Monday, 26 September 2011

MJ GLEESON GROUP PLC – PRELIMINARY ANNOUNCEMENT

Gleeson (GLE.L), the urban regeneration and strategic land specialist, announces its results for the year to 30 June 2011.

	2011	2010
	£m	£m
Revenue	**41.4**	46.5
Operating profit / (loss)	**0.9**	(0.3)
Profit before tax	**1.5**	0.4
Cash generated from operating activities	**0.5**	14.2
Dividend paid	**-**	7.9
Net cash	**17.8**	18.4
Net assets	**99.2**	97.8
Basic and diluted EPS	**2.9p**	6.0p
Net assets per share	**188p**	186p

Financial highlights

- Revenue for Gleeson Regeneration and Homes increased by 56% to £35.4m (2010: £22.7m). Revenue for Gleeson Strategic Land fell from £10.5m to £5.8m, and there was a decrease in revenue from £13.2m to £nil for Gleeson Commercial Property Developments, which completed its disposal programme in 2010.
- Operating profit from continuing activities, including exceptional credits of £3.5m (2010: £3.5m), improved by £1.2m to £0.9m (2010: loss £0.3m).
- Cash generated from operations £0.5m (2010: £14.2m)
- Special dividend of 5p per share is proposed to be paid to shareholders on 16 December 2011.

Commercial highlights

- Gleeson Regeneration & Homes increased the number of units sold by 64% to 286 (2010: 174) units.
- The average selling price of £124,000 (2010: £131,000) was down 5%, reflecting the Group's policy of progressively increasing the number of units sold in the North, rather than the South of England.
- Advantage has been taken of reduced land prices in the North of England to build up a substantially enlarged landbank. The landbank, including conditionally purchased sites, totals in excess of 2,400 plots.
- Gleeson Strategic Land completed two substantial land sales during the year, generating an operating profit of £2.7m (2010: £2.2m) on revenue of £5.8m (2010: £10.5m). At 30 June 2011, the portfolio totalled 3,766 acres (2010: 3,862 acres).
- Subsequent to the year end contracts have been exchanged for the sale of three PFI investments.
- The central overhead reduced by 26% to £1.4m (2010: £1.9m).

Dermot Gleeson, Chairman of MJ Gleeson Group plc, said:

"During the year, conditions in the housing market remained challenging. However, the selling prices of new homes remained generally stable and towards the end of the period there was a welcome increase in the number of higher loan to value mortgages available for first time buyers. Against this background, the Group, which has net cash balances, continued to increase its selling outlets and residential landholdings in the North of England and to enter new option and promotion agreements with landowners in the South.

The short term outlook for housing demand remains difficult to predict. However, the Board continues to be confident that the Group's strategic focus on low cost brownfield development in the North of England and on the promotion and sale of high value green field sites in the South, will ensure a strong and sustainable improvement in performance."

Enquiries:

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Dermot Gleeson	Chairman
Alan Martin	Chief Operating Officer & Group Finance Director

CHAIRMAN'S STATEMENT

During the year, conditions in the housing market remained challenging. However, the selling prices of new homes remained generally stable and towards the end of the period there was a welcome increase in the number of higher loan to value mortgages available for first time buyers. Against this background, the Group, which has net cash balances, continued to increase its selling outlets and residential landholdings in the North of England and to enter new option and promotion agreements with landowners in the South.

Financial Overview

Revenue from continuing operations fell by £5.1m to £41.4m (2010: £46.5m). This was mainly due to the absence of any income from Gleeson Commercial Property Developments following the completion last year of the division's disposal programme, which generated revenue of £13.2m. In addition, there was a decrease in revenue from Gleeson Strategic Land of £4.7m. These reductions were partially offset by an increase in revenue at Gleeson Regeneration & Homes of £12.7m, which resulted from a 64% increase in unit sales.

The operating profit from continuing operations was £0.9m (2010: loss £0.3m). Profit before tax from continuing operations was £1.5m (2010: £0.4m). These results included exceptional credits of £3.5m (2010: £3.5m) relating to the partial reversal of asset valuation write-downs and provision releases.

Discontinued operations generated a post-tax loss of £0.1m (2010: profit £2.5m). The prior year reflected the trading result and the profit on sale of Powerminster Gleeson Services.

Profit for the year attributable to equity holders of the parent company totalled £1.5m (2010: £3.1m).

The year end total equity attributable to equity holders of the parent company increased by 1% to £99.2m (2010: £97.8m), representing net assets per share of 188p (2010: 186p). Net cash at 30 June 2011 was £17.8m (2010: £18.4m), a decrease of £0.6m.

Business Review

The Group's continuing operations comprise ongoing business units and business units in run-off.

The Group's ongoing business units consist of Gleeson Regeneration & Homes, Gleeson Strategic Land, and Gleeson Capital Solutions.

Gleeson Regeneration & Homes opened five sites during the year and increased unit sales by 64% to 286 (2010: 174). Private development sales increased by 32% (2011: 170 units, 2010: 129 units) and there was a 158% increase in units sold to Registered Social Landlords ("RSLs") (2011: 116 units, 2010: 45 units). The average selling price ("ASP") decreased by 5%, from £131,000 to £124,000 due to the Group's policy of progressively increasing the number of units sold in the North of England. Exceptional credits of £3.5m (2010: £2.8m) represented a partial reversal of asset valuation write-downs and provision releases. This reversal resulted from higher than forecast selling prices (£1.2m), a reversal of provisions for liabilities which are no longer payable, and the subletting of properties with onerous leases. During the year, three new sites (147 units) were purchased. A further two sites (414 units) were purchased in July 2011 and a further nine sites (1,070 units) have been purchased conditionally.

Gleeson Strategic Land had a successful year, completing two substantial land sales and the sale of four smaller plots. At 30 June 2011, the business unit had 3,766 acres (2010: 3,862 acres) in its portfolio of land, options and promotional agreements.

Gleeson Capital Solutions generated profits during the year from PFI joint ventures of £0.4m (2010: £0.4m). Following the Government's announcement that, after the completion of the current round of projects, no further social housing projects would be procured by means of the PFI, the Group decided to dispose of the operational management arm of Gleeson Capital Solutions to Pario Limited. The income and costs of this part of the business unit are recorded up to the date of disposal. The overall profit for the year, including the share of joint venture profits, was £0.1m (2010: £0.3m). In the year, no PFI investments were sold and no new PFI projects reached financial close. Following the year end, contracts have been exchanged for the sale of three PFI investments, and the proceeds are expected to be received before the end of 2011.

The Group's business units in run-off comprise Gleeson Commercial Property Developments and Gleeson Building Contracting Division within Gleeson Construction Services Limited.

As mentioned above, Gleeson Commercial Property Developments disposed of its remaining developments in the year to 30 June 2010. During the current year, minor finalisation costs were incurred. A loss of £27k was recorded in the year (2010: profit £0.5m).

Gleeson Building Contracting Division recorded a loss of £0.1m (2010: £0.1m).

Group Activities (the central overhead) reduced by 26% to £1.4m (2010: £1.9m).

The Group's discontinued operations are Gleeson Engineering Division within Gleeson Construction Services Limited and Powerminster Gleeson Services.

Gleeson Engineering Division recorded a loss of £0.1m (2010: £0.1m).

Powerminster Gleeson Services was sold to Morgan Sindall Group plc on 30 June 2010.

Board

As foreshadowed in my Chairman's Statement last year, Chris Holt, who was appointed Group Chief Executive in January 2009, retired from the Board on 30 September 2010.

From 1 October 2010, Alan Martin has combined his role as Group Finance Director with that of Chief Operating Officer with responsibility for Human Resources, Internal Audit and IT. In addition, Alan was appointed Company Secretary on 31 March 2011.

Jolyon Harrison, who since November 2009 has been Managing Director of Gleeson Regeneration & Homes, was appointed to the Board with effect from 1 July 2010.

Terry Morgan retired as a Non-Executive Director of the Board on 30 June 2011 in order to pursue his other business interests. Terry made an immensely valuable contribution to the Board's deliberations throughout his period as a Director and my colleagues and I are sincerely grateful to him.

The Board currently comprises two Executive Directors, three Non-Executive Directors (two of whom are considered to be independent) and myself as Chairman.

Employees

The average number of employees during the year fell to 100 (2010: 285). The number at the year end was 108 (2010: 95).

The Board would like to thank all of our employees for their commitment to the Group and for the great efforts they have continued to make on its behalf.

Dividends

No dividends were paid during the year.

The Group has reviewed its short and long term cash needs and concluded that, following the receipt of the proceeds of the PFI investments sale referred to above, it will have cash in excess of its requirements. Accordingly, the Board proposes to pay a special dividend of 5p a share on 16 December 2011 to shareholders on the register on 18 November 2011. The total cost of the special dividend will be £2.6m.

Current Trading and Prospects

The short term outlook for housing demand remains difficult to predict. However, the Board continues to be confident that the Group's strategic focus on low cost brownfield development in the North of England and on the promotion and sale of high value green field sites in the South, will ensure a strong and sustainable improvement in performance.

Dermot Gleeson
Chairman

BUSINESS REVIEW

Group Businesses and Strategy

The Group comprises ongoing businesses and businesses in run-off:

Ongoing Businesses

Gleeson Regeneration & Homes - A housebuilder focusing on development on brownfield land, with a particular emphasis on low cost homes. The strategy is to grow the business in the North of England, particularly in areas of urban regeneration.

Gleeson Strategic Land - A land promotion business, mainly operating in the South of England, that enhances the value of land by securing residential planning consents. The strategy continues to be to focus on greenfield sites in Southern England likely to be attractive to volume housebuilders.

Gleeson Capital Solutions - Holds the Group's PFI investments in social housing. Following the Government's recent announcement that after the completion of the current round of projects, no further social housing project will be procured by means of the PFI, the business unit will manage a phased run down of its operations.

Group Activities – Comprise the Board, Company Secretariat and Group Finance.

Businesses in Run-off

Gleeson Commercial Property Developments – The Group completed the sale of its remaining commercial property developments during the prior year. The division is anticipating exiting its remaining leasehold interests in the course of the next year.

Engineering and Building Contracting – The Group sold certain contracts, assets and liabilities of the Engineering Division in October 2006 to Black & Veatch Limited, and of the Building Contracting Division in August 2005 to Gleeson Building Limited (now GB Building Solutions Limited), a management buy-out vehicle. The run-off activity of the former is reported as a discontinued operation, whilst that of the latter is reported as a continuing operation.

Operating Risk Statement

The Group has established risk management procedures, involving the identification, control and monitoring of risks at various levels within the organisation. These risks include but are not limited to the following:

Risks common to the Group

Funding – The Group must have sufficient cash resources and facilities to finance its operations.

Health & Safety – The Group must have adequate systems and procedures in place to mitigate, as far as possible, the dangers inherent in the execution of work in the Group's continuing businesses.

People – The Group must attract and retain the right people to ensure the Group's long-term success.

Insurance – The Group must maintain suitable insurance arrangements to underpin and support the many areas in which the Group is exposed to risk or loss.

Information Technology – The Group must have suitable systems to ensure that a reliable flow of information operates throughout the Group and that the risk of system loss is mitigated by appropriate contingency plans.

Risks specific to Gleeson Regeneration & Homes

Economic Conditions – The housebuilding industry is sensitive to the availability of mortgage finance, employment levels, private and buy-to-let housing demand, interest rates, and consumer confidence.

Risks specific to Gleeson Strategic Land

Planning – A failure on the part of the coalition government to balance its 'localism' agenda with the implementation of the proposals to encourage sustainable development contained in its recently published draft National Planning Framework could have a negative impact upon the achievability and timing of planning consents.

Risks specific to Gleeson Capital Solutions

Bid Costs – Substantial bid costs can be incurred, without recovery, when seeking to win new projects.

Risks specific to Businesses in Run-off

Engineering and Building Contracting

Completion of retained projects – These businesses must complete outstanding work on retained projects within the provisions made by management.

Latent defects – The Group is exposed to any latent defects that may arise within 12 years of completion of a project. Rectification of the defects must be completed within the provisions made by management.

Performance

Gleeson Regeneration & Homes

The business unit's results for the year were as follows:

	2011	2010
Revenue	**£35.4m**	£22.7m
Operating Loss	**£(0.4)m**	£(1.3)m

Included within these results were exceptional credits of £3.5m (2010: £2.8m) relating to the partial reversal of asset valuation write downs and the release of various provisions.

Gleeson Regeneration & Homes focuses on providing low cost homes on brownfield land, principally in the North of England. Against the background of a modest increase during the year in customer demand, the business unit ensured that construction work in progress remained very strictly aligned with sales rates. In addition, further reductions were achieved in construction costs, not least by means of the adoption of the new and simpler house types referred to in last year's review.

At the year end Gleeson Regeneration & Homes had 11 sites open, all of which – apart from a development associated with a PFI project in Kent - are in the North of England. The northern sites are located in Derbyshire, Merseyside, Manchester, Nottinghamshire and Yorkshire. During the year, an office was opened in Sunderland in order to support the development programme across the North East region.

The business unit is continuing to take advantage of reduced land prices in the North of England to build up a substantially enlarged landbank. During the year, three sites were purchased in Yorkshire, adding 147 plots to the landbank. Subsequent to the year end, a further two sites comprising a total of 414 plots have been purchased in Yorkshire and Manchester. A further nine sites that have been conditionally purchased are expected to add in excess of 1,070 plots to the landbank in the near future. When and if these acquisitions are completed, the landbank will total in excess of 2,400 plots.

During the year, 286 (2010: 174) units were sold, of which private sales totalled 170 (2010: 129), an increase of 32 % and sales to RSLs totalled 116 (2010: 45), an increase of 158%. All of the RSL sales related to the site in Ashford, Kent where 70% of the units have been pre-sold to an RSL. As regards private sales, the Grove Village site in Manchester was particularly successful, selling 47 units in the year.

The increase in private sales was supported by Gleeson Homes' distinctive range of offers designed to assist first time and low income buyers. The business unit was very pleased to be selected as one of the housebuilders eligible for support from the Government's FirstBuy scheme, which will provide assistance to first time buyers from September 2011.

ASP for private sales was £138,000 (2010: £140,000) and for sales to RSLs was £103,000 (2010: £103,000). The decrease in ASP for private sales reflected a change in product mix, a higher proportion of units having been sold in the South in the prior year.

Unit sales as recognised in Revenue

	2011	**2011**	**2011**	2010	2010	2010
			ASP			ASP
	Units	**%**	**£'000**	Units	%	£'000
Private Sales	**170**	**59**	**138**	129	74	140
RSL Sales	**116**	**41**	**103**	45	26	103
Total	**286**	**100**	**124**	174	100	131

Unit sales as Handed Over

	2011	**2011**	**2011**	2010	2010	2010
			ASP			ASP
	Units	**%**	**£'000**	Units	%	£'000
Private Sales	**185**	**61**	**133**	129	67	140
RSL Sales	**117**	**29**	**102**	64	33	104
Total	**302**	**100**	**121**	193	100	128

Gleeson Strategic Land

	2011	2010
Revenue	**£5.8m**	£10.5m
Operating Profit	**£2.7m**	£2.2m

During the year, the business unit continued to secure planning consents and completed two substantial land sales and also sold four smaller parcels of land. The success of the two larger sales reflected the continuing desire of volume house builders in the South of England to replenish their landbanks with well located sites that benefit from commercially viable planning consents.

During the year, nine new sites were secured via option, promotion, and subject to planning agreements, covering 266 acres, with an ability to deliver 1,600 houses. In addition, heads of terms have been agreed for a further 7 sites covering 238 acres.

At the year end, the portfolio totalled 3,766 acres (2010: 3,862 acres), of which 185 acres (2010: 299 acres) was owned, 2,608 acres (2010: 3,265 acres) was held under option and 973 acres (2010: 298 acres) was under a planning promotion agreement. The geographic bias for the portfolio is towards Southern England, predominantly in the following counties: Buckinghamshire, Dorset, Essex, Hampshire, Hertfordshire, Kent, Oxfordshire, Surrey, Sussex and Wiltshire. At the year end, 17.5% of the portfolio either had planning consent, had an application to obtain planning consent lodged or an allocation. The Group currently holds in excess of 1,000 plots with residential planning consent and 6 acres of land consented for employment uses.

In August 2011, the Coalition Government published a draft National Planning Framework which proposed that the planning system should henceforth be based on a presumption in favour of sustainable development. If adopted, such a policy will further strengthen Gleeson Strategic Land's commercial prospects.

Gleeson Capital Solutions

	2011	2010
Revenue	**-**	-
Operating Profit	**£0.1m**	£0.3m

Gleeson Capital Solutions holds investments in four PFI projects, namely Grove Village, an estate regeneration project in Manchester; Stanhope, an estate regeneration project in Ashford, Kent; Avantage, an extra care homes project in Cheshire; and Leeds Independent Living, a social housing project in Leeds.

Gleeson Capital Solutions is divided into two parts. 'Operational Management' provides financial and management services for existing PFI projects in the social housing sector and 'Investment Management' leads bids for new social housing PFI projects and manages the Group's portfolio of PFI investments. During the year the Government announced that, following the completion of the current round of schemes, the PFI will no longer be used to procure social housing projects. In the light of this announcement, the Group disposed of 'Operational Management' on 1 April 2011 to Pario Limited. No profit or loss was recorded for this disposal. 'Investment Management' will be wound down in due course. Following the year end, contracts have been exchanged for the sale of three of the PFI investments, with the proceeds expected to be received prior to the end of 2011.

During the year, no projects achieved financial close (2010: none).

The business unit is currently bidding for a regeneration project in Manchester. In the year, speculative bid costs of £0.1m (2010: £0.1m) were incurred, which were expensed.

Gleeson Commercial Property Developments

The Group concluded the disposal of its commercial property developments in the prior year. The division is anticipating exiting its remaining leasehold interests in the course of the next year.

Gleeson Construction Services

CONTINUING OPERATIONS

	2011	**2010**
Revenue	**£0.1m**	£0.1m
Operating Loss	**£(0.1)m**	£(0.1)m

The Group retained sufficient assets and liabilities after the disposal of its Gleeson Building Contracting Division in August 2005 for the results of these retained assets and liabilities to be classified as continuing.

The business unit continued to resolve contractual matters within the provisions set by management, with the loss recorded being its running costs.

DISCONTINUED OPERATIONS

	2011	**2010**
Revenue	**£0.4m**	£0.7m
Operating Loss	**£(0.1)m**	£(0.1)m

The Group disposed of sufficient assets and liabilities of Gleeson Engineering Division in October 2006 for the results of these retained assets to be classified as discontinued.

The retained element of Gleeson Engineering Division recorded an operating loss for the year of £0.1m (2010: £0.1m), which represented its running costs.

Group Activities

The charge for the year, which relates to the Board, Company Secretariat and Group Finance, was £1.4m (2010: £1.9m).

FINANCE REVIEW

Overview

The profit before tax from continuing operations of £1.5m (2010: £0.4m) included exceptional credits of £3.5m (2010: £3.5m). The exceptional credits all relate to Gleeson Regeneration & Homes and comprise the partial reversal of asset valuation write-downs and the release of various provisions.

Key Performance Indicators

	2011	2010
Continuing Operations		
Revenue	**£41.4m**	£46.5m
Operating Profit/(Loss)	**£0.9m**	£(0.3)m

Continuing Operations
Gleeson Regeneration & Homes recorded an operating loss of £0.4m (2010: £1.3m) on revenue of £35.4m (2010: £22.7m). Included within the operating loss are the following exceptional credits:

	2011	2010
Non-cash valuation write down of land and work in progress	**£1.9m**	£2.8m
Release of provisions	**£1.6m**	-
Total	**£3.5m**	£2.8m

Gleeson Strategic Land recorded an operating profit of £2.7m (2010: £2.2m) on revenue of £5.8m (2010: £10.5m).

Gleeson Capital Solutions recorded an operating profit of £0.1m (2010: £0.3m) on revenue of £nil (2010: £nil). No projects for which Gleeson Capital Solutions is bidding achieved financial close during the year.

Gleeson Commercial Property Developments made an operating loss of £27k (2010: profit £0.5m) on revenue of £nil (2010: £13.2m). The 2010 results are stated after the release of an exceptional credit of £0.7m, which related to the partial reversal of asset valuation write-downs.

Gleeson Construction Services, the continuing element of which comprises the run-off of the Gleeson Building Contracting Division, recorded revenue of £0.1m (2010: £0.1m), on which an operating loss of £0.1m (2010: £0.1m) was recorded.

Discontinued Operations
Discontinued operations comprise Powerminster Gleeson Services, which was sold to Morgan Sindall Group on 30 June 2010, and Gleeson Construction Services, being those assets and liabilities of Gleeson Engineering Division which were not sold to Black & Veatch in October 2006.

As Powerminster Gleeson Services was sold on 30 June 2010, no transactions were recorded during the current financial year. In the year to 30 June 2010, Powerminster Gleeson Services recorded an operating profit of £0.6m on revenue of £17.4m. The profit on the sale of Powerminster Gleeson Services, recognised in the year to 30 June 2010, totalled £1.9m.

The Gleeson Engineering Division of Gleeson Construction Services generated revenue of £0.4m (2010: £0.7m). An operating loss of £0.1m (2010: £0.1m) was recorded.

Interest
Financial income of £0.8m (2010: £1.1m) consists of interest earned on bank deposits, loans to joint ventures and the unwinding of discounts on deferred receipts. Financial income was lower than in the previous year mainly as a result of a reduced level of discount being unwound due to a lower level of deferred receipts outstanding.

Financial expenses of £0.2m (2010: £0.3m) consist of interest payable on bank loans and overdrafts, bank charges and the unwinding of discounts on deferred payments. Financial expenses are lower in the current year due to lower bank charges and a reduced level of discount being unwound in consequence of a lower level of deferred payments outstanding.

Tax
A net tax credit for continuing operations, excluding tax for joint ventures, of £0.0m (2010: £0.2m) has been recorded in the Income Statement. The Group now has £85.6m (2010: £89.9m) of tax losses which can be carried forward indefinitely.

The total tax charge, including tax on discontinued operations and tax attributable to joint ventures, was £0.0m (2010: credit £0.1m). The net deferred tax asset recorded within the Balance Sheet totals £0.9m (2010: £1.1m).

Earnings per Share
Basic and diluted earnings per share were 2.9p (2010: 6.0p). For continuing operations only, the basic and diluted earnings per share were 3.0p (2010: 1.3p).

Dividend
No dividends were paid during the year (2010: £7.9m). The Board proposes a special dividend of 5p per share.

Disposals
The Group disposed of the Operational Management part of the Gleeson Capital Solutions business unit to Pario Limited on 31 March 2011. There were no proceeds, gain or loss for the disposal.

In the previous year, on 30 June 2010, the Group sold Powerminster Gleeson Services Limited to Morgan Sindall Group plc. The cash proceeds totalled £6.6m, with the net cash inflow of £3.8m after taking account of the costs of disposal and cash transferring with the company. The gain on disposal, after tax, totalled £1.9m.

Balance Sheet
At 30 June 2011, shareholders' funds totalled £99.2m (2010: £97.8m). In the year, non-current assets decreased by £3.9m to £12.7m (2010: £16.6m) due to the transfer of £6.9m Investment and Loans in Joint Ventures to Assets classified as held for sale, offset by an investment of £2.0m in the Leeds Independent Living PFI project along with a £0.8m increase in shared equity investments. Current assets decreased by £7.0m to £107.8m (2010: £114.8m) due to a £0.6m reduction in cash, £6.6m reduction in trade and other receivables and £6.6m reduction in inventories, offset by the £6.9m transfer of Assets classified as held for sale. Non current liabilities decreased by £2.6m due to utilisation and release of provisions. Current liabilities decreased by £9.6m.

Cash Flow
The Group utilised £0.6m (2010: generated £7.5m) of cash in the year, resulting in a net cash balance at 30 June 2011 of £17.8m (2010: £18.4m).

Operating cash flows, including working capital movements, generated £0.5m (2010: £14.2m). There was a tax refund of £0.2m (2010: £nil) during the year. Cash utilised in investing activities totalled £1.2m (2010: generated £1.4m), with £1.5m increase in loans to joint ventures with the investment of sub debt into the Leeds Independent Living PFI less repayment of loans on other PFI loans. Net cash flows from financing activities utilised £nil (2010: £7.9m), from dividend payments.

Treasury Risk Management
The Group's cash balances are centrally pooled and invested, ensuring the best available returns are achieved consistent with retaining sufficient liquidity for the Group's operations. The Group only deposits funds with financial institutions which have a minimum credit rating of AA.

As the Group operates wholly within the UK, there is no requirement for currency risk management.

Bank Facilities
During the year, the Group entered into a £5m letter of credit and bonding facility with Santander.

Pension
The Group contributes to a defined contribution pension scheme. A charge of £0.3m (2010: £0.6m) was recorded in the Income Statement for pension contributions. The Group has no exposure to defined benefit pension plans.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Business Review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described above.

The Group meets its day-to-day working capital requirements through its cash resources. Current economic conditions inevitably create a degree of uncertainty, particularly over the level of demand for the Group's goods and services and the availability of bank finance. However, the Group's forecasts and projections show that the Group is able to operate without the need for debt finance for the foreseeable future.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual Report and Accounts.

Responsibility Statement

The 2011 Annual report and financial statements, which will be issued at a later date, contain a responsibility statement in compliance with DTR 4.1.12. This states that on 23 September 2011, the date of approval of the Annual Report, the Directors confirm that the best of their knowledge:

• the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair review of the assets, liabilities, financial position and profit or loss of the Company and its subsidiaries included in the consolidation as a whole, and

• the Directors' report includes a fair review of the development of the business and the position of the Company and its subsidiaries including in the consolidation taken as a whole, together with a description of the principle risks and uncertainties that they face.

List of the Directors and their roles will be provided in the 2011 Annual report and are available on the Group's website, http://www.mjgleeson.com/investor-relations/gleeson-directors.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2011

	2011 Before exceptional items £000	2011 Exceptional items Note 4 £000	2011 £000	2010 Before exceptional items £000	2010 Exceptional items Note 4 £000	2010 £000
Continuing operations						
Revenue	**41,353**	**-**	**41,353**	46,534	-	46,534
Cost of sales	**(37,181)**	**1,821**	**(35,360)**	(43,507)	2,803	(40,704)
Gross profit	**4,172**	**1,821**	**5,993**	3,027	2,803	5,830
Administrative expenses	**(7,123)**	**1,648**	**(5,475)**	(7,281)	710	(6,571)
Profit on sale of investment and owner-occupied properties	**18**	**-**	**18**	57	-	57
Share of profit of joint ventures (net of tax)	**392**	**-**	**392**	361	-	361
Operating profit/(loss)	**(2,541)**	**3,469**	**928**	(3,836)	3,513	(323)
Financial income	**793**	**-**	**793**	1,086	-	1,086
Financial expenses	**(179)**	**-**	**(179)**	(316)	-	(316)
Profit/(loss) before tax	**(1,927)**	**3,469**	**1,542**	(3,066)	3,513	447
Tax	**42**	**-**	**42**	235	-	235
Profit/(loss) for the year from continuing operations	**(1,885)**	**3,469**	**1,584**	(2,831)	3,513	682
Discontinued operations						
(Loss)/profit for the year from discontinued operations (net of tax) and gain from sale of discontinued operation			**(73)**			2,455
Profit for the year attributable to equity holders of the parent company			**1,511**			3,137
Other comprehensive income						
Share of joint venture's cashflow hedges			**(40)**			(75)
Total comprehensive income for the year attributable to equity holders of parent company			**1,471**			3,062
Earnings per share attributable to equity holders of parent company						
Basic and diluted			**2.88**			6.00
Earnings per share from continuing operations						
Basic and diluted			**3.02**			1.30

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 June 2011

	2011	2010
	£000	£000
Non-current assets		
Plant and equipment	**258**	150
Investment properties	**803**	873
Investments in joint ventures	**15**	2,124
Loans and other investments	**6,902**	9,380
Trade and other receivables	**3,838**	3,012
Deferred tax assets	**894**	1,053
	12,710	16,592
Current assets		
Inventories	**69,497**	76,077
Trade and other receivables	**13,679**	20,266
UK corporation tax	**-**	22
Cash and cash equivalents	**17,763**	18,423
Assets classified as held for sale	**6,868**	-
	107,807	114,788
Total assets	**120,517**	131,380
Non-current liabilities		
Provisions	**(480)**	(3,063)
	(480)	(3,063)
Current liabilities		
Trade and other payables	**(19,809)**	(28,898)
Provisions	**(1,075)**	(1,571)
UK corporation tax	**-**	(5)
	(20,884)	(30,474)
Total liabilities	**(21,364)**	(33,537)
Net assets	**99,153**	97,843
Equity		
Share capital	**1,054**	1,053
Share premium account	**6,039**	5,969
Capital redemption reserve	**120**	120
Retained earnings	**91,940**	90,701
Total equity	**99,153**	97,843

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2011

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Retained earnings £000	**Total £000**
At 1 July 2009	1,052	5,861	120	95,399	**102,432**
Total comprehensive income for the period					
Profit for the period	-	-	-	3,137	**3,137**
Other comprehensive income					
Cashflow hedges	-	-	-	(75)	**(75)**
Total comprehensive income for the period	**-**	**-**	**-**	3,062	**3,062**
Transactions with owners, recorded directly in equity					
Contributions and distributions to owners					
Share issue	1	108	-	-	**109**
Purchase of own shares	-	-	-	(108)	**(108)**
Share-based payments	-	-	-	220	**220**
Dividends	-	-	-	(7,872)	**(7,872)**
Transactions with owners, recorded directly in equity	1	108	-	(7,760)	**(7,651)**
At 30 June 2010	1,053	5,969	120	90,701	**97,843**
Total comprehensive income for the period					
Profit for the period	-	-	-	1,511	**1,511**
Other comprehensive income					
Cashflow hedges	-	-	-	(40)	**(40)**
Total comprehensive income for the period	-	-	-	1,471	1,471
Transactions with owners, recorded directly in equity					
Contributions and distributions to owners					
Share issue	1	70	-	-	**71**
Purchase of own shares	-	-	-	(118)	**(118)**
Share-based payments	-	-	-	(114)	**(114)**
Transactions with owners, recorded directly in equity	1	70	-	(232)	(161)
At 30 June 2011	1,054	6,039	120	91,940	**99,153**

CONSOLIDATED STATEMENT OF CASHFLOW
for the year ended 30 June 2011

	2011 £000	2010 £000
Operating activities		
Profit before tax from continuing operations	**1,542**	447
(Loss)/profit before tax from discontinued operations	**(73)**	2,455
	1,469	2,902
Depreciation of plant and equipment	**92**	251
Goodwill on acquisition of subsidiaries	**-**	(50)
Restatement of loans to joint ventures	**-**	(710)
Share-based payments	**(114)**	220
Profit on sale of investment and owner-occupied properties	**(5)**	(57)
Profit on disposal of investment in subsidiary	**-**	(1,936)
Share of profit of joint ventures (net of tax)	**(392)**	(361)
Financial income	**(808)**	(1,086)
Financial expenses	**179**	316
Operating cash flows before movements in working capital	**421**	(511)
Decrease in inventories	**6,580**	7,026
Decrease in receivables	**5,749**	9,233
Decrease in payables	**(12,214)**	(1,569)
Cash generated from operating activities	**536**	14,179
Tax received	**218**	-
Tax paid	**-**	(2)
Interest paid	**(132)**	(237)
Net cash flows from operating activities	**622**	13,940
Investing activities		
Proceeds from disposal of subsidiary undertakings, net of cash disposed	**-**	3,816
Proceeds from disposal of investment and owner-occupied properties	**154**	324
Proceeds from disposal of other plant and equipment	**-**	1
Interest received	**299**	291
Purchase of plant and equipment	**(200)**	(195)
Loans made to joint ventures	**(1,999)**	(2,809)
Repayment of loans to joint ventures and other investments	**511**	-
Net cash flows from investing activities	**(1,235)**	1,428
Financing activities		
Proceeds from issue of shares	**71**	109
Purchase of own shares	**(118)**	(108)
Dividends paid	**-**	(7,872)
Net cash flows from financing activities	**(47)**	(7,871)
Net (decrease)/increase in cash and cash equivalents	**(660)**	7,497
Cash and cash equivalents at beginning of year	**18,423**	10,926
Cash and cash equivalents at end of year	**17,763**	18,423

1. Accounting policies

Statement of compliance
Both the Company financial statements and the Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs").

Notes on the preliminary statement
The financial information set out above does not constitute the company's statutory accounts for the years ended 30 June 2011 or 2010, but is derived from those accounts. Statutory accounts for 2010 have been delivered to the Registrar of Companies, and those for 2011 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Cautionary statement
This Report contains certain forward looking statements with respect to the financial condition, results, operations and business of MJ Gleeson Group PLC. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. Nothing in this Report should be construed as a profit forecast.

Directors' liability
Neither the Company nor the Directors accept any liability to any person in relation to this Report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Markets Act 2000.

Basis of preparation
Assets and liabilities in the financial statements have been valued at historic cost except where otherwise indicated in these accounting policies.

Judgements made by management in the application of IFRSs, that have significant effect on the financial statements and estimates, include the carrying value of land held for development, work in progress, investment in subsidiaries, loans to joint ventures, amounts recoverable on contracts and trade receivables.

The Company has taken advantage of section 408 of the Companies Act 2006 and consequently the Income Statement of the parent company is not presented as part of these accounts. The profit of the parent company for the financial year amounted to £5,818,000 (2010: loss of £57,520,000).

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary undertakings. Joint ventures are accounted for using the equity method of accounting.

Subsidiaries
Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair value. Any excess of the fair value of consideration given for the acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. In circumstances where the fair values of the identifiable net assets exceed the cost of acquisition, the excess is immediately recognised in the income statement.

Revenue recognition
Revenue represents the fair value of work done on contracts performed during the year on behalf of customers or the value of goods and services delivered to customers. Revenue is recognised as follows:

* Revenue from homes sales, other than construction contracts, is recognised when contracts to sell are completed and title has passed.
* Revenue from property and land sales is recognised at the earlier of when contracts to sell are completed and title has passed or when unconditional contracts to sell are exchanged.
* Revenue from rental income from investment properties is recognised as the Group becomes entitled to the income.
* Revenue from construction services activities represents the value of work carried out during the year, including amounts not invoiced.

Revenue and margin on construction contracts are recognised by reference to the stage of completion of the contract at the accounts date. The stage of completion is determined by valuing the cost of the work completed at the accounts date and comparing this to the total forecasted cost of the contract. Full provision is made for all forecasted losses. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue and that they are capable of being reliably measured.

Prudent provision against claims from customers or third parties is made in the year in which the Group becomes aware that a claim may arise.

Exceptional items
Items that are both material in size and unusual or infrequent in nature are presented as exceptional items in the income statement. The Directors are of the opinion that the separate recording of exceptional items provides helpful information about the Group's underlying business performance. Examples of events that may give rise to the classification of items as exceptional are the restructuring of existing and newly-acquired businesses, gains or losses on the disposal of businesses or individual assets, and asset impairments, including land, work in progress and amounts recoverable on construction contracts.

Restructuring costs
Restructuring costs are recognised as exceptional items in the income statement when the Group has a detailed plan that has been communicated to the affected parties. A liability is accrued for unpaid restructuring costs.

Assets classified as held for sale
Assets classified as held for sale, represent joint venture investments where the preferred bidder has been identified. The negotiations are well advanced as at the year end with completion expected within the year. The assets are reviewed for impairment on classification as available for sale and any impairment is charged to the income statement. The assets are reviewed again for impairment at the year end and any impairment is charged to the income statement.

Leasing
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Finance income and expenses
Finance income comprises interest income on funds invested, dividend income and the unwinding of discounts on deferred receipts. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date that the Group’s right to receive payment is established.

Finance expenses comprise interest expense on borrowings and unwinding of the discount on deferred payments and provisions. All borrowing costs are recognised in the income statement using the effective interest method.

Dividends
Dividends are recorded in the Group's financial statements when paid. Final dividends are recorded in the Group's financial statements in the period in which they receive shareholder approval.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement and sources of estimation uncertainty at the balance sheet date are:

Land and work-in-progress
Valuations which include an estimation of costs to complete and remaining revenues are carried out at regular intervals throughout the year, during which site development costs are allocated between units built in the current year and those to be built in future years. These assessments include a degree of inherent uncertainty when estimating the profitability of a site and in assessing any impairment provisions which may be required.

The Group conducted a review of inventory and, following cost savings and improvements in sales values, impairments which had been made in the prior year were reversed to the extent that they were no longer required. The review was conducted on a site by site basis, using valuations that incorporated selling price, based on local management and the Board’s assessment of market conditions existing at the balance sheet date.

Investments and investments in subsidiaries
Investments and investments in subsidiaries are stated at the lower of cost and net realisable value, which is dependent upon management's assessment of future trading activity and is therefore subject to a degree of inherent uncertainty.

Loans to joint ventures
Loans to joint ventures are stated at the lower of the value of the loan and net realisable value, which is dependent upon management's assessment of future trading activity of the joint venture and is therefore subject to a degree of inherent uncertainty.

Amounts recoverable on contracts and trade receivables
Management has reviewed the recoverability of amounts recoverable on contracts and trade receivables and, following significant write downs in the prior year, no further provisions were deemed to be required.

Available for sale financial assets (shared equity)
Management has reviewed the valuation of the available for sale financial assets in light of current market conditions, expected house price inflation, cost of money and the expected time to realisation of the assets and is therefore subject to a degree of inherent uncertainty.

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2. Segmental analysis

For management purposes, the Group is organised into the following five operating divisions:

- Gleeson Regeneration & Homes focuses on estate regeneration and housing development on brownfield land in the North of England.
- Gleeson Strategic Land focuses on the purchase of options over land in the South of England.
- Gleeson Capital Solutions manages the Group's Private Financing Initiative investments in social housing.
- Gleeson Commercial Property Developments is engaged in commercial property development in the UK.
- Gleeson Construction Services includes constructions services in the UK.

In the prior year, Powerminster Gleeson Services was considered a division. This division was sold on 30 June 2010.

Segment information about the Group's operations, including joint ventures, is presented below:

	2011 £000	2010 £000
Revenue		
Continuing activities:		
Gleeson Regeneration & Homes	**35,440**	22,741
Gleeson Strategic Land	**5,770**	10,490
Gleeson Capital Solutions	**-**	-
Gleeson Commercial Property Developments	**2**	13,231
Gleeson Construction Services	**141**	72
	41,353	46,534
Discontinued activities:		
Gleeson Construction Services	**353**	666
Powerminster Gleeson Services	**-**	17,419
	353	18,085
Total revenue	**41,706**	64,619
Profit/(loss) on activities		
Gleeson Regeneration & Homes	**(400)**	(1,307)
Gleeson Strategic Land	**2,710**	2,191
Gleeson Capital Solutions	**110**	282
Gleeson Commercial Property Developments	**(27)**	480
Gleeson Construction Services	**(54)**	(68)
	2,339	1,578
Group Activities	**(1,411)**	(1,901)
Financial income	**793**	1,086
Financial expenses	**(179)**	(316)
Profit before tax	**1,542**	447
Tax	**42**	235
Profit for the year from continuing operations	**1,584**	682
(Loss)/profit for the year from discontinued operations and gain on sale of discontinued operations (net of tax)	**(73)**	2,455
Profit for the year attributable to equity holders of the parent company	**1,511**	3,137

All rental incomes from investment properties, totalling £20,000 (2010: £18,000), are reported within the Gleeson Regeneration & Homes segment. All revenue for the Gleeson Construction Services segment is in relation to long term contracts. The revenue in the Gleeson Regeneration & Homes segment relates to the sale of residential properties and land. Service revenues are reported by Gleeson Capital Solutions.

3. Discontinued operations

The Group disposed of certain assets and liabilities of the Gleeson Engineering Division of Gleeson Construction Services to Black and Veatch Limited ("B&V") in a prior period and treated this as a discontinued operation. A small number of contracts were legally retained but the operations were taken over by B&V on the Group's behalf on a cost plus basis. Consequently, the Group has no involvement in the day-to-day running of these contracts and acts as an intermediary. At the time of the sale, the remaining costs to complete the contracts were considered insignificant in relation to the separately identifiable division as a whole.

On 30 June 2010, the Group disposed of the Powerminster Gleeson Services division to Morgan Sindall Group Plc.

	2011	2010
	£000	£000
Revenue	**353**	18,085
Cost of sales	**(353)**	(15,514)
Gross profit	**-**	2,571
Administrative expenses	**(88)**	(2,052)
Gain on disposal of discontinued operations	**-**	1,936
Operating (loss)/profit	**(88)**	2,455
Financial income	**15**	-
(Loss)/profit before tax	**(73)**	2,455
Tax	**-**	-
(Loss)/profit for the year from discontinued operations	**(73)**	2,455

Earnings per share - impact of discontinued operations

	2011	2010
	p	p
Basic	**(0.14)**	4.70
Diluted	**(0.14)**	4.70

The cash flow statement includes the following relating to operating profit on discontinued operations:

	2011	2010
	£000	£000
Operating activities	**(88)**	2,455
Financing activities	**15**	-
	(73)	2,455

4. Exceptional items

Impairment of inventories and contract provisions
At 30 June 2011, the Group conducted a review of the net realisable value of the land and work in progress carrying values of its sites in the light of the condition of the UK housing market. Where the estimated net present realisable value is greater than the carrying value within the balance sheet, the Group has partially reversed the impairment previously made.

Impairment of loans to joint ventures
At 30 June 2011, the Group conducted a review of the net realisable value of loans to joint ventures in the light of the condition of the UK commercial property market. There was no impairment or release in the year. In the prior year, where the estimated net present realisable value of a previously impaired loan is more than its carrying value within the balance sheet, the Group has reversed the impairment previously made.

Restructuring costs
During the year, the Group reversed £1,648,000 (2010: £nil) in relation to onerous lease provisions provided for and treated as exceptional in prior years.

Exceptional income may be summarised as follows:

	2011	2010
	£000	£000
Re-instatement of inventories and contract provisions	**1,821**	2,803
Re-instatement of loans to joint ventures	**-**	710
Reversal of restructuring costs	**1,648**	-
	3,469	3,513

In the year ended 30 June 2011, £3,469,000 (2010: £2,803,000) of exceptional income was reported in the Gleeson Regeneration and Homes division and £nil (2010: £710,000) in the Gleeson Commercial Property Developments division.

5. Financial income and expenses

	Continuing operations		**Discontinued operations**		**Total**	
	2011	2010	**2011**	2010	**2011**	2010
	£000	£000	**£000**	£000	**£000**	£000
Financial income						
Interest on bank deposits	**114**	60	**-**	-	**114**	60
Interest on joint venture loans	**440**	416	**-**	-	**440**	416
Other interest	**24**	172	**15**	-	**39**	172
Unwinding of discount on deferred receipts	**215**	438	**-**	-	**215**	438
	793	1,086	**15**	-	**808**	1,086
Financial expenses						
Interest on bank overdrafts and loans	**(2)**	(2)	**-**	-	**(2)**	(2)
Bank charges	**(119)**	(164)	**-**	-	**(119)**	(164)
Unwinding of discount on deferred payments	**(58)**	(150)	**-**	-	**(58)**	(150)
	(179)	(316)	**-**	-	**(179)**	(316)
Net financial income	**614**	770	**15**	-	**629**	770

6. Tax

	Continuing operations		Discontinued operations		Total	
	2011	2010	**2011**	2010	**2011**	2010
	£000	£000	**£000**	£000	**£000**	£000
Current tax:						
Adjustment in respect of prior years	**(201)**	(19)	**-**	-	**(201)**	(19)
	(201)	(19)	**-**	-	**(201)**	(19)
Deferred tax:						
Current year expense/(credit)	**100**	(63)	**-**	-	**100**	(63)
Adjustment in respect of prior years	**(14)**	(153)	**-**	-	**(14)**	(153)
Impact of rate change	**73**	-			**73**	-
Corporation tax credit for the year	**(42)**	(235)	**-**	-	**(42)**	(235)
Joint ventures tax expense for the year	**45**	141	**-**	-	**45**	141
Total tax	**3**	(94)	**-**	-	**3**	(94)

On 1 April 2011, the rate of Corporation tax reduced from 28% to 27%. The weighted average rate of corporation tax was 27.75% (2010: 28.00%) of the estimated assessable profit for the year.

The charge for the year can be reconciled to the profit per the income statement as follows:

	2011	2010
	£000	£000
Profit before tax on continuing operations	**1,542**	447
Add joint venture tax for the year	**45**	141
	1,587	588
(Loss)/profit before tax from discontinued operations	**(73)**	2,455
Profit before tax	**1,514**	3,043
Tax charge at standard rate	**420**	852
Tax effect of:		
Non-taxable income	**(164)**	(700)
Expenses that are not deductible in determining taxable profits	**-**	97
Losses arising in the year carried forward	**718**	329
Utilisation of tax losses not previously recognised	**(829)**	(500)
Changes in tax rates	**73**	-
Adjustments in respect of prior years	**(215)**	(172)
Tax charge/(credit) and effective tax rate for the year	**3**	(94)

7. Dividends

	2011	2010
	£000	£000
Amounts recognised as distributions to equity holders in the year:		
Special dividend paid on 31 March 2010 of 15p per share	**-**	7,872
	-	7,872
A special dividend of 5p per share is proposed	**2,635**	-

8. Earnings/(loss) per share

From continuing and discontinued operations
The calculation of the basic and diluted earnings per share is based on the following data:

Earnings

	2011	2010
	£000	£000
Earnings for the purposes of basic earnings per share, being net profit or loss attributable to equity holders of the parent company		
Profit from continuing operations	**1,584**	682
(Loss)/profit from discontinued operations	**(73)**	2,455
Profit for the purposes of basic and diluted earnings per share	**1,511**	3,137

Number of shares

	2011	2010
	No. 000	No. 000
Weighted average number of ordinary shares for the purposes of basic earnings per share	**52,458**	52,260
Effect of dilutive potential ordinary shares:		
Share options	**-**	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**52,458**	52,260

From continuing operations

	2011	2010
	p	p
Basic and diluted	**3.02**	1.30

From discontinued operations

	2011	2010
	p	p
Basic and diluted	**(0.14)**	4.70

From continuing and discontinued operations

	2011	2010
	p	p
Basic and diluted	**2.88**	6.00

9. Post Balance Sheet Events

Following the year end, contracts have been exchanged for the sale of three PFI investments, and the proceeds are expected to be received before the end of 2011.