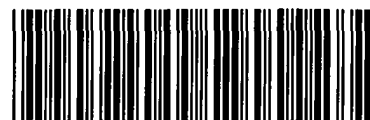


**St James Homes (Grosvenor Dock) Limited**  
**(Registered Number: 04121676)**

**Annual Report & Financial Statements**  
**30 April 2018**

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# **St James Homes (Grosvenor Dock) Limited**

## **Annual Report & Financial Statements 30 April 2018**

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# St James Homes (Grosvenor Dock) Limited

## Strategic Report 30 April 2018

The Directors present their strategic report for the year ended 30 April 2018.

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

The Company's principal activity is, and will continue to be, the managing of a previously completed residential property development.

The Company is a wholly owned subsidiary of an ultimate parent undertaking, The Berkeley Group Holdings plc, based in the United Kingdom for which Group financial statements are prepared. The Company's principal operating and financial risks, including the macro-economic climate and its impact on consumer confidence, land availability and the planning environment, availability of sufficient mortgage funds for our customers, the ability to attract and retain the best people, along with key performance indicators are integrated with those of the Group. These are set out in the Business Review on pages 2 to 77 of the 2018 Annual Report of The Berkeley Group Holdings plc.

### Results

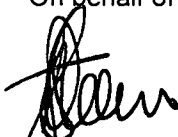
The results for the Company show a profit on ordinary activities before tax of £824,084 (2017: £5,879) and turnover of £346,921 (2017: £150,162). The Company's profit for the financial year is £667,508 (2017: £4,347).

As at 30 April 2018 the Company had a net asset position of £3,145,316 for the financial year (2017: £2,477,808).

### 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 and at least the next twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

On behalf of the Board



R J Stearn  
Director

7 November 2018

# **St James Homes (Grosvenor Dock) Limited**

## **Directors' Report 30 April 2018**

The Directors submit their report together with the audited financial statements of the Company for the year to 30 April 2018.

### **Dividends**

The Directors did not pay an interim dividend and do not recommend a final dividend (2017: £nil).

### **Directors**

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

S Ellis  
P I Hopkins  
P Kemkers  
R C G Perrins  
A W Pidgley  
R J Stearn  
C N Walter

### **Political contributions**

The Company made no political donations or incurred any political expenditure during the year.

### **Directors' indemnities**

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.

# St James Homes (Grosvenor Dock) Limited

## Directors' Report (continued) 30 April 2018

### Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Independent Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board



R J Stearn

Director

Berkeley House  
19 Portsmouth Road  
Cobham  
KT11 1JG

7 November 2018

# St James Homes (Grosvenor Dock) Limited

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

30 April 2018

The Directors are responsible for preparing the Strategic Report, 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), including FRS 101 *Reduced Disclosure Framework*.

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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 JAMES HOMES (GROSVENOR DOCK) LIMITED**

## **Opinion**

We have audited the financial statements of St James Homes (Grosvenor Dock) Limited ("the Company") for the year ended 30 April 2018 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## **Strategic Report and Directors' Report**

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

## **Directors' responsibility**

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST JAMES HOMES (GROSVENOR DOCK) LIMITED (continued)**

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Sean McCallion (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

15 Canada Square

London

E14 5GL

*7* November 2018



# St James Homes (Grosvenor Dock) Limited

## Profit and Loss Account for the Year Ended 30 April 2018

	Note	Year to 30 April 2018 £	Year to 30 April 2017 £
Turnover		346,921	150,162
Cost of sales		437,201	(197,165)
<b>Gross profit/(loss)</b>		<b>784,122</b>	<b>(47,003)</b>
Administrative expenses		(30,425)	(6,209)
<b>Operating profit/(loss)</b>		<b>753,697</b>	<b>(53,212)</b>
Interest receivable and similar income	2	334,689	326,565
Interest payable and similar charges	2	(264,302)	(267,474)
<b>Profit on ordinary activities before tax</b>	3	<b>824,084</b>	<b>5,879</b>
Tax on profit on ordinary activities	5	(156,576)	(1,532)
<b>Profit for the financial year</b>		<b>667,508</b>	<b>4,347</b>

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 Comprehensive Income has been presented.

The notes on pages 10 to 17 form an integral part of these financial statements.

# St James Homes (Grosvenor Dock) Limited

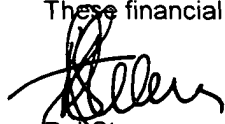
Registered Number: 04121676

## Balance Sheet as at 30 April 2018

	Note	2018 £	2017 £
<b>Current assets</b>			
Stock	6	447,862	446,049
Debtors	7	22,588,332	22,336,812
		<u>23,036,194</u>	<u>22,782,861</u>
<b>Creditors (amounts falling due within one year)</b>			
Creditors	9	(19,869,878)	(20,270,053)
Provisions for liabilities	10	(14,000)	(14,000)
		<u>(19,883,878)</u>	<u>(20,284,053)</u>
<b>Net current assets</b>		<u>3,152,316</u>	<u>2,498,808</u>
<b>Total assets less current liabilities</b>		<u>3,152,316</u>	<u>2,498,808</u>
<b>Creditors (amounts falling due after more than one year)</b>			
Provisions for liabilities	10	(7,000)	(21,000)
<b>Net assets</b>		<u>3,145,316</u>	<u>2,477,808</u>
<b>Capital and reserves</b>			
Share capital	11	1	1
Profit and loss account		<u>3,145,315</u>	<u>2,477,807</u>
<b>Total shareholders' funds</b>		<u>3,145,316</u>	<u>2,477,808</u>

The notes on pages 10 to 17 form an integral part of these financial statements.

These financial statements on pages 7 to 17 were approved by the Board of Directors on 7 November 2018.

  
R. J. Stearn  
Director

# St James Homes (Grosvenor Dock) Limited

## Statement of Changes in Equity for the Year Ended 30 April 2018

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 1 May 2017	1	2,477,807	2,477,808
Profit for the financial year	-	667,508	667,508
	<hr/>	<hr/>	<hr/>
<b>At 30 April 2018</b>	<b>1</b>	<b>3,145,315</b>	<b>3,145,316</b>
	<hr/>	<hr/>	<hr/>

	Called up share capital	Profit and Loss account	Total shareholders' funds
	£	£	£
At 1 May 2016	1	2,473,460	2,473,461
Profit for the financial year	-	4,347	4,347
	<hr/>	<hr/>	<hr/>
<b>At 30 April 2017</b>	<b>1</b>	<b>2,477,807</b>	<b>2,477,808</b>
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 17 form an integral part of these financial statements.

# **St James Homes (Grosvenor Dock) Limited**

## **Notes to the Financial Statements**

**30 April 2018**

### **1. Accounting policies**

#### **General information**

St James Homes (Grosvenor Dock) Limited (the "Company") is a private company incorporated, domiciled and registered in the UK. The registered address is Berkeley House, 19 Portsmouth Road, Cobham, KT11 1JG. The Company is engaged in the managing of a previously completed residential property development.

#### **Significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are presented in 'Pound Sterling' (£) which is the Company's functional currency.

#### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). These financial statements have been prepared on the going concern basis and under the historical cost convention. In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of the European Union endorsed International Financial Reporting Standards ("IFRSs") but makes amendments where necessary in order to comply with the Companies Act 2006, and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in conformity with FRS 101 requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1 below.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements in accordance with FRS 101:

- IAS 7, Statement of Cash Flows and related notes;
- IAS 24, disclosures in respect of transactions with wholly owned subsidiaries;
- IAS 24, disclosures in respect of the compensation of Key Management Personnel; and
- IAS 1, disclosures in respect of capital management.

As the consolidated financial statements of The Berkeley Group Holdings plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2, Share Based Payments in respect of group settled share based payments;
- IFRS 7, Financial Instruments disclosures; and
- IFRS 13, Fair Value Measurement disclosures of valuation techniques and inputs used for fair value measurement of assets and liabilities.

#### **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 and at least the next twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **New standards, amendments to standards and interpretations**

The following new standard, amendments to standards and interpretations ("Standards") are applicable to the Company and are mandatory for the first time for the financial year which began on 1 May 2017: Amendment to IAS 12 'Recognition of Deferred Tax Assets for Unrealised Losses'. This Standard has not had a material impact on the results of the Company for the year ended 30 April 2018.

# **St James Homes (Grosvenor Dock) Limited**

## **Notes to the Financial Statements (continued)**

**30 April 2018**

### **1. Accounting policies (continued)**

#### **New standards, amendments to standards and interpretations (continued)**

The following new standards, amendments to standards and interpretations ("New Standards") have been issued, but are not yet effective for the financial year ended 30 April 2018 and have not been adopted early:

IFRS 9 'Financial instruments' replaces IAS 39 'Financial Instruments: Recognition and Measurement' and is effective from 1 January 2018. The Company does not presently hold any complex financial instruments. Accordingly, the principal area of consideration for IFRS 9 is the new provision approach it introduces to bad debt provisions. Given the adoption of a legal completion basis of revenue recognition under IFRS 15 as described below no material bad debt provisions are currently anticipated by the Company, and thus it is expected that the new standard will not have a material impact on the Company's reported results.

IFRS 15, 'Revenue from Contracts with Customers' replaces IAS 18 'Revenue' and IAS 11 'Construction Contracts', setting out new revenue recognition criteria particularly with regard to performance obligations and assessment of when control of goods or services passes to the customer. The standard is effective for periods beginning 1 January 2018 and will be implemented by the Company from 1 May 2018.

Currently, under IAS 18, revenue and profit on the sale of units is recognised when substantially all the risks and rewards of ownership have transferred to the customer. As set out in the Accounting Estimates and Judgements, this occurs when the unit is physically complete and there is an exchanged contract in place, with the customer able to proceed to legal completion.

Under IFRS 15, revenue and profit on the sale of units will be recognised at the point control of the unit is passed to the customer which, based on the indicators identified in the standard as well as industry practices and interpretations, has been determined as the point of legal completion. The impact of this change is limited only to those contracts which have not legally completed at the financial year end. The new standard will not have a material impact on the Company's reported results.

Annual Improvements 2015-2017, IFRIC 23 Uncertainty over income tax treatments, effective from 1 January 2019, is not expected to have a significant impact on the Company's financial statements.

#### **Turnover**

Turnover represents the amounts receivable from the sale of properties in the UK and other income directly associated with property development. Properties are treated as sold and profits are recognised when contracts are exchanged and the building work is physically complete. See Accounting estimates and judgements below for further disclosures on turnover.

#### **Expenditure**

Expenditure recorded in inventory is expensed through cost of sales at the time of the related property sale. The amount of cost related to each property includes its share of the overall site costs including, where relevant, its share of forecast costs to complete. Net operating expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated. See Accounting estimates and judgements below for further disclosures on cost recognition.

#### **Taxation**

The taxation expense represents the sum of the current tax payable and deferred tax. Current tax, including UK corporation tax, is provided at the amounts expected to be paid (or received) using the tax rules and laws that have been enacted, or substantively enacted, by the reporting date.

# **St James Homes (Grosvenor Dock) Limited**

## **Notes to the Financial Statements (continued)** **30 April 2018**

### **1. Accounting policies (continued)**

#### **Taxation (continued)**

Deferred taxation is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised on all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill, or from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, or from differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred taxation is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which taxable temporary differences can be utilised. Deferred taxation is charged or credited to the income statement, except when it relates to items charged or credited directly to reserves, in which case the deferred taxation is also dealt with in reserves.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxation assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### **Stock**

Property in the course of development and completed units are valued at the lower of cost and net realisable value. Direct cost comprises the cost of land, raw materials and development costs but excludes indirect overheads. Provision is made, where appropriate, to reduce the value of inventories and work in progress to their net realisable value. Land purchased for development, including land in the course of development, is initially recorded at cost. Where such land is purchased on deferred settlement terms, and the cost differs from the amount that will subsequently be paid in settling the liability, this difference is charged as a finance cost in the profit and loss account over the period to settlement.

#### **Debtors**

Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit and loss account within net operating expenses. When debtors are uncollectible, it is written off against the allowance account for debtors. Subsequent recoveries of amounts previously written off are credited against net operating expense in the profit and loss account.

#### **Creditors**

Creditors on normal terms are not interest bearing and are stated at their nominal value which is considered to be their fair value. Creditors on extended terms are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs.

#### **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle that obligation, and the amount has been reliably estimated. See Accounting estimates and judgements below for further disclosures on recognition of provisions.

# St James Homes (Grosvenor Dock) Limited

## Notes to the Financial Statements (continued)

30 April 2018

### 1. Accounting policies (continued)

#### Share Capital

Ordinary shares are classified as equity.

#### Accounting estimates and judgements

Management applies the Company's accounting policies as described above when making critical accounting judgements, of which no individual judgement is deemed to have a significant impact upon the financial statements, apart from those involving estimations, which are detailed below.

##### (a) Carrying value of land and work in progress and estimation of costs to complete

The Company holds inventories stated at the lower of cost and net realisable value. Such inventories include land, work in progress and completed units. As residential development is largely speculative by nature, not all inventories are covered by forward sales contracts. Furthermore due to the nature of the Company's activity and, in particular the scale of its developments and the length of the development cycle, the Company has to allocate site-wide development costs between units being built and/or completed in the current year and those for future years. It also has to forecast the costs to complete on such developments.

In making such assessments and allocations, there is a degree of inherent estimation uncertainty; in particular due to the need to take account of future direct input costs, sales prices and the need to allocate site-wide costs on an appropriate basis to reflect the overall level of development risk, including planning risk. The Company has established internal controls designed to effectively assess and centrally review inventory carrying values and ensure the appropriateness of the estimates made. These assessments and allocations evolve over the life of the development in line with the risk profile, and accordingly the margin recognised reflects these evolving estimates. Similarly, these estimates impact the carrying value of inventory at each reporting date as this is a function of costs incurred in the year and the allocation of inventory to costs of sales on each property sold.

In addition, the Company has consistently applied its approach to margin recognition in relation to the Company's particularly complex, long term regeneration developments where certain whole-site costs are accelerated to the early stages of the development to reflect the greater uncertainty and the evolution of risk over the life of such developments. These developments, where the development life cycle is typically greater than ten years, are considered to be particularly susceptible to potential downward shifts in profitability due to the cyclical nature of the property market and its impact on both revenue and costs. As such, the inherent estimation uncertainty is increased.

A fundamental principle of the Company's accounting policy is to reduce the possibility of recognising margin in the early stages of a development that could subsequently reverse. As such, for these long term sites with greatest estimation uncertainty, a greater proportion of whole-site costs are recognised during the earlier stages of the development up to a point of inflection when such developments are deemed to be sufficiently de-risked. Subsequent to this inflection point, and should the uncertainties have not materialised, margin would increase as the visibility over projected revenue and costs across the development improves.

##### (b) Revenue recognition

The Company recognises revenue and profit on development property sales at the point of physical completion, where there are contracts exchanged and the customer is able to proceed to legal completion. This differs from many other housebuilders who recognise revenue and profit on legal completion. The Directors believe that the Company's basis of accounting is appropriate for the circumstances of its business and that it is in accordance with International Financial Reporting Standards as adopted by the EU, but note that its approach results in the recognition of both revenue and profits earlier than the legal completion methodology. Reaching a view as to whether revenue should be recognised requires judgement. These judgements are complemented by external certifications in assessing whether the properties sold meet the criteria for recognition in respect of physical completion. The customers' ability to complete the purchase is also considered at the point of revenue recognition. The Company's accounting policy removes absolute reliance on the date of legal completion, which it believes is a significant contributing factor to many of the customer service issues within the wider industry, without materially altering the financial reporting risk. Adopting an alternative 'legal completion' basis for the current year would be equivalent to the expected IFRS 15 adjustment disclosed in the Basis of Preparation.

# St James Homes (Grosvenor Dock) Limited

## Notes to the Financial Statements (continued) 30 April 2018

### 1. Accounting policies (continued)

#### Accounting estimates and judgements (continued)

##### (c) Provisions

The Company makes assumptions to determine the timing and its best estimate of the quantum of its construction and other liabilities for which provisions are held.

### 2. Interest (receivable)/ payable

	2018 £	2017 £
Interest payable to Group undertakings	<u>264,302</u>	<u>267,474</u>
Interest receivable from Group undertakings	<u>(334,689)</u>	<u>(326,565)</u>

### 3. Profit on ordinary activities before tax

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

	2018 £	2017 £
Fees payable to the Company's current auditor for the audit of the Company's annual financial statements	<u>2,500</u>	<u>2,500</u>

The auditor's remuneration in relation to the Company of £2,500 (2017: £2,500) is borne by the Parent undertaking.

No other fees are payable to KPMG LLP.

### 4. Directors and employees

No Director received any emoluments during the year for services to the Company. The Company considers that there is no practicable method to accurately allocate a portion of the emoluments the Directors receive from their respective Group company employer to the qualifying services they provide to the Company. The Company is also of the opinion any allocation would be immaterial.

There were no employees or staff costs during the year (2017: nil).



# St James Homes (Grosvenor Dock) Limited

## Notes to the Financial Statements (continued) 30 April 2018

### 5. Tax on profit on ordinary activities

Tax expense included in profit or loss

	2018 £	2017 £
Current tax		
UK corporation on profits for the year	153,916	(1,618)
Total current tax	153,916	(1,618)
Deferred tax		
Total deferred tax	2,660	3,150
Tax on profit on ordinary activities	156,576	1,532

Changes to UK corporation tax rates were substantially enacted as part of Finance Act (2015) (No2) on 18 November 2015 and the Finance Act 2016 on 15 September 2016. These changes include reductions to the main rate of corporation tax to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and are based on when these assets are expected to be realised.

The tax charge assessed for the year is the same as (2017: differs from) the standard rate of UK corporation tax of 19.0% (2017:19.92%). These differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	824,084	5,879
Tax on profit/(loss) on ordinary activities at standard UK corporation tax rate	156,576	1,171
Effects of:		
Other timing differences	-	361
Tax charge/(credit)	156,576	1,532

### 6. Stock

	2018 £	2017 £
Work in progress	447,862	446,049

### 7. Debtors

	2018 £	2017 £
Trade debtors	5,447	4,850
Deferred tax asset	3,990	6,650
Amount owed from Group undertakings	22,576,800	22,325,183
Other debtors	2,095	129
	22,588,332	22,336,812

Loan amounts from Group undertakings are unsecured, bear interest at market rates linked to LIBOR and have no fixed repayment date.

# St James Homes (Grosvenor Dock) Limited

## Notes to the Financial Statements (continued) 30 April 2018

### 8. Deferred tax

The deferred tax asset includes the following:

	2018 £	2017 £
Short Term timing differences	3,990	6,650
	<u>3,990</u>	<u>6,650</u>

The movement on the deferred tax asset is as follows:

	2018 £	2017 £
Opening deferred tax asset	6,650	9,800
Deferred tax charge in profit and loss account	(2,660)	(2,789)
The effect of reduction in tax rate to 19% (2017: 19%)	-	(361)
Closing deferred tax asset	<u>3,990</u>	<u>6,650</u>

The Directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

Deferred tax is calculated in full on temporary differences at the tax rates that are expected to apply for the period when the asset is realised and the liability is settled using a tax rate of 19/17% as appropriate (2017: 19/17%). There is no unprovided deferred tax (2017: nil) at the balance sheet date.

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

	2018 £	2017 £
Trade creditors	776,148	1,321,764
Amount owed to Group undertakings	18,303,319	18,356,280
Accruals and deferred income	790,411	592,009
	<u>19,869,878</u>	<u>20,270,053</u>

Loan amounts owed to Group undertakings bear interest at market rates linked to LIBOR and have no fixed repayment date.

# St James Homes (Grosvenor Dock) Limited

## Notes to the Financial Statements (continued) 30 April 2018

### 10. Provisions and liabilities

	Construction liabilities £	Total £
At 1 May 2017	35,000	35,000
Released	(14,000)	(14,000)
At 30 April 2018	<u>21,000</u>	<u>21,000</u>

Of the total provisions at 30 April 2018, £14,000 is current (2017: £14,000) with £7,000 being long-term (2017: £21,000).

#### Construction liabilities

Provisions for other liabilities and charges primarily relate to provisions for a best estimate of certain post-completion development obligations in respect of the construction of complex mixed-use developments which are expected to be incurred in the ordinary course of business, based on historic experience of the Company's sites and current site specific risks, but which are uncertain in terms of timing and quantum. The Company continually reviews its utilisation of this provision and, in recognition that the risk of post-completion development obligations reduces over time, releases any unutilised provision to the income statement on a systematic basis across the five years following post-completion.

### 11. Called up share capital

	2018 £	2017 £
<b>Authorised:</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Issued and fully paid:</b>		
1 (2017: 1) Ordinary share of £1	<u>1</u>	<u>1</u>

### 12. Ultimate parent undertaking and controlling party

The immediate parent undertaking is St James Group Limited. The ultimate parent undertaking and controlling party is The Berkeley Group Holdings plc, a company registered in England and Wales. The Berkeley Group Holdings plc is the only group for which these results have been consolidated. Copies of these group accounts are publicly available from the Company Secretary at Berkeley House, 19 Portsmouth Road, Cobham, KT11 1JG.

### 13. Related Party Transactions

There were no related party transactions with parties which are not wholly owned subsidiaries of The Berkeley Group Holdings plc.