Employee Benefit Trust acquired 233,802 shares through purchases on the London Stock Exchange in the year (2010: 1,700,0). 0 The total amount paid to acquire the shares, including expenses, was £1,791,662 (2010: £12,812,00) and has been deducted from retained 0 earnings. 0

19 CONTINGENT LIABILITIES0

The Group has guaranteed road and performance agreements in the ordinary course of business of £16,244,00 (2010: £17,139,0).0

20 OPERATING LEASES - MINIMUM LEASE PAYMENTS0

The total future minimum lease payments of the Group under non-cancellable operating leases is set out below: 0

0 0	0 0			0 0	**2011** 0 **£'** 0	2010 £' 00
Operating leases which expire:0						
Within one year 0	0	0	0	0	**157** 0	104 0
Between one and five years 0	0	0	0	0	**1,684** 0	1,883 0
After five years 0	0	0	0	0	**8,946** 0	9,816 0
0	0	0	0	0	**10,787** 0	11,803 0

21 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT0

Reconciliation of profit after taxation for the year to cash generated from operations:0

0 0	0 0	0 0	**2011** 0 **£'** 0	2010 £' 0
Profit after taxation for the year 0	0	0	**94,456** 0	79,525 0
Adjustments for:0				
- Taxation 0	0	0	**41,789** 0	30,816 0
- Depreciation 0	0	0	**985** 0	804 0
- Amortisation of intangible assets 0	0	0	**–** 0	156 0
- (Profit)/loss on sale of property, plant and equipment 0	0	0	**(5)** 0	40 0
- Finance income 0	0	0	**(10,056)** 0	(9,498)0
- Finance costs 0	0	0	**11,520** 0	5,115 0
- Share of post tax results of joint ventures 0	0	0	**(2,059)** 0	261 0
- Non-cash charge in respect of share-based payments 0	0	0	**4,146** 0	4,491 0
Changes in working capital:0				
- Increase in inventories 0	0	0	**(387,745)** 0	(111,055)0
- Increase in trade and other receivables 0	0	0	**(38,418)** 0	(2,383)0
- Increase in trade and other payables 0	0	0	**81,766** 0	95,175 0
- Decrease in employee benefit obligations 0	0	0	**(6)** 0	(60)0
Cash (outflow)/inflow from operations 0	0	0	**(2 4,266)** 0	92,847 0

21 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT CONTINUED

Reconciliation of net cash flow to net cash:

	2011 £'	[illegible] £'
Net (decrease)/increase in cash and cash equivalents, including bank overdraft	**(82,812)**	64,277
Debt acquired on acquisition of subsidiary	**–**	(16,215)
Net cash outflow from repayment of loan stock	**19**	18
Net cash inflow from increase in borrowings	**(192, 3)**	(15,988)
Movement in net cash in the year	**(274,823)**	32,092
Opening net cash	**316,868**	284,776
Closing net cash	**42, 45**	316,868

Net cash:

As at 30 April	2011 £'	201 £'
Cash and cash equivalents	**266,3 7**	349,119
Non-current borrowings	**(24,233)**	(25,203)
Current borrowings	**(2 0,029)**	(7,048)
Net cash	**42, 45**	316,868

22 CAPITAL MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group finances its operations by a combination of shareholders' funds, non-controlling interest, working capital and, where appropriate, borrowings. The Group's objective when managing capital is to maintain an appropriate capital structure in the business to allow management to focus on creating sustainable long-term value for its shareholders, with flexibility to take advantage of opportunities as they arise in the short and medium term. This allows the Group to take advantage of prevailing market conditions by investing in land and work in progress at the right point in the cycle or delivering returns to shareholders through dividends or share buy backs. The details of share buy backs in the year to 30 April 2011 are disclosed in note 18. The Chairman's Statement on pages 26 and 27 includes details of the Board's proposal to put in place a long term strategic plan which would see £13 per share returned to shareholders over the next 10 years. This plan ensures there is sufficient working capital retained in the business to continue investing selectively in new land opportunities as they arise.

The Group monitors capital levels principally by monitoring net cash/debt levels, cash flow forecasts and return on average capital employed. The Group considers capital employed to be net assets adjusted for net cash/debt. Capital employed at 30 April 2011 was £891,733,00 (2010: £545,448,0). The increase in capital employed in the year of £346,285,00 reflects significant investment in land and work in progress during the year.

The Group's financial instruments comprise financial assets being: trade receivables and cash and cash equivalents and financial liabilities being: loan stock, bank loans, trade payables, deposits and on account receipts, loans from joint ventures and accruals. Cash and cash equivalents and borrowing are the principal financial instruments used to finance the business. The other financial instruments highlighted arise in the ordinary course of business.

As all of the operations carried out by the Group are in sterling there is no direct currency risk, and therefore the Group's main financial risks are primarily:

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

- market interest rate risk - the risk that Group financing activities are adversely affected by fluctuation in market interest rates; and

- credit risk - the risk that a counterparty will default on their contractual obligations resulting in a loss to the Group.

Financial instruments: Financial assets

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

	2011 £'	2010 £'
Current		
Trade receivables	**79,422**	42,842
Cash and cash equivalents	**266,3 7**	349,119
	345,729	391,961

Trade receivables are non-interest bearing.

Cash and cash equivalents are short-term deposits held at either floating rates linked to LIBOR or fixed rates.

Financial instruments: Financial liabilities

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

	2011 £'	2010 £'
Current		
Loan stock	**(29)**	(48)
Bank loans	**(2 ,)**	(7,0)
Trade payables	**(264,963)**	(204,864)
Deposits and on account contract receipts	**(471,967)**	(461,568)
Loans from joint ventures	**(96)**	(96)
Accruals and deferred income	**(41,228)**	(28,471)
	(978,283)	(702,047)
Non-current		
Trade payables	**(51, 9)**	(51,848)
Bank loans	**(17,720)**	(25,203)
Other loans	**(6,513)**	–
	(75,242)	(77,051)
Total financial liabilities	**(1,053,525)**	(779,098)

All amounts included above are unsecured, except for the site specific bank loans which are secured by a fixed charge over the specific assets to which they relate.

Loan stock is repayable on three months notice being given to the Company, with floating interest rates linked to LIBOR. Current bank loans have term expiry dates within twelve months of the balance sheet date and are held at floating interest rates linked to LIBOR. Trade payables and other current liabilities are non-interest bearing.

Non-current bank loans have term expiry dates after twelve months from the balance sheet date and are held at floating interest rates linked to LIBOR.

Non current other loans represent a loan from the Homes and Communities Agency on which interest is payable based on a proportionate share of the net rental income arising from the properties to which the loan relates.

The maturity profile of the Group's non-current financial liabilities, all of which are held at amortised cost, is as follows:

	2011 £'	2010 £'
In more than one year but not more than two years	**(31,929)**	(48,045)
In more than two years but not more than five years	**(16,336)**	(29,0 6)
In more than five years	**(26,977)**	–
	(75,242)	(77,051)

The carrying amounts of the Group's financial assets and financial liabilities approximate to fair value.

Current trade receivables and current trade and other payables approximate to their fair value as the transactions which give rise to these balances arise in the normal course of trade and, where relevant, with industry standard payment terms and have a short period to maturity (less than one year). The loan stock is repayable at book value on three months notice being given to the Company.

Non-current trade payables 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 2011 a rate of 1.44% was applied (2010: 1.55%). Non-current loans approximate to fair value as they are held at variable market interest rates linked to LIBOR.

22 CAPITAL MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT CONTINUED0

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 0 cash flow forecasts throughout the year to assess and monitor the current and forecast availability of funding, and to ensure sufficient headroom 0 against facility limits and compliance with banking covenants. The committed borrowing facilities are set out below.0

The contractual undiscounted maturity profile of the Group's financial liabilities, included at their carrying value in the preceding tables, is as follows:0

0 0	0 0			0 0	**2011** 0 **£'** 0	2010 £' 0
In less than one year 0	0	0	0	0	**(978,283)** 0	(702,047) 0
In more than one year but not more than two years 0	0	0	0	0	**(32,6)** 0	(49,519) 0
In more than two years but not more than five years 0	0	0	0	0	**(16,633)** 0	(29,199) 0
In more than five years 0	0	0	0	0	**(27,72)**	θ
0	0	0	0	0	**(1,055,236)** 0	(780,765)0

Market interest rate risk

The Group's cash and cash equivalents and bank loans expose the Group to cash flow interest rate risk.0

The Group's rolling cash flow forecasts incorporate appropriate interest assumptions, and management carefully assesses expected activity levels 0 and associated funding requirements in the prevailing and forecast interest rate environment to ensure that this risk is managed. 0

From time to time the Group uses derivative instruments, when commercially appropriate, to manage interest rate risk by altering the interest 0 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 0 Group held no such instruments (2010: nil).0

If interest rates on the Group's cash/debt balances had been 50 basis points higher throughout the year ended 30 April 2011, profit after tax for the 0 year would have been £124,00 lower (2010: £305,00 higher). This calculation is based on the monthly closing net cash/debt balance throughout the 0 year excluding fixed rate deposits where the deposits were in place prior to 1 May 2010. A 50 basis point increase in interest rate represents 0 management's assessment of a reasonably possible change for the year ended 30 April 2011. The Group's loan stock amounts to £29,00 (2010: 0 £48,0) and so no sensitivity analysis has been prepared against this interest bearing financial liability as any impact would not be material.0

Credit risk

The Group's exposure to credit risk encompasses the financial assets being: trade receivables and cash and cash equivalents.0

Trade receivables are spread across a wide number of customers, with no significant concentration of credit risk in one area. There has been no 0 impairment of trade receivables during the year (2010: £nil), nor are there any provisions held against trade receivables (2010: £nil), and no trade 0 receivables are past their due date (2010: £nil).0

The credit risk on cash and cash equivalents is limited because counterparties are leading international banks with long-term AA credit-ratings 0 assigned by international credit agencies.0

Committed borrowing facilities

The Group has committed borrowing facilities as follows:0

	0	**2011**	0	0		2010		
0 0	**Available** **£'**	**Drawn** **£'**	**Undrawn** **£'**	**Termination** 0 **date** 0	Available 0 £' 0 0	Drawn 0 £' 0 0	Undrawn 0 £' 0 0	Termination0 date 0
Revolving credit facility 1 0	**2 , 0**	**1 , 0**	**1 , 0**	**Nov-13** 0	30 ,0 0	– 0	30 ,0 0	Nov-130
Revolving credit facility 2 0	**250,0**	**1 0,0**	**150,0**	**Apr-16** 0	– 0	– 0	– 0	n/a0
Site specific facility 0	**–**	**–**	**–**	**n/a** 0	4,0 0	4,0 0	– 0	Sep-10
Site specific facility 0	**–**	**–**	**–**	**n/a** 0	3,0 0	3,0 0	– 0	Jan-110
Site specific facility 0	**–**	**–**	**–**	**n/a** 0	32,0 0	11,795 0	20,205 0	Sep-120
Site specific facility 0	**68, 0**	**17,5 4**	**5 ,496**	**Sep-2** 0	14,0 0	14,0 0	– 0	Jan-130
0	**518,**	**217,5 4**	**3 ,496**	0	353,0 0	32,795 0	320,205 0	

The drawn facilities of £217,504,00 do not include unamortised issue costs which are netted off the drawn funds for the purpose of disclosing 0 borrowings as set out in note 14.0

During the year the Group restructured its banking facilities. With effect from 8 April 2011, the available borrowings under the revolving credit 0 facility maturing in November 2013 was reduced from £300 million to £200 million. At the same time a new revolving credit facility of £250 million 0 with a maturity date of April 2016 was put in place providing a combined facility of £450 million, a level that is commensurate with the capital 0 structure and requirements of the Group. The revolving credit facilities are secured by debentures provided by certain Group holding companies 0 over their assets. The facility agreement contains financial covenants, which is normal for such agreements, all of which the Group is in compliance 0 with. At 30 April 2011 the total drawn down balance across both facilities was £200 million. In addition, at 30 April 2011 there were bank bonds in 0 issue of £10,844,0 (2010: £10,862,0).0

In the year the Group repaid the balance of funds drawn against £39,00 ,0 of site specific bank facilities acquired in the year to 30 April 2010 on 0 obtaining full control of the companies previously owned as joint ventures with Saad Investment companies. The facilities were £18,795,00 drawn 0 at 30 April 2010.0

In the year the Group drew additional funds on a site specifc facility it has in place for the development of the student scheme it is developing in 0 Clapham with Imperial College. This facility has two tranches, the first of which covers the development phase and is for £17.5 million. The second 0 tranche of the facility taking the total to £68 million may be utilised from the point the property is complete and becomes an income generating 0 asset. The combined facility matures in September 2020. The facility is secured by a fixed charge over the relevant asset.0

23 RELATED PARTY TRANSACTIONS0

The Group has entered into the following related party transactions:0

Transactions with Directors

During the financial year, Mr A W Pidgley paid £452,458 to Berkeley Homes plc for works carried out at his home under the Group's own build scheme 0 (2010: £1,324,595). This is a scheme whereby eligible employees may enter into an arrangement, at commercial rates, with the Group for the 0 construction or renovation of their own home. There were no balances outstanding at the year end.0

Transactions with joint ventures

During the financial year the Group made net loans to joint ventures of £11,038,00 (2010: 4,533,0). These amounts are included in the 0 movement on investments in joint ventures as set out in note 10.0

In 20 9 inventory was sold to the St Edward joint venture for £17,411,00 being the share of the transaction attributable to the other venturer in 0 the joint venture. At 30 April 2011 an amount of £25,717,00 was outstanding and included within trade receivables (2010: £31,311,00).0

24 SUBSIDIARIES AND JOINT VENTURES0

At 30 April 2011 the Company had the following principal subsidiary undertakings which have all been consolidated, are registered and operate in 0 England and Wales, are all 100% owned and for which 100% of voting rights are held except where stated:0

Residential led mixed-use development

Berkeley Commercial Developments Limited 0	Berkeley Homes (Urban Renaissance) Limited [1]0
Berkeley First Limited [1] 0	Berkeley Homes (West London) Limited [1]0
Berkeley Gemini Limited 0	Berkeley Partnership Homes Limited [1]0
Berkeley Homes plc 0	Berkeley Ryewood Meadows Limited0
Berkeley Homes (Capital) plc [1] 0	Berkeley Strategic Land Limited0
Berkeley Homes (Carnwath Road) Limited (Isle of Man) 0	St George PLC0
Berkeley Homes (Central London) Limited [1] 0	St George Central London Limited [2]0
Berkeley Homes (East Thames) Limited [1] 0	St George South London Limited [2]0
Berkeley Homes (Eastern) Limited [1] 0	St George West London Limited [2]0
Berkeley Homes (Eastern Counties) Limited [1] 0	St James Group Limited0
Berkeley Homes (Fleet) Limited 0	St George Battersea Reach Limited (Jersey)0
Berkeley Homes (Hampshire) Limited [1] 0	St James (Grosvenor Dock) Limited0
Berkeley Homes (North East London) Limited [1] 0	St James Homes Limited0
Berkeley Homes (Oxford & Chiltern) Limited [1] 0	The Berkeley Group plc [3]0
Berkeley Homes (South East London) Limited [1] 0	Winstanley 2 Limited [4]0
Berkeley Homes (Southern) Limited [1]0	

(1) Agency companies of Berkeley Homes plc0

(2) Agency companies of St George PLC0

(3) The Berkeley Group plc is the only direct subsidiary of the Parent Company0

(4) The Group owns 51% of this subsidiary0

Other activities

BRP Investments No.1 Limited (Jersey)0

BRP Investments No.2 Limited (Jersey)0

At 30 April 2011 the Group had an interest in the following joint ventures which have been equity accounted to 30 April and are registered and 0 operate in England and Wales and which are 50% owned:0

0	Accounting date 0	Principal activity 0
St Edward Homes Limited 0	30 April 0	Residential-led mixed-use development0
St Edward Homes Partnership 0	30 April 0	Residential-led mixed-use development0

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

We have audited the Parent Company Financial Statements of The Berkeley Group Holdings plc for the year ended 30 April 2011 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 68, 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 and express an opinion on 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 Chapter 3 of Part 16 of the Companies Act 20 6 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the Parent Company Financial Statements:

- give a true and fair view of the state of the Parent Company's affairs as at 30 April 2011;
- 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 Consolidated Financial Statements of The Berkeley Group Holdings plc for the year ended 30 April 2011.

Mark Gill (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 July 2011

COMPANY BALANCE SHEET

As at 30 April	Notes	2011 £'	2010 £'
FIXED ASSETS			
Investments	C5	**1,389,1 1**	1,387,279
		1,389,1 1	1,387,279
CURRENT ASSETS			
Debtors	C6	**2,59**	1,745
Cash at bank and in hand		**945**	945
		3,535	2,690
CURRENT LIABILITIES			
Creditors (amounts falling due within one year)	C7	**(597,997)**	(545,305)
Net current liabilities		**(594,462)**	(542,615)
Total assets less current liabilities and net assets		**794,639**	844,664
CAPITAL AND RESERVES			
Called-up share capital	C8	**6,743**	6,743
Share premium	C9	**49,315**	49,315
Capital redemption reserve	C9	**24,516**	24,516
Profit and loss account	C9	**714, 65**	764,090
Total shareholders' funds	C10	**794,639**	844,664

The financial statements on pages 97 to 101 were approved by the Board of Directors on 22 July 2011 and were signed on its behalf by:

N G Simpkin
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 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 significant accounting policies is set out below.

The principal activity of The Berkeley Group Holdings plc ("the Company") is to act as a holding company.

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

The Company has not presented its own statement of recognised gains and losses for the year as there are no separate gains or losses arising in the year.

The Berkeley Group Holdings plc has presented a Consolidated Cash Flow Statement in its Consolidated Financial Statements for the year ended 30 April 2011, therefore as permitted by the Financial Reporting Standard 1 "Cash flow statements" the Directors have not prepared a cash flow statement for the Company.

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.

Pensions

Pension contributions under defined contribution schemes are charged to the income statement as they fall due.

Investments

Investments in subsidiary undertakings are included in the balance sheet at cost less provision for any impairment.

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 LOSS/(PROFIT) ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss/(profit) on ordinary activities before taxation is stated after charging the following amounts:

	2011 £'	2010 £'
Auditors' remuneration - audit fees	12	12

C3 DIRECTORS AND EMPLOYEES

	2011 £'	2010 £'
Staff costs		
Wages and salaries	4, 49	4,252
Social security costs	2, 7	365
Share-based payments	2,324	2,576
Pension costs - defined contribution	30	14
	8,41	7,207

The average number of persons employed by the Company during the year was 7, all of whom are Directors (2010: 7).

Directors

Details of Directors' emoluments are set out in the Remuneration Committee report on pages 53 to 64.

Pensions

During the year, the Company participated in one of the Group's pension schemes, The Berkeley Group plc Group Personal Pension Plan. Further details on this scheme are set out in note 5 of the Consolidated Financial Statements. Contributions amounting to £30,00 (2010: £14,00) 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; share options and notional shares awarded under the 20 9 Long-Term Incentive Plan and the 2010/11 Bonus Plan was £2,324,00 (2010: £2,576,0). Further information on the Company's share incentive schemes are included in the Remuneration Committee Report on pages 53 to 64 as well as note 5 to the Consolidated Financial Statements.

C4 THE BERKELEY GROUP HOLDINGS PLC PROFIT AND LOSS ACCOUNT

The loss for the year in the Company is £24,169,00 (2010: profit £6,474,0).

C5 INVESTMENTS

	2011 **£'**	2010 £'
Investments in shares of subsidiary undertaking at cost at 1 May	**1,387,279**	1,385,365
Additions	**1,822**	1,914
Investment in shares of subsidiary undertaking at cost at 30 April	**1,389,101**	1,387,279

Details of principal subsidiaries are given within note 24 of the Consolidated Financial Statements.

C6 DEBTORS

	2011 **£'**	2010 £'
Current		
Deferred tax	**2,590**	1,745

The movements on the deferred tax asset are as follows:

	2011 **£'**	2010 £'
At 1 May	**1,745**	5,501
Realisation of deferred tax asset on vesting of employee share scheme	**–**	(4,0 4)
Deferred tax in respect of employee share schemes credited to equity	**845**	248
At 30 April	**2,590**	1,745

C7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 **£'**	2010 £'
Other taxes and social security	**3,082**	1,676
Amounts owed to subsidiary undertakings	**594,915**	543,629
	597,997	545,305

All amounts included above are unsecured. The interest rate on £545,482,00 of the balance owed to subsidiary undertakings is 4.0%. At 30 April all other amounts owed to subsidiary undertakings are at floating rates linked to LIBOR and have no fixed repayment date.

C8 CALLED-UP SHARE CAPITAL0

The authorised share capital of the Company in the year was as follows:0

	2011 0 **No.'** 0	2010 0 No.'0 0
At 30 April 0	0	
Ordinary share capital 0	**925,** 0	925,0
Redeemable preference shares of £1 each 0	**50** 0	50

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 0 is entitled to participate in the assets of the Company.0

The movements on allotted, called-up and fully paid share capital for the Company in the year were as follows:0

	Ordinary0 shares0 No.' 0
At 1 May 20 9 0	130,8590
Equity settlement of employee share scheme 0	3,9980
At 30 April 2010 0	134,8570
At 30 April 2011 0	**134,857**

	Share 0 capital 0 £'	Share 0 premium 0 £' 0
At 1 May 20 9 0	6,543 0	49,3150
Equity settlement of employee share scheme 0	20 0	–0
At 30 April 2010 0	6,743 0	49,3150
At 30 April 2011 0	**6,743**	**49,315**

The Company issued 3,997,754 shares on 10 September 20 9 to the relevant Executive Directors, for no cost, in settlement of the awards under 0 Element 1C of the 20 4(b) Long-Term Incentive Scheme. The issued share capital was increased by the total par value of the shares issued of 0 £20 ,0 .0

At 30 April 2011 there were 3,577,506 shares held as 'treasury shares' (2010: nil). The Company has the right to re-issue these shares at a later date.0

At 30 April 2011 there were 237,363 shares held in trust (2010: 3,561). The market value of these shares at 30 April 2011 was £2,516,048 0 (2010: £30,0).0

The movements in the year are disclosed in note 17 of the Consolidated Financial Statements.0

C9 RESERVES0

	Share 0 premium 0 £' 0	Capital 0 redemption 0 reserve 0 £' 0	Profit and 0 loss account 0 £' 0	Total 0 £' 0
At 1 May 2010 0	49,315 0	24,516 0	764,090 0	837,9210
Loss for the financial year 0	– 0	– 0	(24,169) 0	(24,169)0
Purchase of own shares 0	– 0	– 0	(30,0 2) 0	(30,0 2)0
Credit in respect of employee share schemes 0	– 0	– 0	4,146 0	4,1460
At 30 April 2011 0	**49,315**	**24,516**	**714, 65**	**787,896**

C10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £'	2010 £'
(Loss)/profit for the financial year	**(24,169)**	6,474
Purchase of own shares	**(3 , 02)**	(12,812)
Cash settlement of employee share scheme	**–**	(12,650)
Credit in respect of employee share scheme	**4,146**	4,491
	(50,025)	(14,497)
Opening equity shareholders' funds	**844,664**	859,161
Closing equity shareholders' funds	**794,639**	844,664

C11 RELATED PARTY TRANSACTIONS

The Company is exempt under the terms of Financial Reporting Standard 8 "Related party disclosures" 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 23 of the Consolidated Financial Statements.

FIVE YEAR SUMMARY

Years ended 30 April	**2011** **£'**	2010 £'	20 9 £'	20 8 £'	20 7 £'
INCOME STATEMENT					
Revenue	**742,612**	615,303	702,192	991,465	918,410
Operating profit	**135,650**	106,219	124,842	206,018	177,072
Share of post tax results of joint ventures	**2, 59**	(261)	(902)	(2,416)	6,798
Net finance (costs)/income	**(1,464)**	4,383	(3,558)	(9,294)	4,180
Profit before taxation	**136,245**	110,341	120,382	194,308	188,050
Taxation	**(41,789)**	(30,816)	(34,255)	(56,481)	(52,505)
Profit after taxation	**94,456**	79,525	86,127	137,827	135,545
Profit attributable to:					
Shareholders	**95,1 9**	79,674	86,127	137,827	135,545
Non-controlling interest	**(653)**	(149)	–	–	–
	94,456	79,525	86,127	137,827	135,545
Basic earnings per ordinary share	**72.1p**	60.0p	71.3p	114.2p	112.6p
BALANCE SHEET					
Capital employed	**891,733**	545,448	516,520	685,956	70 ,613
Net cash/(debt)	**42, 45**	316,868	284,776	(4,549)	80,962
Net assets	**933,778**	862,316	801,296	681,407	781,575
Non-controlling interest	**(4,364)**	(3,720)	–	–	–
Shareholders' funds	**929,414**	858,596	801,296	681,407	781,575
Net assets per share attributable to shareholders (1)	**709p**	637p	615p	564p	649p
RATIOS AND STATISTICS					
Return on capital employed (2)	**19.2%**	20.1%	20.6%	29.3%	28.1%
Return on shareholders' funds after tax (3)	**10.6%**	9.6%	11.6%	18.8%	16.7%
Return on shareholders' funds before tax (4)	**15.3%**	13.3%	16.2%	26.6%	23.2%
Units sold (5)	**2,544**	2,201	1,501	3,167	2,852

(1) Net assets attributable to shareholders divided by the number of shares in issue excluding shares held in treasury and shares held by the employee benefit trust.

(2) Calculated as profit before interest and taxation (including joint venture profit before tax) divided by the average net assets adjusted for net cash/debt.

(3) Calculated as profit after taxation attributable to shareholders as a percentage of the average of opening and closing shareholders' funds.

(4) Calculated as profit before taxation attributable to shareholders as a percentage of the average of opening and closing shareholders' funds.

(5) The number of units legally completed and taken to sales in the year excluding joint ventures.

FINANCIAL DIARY

Annual General Meeting and Interim Management Statement 0	5 September 20110
Half Year End 0	31 October 20110
Interim Results Announcement for the six months ending 31 October 2011 0	2 December 20110
Interim Management Statement 0	March 20120
Year End 0	30 April 20120
Preliminary Announcement of Results for the year ending 30 April 2012 0	June 20120
Publication of 2011/12 Annual Report 0	July 20120

REGISTERED OFFICE AND ADVISORS

Registered office and principal place of business

Berkeley House,0
19 Portsmouth Road,0
Cobham,0
Surrey KT11 1JG0
Registered number: 51725860

Registrars

Capita Registrars0
The Registry,0
34 Beckenham Road,0
Beckenham,0
Kent BR3 4TU0
Tel: 0870 162 3100

Corporate broker and financial advisor

UBS Investment Bank0

Share price information

The Company's share capital is listed on the London Stock Exchange.0
The latest share price is available via the Company's website at0
www.berkeleygroup.co.uk0

Solicitors

Ashurst0
Skadden, Arps, Slate Meager & Flom (UK) LLP0

Bankers

Barclays Bank PLC0
Lloyds TSB Bank plc0
Santander UK plc0
Svenska Handelsbanken AB (Publ)0

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