

Consolidated Income Statement

12 months ended 30 June			2016	2015
		Note	£m	£m
Revenue			1,382	1,150
Cost of sales			(1,048)	(876)
Gross profit			334	274
Administrative expenses			(73)	(61)
Operating profit			261	213
Financial income			3	3
Financial costs			(14)	(12)
Net financing costs			(11)	(9)
Share of profit of joint ventures after interest and taxation			-	-
Profit before tax			250	204
Income tax expense		2	(50)	(42)
Profit for the year			200	162
Earnings per share	- basic	4	55.4p	44.5p
	- diluted	4	55.2p	44.4p

Consolidated Statement of Comprehensive Income

12 months ended 30 June	2016 £m	2015 £m
Profit for the year	200	162
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	8	8
Deferred tax on actuarial gains taken directly to equity	(2)	(2)
Other comprehensive income for the year net of tax	6	6
Total comprehensive income for the year	206	168

Balance Sheet

		As at 30 June	
		2016	2015
		£m	£m
	Note		
Assets			
Intangible assets		2	2
Property, plant and equipment		17	12
Investments		25	17
Deferred tax assets		5	5
Retirement benefit surplus		6	-
Trade and other receivables		12	13
Total non-current assets		67	49
Inventories	5	1,808	1,500
Trade and other receivables		36	39
Cash and cash equivalents	8	135	56
Total current assets		1,979	1,595
Total assets		2,046	1,644
Equity			
Share capital	9	37	37
Share premium account		59	59
Other reserves		8	8
Retained earnings		913	745
Total equity		1,017	849
Liabilities			
Bank loans	8	230	150
Trade and other payables	6	156	84
Deferred tax liabilities		2	1
Retirement benefit obligations		-	3
Long-term provisions		7	7
Total non-current liabilities		395	245
Bank overdrafts and loans	8	44	60
Trade and other payables	6	566	471
Current income tax liabilities		24	19
Total current liabilities		634	550
Total liabilities		1,029	795
Total equity and liabilities		2,046	1,644

Statement of Changes in Equity

	2016	2015
	£m	£m
12 months ended 30 June		
Profit for the year	200	162
Other comprehensive income for the year	6	6
Total comprehensive income relating to the year (net)	206	168
Dividend paid	(30)	(15)
Movement in LTIP/SAYE	(8)	-
Net increase in equity	168	153
Opening equity	849	696
Closing equity	1,017	849

The Statement of Cash Flows

		12 months ended 30 June	
	Note	2016 £m	2015 £m
Cash flows from operating activities			
Operating profit before financing costs		261	213
Depreciation and amortisation		1	1
Adjustment for non-cash items		(5)	(5)
Operating profit before changes in working capital and provisions		257	209
Decrease/(increase) in trade and other receivables		7	(2)
Increase in inventories		(308)	(343)
Increase in trade and other payables		174	196
Increase in provisions		-	1
Cash inflow generated from operations		130	61
Interest paid		(6)	(6)
Tax paid		(46)	(22)
Net cash inflow from operating activities		78	33
Cash flows from investing activities			
Sale of business		-	9
Acquisition of software, property, plant and equipment		(6)	(1)
Net payments to joint ventures - continuing operations		(11)	(6)
Net cash (outflow)/inflow from investing activities		(17)	2
Cash flows from financing activities			
Issue of bank borrowings	7	230	150
Repayment of bank borrowings	7	(150)	(175)
Purchase of own shares		(16)	(2)
Dividend paid		(30)	(15)
Net cash inflow/(outflow) from financing activities		34	(42)
Increase/(decrease) in net cash and cash equivalents		95	(7)
Net cash and cash equivalents at the beginning of the year		(4)	3
Net cash and cash equivalents at the end of the year	8	91	(4)

NOTES

1. Basis of preparation

The above results and the accompanying notes do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006.

The Auditors have reported on the Group's statutory accounts for the year ended 30 June 2016 under s495 of the Companies Act 2006, which do not contain a statement under s498 (2) or s498 (3) of the Companies Act 2006 and are unqualified. The statutory accounts for the year ended 30 June 2015 have been delivered to the Registrar of Companies and the statutory accounts for the year ended 30 June 2016 will be filed with the Registrar in due course.

The audited consolidated financial statements from which these results are extracted have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies have been applied consistently to all the periods presented.

2. Income Tax expense

	12 months ended 30 June	
	2016	2015
	£m	£m
Current year		
UK Corporation Tax at 20.00% (2015: 20.75%)	51	41
Deferred tax		
Origination and reversal of temporary differences	(1)	1
Impact of change in deferred tax rate	-	-
Total income tax charge in income statement	50	42
Reconciliation of tax charge for the year		
Profit before tax	250	204
Tax on total profit at 20.00% (2015: 20.75%)	50	42
Impact of change in deferred tax rate	-	-
Short term temporary differences	-	-
Tax charge for the year	50	42

3. Dividends

The following dividends were paid by the Group:

	2016	2015
	£m	£m
Prior year final dividend per share of 4.0p (2015: 2.0p); current year interim dividend per share of 4.0p (2015: 2.0p)	30	15
	30	15

The Board decided to propose a final dividend of 6.0p per share in respect of 2016 (£22m (2015: £15m)). The dividend has not been provided for and there are no income tax consequences.

4. Earnings per share

The basic earnings per share calculation for the year ended 30 June 2016 is based on the weighted number of shares in issue during the period of 361m (2015: 364m) excluding those held in trust under the Redrow Long Term Incentive Plan (9m shares (2015: 6m shares)), which are treated as cancelled.

Diluted earnings per share has been calculated after adjusting the weighted average number of shares in issue for all potentially dilutive shares held under unexercised options.

12 months ended 30 June 2016

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	200	361	55.4
Effect of share options and SAYE	-	1	(0.2)
Diluted earnings per share	200	362	55.2

12 months ended 30 June 2015

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	162	364	44.5
Effect of share options and SAYE	-	1	(0.1)
Diluted earnings per share	162	365	44.4

5. Inventories

	As at 30 June	
	2016 £m	2015 £m
Land for development	1,215	1,020
Work in progress	539	426
Stock of showhomes	54	54
	1,808	1,500

Inventories of £992m net of £9m net realisable value provision utilisation, were expensed in the year (2015: £826m net of £20m net realisable value provision utilisation). Work in progress includes £3m (2015: £3m) in respect of part exchange properties.

Of the net realisable value provision of £19m (2015: £28m), £9m (2015: £17m) is attributed to land and £10m (2015: £11m) is attributed to work in progress.

The net realisable value provision movement is analysed below:

	Total £m
As at 1 July 2015	28
Utilised during the year	(9)
Created during the year	3
Released during the year	(3)
As at 30 June 2016	19

The net realisable value provisions of £3m and £3m created and released in the year are the result of our review at the balance sheet date in the context of prevailing market conditions and the re-assessment of selling prices and costs. They represent the creation of additional provisions against sites acquired pre June 2009 and the reduction of provisions already in place against such sites as required.

6. **Land Creditors**
(included in trade and other payables)

	As at 30 June	
	2016	2015
	£m	£m
Due within one year	222	182
Due in more than one year	156	84
	378	266

7. **Borrowings and loans**

	12 months ended 30 June	
	2016	2015
	£m	£m
Opening net book amount	150	175
Issue of bank borrowings	230	150
Repayment of bank borrowings	(150)	(175)
Closing net book amount	230	150

At 30 June 2016 the Group had total unsecured bank borrowing facilities of £368m, representing £365m committed facilities and £3m uncommitted facilities.

8. **Analysis of net debt**

	As at 30 June	
	2016	2015
	£m	£m
Cash and cash equivalents	135	56
Bank overdrafts	(44)	(60)
Net cash and cash equivalents	91	(4)
Bank loans	(230)	(150)
	(139)	(154)

9. **Share capital**

	As at 30 June	
	2016	2015
	£m	£m
Authorised 480,000,000 ordinary shares of 10p each	48	48
Issued and fully paid	37	37

Number of ordinary
shares of 10p each

As at 1 July 2015 and 30 June 2016

369,799,938

10. **Shareholder Enquiries**

The Registrar is Computershare Investor Services PLC. Shareholder enquiries should be addressed to the Registrar at the following address:

Registrars Department
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

11. **Annual General Meeting**

The Annual General Meeting of Redrow plc will be held at Village Urban Resort St Davids, St. David's Park, Flintshire on 9 November 2016, commencing at 12.00 noon. A copy of this statement is available for inspection at the registered office.