

**St Edward Homes Limited**  
(Registered Number: 05857216)

**Annual Report & Financial Statements**  
**30 April 2015**

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# St Edward Homes Limited

## Strategic Report

### Principal activities, review of the business and future developments

The Company was established as a joint venture operation between The Berkeley Group plc and The Prudential Assurance Company Limited on 26 June 2006 and commenced trading on that date. The Company remains a joint venture operation and its principal activity is that of residential property development focusing on urban regeneration and mixed-use developments.

The Company's key performance indicators are integrated with those of one of the joint venture partners, The Berkeley Group Holdings plc. These are set out in the Business Review on pages 2 to 54 of the 2015 Annual Report of The Berkeley Group Holdings plc.

The results for the Company show a profit on ordinary activities before tax of £1,226,376 (2014: £955,915) and turnover of £118,556,934 (2014: £100,253,626).

The Company will continue to examine opportunities within the residential property development sector.

### Results

The Company's profit after tax for the financial year is £969,887 (2014: £737,626).

### Principal operating and financial risks

Through its operating activities the Company is exposed to the operating risks inherent in a residential property development. Primarily these risks are:

Macro economic climate: the state of the economy has a direct impact on the demand for housing through its impact on factors such as house prices, mortgage availability and construction costs. The Company monitors the quality and volume of its production, the cost of its developments and the wider market environment to ensure supply is matched to demand and that investment in construction is recoverable on an ongoing basis.

Health and safety: site accidents or site related catastrophes can result in serious injury or loss of life which would have adverse consequences on the Company's reputation. The Company has dedicated health and safety teams in place with procedures, training and reporting all regularly reviewed to ensure high standards are maintained.

The Company is financed principally through long term shareholder loans. The Company's main financial risk is:

Liquidity risk: the risk that suitable funding for the Company's activities may not be available. The Company addresses this risk through review of rolling cash flow forecasts throughout the year to assess and monitor the current availability of funding and to ensure sufficient funding will be made available to support the Company's activities.

Credit risk: The Company's principal credit risk is on cash which is limited because the counterparty is a leading international bank with a long-term A credit rating assigned by international credit rating agencies.

### Going concern

The Company has sufficient financial resources together with long standing relationships with clients and suppliers. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the Company has 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.

By order of the board



A J Michie  
Director

25 January 2016

# St Edward Homes Limited

## Directors' Report

The Directors submit their report together with the audited financial statements for the year to 30 April 2015.

### Dividends

No interim dividend was paid during the year (2014: £nil). The Directors do not recommend a final dividend (2014: £nil).

### Directors

The Directors who held office during the year under review and up to the date of signing this report were as follows:

A W Pidgley  
R C Perrins  
A J Michie  
D G Morris  
D J Forbes (resigned 25 October 2014)  
A D Jeffrey  
M L Molton (appointed 9 December 2014)

The Company has made qualifying third party indemnity provisions, for the benefit of its directors, which were made during the year and remain in force at the date of this report.

### Independent auditor and disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this Directors' Report and Financial Statements confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Auditor

A resolution to reappoint KPMG LLP as auditors to the Company will be proposed at the Annual General Meeting.

By order of the Board



A J Michie  
Director

25 January 2016

# **St Edward Homes Limited**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT AND THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST EDWARD HOMES LIMITED

We have audited the financial statements of St Edward Homes Limited for the year ended 30 April 2015 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

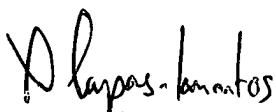
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Anastasios Papasolomontos (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London

E14 5GL

26 January 2016

# St Edward Homes Limited

## Profit and Loss Account for the Year Ended 30 April 2015

	Note	Year to 30 April 2015 £	Year to 30 April 2014 £
Turnover		118,556,934	100,253,626
Cost of sales		(109,556,952)	(93,053,626)
Gross profit		8,999,982	7,200,000
Administrative expenses		(7,770,031)	(6,246,311)
Operating profit		1,229,951	953,689
Interest receivable and similar income	2	55,496	43,465
Interest payable and similar charges	2	(59,071)	(41,239)
Profit on ordinary activities before tax	2	1,226,376	955,915
Tax on profit on ordinary activities	4	(256,489)	(218,289)
Profit for the financial year	10	969,887	737,626

The above results all relate to continuing operations.

The Company had no gains or losses recognised in the current or prior year other than those included in the results above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

# St Edward Homes Limited

Registered Number: 05857216

## Balance Sheet as at 30 April 2015

	Note	2015 £	2014 £
<b>Current assets</b>			
Debtors	5	13,461,794	17,707,019
Cash at bank and in hand		12,332,752	2,868,834
		<u>25,794,546</u>	<u>20,575,853</u>
<b>Creditors (amounts falling due within one year)</b>			
Creditors	6	(24,612,741)	(20,363,935)
<b>Net assets</b>		<u>1,181,805</u>	<u>211,918</u>
<b>Capital and reserves</b>			
Called up share capital	7	10,202	10,202
Profit and loss account	10	1,171,603	201,716
<b>Total shareholders' funds</b>	11	<u>1,181,805</u>	<u>211,918</u>

These financial statements on pages 5 to 14 were approved by the Board of Directors on 25 January 2016.



A J Michie  
Director

# St Edward Homes Limited

## Cash Flow Statement for the Year Ended 30 April 2015

	Note	Year to 30 April 2015 £	Year to 30 April 2014 £
Net cash inflow from operating activities	8	9,626,669	1,794,711
Returns on investments and servicing of finance			
Interest received		55,496	43,465
Income tax paid		(218,247)	(72,627)
		<u>(162,751)</u>	<u>(29,162)</u>
Increase in cash	9	<u><u>9,463,918</u></u>	<u><u>1,765,549</u></u>



# St Edward Homes Limited

## Notes to the financial statements at 30 April 2015

### 1. Accounting policies

#### Basis of accounting

These financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently throughout the year.

#### Going Concern

The Company is currently in a net asset position. The Directors are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

#### Interest Receivable

Interest is receivable on bank deposits and is recognised as interest accrues.

#### Interest Payable

Interest is payable on shareholder loans and is recognised as interest accrues.

#### Turnover

Turnover represents the amounts recharged for development costs in respect of property development activities in the UK.

#### Tax

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2. Profit on ordinary activities before tax

Profit on ordinary activities before tax for the year is stated after charging/(crediting) the following amounts:

	2015 £	2014 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	2,500	2,500
Interest payable - The Berkeley Group plc	29,500	14,275
Interest payable - The Prudential Assurance Company Limited	29,571	26,964
Management fee - Berkeley Homes Public Limited Company	7,500,000	6,000,000
Management fee - M&G Real Estate Limited	250,000	200,000
Bank interest receivable	(55,496)	(43,465)

No other fees are payable to KPMG LLP.

# St Edward Homes Limited

## Notes to the financial statements at 30 April 2015 continued

### 3. Directors and employees

There were no employees or staff costs during the year (2014: £nil).

#### Directors

Mr Pidgley and Mr Perrins are Directors of The Berkeley Group Holdings plc and provide their services primarily to that Company. As such, their remuneration is paid by and disclosed in the accounts of The Berkeley Group Holdings plc. Mr Michie is a Director of Berkeley Homes Public Limited Company and provides his services primarily to that Company. As such, his remuneration is paid by and disclosed in the accounts of Berkeley Homes Public Limited Company.

The remaining Directors provided negligible services to the Company.

No Directors received any emoluments for services to the Company during the year (2014: £nil).

### 4. Tax on profit on ordinary activities

	2015 £	2014 £
Current tax		
UK corporation tax payable	256,531	218,289
Adjustments in respect of prior year	(42)	-
	<u>256,489</u>	<u>218,289</u>

The standard rate of UK corporation tax decreased from 21% to 20% from 1 April 2015, resulting in a blended rate of 20.92%. The Budget (July 2015) included legislation to reduce the main rate of corporation tax to 19% for the financial year commencing 1 April 2017 and 18% for the financial year commencing 1 April 2020. This will reduce the Company's future tax charge accordingly.

The current tax assessed for the year is lower than (2014: equal to) the blended rate of UK corporation tax of 20.92% (2014: 22.84%). These differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	1,226,376	955,915
Tax on profit on ordinary activities at standard UK corporation tax rate	256,531	218,289
Adjustment in respect of prior year	(42)	-
Current tax charge	<u>256,489</u>	<u>218,289</u>

# St Edward Homes Limited

## Notes to the financial statements at 30 April 2015 continued

### 5. Debtors

	2015 £	2014 £
Trade debtors	12,190,678	17,344,624
Other debtors	1,254,043	362,395
Prepayments	17,073	-
	<u>13,461,794</u>	<u>17,707,019</u>

All of the debtors are recoverable within one year.

Trade debtors includes £11,364,579 (2014: £10,304,519) which relates to costs incurred in April 2015 and not yet invoiced to The St Edward Homes Partnership and The St Edward (Strand) Partnership.

### 6. Creditors (amounts falling due within one year)

	2015 £	2014 £
Trade creditors	15,104,467	9,950,481
Loan from shareholder - The Berkeley Group plc	1,988,799	1,959,299
Loan from shareholder - The Prudential Assurance Company Limited	1,993,629	1,964,058
Corporation tax payable	256,531	218,289
Deposits and on account contract receipts	-	5,484,969
Other taxes and social security	-	189
Accruals - amounts payable to affiliates of The Berkeley Group plc	4,931,832	500,000
Accruals - amounts payable to affiliates of The Prudential Assurance Company Limited	250,000	200,000
Accruals - other	87,483	86,650
	<u>24,612,741</u>	<u>20,363,935</u>

The principal amounts of the shareholder loans are unsecured and repayable on demand and at the latest by July 2016. The first forty percent of the principal amounts are interest free and the remainder attracts interest at the Bank Base Rate plus 1%. Interest is payable half-yearly or on such other dates as St Edward Homes Limited and the shareholders may agree.

# St Edward Homes Limited

## Notes to the financial statements at 30 April 2015 continued

### 7. Called up share capital

	2015 £	2014 £
<b>Issued and fully paid:</b>		
5,000 A Ordinary shares of £1 each	5,000	5,000
5,000 B Ordinary shares of £1 each	5,000	5,000
2 'C' Preference shares of £1 each	2	2
200 'D' Preference shares of £1 each	200	200
	<u>10,202</u>	<u>10,202</u>

The A and B shares rank pari passu in all respects.

The C Preference shares are entitled to dividends in priority to any payment of a dividend to the holders of D Preference shares and the A and B Ordinary shares as follows:

- (a) to the extent that the Profits are equal to or greater than a sum that produces an IRR of 12%, the amount of the dividend shall be an amount which produces an IRR of 12%.
- (b) To the extent that the Profits are less than a sum that produces an IRR of 12%, the amount of the dividend shall be an amount equal to the Profits.

Out of the Profits the holders of the D Preference shares shall be entitled, pro rata to their holding of D preference shares, in priority to any payment of a dividend to the holders of the Ordinary shares, to be paid a preferential dividend of an amount equal to 25% of the balance of any profits resolved by the Board to be distributed after deducting the amount of the dividend payable in respect of the C Preference shares.

The C Preference shares will have preference, then the D Preference shares and lastly the A and B Ordinary shares on the return of amounts paid up and any dividend arrears on a return of capital or a winding up.

The holders of the C Preference shares and D Preference shares shall not be entitled to attend or vote at any General Meeting of the Company.

Profits are determined in accordance with the Company's Memorandum and Articles.

### 8. Cash flow from operating activities

	Year ended 30 April 2015 £	Year ended 30 April 2014 £
Operating profit	1,229,951	953,689
Decrease/(increase) in debtors	4,245,225	(13,360,509)
Increase in creditors	4,151,493	14,201,531
<b>Total net cash inflow from operating activities</b>	<u>9,626,669</u>	<u>1,794,711</u>

# St Edward Homes Limited

## Notes to the financial statements at 30 April 2015 continued

### 9. Analysis of changes in net debt

	At 1 May 2014	Cash Flows	Non-cash movements	At 30 April 2015
	£	£	£	£
Cash	2,868,834	9,463,918	-	12,332,752
Net deficit	2,868,834	9,463,918	-	12,332,752

### 10. Reserves

	Profit & Loss account	Total
	£	£
At 1 May 2014	201,716	201,716
Profit for the financial year	969,887	969,887
At 30 April 2015	1,171,603	1,171,603

### 11. Reconciliation of movements in shareholders' funds

	2015	2014
	£	£
Opening shareholders' funds/(deficit)	211,918	(525,708)
Profit for the financial year	969,887	737,626
Closing shareholders' funds	1,181,805	211,918

	Called up Share Capital	Profit and Loss Account	Total
	£	£	£
At 30 April 2014	10,202	201,716	211,918
Profit for the financial year	-	969,887	969,887
Closing shareholder's funds	10,202	1,171,603	1,181,805

# St Edward Homes Limited

## Notes to the financial statements at 30 April 2015 continued

### 12. Related Party Transactions

During the year the day to day administration of the Company was undertaken by Berkeley Homes Public Limited Company which is a wholly owned subsidiary of The Berkeley Group plc. An amount of £7,500,000 (2014: £6,000,000) was charged by Berkeley Homes Public Limited Company in respect of this service. At the financial year end £1,250,000 (2014: £500,000) was owing to Berkeley Homes Public Limited Company in respect of this charge. An amount of £250,000 (2014: £200,000) was charged by M&G Real Estate Limited in respect of their administration services. At the financial year end £250,000 (2014: £200,000) was owing to M&G Real Estate Limited in respect of this charge. Berkeley Homes Public Limited Company also provided property development services to the Company of £10,377,041 (2014: £7,139,232) and at the financial year end the Company owed £3,681,832 (2014: £1,469,393) to Berkeley Homes Public Limited Company. These amounts owing at the year end are shown separately in note 6.

During the year the Company provided property development services to The St Edward Homes Partnership of £93,240,028 (2014: £85,737,301) and at the financial year end, there were no amounts owing (2014: £6,988,105) from The St Edward Homes Partnership.

The Company also provided property development services to The St Edward (Strand) Partnership of £25,316,905 (2014: £14,475,700) and at the financial year end the Company was owed £2,028,146 by (2014: owed £5,484,969 to) The St Edward (Strand) Partnership and this balance has been included in the Trade debtors balance in note 5.

Within Trade debtors in note 5 there is £11,364,579 (2014: £10,304,519) which relates to costs incurred in April 2015 not yet invoiced to The St Edward Homes Partnership and The St Edward (Strand) Partnership.

During the year the Company loaned to SEH Manager Limited £9,999 (2014: £nil). This loan amount bears no interest and has no fixed repayment date and at the year end is included in the Other debtors balance in note 5.

The Berkeley Group plc and The Prudential Assurance Company Limited have provided loans to the Company, the loan balances outstanding at 30 April 2015 and 2014 are set out in note 6. Interest is charged on these loans at the Bank Base Rate plus 1% on sixty percent of the loan, with the first forty percent of the loan being interest free. The interest charged is set out in note 2, and at the year end there were outstanding interest accruals payable on these loans; these are disclosed in note 6.

### 13. Ultimate parent undertaking and controlling party

The Berkeley Group plc holds 100% of all the A Ordinary shares and The Prudential Assurance Company Limited holds 100% of all the B Ordinary shares, with both parties having 50% each of the C and D preference shares of St Edward Homes Limited at 30 April 2014.

The ultimate parent undertakings of St Edward Homes Limited, The St Edward Homes Partnership and The St Edward (Strand) Partnership are The Berkeley Group plc (50%) and The Prudential Assurance Company Limited (50%), whom have both given loans to the Company as per note 6.

# **St Edward Homes Limited**

## **Notes to the financial statements at 30 April 2015 continued**

### **14. Subsidiary and joint venture undertakings**

The Company has the following subsidiary undertakings, of which 100% of the ordinary share capital is owned and for which 100% of voting rights are held:

#### **Residential led mixed-use development**

SEH Manager Limited

SEH Nominee Limited

SEH Partnership Freeholds Limited

The Company's subsidiaries have the following associate which is registered and operates in England and Wales and is 0.1% owned:

#### **Residential led mixed-use development**

St Edward Homes Partnership