Berkeley builds homes and neighbourhoods in its core markets of London and the South of England. Its knowledge, expertise and proven track record, with over thirty years of experience in this market, gives it an unrivalled ability to deliver new homes and communities.

Berkeley will continue to forward sell its developments wherever possible, maintaining a strong balance sheet and keeping financial risk low in order to mitigate the operating risks of delivery. It will carefully allocate capital to the right projects at the right time, matching supply to demand wherever it can.
advantage to enable us to deliver new places which are socially, environmentally and economically successful.
Pre-tax return on equity has increased from 22.4% to 27.3% 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.

<table>
<thead>
<tr>
<th>£ MILLION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax: 2013</td>
</tr>
<tr>
<td>Increase in gross margin</td>
</tr>
<tr>
<td>Increase in overheads</td>
</tr>
<tr>
<td>Decrease in net finance costs</td>
</tr>
<tr>
<td>Increase in result from joint ventures</td>
</tr>
<tr>
<td>Profit before tax: 2014</td>
</tr>
</tbody>
</table>

**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 £229.3 million to £1,189.3 million at 30 April 2014, supported by a 57% increase in cash due to 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 £417.6 million of on account receipts from customers (30 April 2013: £426.1 million) and land creditors of £120.0 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 £71.3 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 £38.0 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 £130.2 million (2013: £126.0 million) and other cash outflows of £118.2 million (2013: £193.7 million) and dividends of £195.2 million (2013: £197.7 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.
40 years and still growing
In its 40th anniversary year, Redrow delivers record profits. Profit before tax £132.6m +91%. Adjusted earnings per share* 28.6p +83%. Return on capital employed 18.0% +48%.  

Announcing the ‘Housebuilder of the Year’, judges said that Redrow Homes had “demonstrated a fantastic turnaround, thanks to its excellent new product development and broader appeal.”

Bringing young people into the industry is a key focus for us so we are delighted to be named an Apprenticeships Top 100 Employer for the first time.

Our fourth successive 5 star rating is based on more than 90% of customers saying they would recommend Redrow to a friend.
Success is based on acquiring and adding value for the benefit of investors, customers, suppliers, as well as for the good local communities. Redrow creates environments that stand the test and which people can appreciate and enjoy.

**Excellence in leadership team**
Long, experienced and successful leadership team, with its management structure, a coherent and approach to implementing and delivering results. Development is encouraged.

---

**Excellent product range**
Redrow’s portfolio of brands have excellent kerb appeal. Customer feedback about our product is very positive and this is endorsed by our award winning pedigree.

- Abode Collection launched
- Regent Collection first legal completions achieved
- c.6,100 plots added to current land bank
- Over 2,100 plots pulled through from forward land bank

---

**Expertise in land buying**
Redrow has the expertise and resources to enable land buying opportunities to be taken and returns to be optimised.

---

**A strong and efficient balance sheet**
Redrow has a strong balance sheet with net assets of £696m and a balance of equity and debt. The Group is focused on delivering superior levels of return on capital and an efficient use of its capital base.

- Increased committed banking facilities to £365m from £250m
- Net assets increased by 14% to £696m
- ROE up 67% to 20.5%

---

**Customer satisfaction rating**
Customer feedback about our product is very positive and this is endorsed by our award winning pedigree.

---

**Forward land pull through**

<table>
<thead>
<tr>
<th>Number of plots</th>
<th>+100%</th>
</tr>
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<tbody>
<tr>
<td>338</td>
<td>1,068</td>
</tr>
<tr>
<td>207</td>
<td>2,139</td>
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</tbody>
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**Net assets**

<table>
<thead>
<tr>
<th></th>
<th>£696m</th>
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<tr>
<td>+14%</td>
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**Homes legal completions**

<table>
<thead>
<tr>
<th></th>
<th>3,597</th>
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<tbody>
<tr>
<td>+27%</td>
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</tbody>
</table>

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**Corporate sustainability and responsibility**
We aim to continuously in all aspects of sustainability in terms of design, customer satisfaction, developing people and enhancing the environment.

- First sustainability report published
- Awarded Phase 2 certification of BS8555
- Go to page 45

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**Propportion of first time director appointments from internal promotions**

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<th></th>
<th></th>
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<tbody>
<tr>
<td>50%</td>
<td></td>
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**Responsibly sourced timber**

<table>
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<tr>
<th></th>
<th>99.6%</th>
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</table>
Due November the 40th anniversary since I founded the business. It is quite fitting and pleasing, therefore, that I am able to report a significant increase in turnover and pre-tax profits, both of which are a record for the Group.

**Financial Results**

Group revenue rose 43% to a record £865m (2013: £605m) for the financial year. This resulted from a 27% rise in legal completions to 3,597 (2013: 2,827) and a 13% rise in average selling price to £239,500 (2013: £212,300).

Gross margin improved from 18.8% to 21.7% as 80% of our sales volume came from sites purchased post the downturn on which we have made normal margins.

Operating profit was £137.5m (2013: £73.2m pre exceptional expenses) an increase of 88%. This represents an operating margin of 15.9% compared to 12.1% in the prior year.

Operating expenses continue to increase in absolute terms due to our ongoing investment in growing the business. However, as a percentage of turnover they reduced from 6.7% in 2013 to 5.8% in 2014.

Profit before tax increased by 91% to £132.6m (2013: £69.4m) giving a pre-tax return on sales of 15.3% (2013: 11.5%). Underlying earnings per share were 28.6p, up 83% on last year.

Net assets increased 14% to £696m (2013: £609m) and Capital Employed rose 24% to £868m (2013: £700m). As a consequence, Return on Capital Employed rose from 12.2% last year to 18% in 2014 and Return on Equity similarly rose from 12.3% to 20.5%.

Redrow and it is now five years since I returned to the business. It is quite fitting and pleasing, therefore, that I am able to report a significant increase in turnover and pre-tax profits, both of which are a record for the Group.

**Financial Results**

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During the year, 1,023 (35%) of our private legal completions were under the Help to Buy scheme (2013: 82). A large proportion of these were first time buyers and over half were in the north of England. As these statistics show, Help to Buy is providing assistance where it is needed most.

The continued growth of the business, accelerated by the Help to Buy scheme, has enabled us to further increase our workforce. In the last year we have added over 230 direct jobs across all disciplines, an increase of 21%. The number is substantially higher when indirect jobs from our subcontractors and suppliers are taken into account. The increase in new homes activity is undoubtedly creating economic growth from which the country is benefiting.

As a result of this strong performance, whilst at the same time continuing to invest in growth, the Board is proposing a final dividend of 2p per share (2013: 1p). Subject to shareholder approval at the Annual General Meeting, this will be paid on 14 November 2014 to those shareholders on the register at the close of business on 26 September 2014.

**Market**

The housing market has been robust throughout the last financial year as the Government’s Help to Buy schemes have enabled many people to purchase their own home for the first time. During the year, 1,023 (35%) of our private legal completions were under the Help to Buy scheme (2013: 82). A large proportion of these were first time buyers and over half were in the north of England. As these statistics show, Help to Buy is providing assistance where it is needed most.

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Everyone at Redrow is immensely proud of our achievements during our 40th anniversary year. As well as delivering record turnover and profits, we have expanded our business creating over 230 new jobs and developing the careers of many more of those that work for us.

We have increased the number of outlets from which we operate and substantially grown our land bank. The product range has been broadened and our London division has made its first significant contribution to the Group’s results. We retained our five stars rating in the annual HBF Customer Satisfaction Survey and made good progress against our targets to make our business more sustainable. Above all, we have positioned ourselves to increase output to meet the nation’s demand for more new homes.

**The Market**

The financial year started strongly following the launch of the highly successful government’s Help to Buy scheme which resulted in the peak selling season for new homes extending through the summer of 2013. Mortgage approvals steadily increased throughout the first half of the financial year and peaked in January before falling back with a modest recovery in June. More stringent lending rules introduced in April 2014 as a result of the Mortgage Market Review (MMR) have affected borrowers and in particular the time taken to process mortgage applications.

Help to Buy Wales was launched in January of this year and provided a much needed lift to a depressed market. House prices according to Land Registry rose 6.4% across England and Wales in the twelve months to the end of June with the strongest growth in London and the weakest in the North East. There are signs that price rises are now moderating, particularly in London.

Against an extraordinarily strong comparable period last year, new home sales in recent months have returned to a more seasonal trend.

**Delivering Strong Growth**

Net private reservations increased by 28% in the year to 3,455 as a result of the weekly sales rate increasing by 13% to 0.70 and the average number of outlets from which we operated rising by 13% to 94. The increased number of reservations combined with a higher average selling price, resulted in private sales exceeding £1bn.

With most of our outlets holding healthy forward order books we now expect the private sales rate per outlet per week to reduce compared to last year which was boosted by the initial Help to Buy take-up.

The strong sales performance in the year resulted in private legal completions increasing by 20% to 2,963 from 2,474. Social housing completions increased by 80% to 634 and represented 18% of total completions which rose to 3,597 (2013: 2,827).

As a result of this strong sales performance we enter the new financial year with a private forward order book of 1,322 plots representing £482m of revenue, £222m ahead of the same time last year.

The use of incentives reduced and the cancellation rate was just 13% compared to 16% the previous year.

The average selling price, which legally completed in 2014, increased by 13% to £239,500 and volume helped lift turnover to a record £482m

The average selling price increased due to a larger proportion of apartments, with average selling prices at 16% to 230 directly employed new jobs created.

Help to Buy accounted for 35% of private sales which was particularly popular in our division, London.

Profits grew strongly in the year and the share price rose by 18% to 158p.

 Kingston Riverside is Redrow London’s landmark waterside development located on the banks of the Thames, just moments from Kingston Bridge. Standing at 11 and 16 storeys in height, it is the tallest residential development in Kingston boasting striking architecture designed to resemble the sails of a ship.

The development’s two towers comprise 310 one, two and three bedroom apartments, 53 of which are affordable. A total of 266 apartments have been completed and 90% of sales have been secured, with the remaining plots due to complete in 2015.
Delivering disciplined growth

Galliford Try plc
Annual Report and Financial Statements 2014
Galliford Try is a leading UK housebuilding and construction group. We are listed on the London Stock Exchange and are a member of the FTSE 250.

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www.gallifordtry.co.uk
Divisional review: Housebuilding

Linden Homes

Performance

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (£m)</td>
<td>759.6</td>
<td>632.6</td>
</tr>
<tr>
<td>Profit from operations (£m)</td>
<td>114.9</td>
<td>83.8</td>
</tr>
<tr>
<td>Operating profit margin (%)</td>
<td>15.1</td>
<td>13.3</td>
</tr>
<tr>
<td>Completions</td>
<td>2,887</td>
<td>2,806</td>
</tr>
</tbody>
</table>

1. 2013 has been restated to reflect the new Partnerships segment, as described in the financial review on page 15.

Revenue increased by £127.0 million to £759.6 million, with completions of 2,887 compared with 2,806 in 2013. Excluding our joint venture partners’ share, completions were 2,748 against 2,568 in 2013.

Private housing completions accounted for 2,244 of the total (2013: 2,160). The average selling price rose by 15% to £305,000, reflecting the strong demand for homes on our prime southern sites, the high proportion of houses in our sales mix and the larger average size of the houses we are building. There were 643 affordable housing completions (2013: 646), with an average selling price of £124,000 (2013: £119,000).

We had 65 active selling sites (2013: 84), with sales per site per week up from 0.57 in 2013 to 0.63, focused on larger sites. Cancellation rates remained level at 17% (2013: 17%). We finished the year with sales in hand at a record £308 million (2013: £313 million).

Our gross margin improved from 19.8% to 21.4%, with the operating margin up from 13.3% to 15.1% and return on capital increased to 22.4%. The margin of 15.1% was ahead of our expectations. The operating margin benefited from using more land bought at current prices; operational efficiency driven by The Linden Way, which standardises our processes by pulling together best practice from across our business; leveraging our fixed overheads; and increased revenues from our affordable housing developments. Whilst we have seen cost increases in our supply chain, as a result of the shortages discussed in the chief executive’s review on page 8, this was offset by sales price increase in the year.

Help to Buy has been an important catalyst in improving housing market conditions this year, although its impact on our sales has been less than for many of our peers. Since its launch, customers have used Help to Buy for 32% of our plots but only 26% of sales by value. Fewer of our customers are using Help to Buy in the South and South East, where we are strongest, with a greater proportion in the Midlands and East of England, where affordability is often more of an issue.

Homes in prime locations

Set in an Area of Outstanding Natural Beauty, Victory Fields in Upper Rissington, Gloucestershire, is just one example of the prime locations that Linden Homes carefully selects for its developments.