PRESS RELEASE

THE BERKELEY GROUP HOLDINGS PLC

PRELIMINARY RESULTS ANNOUNCEMENT

18 JUNE 2014

The Berkeley Group Holdings plc ("Berkeley") today announces its unaudited preliminary results for the year ended 30 April 2014:

Year ended 30 April	2014 £'million	2013 £'million	Change £'million	%
Revenue	1,620.6	1,372.6	+248.0	+18.1%
Operating profit	374.8	280.1	+94.7	+33.8%
Net finance costs	(6.9)	(8.1)	+1.2	
Share of joint ventures result	12.1	(1.3)	+13.4	
Profit before tax	380.0	270.7	+109.3	+40.4%
Taxation	(87.1)	(61.0)	-26.1	
Profit after tax	292.9	209.7	+83.2	+39.7%
EPS Basic	221.8p	160.0p	+61.8p	+38.6%
EPS Diluted	188.4p	140.3p	+48.1p	+34.3%
Pre-Tax Return on Equity	27.5%	22.4%	+5.1%	

OPERATIONAL HIGHLIGHTS

- 3,742 new homes completed in the year, some 30% more than at the peak of the market in 2007
- Consistent delivery of around 10% of all new homes built in London over the last five years
- £353 million invested in nine new sites in the year, sufficient to build a further 2,500 new homes
- All of Berkeley's sites which benefit from an implementable planning consent are in construction

PERFORMANCE

- Basic earnings per share increased by 38.6% to 221.8 pence (2013: 160.0 pence)
- Pre-tax return on equity of 27.5% (2013: 22.4%)
- Net cash of £129.2 million (April 2013: net cash of £44.7 million)
- Net asset value per share up 5.6% to 1,065.6 pence (April 2013: 1,009.1 pence)
- Dividends of 149 pence per share (£195.2 million) paid to shareholders in the year

OUTLOOK

- Further interim dividend of 90 pence per share declared, payable in September 2014
- Cash due on forward sales of £2,274 million (April 2013: £1,453 million)
- 24,006 plots (April 2013: 25,684) and future anticipated gross margin of £3,014 million (April 2013: £2,852 million) in land holdings
- Pipeline of future land comprises 11,000 plots and potential gross margin of £1,500 million to be unlocked over the next five years

The Berkeley Group Holdings plc

Commenting on the results, Chairman Tony Pidgley said:

"These are strong results which reflect the current market conditions and Berkeley's bold strategy to invest at the right point in the economic and housing cycle. Basic earnings per share have grown by 38.6% to 221.8 pence, of which 149 pence has been paid to shareholders as dividends in the year, and the estimated value of gross margin in our land holdings is now in excess of £3 billion.

The Board has declared a further interim dividend of 90 pence per share (£121.7 million), payable on 26 September 2014 to shareholders on the register on 22 August 2014. This means that 254 pence per share has been paid or committed to date, and leaves a further 180 pence per share in order to meet the first milestone of paying 434 pence per share by September 2015. The Board considers that the Group is currently on track to achieve this target and is well positioned to meet the remaining milestones by September 2021.

The last year has seen a surge of confidence within the UK economy. Housebuilders have been at the forefront of the return to growth, creating a feelgood factor which benefits everyone. Their investment has underpinned the delivery of affordable homes and infrastructure for our communities. This is a result of a stable economic and political environment and strong inward investment. London in particular competes on a global stage and the strength of the market here is vitally important for maintaining momentum in the wider domestic market.

Looking to the future the housebuilding industry, supported by the stimulus of the Help to Buy scheme, has the capacity to increase further the supply of new homes across the country. Forward sales are critical to enable the industry to commit the significant capital necessary to do this. Berkeley is building on all of its sites that have an implementable planning consent and we are employing over 11,000 people directly on our sites sustaining a further 10,000 jobs indirectly in the supply chain. This year we have completed some 30% more homes than at the peak of the market in 2007, and I am proud of the role Berkeley has played in generating economic growth and its wider contribution to our society through the homes and places we create.

Berkeley's achievements are testament to the skill and dedication of our employees, and to the commitment of our partners on our schemes and in the supply chain, and I would like to express my thanks to all of them. I am delighted that the Group has been recently awarded the Queen's Award for Enterprise for Sustainable Development 2014. This award recognises Berkeley's approach to running its business for the long-term, to help ensure a better quality of life for everyone, now and for generations to come.

The Board is confident that Berkeley has the right plan to deliver long-term sustainable success, but remains alert to the inherently cyclical nature of the property market and the uncertainty surrounding future tax policy and political decision-making. Monetary policy and the financial stability of banks, which is currently a concern of regulators, are both factors influencing the housing market in the long-term. Provided any future increases in interest rates or regulation of mortgages are matched with future wages growth as the economy expands, the prospects for the housing market remain positive."

Tony Pidgley CBE
Chairman

The Berkeley Group Holdings plc

Commenting on the results, Managing Director Rob Perrins said:

"Berkeley has built and sold 3,742 new homes this year at an average selling price of £423,000, driving a 40.4% increase in pre-tax profits to £380.0 million and a rise in pre-tax return on equity from 22.4% to 27.5%.

The Group remained ungeared throughout the year, with net cash rising from £44.7 million to £129.2 million after paying £195.2 million of dividends to shareholders and investing further in new land and construction. This investment and a favourable market have enabled us to build and sell over 15,000 new homes in London and the South of England over the last five years, during which period we have delivered some 10% of both the total private and affordable homes built in London.

Berkeley's vision is to be a world class business generating long-term value by creating successful, sustainable places where people aspire to live. These results are due to a unique combination of an entrepreneurial approach to land buying, a track record of working in partnership with local authorities to create great places, strong financial discipline, autonomous management teams and above all a passion for proving how good new housing can be.

With cash due on forward sales now approaching £2.3 billion and estimated gross margin in its land holdings now in excess of £3 billion, the Board has visibility over its commitment to meet the remaining 180 pence of the first milestone through regular dividends. The land and planning now in place has extended this visibility to delivery of the second milestone payment of 433 pence by September 2018 and Berkeley has made substantial inroads into the planning requirement on the land required to cover the third milestone payment of a further 433 pence by September 2021.

Looking forwards, we continue to see opportunities to acquire land that meet our hurdle returns. This will typically be characterised by long term and complex development sites to which Berkeley can bring its expertise. The land already in our pipeline comprises a number of sites that match these criteria and the ongoing operational focus is to deliver this over the next five years. If this is achieved, it has the potential to enhance the existing gross margin in the land bank by some £1.5 billion and help build a sustainable business.

Berkeley has finished the year well, delivering a strong cash flow performance, growing its unrivalled land holdings through acquisition and optimisation, continuing to invest in inventory and securing additional forward sales. This gives the Board the confidence to continue to invest and add value whilst never underestimating the risks inherent in a cyclical market.

Over the remainder of the current plan, the Board aims to deliver the targeted dividends from earnings while maintaining the balance sheet at least at its current level and the value in its land holdings above £3 billion."

Rob Perrins
Managing Director

The Berkeley Group Holdings plc

TRADING AND FINANCIAL REVIEW

Housing Market

Domestic demand in the housing market in London and the South of England has been strong throughout the year, above all for places benefiting from quality of design, public realm, transport links and access to jobs and amenities. The market has benefited from a stable social and political environment, low interest rates, and a return to growth in the economy.

London's standing as a global city continues to drive demand and attract investment from within the UK and overseas. London's success is crucial to economic growth and a plentiful supply of good quality new homes and places is essential to supporting this. Berkeley understands the importance of enabling those people who live and work here to find a home, and maintains its commitment to offer all of its schemes to the UK market first.

Berkeley's experience is that prices for its properties have increased in line with those reported in the market more generally. Whilst the Government's Help to Buy scheme has been helpful in bringing home ownership to within the reach of many more people, it has had limited benefit to Berkeley as a whole due to the proportion of its sales which are off-plan. On the 17 schemes where qualifying properties were available, it has supported some 36% of sales in the year, a total of 159 sales over the last twelve months.

Cancellation rates in the year were approximately 8%. These remain low compared to normal historical ranges and reflect the stronger market both inside and outside London. This is also reflected in historically low completed stock levels at 30 April 2014, at which date Berkeley held 39 such properties in inventories compared to 140 at 30 April 2013.

Trading performance

Revenue of £1,620.6 million this year (2013: £1,372.6 million) mainly comprised £1,605.0 million of residential revenue from the sale of new homes in London and the South of England (2013: £1,337.9 million). The remainder was commercial revenue of £15.6 million (2013: £26.4 million). There were no land sales in the year (2013: £8.3 million).

The residential revenue resulted from the sale of 3,742 new homes (2013: 3,712) on Berkeley's private, affordable and student schemes at an average selling price of £423,000 (2013: £354,000). This includes the disposal of 534 properties from Berkeley's rental fund to M&G Investments. The increase in average selling price is consistent with successful delivery of sites acquired in London since 2009, with the mix of schemes now in construction weighted towards a lower volume of higher value properties.

Revenue of £15.6 million from commercial activities (2013: £26.4 million) included the sale of retail space across a number of the Group's developments including Marine Wharf in Deptford, Goodmans Fields in Aldgate, Fulham Reach in Hammersmith and Imperial Wharf in Fulham.

Operating margin has increased from 20.4% to 23.1%. This reflects the benefit of operational gearing and the change of mix of residential properties sold, which includes completions at the St George Wharf Tower in the second half of the year, offset by an increase in overheads by £10.8 million to £134.1 million (2013: £123.3 million) which have reduced as a percentage of revenue from 9.0% to 8.3%.

The Group's share of the results of joint ventures was a profit of £12.1 million (2013: loss of £1.3 million) which reflects completions at both Stanmore Place and 375 Kensington High Street in the year.

Net finance costs have decreased by £1.2 million from £8.1 million to £6.9 million. The Group started and ended the year in a net cash position, and so generated some income from its cash holdings. This was more than offset by the amortisation of facility fees and other finance income and costs including imputed interest on land creditors.

Pre-tax return on equity has increased from 22.4% to 27.5% and measures underlying performance from the operational business.

Profit before tax has increased by £109.3 million from £270.7 million to £380.0 million. Basic earnings per share, which reflects the prevailing UK corporation tax rate and the issue of 4.3 million shares in January to satisfy share awards, has increased by 38.6% from 160.0 pence to 221.8 pence.

Financial Position

Inventories have increased from £2,066.7 million at 30 April 2013 to £2,481.2 million at 30 April 2014 which demonstrates the continued steady investment in the business. Inventories include £492.4 million of land not under development (30 April 2013: £310.0 million), £1,966.4 million of work in progress (30 April 2013: £1,711.7 million) and £22.4 million of completed stock (30 April 2013: £45.0 million).

Within work in progress, Berkeley's investment in construction has risen by £329.3 million to £1,180.3 million at 30 April 2014, supported by a 57% increase in cash due on forward sales. By taking the opportunity to forward sell, Berkeley has secured certainty over its sales prices to give it the confidence to grow its construction activities, but is mindful that build cost inflation is a risk to future margins. Upward pressure on build costs and the more restricted availability of materials and skilled labour within the supply chain have been prevalent, although in the current market the impact of this has been broadly mitigated by house price increases.

Trade and other payables are £1,367.2 million at 30 April 2014 (£1,021.4 million at 30 April 2013). These include £741.6 million of on account receipts from customers (30 April 2013: £426.1 million) and land creditors of £210.0 million (30 April 2013: £180.9 million). The increase in land creditors relates to the purchase of a site in White City in the year on deferred terms before payments made against existing land creditors at Wapping. Provisions of £57.1 million (30 April 2013: £29.0 million) include £53.3 million in respect of post completion development obligations (30 April 2013: £23.6 million) and £3.8 million of other provisions arising in the ordinary course of business (30 April 2013: £5.4 million).

During the year, £337.6 million of cash was generated from operations (2013: £291.8 million). This is before a net investment in working capital of £77.9 million (2013: £102.8 million), where the increase in the investment in construction has been matched by the increase in customer deposits, proceeds from the disposal of rental fund properties of £138.2 million (2013: £12.6 million), tax and other cash outflows of £118.2 million (2013: £79.3 million) and dividends of £195.2 million (2013: £19.7 million). A net increase in net cash of £84.5 million, together with a £34.4 million increase in capital employed in the balance sheet, has resulted in a £118.9 million rise in net assets from £1,322.4 million at 30 April 2013 to £1,441.3 million at 30 April 2014 .

Committed corporate banking facilities remain at £525 million. Of this, £250 million matures in April 2018 and £275 million in May 2018, providing good visibility and headroom within the Group's business plan.

Joint Ventures

Investments accounted for using the equity method have increased from £44.1 million at 30 April 2013 to £61.4 million at 30 April 2014. This relates almost exclusively to Berkeley's investment in St Edward, a joint venture with Prudential.

St Edward has three schemes currently in development at Stanmore Place, 375 Kensington High Street and 190 Strand. 203 homes were sold in the year at an average selling price of £1,235,000 (2013: 66 at £277,000), an increase which reflects the change of mix in properties sold.

1,389 plots in Berkeley's land holdings relate to St Edward schemes (30 April 2013: 1,592), and St Edward is continuing to identify opportunities to develop the joint venture through further sites to which it can add value. This includes a commercial site in Westminster which is conditional on vacant possession and so is included in the land pipeline. The joint venture is partly funded by a £60 million bank facility which was undrawn at year end (30 April 2013: £34 million drawn).

Rental Fund

Berkeley's private rental fund held 729 properties at a historic cost of £102.3 million at 30 April 2013. 534 of the properties were held at £75.8 million as 'Non-current assets classified as held for resale', and the remaining 195 properties were held in 'Investment properties' at £26.5 million.

The sale of the 534 properties held for resale to M&G Investments completed on 5 June 2013 for an aggregate price of £105.4 million included in revenue. After repayment of £17.4 million of funding from the Homes and Communities Agency, and re-investment of £10 million for a minority stake in the M&G Investment Fund, the net proceeds of sale were £75.2 million and a profit of £29.6 million was recognised within operating profit in the year.

54 properties from Berkeley's rental fund remain held in Investment properties at £7.2 million at 30 April 2014 (195 at at £26.5 million at 30 April 2013). This follows the disposal in the year of 141 properties for £32.8 million of revenue and a profit of £13.6 million where market conditions have supported their sale.

Ground Rents

On 30 May 2014, the Group exchanged contracts for the sale of a portfolio of ground rent assets for £99.8 million. The sale is expected to give rise to a non-recurring profit on disposal of approximately £80 million after transaction costs in the first half of the year ending 30 April 2015.

Land Holdings

Berkeley has unconditionally acquired nine new sites in the year, investing a further £353 million in land to secure some 2,500 plots into its land holdings. These include six London schemes, comprising a 10 acre redevelopment site in White City, a site in Battersea with a detailed planning consent for 456 apartments, two sites on the Albert Embankment and two sites in West London. Three sites have been secured outside London in Bath, Barns Green in West Sussex and Taplow in Berkshire.

The Group has continued to add value to its land holdings during the year. Berkeley has secured a number of new planning consents in the year, including a former convent in Mill Hill, housing schemes in Finchley and Maidenhead, mixed-use schemes in Hammersmith and Twickenham, and a student development in Bath. In addition, some 10% of value has been added to the group's land holdings through optimisation of the future phases of existing schemes and updates to price and cost valuations. At 30 April 2014, 65 of Berkeley's 77 sites have an implementable planning consent, all of which are in construction, whilst the remainder are in the planning process.

The Group's land holdings now include 24,006 plots (30 April 2013: 25,684) with an estimated future gross margin of £3,014 million (30 April 2013: £2,852 million) and an average selling price of £419,000 (30 April 2013: £378,000). This reflects the increased London weighting of Berkeley's schemes.

Pipeline of Future Land

In addition to its land holdings, the Group's pipeline of future land now comprises over 11,000 plots with a potential gross margin of some £1.5 billion. These are schemes which cannot be delivered at the current time as they do not have an implementable planning consent and are dependent on resolving practical technical constraints and challenges surrounding vacant possession. Accordingly, these sites have been differentiated from Berkeley's land holdings as they require significant further investment in land, planning and infrastructure. The Group is aiming to unlock these sites over the next five years to support the business beyond the conclusion of the current plan. Nine new sites have been added to the pipeline in the year, including six in London at Southall, Kingston, Westminster, Hornsey, Battersea and Orpington and three outside London in Bracknell, Ockham and Sevenoaks.

The pipeline provides a transparent source of land for future development beyond 2021 which is not dependent on buying land in the open market.

Outlook

These results demonstrate that Berkeley is well-placed and, although earnings remain sensitive to the timing of delivery of some of its larger developments, the Board currently expects underlying full year earnings in 2015 to be in line with current market expectations before the one-off benefit of the sale of the ground rent assets. The Group remains alert to the uncertainty which will arise from changes to the economic and political landscape in the run-up to a 2015 General Election and may impact the business and the market more generally.

Berkeley understands the industry and the inherently cyclical market in which it operates, and has the right strategy, people and framework to deliver long-term sustainable success. The Group is on course to meet its commitment to return over £1.7 billion to shareholders by 2021 and, with the visibility provided by the land pipeline, provide a sustainable business thereafter.

- End -

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The Berkeley Group Holdings plc

Principal Risks and Uncertainties

Berkeley's approach allows management to focus on taking 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. 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 there is no direct significant currency risk. Its 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 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 and Impact	Mitigation
Economic Conditions	
As a property developer Berkeley's business, in the context of the wider housing market, is sensitive to changes in interest rates, unemployment and general consumer confidence. Its customers are also sensitive to changes in the sterling exchange rate. Significant economic uncertainty exists in the UK, Europe and worldwide and this may lead to a reduction in demand for housing which could impact on the Group's ability to deliver its corporate strategy.	Berkeley's business strategy reflects the cyclical nature of property development. Funds are carefully targeted at investing only in land which is underpinned by demand fundamentals that support a solid viability case even when markets are uncertain. Levels of committed expenditure are carefully monitored against forward sales secured and bank facilities available, with the objective of keeping financial risk low to mitigate the operating risks of delivery in uncertain markets. The business is committed to operating at an optimal size, with a strong balance sheet, to maintain the flexibility to react swiftly, when necessary, to changes in market conditions.
Regulation	
Adverse changes to government policy on areas such as taxation, housing and environmental matters 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.	The effects of changes to government policies at all levels are closely monitored and representations made where appropriate. Berkeley's experienced teams are well-placed to interpret and implement new regulation at the appropriate time through direct lines of communication across the Group. Detailed policies and procedures are in place and these are communicated to all staff.
Planning	
Delays or refusals in obtaining commercially viable planning permissions on the Group's land holdings could result in the Group being unable to develop the land it has purchased. This could have a direct impact on the Group's ability to deliver its product and on its profitability.	Full detailed planning and risk assessments are performed and monitored for each site without planning permission, both before and after purchase. The planning status of all sites is reviewed at monthly divisional Board meetings and quarterly Main Board meetings. The Group works closely with local communities in respect of planning proposals and strong local relationships are maintained with local authorities and planning officers. The Group is focused on the markets of London and the South of England in planning regimes which it understands and where it believes it therefore has a competitive advantage.
Retaining People	
An inability to attract, develop, motivate and retain talented employees could have an impact on the Group's ability to delivery its strategic priorities. Failure to consider the retention and succession of key management could result in a loss of knowledge and competitive advantage.	Remuneration packages are constantly benchmarked against the industry to ensure they remain competitive. Succession planning is regularly reviewed at both divisional and Main Board level. Close relationships and dialogue are maintained with key personnel.

Risk and Impact	Mitigation
Securing Sales	
An inability to match supply to demand in terms of product, location and price could result in missed sales targets and / or inefficient 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 at a broad range of property prices to appeal to a wide market. Forward sales are used to take the risk out of the development cycle where possible, thereby justifying the financial investment in each of the Group's sites. Completed stock levels are reviewed and debated at monthly divisional board meetings and quarterly Main Board meetings.
Mortgage availability	
Mortgage providers have been negatively impacted by the financial crisis and this has reduced their ability to provide mortgages to potential purchasers. An inability of customers to secure sufficient mortgage finance 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 is participating in the Government backed mortgage indemnity scheme, NewBuy, on a number of its schemes and on the Government's new Help to Buy scheme. 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.
Sustainability	
Berkeley is hugely 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 provides the framework under which the Group's approach to running a sustainable business is formalised. This provides a framework under which detailed commitments are set out to be adopted and embraced by all staff. The Board has the responsibility of setting the Group's direction in this area, to ensure that it is aligned with the Group's strategy. Specific commitments to deliver sustainable communities, minimise the impact of the homes that Berkeley builds and to manage the environmental and social impacts of Berkeley's business form the bedrock of this approach. Environmental and Social Sustainability assessments are built into land purchases and planning applications. Sustainability commitments during delivery include the use of environmental performance methodology, a focus on brownfield development and the monitoring of carbon emissions, amongst others.

Risk and Impact	Mitigation
Health and Safety	
Berkeley's operations have a direct impact on the Health and Safety of its people, contractors and members of the public. Berkeley considers this to be an area of critical importance. 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.	The Board has the responsibility of setting the Group's Health & Safety Strategy. Dedicated Health & 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. The Group has implemented a number of initiatives to improve Health & Safety standards on site, with workshops held with contractors during the year. Our Vision incorporates commitments in the area of Health & Safety which reinforce the Group's focus on this. Adequate insurance is held to cover the risks inherent in large-scale construction projects.
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.	Berkeley's strategy is to acquire land opportunistically, where it meets its internal criteria for purchase. Land acquisition is focused on Berkeley's core markets of London and the South, markets which it understands and where it believes that the demand fundamentals are strong and hence it stands the best chance of securing viable planning consents. Each land acquisition is subject to formal internal appraisal and approval processes both prior to the submission of a bid and again prior to exchange of contracts to give the Group the ability to stand behind its bids and the best chance of securing the best land. The Group maintains its land holdings to mitigate against significant impacts from market changes or delayed build activity. Berkeley has experienced land teams with strong market knowledge in its areas of focus. The Group keeps financial risk low and maintains the liquidity to enable it to remain competitive when it bids for new land.
Build cost and programme	
Build costs are affected by the availability of skilled labour and the price and availability of materials, suppliers and subcontractors. Changes to these prices and availability 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. A further assessment of procurement and programming is undertaken and agreed by the divisional Board prior to the commencement of construction. Build cost reconciliations and build programme dates are presented and reviewed in detail at divisional cost review meetings each month.
Product Quality	
Berkeley has a reputation for the high standards of quality of 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 the quality of the product is maintained. Customer Satisfaction surveys are undertaken on the handover of all private apartments, and feedback incorporated in shaping the specification and quality of subsequent schemes. The Group monitors its development obligations and recognises any associated liabilities which arise.

The Berkeley Group Holdings plc

Consolidated Income Statement

For the year ended 30 April	Notes	2014 Unaudited £m	2013 Audited £m
Continuing operations			
Revenue		1,620.6	1,372.6
Cost of sales		(1,111.7)	(969.2)
Gross profit		508.9	403.4
Net operating expenses		(134.1)	(123.3)
Operating profit		374.8	280.1
Finance income	3	3.4	1.5
Finance costs	3	(10.3)	(9.6)
Share of results of joint ventures using the equity method		12.1	(1.3)
Profit before taxation for the year		380.0	270.7
Income tax expense	4	(87.1)	(61.0)
Profit after taxation for the year		292.9	209.7
Earnings per share attributable to shareholders:			
Basic	5	221.8p	160.0p
Diluted	5	188.4p	140.3p

Consolidated Statement of Comprehensive Income

For the year ended 30 April	2014 Unaudited £m	2013 Audited £m
Profit after taxation for the year	292.9	209.7
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss		
Actuarial loss recognised in the pension scheme	(0.6)	(0.8)
Deferred tax on actuarial loss recognised in the pension scheme	0.1	0.2
Total items that will not be reclassified to profit or loss	(0.5)	(0.6)
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	-
Other comprehensive income/(expense) for the year	0.5	(0.6)
Total comprehensive income for the year	293.4	209.1

The Berkeley Group Holdings plc

Consolidated Statement of Financial Position

As at 30 April	2014 Unaudited £m	2013 Audited £m
Assets		
Non-current assets		
Intangible assets	17.2	17.2
Property, plant and equipment	22.0	16.3
Investment properties	7.2	26.5
Investments accounted for using the equity method	61.4	44.1
Other investments	11.0	-
Deferred tax assets	61.1	56.7
	179.9	160.8
Current assets		
Inventories	2,481.2	2,066.7
Trade and other receivables	159.0	126.8
Cash and cash equivalents	130.2	66.8
	2,770.4	2,260.3
Non-current assets classified as held for sale	-	75.8
	2,770.4	2,336.1
Total assets	2,950.3	2,496.9
Liabilities		
Non-current liabilities		
Borrowings	-	-
Trade and other payables	(148.6)	(115.5)
Provisions for other liabilities and charges	(48.5)	(27.9)
	(197.1)	(143.4)
Current liabilities		
Borrowings	(1.0)	(22.1)
Trade and other payables	(1,218.6)	(905.9)
Current tax liabilities	(83.7)	(102.0)
Provisions for other liabilities and charges	(8.6)	(1.1)
	(1,311.9)	(1,031.1)
Total liabilities	(1,509.0)	(1,174.5)
Total net assets	1,441.3	1,322.4
Equity		
Shareholders' equity		
Share capital	6.8	6.7
Share premium	49.3	49.3
Capital redemption reserve	24.5	24.5
Other reserve	(961.3)	(961.3)
Revaluation reserve	4.1	4.0
Retained profit	2,317.9	2,199.2
Total equity	1,441.3	1,322.4

The Berkeley Group Holdings plc

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 2013	6.7	49.3	24.5	(961.3)	4.0	2,199.2	**1,322.4**
Profit after taxation for the year	-	-	-	-	-	292.9	**292.9**
Other comprehensive income for the year	-	-	-	-	-	0.5	**0.5**
Reserves transfer from revaluation reserve	-	-	-	-	0.1	(0.1)	**-**
Issue of ordinary shares	0.1	-	-	-	-	-	**0.1**
Transactions with shareholders:							
- Credit in respect of employee share schemes	-	-	-	-	-	3.3	**3.3**
- Deferred tax in respect of employee share schemes	-	-	-	-	-	17.3	**17.3**
- Dividends to equity holders of the Company	-	-	-	-	-	(195.2)	**(195.2)**
At 30 April 2014	6.8	49.3	24.5	(961.3)	4.1	2,317.9	**1,441.3**
Audited							
At 1 May 2012	6.7	49.3	24.5	(961.3)	3.4	1,977.2	**1,099.8**
Profit after taxation for the year	-	-	-	-	-	209.7	**209.7**
Other comprehensive expense for the year	-	-	-	-	-	(0.6)	**(0.6)**
Reserves transfer from revaluation reserve	-	-	-	-	0.6	(0.6)	**-**
Transactions with shareholders:							
- Credit in respect of employee share schemes	-	-	-	-	-	11.8	**11.8**
- Deferred tax in respect of employee share schemes	-	-	-	-	-	21.4	**21.4**
- Dividends to equity holders of the Company	-	-	-	-	-	(19.7)	**(19.7)**
At 30 April 2013	6.7	49.3	24.5	(961.3)	4.0	2,199.2	**1,322.4**

The Berkeley Group Holdings plc

Consolidated Cash Flow Statement

For the year ended 30 April	Notes	2014 Unaudited £m	2013 Audited £m
Cash flows from operating activities			
Cash generated from operations	6	259.7	189.0
Interest received		2.7	1.2
Interest paid		(5.0)	(5.9)
Income tax paid		(92.4)	(69.2)
Net cash flow from operating activities		165.0	115.1
Cash flows from investing activities			
Purchase of property, plant and equipment		(8.9)	(6.6)
Purchase of financial assets		(10.0)	-
Proceeds from disposal of property, plant and equipment		0.6	0.1
Proceeds from sale of investment properties		138.2	12.6
Movements in loans with joint ventures		(5.2)	1.1
Net cash flow from investing activities		114.7	7.2
Cash flows from financing activities			
Repayment of borrowings		(21.1)	(38.5)
Dividends paid to company's shareholders		(195.2)	(19.7)
Net cash flow from financing activities		(216.3)	(58.2)
Net increase in cash and cash equivalents		63.4	64.1
Cash and cash equivalents at the start of the financial year		66.8	2.7
Cash and cash equivalents at the end of the financial year		130.2	66.8

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 2014 and the comparative audited information for the year ended 30 April 2013 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 19 June 2013, 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 2013 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 2013, 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 Services Authority and consistently in accordance with the accounting policies set out in the 2013 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 2013 that were material to 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.

3 Net finance costs

For the year ended 30 April	2014 Unaudited £m	2013 Audited £m
Finance income	3.4	1.5
Finance costs		
Interest payable on utilisation of bank facilities	(5.1)	(4.8)
Amortisation of facility fees	(1.3)	(0.9)
Other finance costs	(3.9)	(3.9)
	(10.3)	(9.6)
Net finance costs	(6.9)	(8.1)

Finance income is predominantly interest earned on net cash balances.

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	2014 Unaudited £m	2013 Audited £m
Current tax		
UK corporation tax payable	(94.3)	(77.7)
Adjustments in respect of previous periods	(4.0)	7.0
	(98.3)	(70.7)
Deferred tax	11.2	9.7
	(87.1)	(61.0)

5 Earnings per share

Basic earnings per share is 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	2014 Unaudited	2013 Audited
Profit attributable to shareholders (£m)	292.9	209.7
Weighted average no. of shares (m)	132.1	131.0
Basic earnings per share (p)	221.8	160.0

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 2014, the Group had three (2013: four) categories of potentially dilutive ordinary shares: 5.9 million £6.76 share options under the 2009 LTIP Part B and 19.6 million £nil share options under the 2011 LTIP. 4.4 million share options vested on 31 January 2014 under the 2009 LTIP Part A scheme.

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.

For the year ended 30 April	2014 Unaudited	2013 Audited
Profit used to determine diluted EPS (£m's)	292.9	209.7
Weighted average no. of shares (m's)	132.1	131.0
Adjustments for:		
Share options - 2009 LTIP Part A	3.0	3.6
Share options - 2009 LTIP Part B	4.0	2.6
Share options - 2011 LTIP	16.4	11.9
Bonus plan shares	-	0.3
Shares used to determine diluted EPS (m's)	155.5	149.4
Diluted earnings per share (p)	188.4	140.3

The Berkeley Group Holdings plc

Notes to the consolidated financial information

6 Notes to the Consolidated Cash Flow Statement

For the year ended 30 April	2014 Unaudited £m	2013 Audited £m
Net cash flows from operating activities		
Profit for the financial year	292.9	209.7
Adjustments for:		
Taxation	87.1	61.0
Depreciation	2.0	3.5
Loss on sale of fixed assets	0.7	-
Profit on sale of investment properties	(43.2)	(3.6)
Finance income	(3.4)	(1.5)
Finance costs	10.3	9.6
Share of results of joint ventures after tax	(12.1)	1.3
Non-cash charge in respect of share awards	3.3	11.8
Changes in working capital:		
Increase in inventories	(414.5)	(244.5)
Increase in receivables	(33.6)	(12.2)
Increase in payables	370.8	154.5
Decrease in employee benefit obligations	(0.6)	(0.6)
Cash inflow from continuing operations	259.7	189.0

	2014 Unaudited £m	2013 Audited £m
Reconciliation of net cash flow to net cash		
Net increase in cash and cash equivalents	63.4	64.1
Net decrease in borrowings	21.1	38.5
Movement in net cash / (debt) in the financial year	84.5	102.6
Opening net cash / (debt)	44.7	(57.9)
Closing net cash	129.2	44.7

	2014 Unaudited £m	2013 Audited £m
Net cash		
Cash and cash equivalents	130.2	66.8
Current borrowings	(1.0)	(22.1)
Net cash	129.2	44.7

The Berkeley Group Holdings plc

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 £440,052 to Berkeley Homes plc for works carried out at his home under the Group's own build scheme (2013: Mr A W Pidgley £20,156). This is a scheme whereby eligible employees may enter into an arrangement, at commercial rates, with the Group for the construction or renovation of their own home. There were no balances outstanding at the year end.

ii) Mr G Fry, a Director of the Company, contracted to purchase an apartment at Sovereign Court, Hammersmith, London for £819,950 on 10 September 2013 from St George West London Limited, a wholly owned subsidiary of the Company. Mr Fry is also a Director of St George West London Limited.

The agreement between St George West London Limited and Mr Fry is a standard form sale and purchase agreement used by the Company on its development, save that it is conditional upon the agreement of shareholders.

As this transaction is in excess of £100,000, it constitutes a substantial property transaction with a Director of the Company under sections 190 and 191 of the Companies Act 2006 and is therefore conditional on the approval of shareholders, which will be sought at the Annual General Meeting on 1 September 2014.

Mr Fry paid a ten per cent deposit on exchange of contracts which will only be returned to him in the event that shareholders do not approve the transaction.

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 2014 an amount of £16,219,000 was outstanding and included within trade receivables (2013: £21,319,000).