PRESS RELEASE **15 JUNE 2016**

THE BERKELEY GROUP HOLDINGS PLC

PRELIMINARY RESULTS ANNOUNCEMENT

OUTSTANDING BALANCE SHEET STRENGTH – CASH DUE ON FORWARD SALES OF £3.25 BILLION, ESTIMATED FUTURE LAND BANK GROSS MARGIN OF £6.1 BILLION AND NET CASH OF £107 MILLION WITH NAVPS GROWTH OF 9.6% TO 1,314 PENCE PER SHARE

ON TARGET TO DELIVER PRE-TAX PROFITS OF £2.0 BILLION IN AGGREGATE OVER THREE YEARS TO 30 APRIL 2018

FURTHER INTERIM DIVIDEND OF £1 PER SHARE TO BE PAID IN SEPTEMBER 2016, BRINGING THE TOTAL SHAREHOLDER RETURNS TO £6.34 WITH THE REMAINING £10 PER SHARE SCHEDULED TO BE DELIVERED EVENLY OVER THE NEXT FIVE YEARS

OVER 13,800 PEOPLE WORKING ACROSS OUR SITES, AN INCREASE OF SOME 2,000, WITH OVER 1,000 IN STRUCTURED TRAINING OR APPRENTICESHIPS

The Berkeley Group Holdings plc ("Berkeley") today announces its unaudited preliminary results for the year ended 30 April 2016:

HIGHLIGHTS

• Adjusted profit before tax *	Up 5.6% to £479.9 million (2015: £454.6 million)
• Ground rent portfolio sale	£51.0 million of profit (2015: £85.1 million) from sale of ground rent portfolio
• Profit before tax	£530.9 million, down from £539.7 million due to reduced ground rent sales
• Net cash	£107.4 million (April 2015: £430.9 million) after dividend payments of £259.5 million and investment in inventories and joint ventures
• Net asset value per share	Up 9.6% to 1,314 pence (April 2015: 1,199 pence) following payment of £259.5 million (190 pence per share) dividend
• Forward sales	Increased to £3.25 billion (April 2015: £2.95 billion)
• Land bank	£6.1 billion of estimated future gross margin (April 2015: £5.3 billion) across 42,858 plots (April 2015: 37,473 plots)
• Market conditions	Robust underlying demand but uncertainty impacting current transaction levels with reservations over 5 months to May 2016 down 20%, on reduced new launches in run-up to EU Referendum
• Continued investment	Eight schemes started and twelve sites acquired with inventories increasing by £602 million to £3,256 million and investment in JV's has increased by £100 million to £150 million

* 'Adjusted' profit before tax excludes £51.0 million of profit (2015: £85.1 million) from the sale of ground rent assets.

CHAIRMAN'S STATEMENT

I am pleased to announce pre-tax profits for Berkeley of £530.9 million for the year ended 30 April 2016. Berkeley remains ungeared with net cash of £107.4 million, cash due over the next three years on forward sales of £3.25 billion and is maintaining its earnings guidance for the three years ending 30 April 2018.

Following the enhancements to Berkeley's dividend return plan announced in December 2015 which increased the target returns by 2021 to £16.34 per share, from £13.00 per share, the Board has declared a further interim dividend of £1 per share. This will be payable on 15 September 2016 to shareholders on the register on 12 August 2016.

The outcome of next week's referendum on Britain's membership of the European Union is significant for the UK's housebuilding and property sector. Berkeley supports a vote to remain in the EU. London's status as the world's best big city is underpinned by labour mobility, cultural diversity and a constant influx of talent and investment from around the world, and the UK economy in turn is powered by the success of our capital city.

However, London will always be a world city and a highly desirable place to live, work and play. For Berkeley, our brand, our land holdings and our forward sales will continue to differentiate and underpin our performance over the long term and, while we have a clear view about what the better outcome would be on Thursday 23 June, we are confident about the future for our business.

We are also encouraged by the priority accorded to housing by the new Mayor of London, Sadiq Khan. This issue has to become a political priority if we are to have any chance of delivering 50,000 new homes a year in London. His administration has already shown welcome signs of adopting an approach to delivery which is both ambitious and pragmatic.

In terms of housing policy, it is important that policies developed are consistent with the ambition of delivering more homes across all forms of tenure. This includes: ensuring Local Plans are in place across the country; finding the right framework for property taxation; and recognising the pressure that the conflicting demands of CIL, Section 106 and affordable housing place on the delivery of new homes. None of this is easy but if we get it right, it will have a profoundly positive impact on the future of London and the country as a whole.

I firmly believe that place-making is a force for good in the country – giving people a home, creating strong communities and generating jobs and growth – making our society better in many different ways. We are proud of the places we create at Berkeley and I would like to thank each and every one of our people for their dedication, enthusiasm and innovation which has made the last twelve months another successful year for Berkeley.

We live in exciting and fast moving times. There are always headwinds, although the strength of these ebb and flow. Berkeley operates the right business model and strategy for a cyclical market. In particular, our unique operating model of developing complex sites which others are not willing to take on, recognises the additional operational risk that comes with this strategy whilst maintaining the financial strength that it demands. The current plan places a premium on careful capital allocation to create consistent and sustainable added value returns for shareholders, through the delivery of homes and places of the highest quality.

Tony Pidgley CBE
Chairman

THE BERKELEY GROUP HOLDINGS PLC

RESULTS FOR THE YEAR ENDED 30 APRIL 2016

CHIEF EXECUTIVE'S STATEMENT

Summary of Performance

Berkeley has delivered adjusted pre-tax earnings of £479.9 million for the year, an increase of 5.6% on last year. This is from the sale of 3,776 homes (2015: 3,355) at an average selling price of £515,000 (2015: £575,000), reflecting the mix of properties sold in the year. Together with a further £51.0 million of profit from the sale of ground rent assets, this represents total pre-tax earnings of £530.9 million.

Year ended 30 April (unaudited)	**2016**	**2015**	**Change**	
	£'m	**£'m**	**£'m**	**%**
Revenue	2,047.5	2,120.0	-72.5	-3.4%
- from operations	1,994.1	2,020.2	-26.1	-1.3%
- sale of ground rent assets	53.4	99.8		
Gross profit	701.7	716.8	-15.1	-2.1%
- from operations	650.7	631.7	+19.0	+3.0%
- sale of ground rent assets	51.0	85.1		
Operating expenses	(199.8)	(192.7)	-7.1	+3.7%
Operating profit	501.9	524.1	-22.2	-4.2%
Net finance costs	(7.5)	(12.7)	+5.2	
Share of joint ventures	36.5	28.3	+8.2	
Profit before tax	530.9	539.7	-8.8	-1.6%
Profit before tax – Adjusted*	479.9	454.6	+25.3	+5.6%
Earnings Per Share – Basic	295.8p	313.0p	-17.2p	-5.5%
Earnings Per Share – Adjusted*	267.3p	263.6p	+3.7p	+1.4%
Dividend Per Share	190p	180p	+10p	+5.6%
Pre-Tax Return on Equity – Adjusted*	27.8%	29.5%	-1.7%	

* 'Adjusted' figures exclude £53.4 million of revenue (2015: £99.8 million) and £51.0 million of profit (2015: £85.1 million) from the sale of ground rent assets.

After tax, the profit for the year was £404.1 million, from which £259.5 million was distributed to shareholders with the dividend covered 1.6 times. The remaining profit generated, along with the Group's existing cash balances, funded the £602.1 million net investment in inventories and £99.9 million net investment in joint ventures, ahead of the enhanced profit delivery anticipated over the next two years, resulting in year-end net cash of £107.4 million (2015: £430.9 million).

We remain on target to deliver pre-tax profits in the region of £2.0 billion over the three year period ending 30 April 2018, underpinned by our £3.25 billion of forward sales. The scale of the key regeneration schemes from which we expect to generate these earnings makes the delivery of profit in specific annual periods sensitive to timing and we always prioritise quality ahead of individual period financial targets.

While sales are down 4% for the year as whole, the market for Berkeley has slowed some 20% in the five months to May 2016 as the EU Referendum approaches, with no new London launches in this period. This has had a more distinct impact on the higher end of the market which has also been affected by increased transaction taxes and the policy shift against buy-to-let investors. We continue to achieve sales prices ahead of our business plan with price inflation remaining for properties of less than £1.25 million where demand is most robust, with Berkeley already absorbing the increased cost of transaction taxes above this level in its pricing. New sales activity is now focused on the periods beyond 2017/18 with a number of new launches planned for later in the year, once the EU Referendum uncertainty passes.

We have made great strides with our land holdings in the last twelve months, acquiring 12 new sites encompassing some 8,600 plots, securing 9 new planning consents and 21 revised planning consents. This investment has seen our land holdings rise to 42,858 plots with an estimated future gross margin of £6.1 billion, up from 37,473 plots and £5.3 billion a year ago.

Strategic Delivery

As reported in December 2015, during the first half of the year the Board of Berkeley reviewed the quantum and profile of the Company's dividend programme that was put in place in 2011 to deliver £13.00 per share to shareholders by 2021. This review took into account a number of factors, including: the Company's financial strength and its visibility over future earnings and cash generation; the prevailing market conditions and stable operating environment; and the investment opportunities that continue to present themselves. Following the review, the Board determined that it intended to enhance the dividend programme by £0.5 billion, increasing it from £13.00 per share to £16.34 per share.

	Previous Plan	**Enhanced Returns**
Paid to date	£4.34	£5.34
By September 2016	£1.44	£1.00
By September 2017	£1.44	£2.00
By September 2018	£1.45	£2.00
By September 2019	-	£2.00
By September 2020	-	£2.00
By September 2021	£4.33	£2.00
To come	£8.66	£11.00
Total	**£13.00**	**£16.34**

This has enhanced, and gives visibility of, returns to shareholders within the proven framework which allows Berkeley to operate at its natural size and to optimise returns to shareholders while managing the risks of a cyclical market. The first £1 per share of this enhanced dividend return was paid to shareholders in January of this year and the next £1 per share will be paid in September. The changes to the dividend profile necessitated consequential changes to the 2011 LTIP to ensure ongoing alignment these were approved by 94% of shareholders who voted at the General Meeting on 12 February 2016.

Housing Market

Over the course of the year, the housing market for Berkeley has remained stable, with forward sales increasing by 10%, from £2.95 billion to £3.25 billion. This reflects a greater value of new properties exchanged in the period compared to those taken to profit in the year. Taking the year as a whole, the value of new reservations is 4% lower than in 2014/15 but this is from a marginally higher number of transactions. This reflects a change in mix due to the underlying market dynamics, coupled with the sales profile of Berkeley's London developments. It should be recognised that the Group's forward sales have now peaked as we enter a period of enhanced delivery over the next two years, over which time both forward sales and customer deposits on the balance sheet are likely to reduce accordingly, with customers buying later in the development cycle as market conditions normalise.

Global macro uncertainty and the impending EU Referendum have had a dampening effect on investment levels across all businesses and this is likely to continue up to and immediately after the result of the Referendum. This, along with the market adjusting to higher levels of property transaction taxes, has affected the upper end of the housing market in London, although underlying interest and demand remain good. As a consequence of these converging headwinds, reservations for the first five months of the calendar year are 20% down on the same period last year. At more mainstream price points, the market remains inflationary due to the embedded under-supply and the ripple effect of the increased transaction costs at the upper end of the market. Only 96 of the Group's reservations in the year utilised the Government's Help to Buy scheme.

In terms of the Group's available sales profile, having acquired a number of London developments in the period from 2009 to 2013, Berkeley forward sold these into the particularly strong market that began in 2013 and continued through 2014. As a consequence, there have been fewer launches of such schemes during the last 12 months and no new schemes launched in London over the last five months to May 2016. The Group continues to sell across all its developments at all price points but the rate of sale and time taken to complete transactions is adjusting to the current market conditions. At around 10%, reservation cancellation rates remain at the low end of historical norms.

It is of some concern that, after such strong market conditions for our industry, transaction levels in both the second hand and new homes market have not increased to the levels we all would hope for at this stage in the cycle. Government policy has sought to increase the level of home ownership but has focused primarily on the demand side, creating unintended consequences for supply. The real challenge is to build more homes for all sectors of the market; home ownership, private rent (PRS), shared ownership, affordable rent and social rent. To meet the numbers required, all these ownership models need to thrive. We look forward to working with both Central Government and the new London Mayor to make this happen.

Customers

The customer experience is central to Berkeley's reputation and our ability to secure sales. Our performance is independently assessed using the Net Promoter Score ("NPS"). This takes the percentage of customers who are promoters of the company and subtracts the percentage who are detractors, leaving a score in a possible range of -100 to +100.

Berkeley's NPS of 71.2 (2015: 69.8) illustrates our permanent focus on customer service on each of our sites. At Goodman's Fields in Aldgate, for example, Berkeley is creating 1,038 homes as well as a hotel, student accommodation, and public gardens. We have recently completed the latest block of 179 apartments and achieved an average NPS of 82.6.

These efforts were publicly acknowledged in March when Berkeley won the Best Customer Focus (Large Enterprise) Award at the Institute of Customer Service's UK Customer Satisfaction Awards. This is significant because the awards assess companies across all sectors – not solely in property or housing. Berkeley was commended for its comprehensive commitment to customer service, the level of employee engagement and a well-communicated strategy.

During 2016, we have continued to market all our homes in line with our UK First Policy. This policy has been in place since 2014 and is in line with the London Mayoral Concordat which invites developers to sell to the UK and international markets simultaneously. We recognise the importance of giving domestic customers a level playing field and every chance to compete in the new build market.

Homes

During the final quarter of this year, Berkeley launched a new design concept called the Urban House. This enables twice as many homes to be built on a site compared to traditional terraced housing. At a time when the demand for family homes in London outstrips supply by 13 to 1, the Urban House offers an intelligent, traditional three storey solution, which is full of light, economical to run and works equally well as private or affordable housing. The efficiencies are achieved by replacing the back garden with a private roof garden, while retaining space at the front for a car and bicycles.

The first 22 homes of this prototype have been built on two streets at Kidbrooke Village while others are under construction at Green Park Village in Reading. It represents the first time a large-scale developer has designed and delivered its own housing typology. Berkeley believes the Urban House will offer local authorities a new way of providing high density family homes, while the increase in density will make smaller sites viable for residential development which would not otherwise be possible.

It also illustrates the value of a flexible approach to housing standards, focused on delivering affordability and additionality.

Places

On every site, our goal is to create a strong community and a place where people enjoy a fantastic quality of life. No two developments are the same; each is tailored to the context. To enable this we apply our social sustainability framework to all developments above 100 homes to set an approach to creating communities on our developments.

As part of the estate regeneration programme at Woodberry Down, we have worked with the London Wildlife Trust to restore an 11 hectare wetland. This is now a free, beautiful, public amenity. In the first five days after the opening by Sir David Attenborough on 21 April, 4,500 people visited. At One Tower Bridge, we have invested in building a 900-seat theatre, designed by Stirling Prize winners Haworth Tompkins. This is due to open in September 2016.

In Bath, Berkeley recently completed 307 purpose-built student rooms for Bath Spa University. This scheme won a 2015 Royal Town Planning Institute Award for Planning Excellence on the basis of a partnership with the local council. Our work together transformed a derelict eyesore in a World Heritage site into a building that the city can be proud of. We designed a Georgian style building with a traditional Bath stone frontage, while using modern methods of construction and over 600 pods manufactured off-site.

There remains an ongoing high profile debate about the role of tall buildings in solving the housing crisis. We believe they have an important part to play. Tall buildings can make efficient use of land and locate many homes close to public transport. With good design, they create a fantastic sense of place and the tax and levies paid make a major contribution to local infrastructure.

The key challenge lies in how you create a community in high rise buildings. Berkeley is pioneering new solutions to this issue at South Quay Plaza, one of Britain's tallest residential developments. We have also now committed to develop community plans for every new major site.

Operations

Berkeley is proud of its reputation as a leader in sustainability and holds a Queens Award for Enterprise: Sustainable Development, awarded in 2014; the second time the Group had been awarded this accolade. Most recently, following the United Nations Climate Change Conference in December 2015, Berkeley has driven forward a range of major environmental initiatives.

We have developed a new research partnership, designed to help us better understand and manage energy use across our developments, and then deliver operational carbon and financial savings. We also helped the Institute for Public Policy Research to undertake and launch their initiative setting out how to make London one of the greenest cities in the world. Berkeley is currently creating 212 acres of new public open space across all our developments in the capital.

Most importantly, in a landmark announcement for the housing industry, Berkeley has committed to become the first major housebuilder in Britain to be carbon positive. Over the next two years (2016-18), we will aim to deliver a 10 per cent reduction in office and construction carbon emissions per person and set an internal carbon price, using the funds generated to offset more than all of the remaining carbon emissions.

Berkeley currently has over 13,800 people employed in the business or working through contractors on our sites, up 2,000 in the year, and apprenticeships are a central component of our workforce development strategy. Berkeley now has over 1,000 people in structured training across its workforce, as construction apprentices, or working on NVQs or equivalent qualifications. Over the last six months, plans have been developed to set up a construction skills centre on our regeneration sites at both Southall Waterside and White City and, by 2018, we intend to have had 1,500 people in an apprenticeship or vocational training across the Berkeley Group.

Our People

Berkeley's talented and varied people are our strongest resource. Recruiting and retaining a high calibre workforce across our autonomous businesses is crucial to the success of our company. In recognition of this, we relaunched our graduate scheme in September 2015 and continue to evolve our talent management programmes to ensure we realise the potential of our people across all areas of the business.

The safety of our people continues to be a top priority across all our operations, in addition to enabling enhanced health and wellbeing. We aspire to operate incident and injury free and are pleased to be able to report a reduced Accident Incident Rate (AIR) of 2.40 (2015: 2.46).

We are proud that Berkeley employees continue to contribute to wider society through support of the Berkeley Foundation, which reached its fifth year in 2016. This year, Berkeley received a Platinum Award from the Charities Aid Foundation for its Give As You Earn scheme, with 33% of staff giving to the Berkeley Foundation in this way. Through this, and other activities, Berkeley's staff have raised just under £1 million in the year. We are particularly delighted to have been recognised for Berkeley's work with The Change Foundation through the Street Elite programme, having won the Best Charity Partnership (Property & Construction) category at this year's Third Sector's Business Charity Awards. The programme has helped almost 300 young people on the edge of gangs and crime to build the skills for work, with many Street Elite graduates now in full-time employment including 15 directly within Berkeley.

Outlook

Berkeley's focus is on building a modern world-class business which is successful and sustainable in the long-term.

We have in place an enhanced shareholder returns programme through to 2021 which allows us to optimise returns to shareholders while managing the risks of a cyclical market and whilst retaining sufficient capital to invest in opportunities that will add incremental value to the ongoing business.

The housing market in London and the South East continues to have strong underlying fundamentals with an imbalance between demand and supply, a persistent low interest rate environment and high employment levels, notwithstanding recent unhelpful changes to property taxation. The short-term outlook is impacted by uncertainty whether it be global in nature or through the economic consequences of the outcome of the EU Referendum.

Berkeley is extremely well placed to deliver its previously announced targets over the next two years in this environment with cash due on forward sales in the next three years of £3.25 billion, net cash of £107 million and a longer-term land bank of some 42,858 plots comprising estimated future gross margin of £6.1 billion. The business is able to differentiate its performance through the plan, Our Vision, which embeds our strategy in each of our businesses, and provides a focal point for our ambition to be a modern world-class business with a focus on the quality of the homes and places we create and the way in which we do this.

Rob Perrins
Chief Executive

TRADING AND FINANCIAL REVIEW

Trading performance

Revenue of £2,047.5 million in the year (2015: £2,120.0 million) included £1,994.1 million of revenue from operations (2015: £2,020.2 million) and £53.4 million from the sale of a portfolio of ground rent assets (2015: £99.8 million).

The £1,994.1 million of revenue from operations included £1,965.2 million of residential revenue (2015: £1,936.2 million), £2.3 million from land sales on two sites (2015: £12.3 million) and £26.6 million of commercial revenue (2015: £71.7 million).

3,776 new homes (2015: 3,355) were sold across London and the South of England at an average selling price of £515,000 (2015: £575,000). The changes to the average selling price are a result of mix with Berkeley completing two student developments in the current year, one in Bath and one in London which together comprise 638 units.

Revenue of £26.6 million from commercial activities (2015: £71.7 million) included the sale of some 119,000 sqft of office, retail and leisure space across a number of the Group's developments including Fulham Reach in Hammersmith, Battersea Reach in Wandsworth and Goodman's Fields in central London. The £71.7 million of revenue last year was also from the sale of office, retail and leisure space across a number of the Group's developments, in particular an 89,000 sqft hotel at Goodman's Fields.

During the year, the Group sold a portfolio of ground rent assets across some 43 sites for proceeds of £53.4 million and a gross profit of £51.0 million. In the prior year, the Group sold a portfolio of ground rent assets across some 60 sites for proceeds of £99.8 million and a gross profit of £85.1 million. Income and expenses associated with both sales have been recognised in the income statement through revenue and gross profit.

The adjusted gross margin percentage, excluding profit from the sale of ground rent assets, has increased to 32.6% (2015: 31.3%), and reflects the mix of homes sold in the year.

Overheads of £199.8 million (2015: £192.7 million) included a charge of £27.4 million in respect of the acceleration (there is no increase in the overall cost) of the accounting charge for the modifications to the 2011 LTIP following the changes to the shareholder returns programme made during the year. It also included an £8.3 million charge for Part B of the 2009 LTIP scheme which completed on 15 April 2016 with the vesting of the second tranche of awards. In the prior year, there was a charge of £47.0 million in respect of the Company's decision to settle the tax and national insurance liabilities arising on the vesting of options for participants in Part B of the 2009 LTIP scheme on 15 April 2015, in lieu of issuing shares to this value.

The result is that the Group's adjusted operating margin, excluding the profit from sale of the ground rent assets, has increased to 22.6% from 21.7% last year.

Berkeley's share of the results of joint ventures was a profit of £36.5 million (2015: £28.3 million) which reflects ongoing completions at 375 Kensington High Street and Stanmore Place within St Edward and the costs for St William in the initial pre-development stage of the joint venture.

The Group has remained cash positive throughout the year, and has exercised an option to extend the term of its current corporate banking facilities by a further year to 2021. The result is that net finance costs in the year have decreased from £12.7 million to £7.5 million with the prior year including a £3.9 million charge from amortising fees on the refinancing of the Group's bank facilities.

Adjusted pre-tax return on equity, excluding profit from the sale of ground rent assets, has decreased from 29.5% to 27.8%. Basic earnings per share has decreased by 5.5% from 313.0 pence to 295.8 pence, which takes into account the issue of a further 1.4 million shares issued in April to satisfy share awards under Part B of the 2009 LTIP scheme.

Financial Position

Net assets increased over the course of the year by £174.9 million, or 10.7%, to £1,812.8 million (2015: £1,637.9 million). This is after payment of £259.5 million of dividends and equates to a net asset value per share of 1,314 pence, up 9.6% from 1,199 pence at 30 April 2015.

Inventories have increased by £602.0 million from £2,654.1 million at 30 April 2015 to £3,256.1 million at 30 April 2016. Inventories include £384.1 million of land not under development (30 April 2015: £342.0 million), £2,853.9 million of work in progress (30 April 2015: £2,280.2 million) and £18.1 million of completed stock (30 April 2015: £31.9 million).

Trade and other payables are £1,858.9 million at 30 April 2016 (£1,635.5 million at 30 April 2015). These include £1,105.8 million of on account receipts from customers (30 April 2015: £920.9 million), which have increased as a result of strong trading in the year, and land creditors of £174.7 million (30 April 2015: £205.1 million). Provisions of £88.5 million (30 April 2015: £75.1 million) include post completion development obligations and other provisions.

The Group ended the year ungeared with net cash of £107.4 million (30 April 2015: £430.9 million). This is a decrease of £323.5 million during the year (2015: increase of £301.7 million) as a result of £530.8 million of cash generated from operations (2015: £528.4 million) and a net outflow of £436.8 million in working capital (2015: net inflow of £115.2 million), before tax and other net cash outflows of £158.0 million (2015: £106.7 million) and dividends of £259.5 million (2015: £243.5 million).

Banking

The Group's financial position is further supported by the extension of the Group's banking facilities during the year. On 23 March 2016, Berkeley extended its committed corporate banking facilities of £575 million, taking the maturity date of the Group's facilities from March 2020 to March 2021. This gives clarity of financing for five years, with the option held over a further one year extension, and extends the benefit of the materially reduced ongoing costs associated with the facility.

Joint Ventures

Investments accounted for using the equity method have increased from £50.1 million at 30 April 2015 to £150.0 million at 30 April 2016. Berkeley's joint ventures include St Edward, a joint venture with Prudential plc and St William, a joint venture with National Grid plc. The increase in joint venture investments during the year reflects funding into the St William joint venture along with profits generated in, but not distributed from, St Edward.

St Edward has four schemes currently in development at Stanmore Place, 375 Kensington High Street, 190 Strand and, launched in the first half of the year, a new site at Green Park in Reading. 240 homes were sold in the year at an average selling price of £1,329,000 (2015: 230 at £1,229,000), which reflects the mix of properties sold, predominantly at 375 Kensington High Street.

1,868 plots in Berkeley's land holdings relate to St Edward schemes. St Edward is continuing to identify opportunities to develop the joint venture through further sites to which it can add value, and controls a commercial site in Westminster which has a detailed planning consent but will not move into development until the premises are vacated by the current tenant.

3,599 plots in Berkeley's land holdings relate to St William schemes. Berkeley is working closely with National Grid to identify sites from across its portfolio to bring through into its land holdings. Of the 12 new sites acquired by the Group during the year, 4 were through St William.

Land

Berkeley has made strong progress in delivering value into and from its land holdings during the year. At 30 April 2016, the Group (including joint ventures) controlled some 42,858 plots with an estimated gross margin of £6,146 million. This compares with 37,473 plots and an estimated gross margin of £5,272 million at 30 April 2015. Of the total land holdings plots, 33,786 plots (2015: 34,215) are owned and included on the balance sheet and 9,072 plots (2015: 3,258) are contracted sites which cannot be moved into development as they do not have an implementable planning consent and/or as there are constraints and challenges surrounding, for example, vacant possession, CPO requirements or utilities provision which need to be resolved. We also hold a strategic pipeline of long-term options for in excess of 5,000 plots.

Twelve new sites have been added to the land bank in the year. The acquisitions have included a range of sites from outside of London in desirable locations such as Ascot, Wokingham and Southwater and in London at Cockfosters, Blackheath and West End Green in Paddington, along with the large, complex and long-term regeneration sites of Stephenson Street, the Oval Gasworks, and within St William, the former gasworks sites at Fulham, Hornsey, Watford and Borehamwood. Five of the sites have been acquired unconditionally and seven are contracted on a subject to planning or vacant possession basis.

Berkeley has secured 30 planning consents this year, nine on schemes which did not previously have an implementable planning consent and 21 revised consents. The new consents include White City for over 1,450 homes to be delivered over the next 15 years, St William's scheme in Battersea, West End Green in Paddington and on other developments in Southwater, Taplow, Winchester, Latchmere, Kingston and Cranleigh, some of which remain subject to finalisation of section 106 agreements. These schemes are all in good locations underpinned by strong demand.

The revised consents include the securing of an improved masterplan at Southall along with a resolution to grant detailed planning for the first phase on this long-term regeneration scheme. The first phase comprises some 620 units over 9 blocks with 1.4 acres of public parkland. The affordable housing will be delivered ahead of the private units. Our core long-term regeneration schemes now comprise Royal Arsenal, Kidbrooke Village, Woodberry Down, Beaufort Park, Southall and Stephenson Street, which we acquired in the year. The latter site comprises some 27 acres adjacent to West Ham station and offers real place-making potential to regenerate this area of East London, providing an equal mix of private affordable and private rental homes.

The Group's land holdings at 30 April 2016 are across some 77 sites, of which 56 (73%) have an implementable planning consent and are in construction, a further 7 (9%) have at least a resolution to grant planning but the consent is not yet implementable and 14 (18%) remain in the planning process. Of this latter category, 11 are subject to conditional contracts.

This shows the underlying strength of the Group's land bank which will be developed over the next 20 years. The estimated future gross margin represents management's risk-adjusted assessment of the potential development outturn for each site, taking account of a wide range of factors, including: current sales and input prices; the political and economic backdrop; the planning regime; and other market forces; all of which could have a significant effect on the eventual outcome. The increase in gross margin in the year is due to both acquisitions and value added through improvements secured both to current and future schemes, a core part of the Group's activities.

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Principal Risks and Uncertainties

Berkeley's approach allows management to focus on making the right long-term decisions to deliver long-term success, and retain the flexibility to take advantage of any opportunities which arise in the short and medium term.

Operating Risk

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 following areas: economic conditions, regulation, the planning process, retaining people, securing sales, mortgage availability, environmental and social sustainability and health and safety, land availability, build cost and programme and product quality. These risks, and Berkeley's approach to mitigating them, are set out on the following pages.

Financial Risk

In light of these operating risks, Berkeley aims to keep financial risk low, and finances its operations by a combination of shareholders' funds, deposits and on account receipts and borrowings. The Group's operations are in sterling and so there is no direct significant currency risk. Its main financial risks are:

- Liquidity risk - the risk that suitable funding for the Group's activities may not be available.
- Market credit risk - the risk that counterparties will default on their contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk is comprised of the cash and cash equivalents and trade and other receivables held within current assets on the consolidated balance sheet.
- Market interest rate risk - the risk that Group financing activities are adversely affected by fluctuations 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 treasury policy is intended to maintain an appropriate capital structure to manage the financial risks identified above and provide the right platform for the business to manage its operating risks.

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

Risk Description	Approach to Mitigating Risk
Land Availability	
An inability to source suitable land to maintain the Group's land holdings at appropriate margins in a highly competitive market could impact on the Group's ability to deliver its corporate strategy.	Understanding the markets in which we operate is central to Berkeley's strategy and, consequently, land acquisition is focused on Berkeley's core markets of London and the South of England, markets which it believes have strong demand fundamentals. Berkeley has experienced land teams with strong market knowledge in their areas of focus, which gives us the confidence to buy land without an implementable planning consent and, with an understanding of local stakeholders needs, positions Berkeley with the best chance of securing a viable planning consent. Berkeley acquires land opportunistically, where it meets its internal criteria for purchase, and considers joint ventures in particular as a vehicle to work with the right partners who bring high quality land complemented by Berkeley's expertise. Each land acquisition is subject to a formal internal appraisal and approval process prior to the submission of a bid and again prior to exchange of contracts to give the Group the greatest chance of securing targeted land. The Group maintains its land holdings to mitigate against significant impacts from market changes or delayed build activity.
Planning Process	
Delays or refusals in obtaining commercially viable planning permissions could result in the Group being unable to develop its land holdings. This could have a direct impact on the Group's ability to deliver its product and on its profitability.	The Group's strategic geographical focus and expertise places it in the best position to conceive and deliver the right consents for the land acquired. Full detailed planning and risk assessments are performed and monitored for each site without planning permission, both before and after purchase. Our assessment of the risk profile dictates whether sites are acquired either conditionally or unconditionally. The planning status of all sites is reviewed at both monthly divisional Board meetings and Main Board meetings. The Group works closely with local communities in respect of planning proposals and strong relationships are maintained with local authorities and planning officers.
Retaining People	
An inability to attract, develop, motivate and retain talented employees could have an impact on the Group's ability to deliver its strategic priorities. Failure to consider the retention and succession of key management could result in a loss of knowledge and competitive advantage.	We have developed a series of commitments within Our Vision, our strategic plan for the business, to ensure that we retain and develop the best people to support the business in the long-term. Succession planning is regularly reviewed at both divisional and Board level. Close relationships and dialogue are maintained with key personnel. Remuneration packages are regularly benchmarked against the industry to ensure they remain competitive. We promote the engagement of our people with the business and its impact on wider society through the activities of the Berkeley Foundation.

Risk Description	Approach to Mitigating Risk
Securing Sales	
An inability to match supply to demand in terms of product, location and price could result in missed sales targets and / or high levels of completed stock which in turn could impact on the Group's ability to deliver its corporate strategy.	Detailed market demand assessments of each site are undertaken before acquisition and regularly during delivery of each scheme to ensure that supply is matched to demand in each location. Design, product type and product quality are all assessed on a site-by-site basis to ensure that they meet the target market and customer aspirations in that location. The Group has a diverse range of developments with homes available across a broad range of property prices to appeal to a wide market. The Group's ability to forward sell reduces the risk of the development cycle where possible, thereby justifying and underpinning the financial investment in each of the Group's sites. Completed stock levels are reviewed regularly.
Mortgage Availability	
Mortgage providers were negatively impacted by the financial crisis from 2008 to 2011, and this reduced their ability and appetite to provide mortgages to potential purchasers at the time. An inability of customers to secure sufficient mortgage finance now or in the future could have a direct impact on the Group's transaction levels.	Berkeley has a broad product mix and customer base which reduces the reliance on mortgage availability across its portfolio. The Group participates in the Government's Help to Buy scheme, which provides deposit assistance to first time buyers, and has participated in other Government schemes historically. Deposits are taken on all sales to mitigate the financial impact on the Group in the event that sales do not complete due to a lack of mortgage availability.
Environment and Social Sustainability	
Berkeley is aware of the environmental and social impact of the homes and communities that it builds, both during the construction phase and on occupation by its customers. Failure to address sustainability issues could affect the Group's ability to acquire land, gain planning permission, manage sites effectively and respond to increasing customer demand for sustainable homes.	Our Vision includes specific commitments to enhance environmental and social sustainability considerations in the delivery of our schemes and operation of our business. These complement existing practices within the Group to focus on brownfield development, monitor carbon emissions and to be a considerate contractor on all of our schemes and be welcomed in the communities within which we operate.
Health and Safety	
Berkeley's operations have a direct impact on the health and safety of its people, contractors and members of the public. A lack of adequate procedures and systems to reduce the dangers inherent in the construction process increases the risk of accidents or site-related catastrophes, including fire and flood, which could result in serious injury or loss of life leading to reputational damage, financial penalties and disruption to operations.	Berkeley considers this to be an area of critical importance. Berkeley's health and safety strategy is set by the Board. Dedicated health and safety teams are in place in each division and at Head Office. Procedures, training and reporting are all regularly reviewed to ensure high standards are maintained and comprehensive accident investigation procedures are in place. Adequate insurance is held to cover the risks inherent in large-scale construction projects. The Group has implemented a number of initiatives to improve health and safety standards on site, with workshops held with contractors during the year.

Risk Description	Approach to Mitigating Risk
Build cost and programme	
Build costs are affected by the availability of skilled labour and the price and availability of materials, supplies and subcontractors. Changes to these prices and the availability of labour could impact on the profitability of each scheme.	A procurement and programming strategy for each development is agreed by the divisional Board before site acquisition, with a further assessment of procurement and programming undertaken and agreed by the divisional Board prior to the commencement of construction. Build cost reconciliations and build programme dates are presented and reviewed in detail at divisional cost review meetings each month. The Group monitors its development obligations and recognises any associated liabilities which arise.
Product Quality	
Berkeley has a reputation for high standards of quality in its product. If the Group fails to deliver against these standards and its wider development obligations, it could be exposed to reputational damage, as well as reduced sales and increased cost.	Detailed reviews are undertaken of the product on each scheme both during the acquisition of the site and throughout the build process to ensure that product quality is maintained. Customer satisfaction surveys are undertaken on the handover of all private apartments, and feedback incorporated into the specification and quality of subsequent schemes.
Cyber and Data Risk	
The Group could suffer significant financial and reputational damage as a result of the corruption, loss or theft of data, whether inadvertent or via a deliberate, targeted cyber-attack.	The Group acknowledges that it places significant reliance upon the availability, accuracy and security of all of its underlying operating systems and the data contained therein, whilst also recognising the changing landscape of cyber-risk. Consequently, Berkeley's systems and control procedures are designed to ensure that data confidentiality and integrity are not compromised. Our Information Security Programme mirrors the relevant core elements of the security standard ISO27001: Information Security Management. Whilst there is a primary focus upon stopping security breaches in the first instance, ongoing monitoring and scanning is also conducted. An IT Security Committee meets on a monthly basis to address all cyber security matters. During the year, the committee initiated a review under the Government's Cyber-Essentials scheme, which reviews compliance with key control areas. Additionally, a Group-wide security awareness programme has been rolled out. The Group operates multiple data centres, thereby ensuring that there is no centralised risk exposure and the adequacy of the IT disaster recovery plan is regularly assessed. The Group has Cyber insurance in place to mitigate against any financial impact.

Consolidated Income Statement

For the year ended 30 April	Notes	2016 Unaudited £m	2015 Audited £m
Revenue		2,047.5	2,120.0
Revenue includes:			
- from operations		1,994.1	2,020.2
- from sale of ground rent assets		53.4	99.8
Cost of sales		(1,345.8)	(1,403.2)
Gross profit		701.7	716.8
Gross profit includes:			
- from operations		650.7	631.7
- from sale of ground rent assets		51.0	85.1
Net operating expenses		(199.8)	(192.7)
Operating profit		501.9	524.1
Finance income	3	3.1	3.0
Finance costs	3	(10.6)	(15.7)
Share of results of joint ventures using the equity method		36.5	28.3
Profit before taxation for the year		530.9	539.7
Income tax expense	4	(126.8)	(116.2)
Profit after taxation for the year		404.1	423.5
Earnings per share:			
Basic	5	295.8p	313.0p
Diluted	5	268.7p	276.9p

Consolidated Statement of Comprehensive Income

For the year ended 30 April	2016 Unaudited £m	2015 Audited £m
Profit after taxation for the year	404.1	423.5
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss		
Actuarial loss recognised in the pension scheme	(0.6)	(0.6)
Deferred tax on actuarial loss recognised in the pension scheme	0.1	0.1
Total items that will not be reclassified to profit or loss	(0.5)	(0.5)
Items that may be reclassified subsequently to profit or loss		
Change in value of other investments	-	1.0
Total items that may be reclassified subsequently to profit or loss	-	1.0
Items reclassified to profit or loss		
Gain on value of other investments	(2.0)	-
Total items reclassified to profit or loss	(2.0)	-
Other comprehensive income for the year	(2.5)	0.5
Total comprehensive income for the year	401.6	424.0

Consolidated Statement of Financial Position

As at 30 April	2016 Unaudited £m	2015 Audited £m
Assets		
Non-current assets		
Intangible assets	17.2	17.2
Property, plant and equipment	23.5	23.5
Investment properties	-	0.2
Investments accounted for using the equity method	150.0	50.1
Other investments	-	12.0
Deferred tax assets	71.9	72.7
	262.6	175.7
Current assets		
Inventories	3,256.1	2,654.1
Trade and other receivables	212.3	145.6
Cash and cash equivalents	107.4	430.9
	3,575.8	3,230.6
Total assets	3,838.4	3,406.3
Liabilities		
Non-current liabilities		
Trade and other payables	(90.3)	(131.7)
Provisions for other liabilities and charges	(68.3)	(61.1)
	(158.6)	(192.8)
Current liabilities		
Trade and other payables	(1,768.6)	(1,503.8)
Current tax liabilities	(78.2)	(57.8)
Provisions for other liabilities and charges	(20.2)	(14.0)
	(1,867.0)	(1,575.6)
Total liabilities	(2,025.6)	(1,768.4)
Total net assets	1,812.8	1,637.9
Equity		
Shareholders' equity		
Share capital	6.9	6.8
Share premium	49.8	49.6
Capital redemption reserve	24.5	24.5
Other reserve	(961.3)	(961.3)
Retained profit	2,692.9	2,518.3
Total equity	1,812.8	1,637.9

Consolidated Statement of Changes in Equity

	Attributable to shareholders						
	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserve £m	Revaluation reserve £m	Retained profit £m	**Total £m**
Unaudited							
At 1 May 2015	**6.8**	**49.6**	**24.5**	**(961.3)**	**-**	**2,518.3**	**1,637.9**
Profit after taxation for the year	-	-	-	-	-	404.1	**404.1**
Other comprehensive income for the year	-	-	-	-	-	(2.5)	**(2.5)**
Purchase of own shares	-	-	-	-	-	(1.2)	**(1.2)**
Issue of ordinary shares	0.1	0.2	-	-	-	-	**0.3**
Transactions with shareholders:							
- Credit in respect of employee share schemes	-	-	-	-	-	28.8	**28.8**
- Deferred tax in respect of employee share schemes	-	-	-	-	-	4.9	**4.9**
- Dividends to equity holders of the Company	-	-	-	-	-	(259.5)	**(259.5)**
At 30 April 2016	**6.9**	**49.8**	**24.5**	**(961.3)**	**-**	**2,692.9**	**1,812.8**
Audited							
At 1 May 2014	6.8	49.3	24.5	(961.3)	4.1	2,317.9	**1,441.3**
Profit after taxation for the year	-	-	-	-	-	423.5	**423.5**
Other comprehensive income for the year	-	-	-	-	-	0.5	**0.5**
Reserves transfer (to) revaluation reserve	-	-	-	-	(4.1)	4.1	**-**
Issue of ordinary shares	-	0.3	-	-	-	-	**0.3**
Transactions with shareholders:							
- Credit in respect of employee share schemes	-	-	-	-	-	2.7	**2.7**
- Deferred tax in respect of employee share schemes	-	-	-	-	-	13.1	**13.1**
- Dividends to equity holders of the Company	-	-	-	-	-	(243.5)	**(243.5)**
At 30 April 2015	**6.8**	**49.6**	**24.5**	**(961.3)**	**-**	**2,518.3**	**1,637.9**

Consolidated Cash Flow Statement

For the year ended 30 April	Notes	2016 Unaudited £m	2015 Audited £m
Cash flows from operating activities			
Cash generated from operations	6	94.0	643.6
Proceeds from sale of investment properties		0.2	8.3
Interest received		3.0	3.2
Interest paid		(2.7)	(5.4)
Income tax paid		(100.8)	(140.5)
Net cash flow from operating activities		(6.3)	509.2
Cash flows from investing activities			
Purchase of property, plant and equipment		(4.9)	(4.6)
Sale of financial assets		12.8	-
Dividends from investments accounted for using the equity method		-	12.3
Proceeds on disposal of property, plant and equipment		2.1	0.6
Movements in loans with joint ventures		(63.2)	27.3
Net cash flow from investing activities		(53.2)	35.6
Cash flows from financing activities			
Proceeds from issue of shares		0.3	0.4
Purchase of own shares		(4.8)	-
Repayment of borrowings		-	(1.0)
Dividends paid to Company's shareholders		(259.5)	(243.5)
Net cash flow from financing activities		(264.0)	(244.1)
Net (decrease)/increase in cash and cash equivalents		(323.5)	300.7
Cash and cash equivalents at the start of the financial year		430.9	130.2
Cash and cash equivalents at the end of the financial year		107.4	430.9

The Berkeley Group Holdings plc

Notes to the consolidated financial information

1 General information

The Berkeley Group Holdings plc ("the Company") is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG. The Company and its subsidiaries (together "the Group") are engaged in residential led, mixed-use property development.

The unaudited financial information for the year ended 30 April 2016 and the comparative audited information for the year ended 30 April 2015 does not constitute statutory accounts within the meaning of s434(3) and s435(3) of the Companies Act 2006. This information was approved by the Board on 14 June 2016, and has been extracted from the Group's statutory accounts which have not yet been signed, nor have the auditors yet reported on them.

The statutory accounts for the year ended 30 April 2015 have been delivered to the Registrar of Companies. The report of the auditors on these financial statements was unqualified and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

2 Basis of preparation

This information, including the comparative information for the year ended 30 April 2015, has been prepared in accordance with EU endorsed International Financial Reporting Standards ("IFRSs"), International Financial Reporting Interpretations Committee ("IFRIC") interpretations and in accordance with the listing rules of the Financial Conduct Authority and consistently in accordance with the accounting policies set out in the 2015 Annual Report.

There were no new standards, amendments and interpretations that were adopted by the Group and effective for the first time for the financial year beginning 1 May 2015 that had a material impact on the Group. Furthermore, there are no standards, amendments or interpretations that are not yet effective that would be expected to have a material impact on the Group.

During the 2014/2015 financial year, the Company dismissed its finance director, Mr Nicolas Simpkin, who issued legal proceedings in the Employment Tribunal against the Company on the 28 November 2014. On the 20 November 2015 Mr Simpkin served High Court proceedings on the Company. The proceedings are being defended by the Company with the assistance of external professional advisers.

3 Net finance costs

For the year ended 30 April	**2016 Unaudited £m**	**2015 Audited £m**
Finance income	3.1	3.0
Finance costs		
Interest payable on bank loans and non-utilisation fees	(2.8)	(4.8)
Amortisation of facility fees	(3.1)	(5.7)
Other finance costs	(4.7)	(5.2)
	(10.6)	(15.7)
Net finance costs	(7.5)	(12.7)

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.

Notes to the consolidated financial information

4 Income tax expense

For the year ended 30 April	2016 Unaudited £m	2015 Audited £m
Current tax		
UK corporation tax payable	(107.5)	(130.2)
Adjustments in respect of previous periods	(14.9)	4.8
	(122.4)	(125.4)
Deferred tax	(4.4)	9.2
	(126.8)	(116.2)

5 Earnings per share

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

For the year ended 30 April	2016 Unaudited	2015 Audited
Profit attributable to shareholders (£m)	404.1	423.5
Weighted average no. of shares (m)	136.6	135.3
Basic earnings per share (p)	295.8	313.0

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 2016, the Group had two (2015: three) categories of potentially dilutive ordinary shares: 16.8 million (2015: 16.1 million) £nil share options under the 2011 LTIP and 5,000 (2015: 0.5 million) share options under the 2015 Bonus Banking plan. 2.8 million (2015: 2.9 million) share options vested on 15 April 2016 under Part B of the 2009 LTIP scheme and 1.4 million (2015: 1.3 million) were issued to participants, with the Company settling the option price and participants' tax liability in respect of the balance, in lieu of issuing shares.

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

For the year ended 30 April	2016 Unaudited	2015 Audited
Profit used to determine diluted EPS (£m's)	404.1	423.5
Weighted average no. of shares (m's)	136.6	135.3
Adjustments for:		
Share options - 2009 LTIP Part B	1.3	3.5
Share options - 2011 LTIP	12.5	13.6
Bonus plan shares	-	0.5
Shares used to determine diluted EPS (m's)	150.4	152.9
Diluted earnings per share (p)	268.7	276.9

Notes to the consolidated financial information

6 Notes to the Consolidated Cash Flow Statement

For the year ended 30 April	2016 Unaudited £m	2015 Audited £m
Net cash flows from operating activities		
Profit for the financial year	404.1	423.5
Adjustments for:		
Taxation	126.8	116.2
Depreciation	3.1	2.7
(Profit)/Loss on sale of fixed assets	(0.2)	0.2
(Profit)/Loss on sale of financial asset	(2.8)	-
Profit on sale of investment properties	-	(1.3)
Finance income	(3.1)	(3.0)
Finance costs	10.6	15.7
Share of results of joint ventures after tax	(36.5)	(28.3)
Non-cash charge in respect of share awards	28.8	2.7
Changes in working capital:		
Increase in inventories	(602.0)	(172.9)
(Increase)/decrease in receivables	(67.8)	7.6
Increase in trade and other payables	233.6	281.1
Decrease in employee benefit obligations	(0.6)	(0.6)
Cash generated from operations	94.0	643.6

Reconciliation of net cash flow to net cash		
Net (decrease)/increase in cash and cash equivalents, including bank overdraft	(323.5)	300.7
Net decrease in borrowings	-	1.0
Movement in net cash in the financial year	(323.5)	301.7
Opening net cash	430.9	129.2
Closing net cash	107.4	430.9

Net cash		
Cash and cash equivalents	107.4	430.9
Current borrowings	-	-
Net cash	107.4	430.9

Notes to the consolidated financial information

7 Related party transactions

The Group has entered into the following new related party transactions that have not previously been disclosed:

Transactions with Directors

i) During the financial year, Mr A W Pidgley paid £378,593 (2015: £25,470) and Mr R C Perrins paid £155,167 (2015: £nil) to the Group for works carried out at their homes under the Group's own build scheme. This is a scheme whereby eligible employees may enter into an arrangement, at commercial rates, in accordance with the relevant policies of the Group. There were no balances outstanding at the year end.

ii) Berkeley Homes plc has entered into an agreement with Langham Homes, a company controlled by Mr T K Pidgley who is the son of the Group's Chairman, under which Langham Homes will be paid a fee for a land introduction on an arm's length basis. No payments have been made under this agreement in the year and there were no outstanding balances at 30 April 2016. In the year ended 30 April 2015, a fee of £173,000 was paid under this agreement when an associated land purchase became unconditional. Langham Homes continues to introduce land to the Group and in the event that any further land purchases are agreed, further fees may be payable to Langham Homes in future periods.

iii) Mr K Whiteman, a Director of the Company, contracted to purchase an apartment at Royal Arsenal Riverside for £650,000 on 12 April 2016 from Berkeley Homes plc, a wholly owned subsidiary of the Company. The contract between Berkeley Homes plc and Mr Whiteman is a standard form sale and purchase agreement used by the Company on its developments, save that as Mr Whiteman's purchase of his apartment is for a value in excess of £100,000, it is conditional upon the agreement of shareholders which will be sought at the Annual General Meeting in September 2016. Mr Whiteman paid a ten per cent deposit of £65,000 on exchange of contracts which will only be returned to him in the event that shareholders do not approve the transaction.

Director property purchases previously disclosed and not yet completed, which have all received shareholder approval, include:

- Mr G J Fry - purchases of an apartment at Sovereign Court for £819,950 in 2014 and Brewery Wharf for £565,000 in 2015;
- Mr R C Perrins – purchase of an apartment at 190 Strand for £2,100,000 in 2013; and
- Ms D Brightmore Armour – purchase of an apartment at 190 Strand for £2,985,000 in 2014 along with a storage room at the property for £101,200 in 2015.

During the year Mr R C Perrins paid a contractual deposit on account of £210,000 and Ms D Brightmore Armour paid contractual deposits on account of £286,000 for the apartment and £10,120 for the storage room. These were in addition to contractual deposits paid in previous years. During the year, Mr G J Fry paid an additional £17,043 for enhancements to specification in relation to his apartment at Sovereign Court and £23,770 for enhancements to specification in an apartment already owned at Chelsea Creek. At 30 April 2016, any contractual deposits due to date had been paid to the Group, there were no current balances outstanding and the properties were still under construction and so the sales had not yet completed.

Transactions with Joint Ventures

During the financial year there were no transactions with joint ventures other than movements in loans. In 2009 inventory was sold to St Edward Homes Limited for £17,411,000 being the share of the transaction attributable to the other venturer in the joint venture. At 30 April 2016 an amount of £8,091,000 was outstanding and included within trade receivables (2015: £14,449,000).