

Registered number: 04121676

St James Homes (Grosvenor Dock) Limited

Annual Report and Financial Statements

For the Year Ended 30 April 2023



St James Homes (Grosvenor Dock) Limited

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St James Homes (Grosvenor Dock) Limited

Strategic Report For the Year Ended 30 April 2023

Introduction

The Directors present their Strategic Report for the year ended 30 April 2023.

Principal activities, review of the business and future review

The Company's principal activity is, and will continue to be, that of residential led, mixed use 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 1 to 101 of the 2023 Annual Report of The Berkeley Group Holdings plc.

Results

The results for the Company show a loss before tax of £33,268,178 (2022: loss £596,624) and turnover of £245,300 (2022: £359,160). The Company's loss for the financial year is £25,439,265 (2022: profit £480,505).

As at 30 April 2023, the Company had a net liability position of £21,115,465 (2022: net asset £4,323,800).

Going concern

The Company has sufficient access to 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. 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 (see note 2.4).

This report was approved by the board on 17 January 2024 and signed on its behalf.



R. J. Stearn
Director

St James Homes (Grosvenor Dock) Limited

Directors' Report For the Year Ended 30 April 2023

The Directors present their report and the financial statements for the year ended 30 April 2023.

Results and dividends

The loss for the year, after taxation, amounted to £25,439,265 (2022: loss £480,505).

The Directors did not pay an interim dividend and do not recommend a final dividend (2022: £nil).

Directors

The Directors who served during the year under review and up to the date of signing this report were:

R C G Perrins
R J Stearn
J M Davies (appointed 27 January 2023)
P I Hopkins (resigned 17 January 2023)
P Kemkers
J Tibaldi (appointed 27 January 2023)
C N Walter (resigned 9 August 2022)

Directors' Indemnities

The Company's ultimate parent undertaking, The Berkeley Group Holdings plc, maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against the Directors and officers of the Company.

In addition, the Articles of Association of the Company allow that the Directors and officers of the Company may be indemnified in respect of liabilities incurred as a result of their office.

Political donations

The Company made no political donations (2022: £nil) during the year under review.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed 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 ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

St James Homes (Grosvenor Dock) Limited

Directors' Report (continued)
For the Year Ended 30 April 2023

Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP, will be deemed to have been reappointed as Auditor, and KPMG LLP will therefore continue in office.

This report was approved by the board on 17 January 2024 and signed on its behalf.



R J Stearn

Director

Berkeley House
19 Portsmouth Road
Cobham
Surrey
KT11 1JG

St James Homes (Grosvenor Dock) Limited

Directors' Responsibilities Statement For the Year Ended 30 April 2023

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 accounting 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 2023 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2023 and of its loss 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

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Independent Auditor's Report to the Members of St James Homes (Grosvenor Dock) Limited

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors internal audit and inspection of policy documentation as to the ultimate parent company, The Berkeley Group Holdings plc's high-level policies and procedures to prevent and detect fraud including the internal audit function, and the Company's channel for "whistleblowing, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board minutes;
- Considering remuneration incentive schemes (primarily the 2011 LTIP, Long-term Option Plan and Restricted Share Plan) and performance targets for management and Directors, including any revenue and trading margin targets for management remuneration; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as cost of sale recognition and post completion development provisioning.

On this audit we do not believe there is a fraud risk related to revenue recognition as the accounting for the Company's revenue is non-complex and only recognised on the legal completion of the sale, being the point at which the balance of the sale is paid for and title of the unit transfers to the customer. There are therefore limited levels of judgement with limited opportunities for manual intervention in the sales process to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on specific risk-based criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted to unusual accounts, and those with missing user identification;
- Evaluated the business purpose of significant unusual transactions; and
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Independent Auditor's Report to the Members of St James Homes (Grosvenor Dock) Limited

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: UK planning permission and building regulations, health and safety, anti-bribery, anti-money laundering and sanctions checking, employment laws, data protection laws and environmental laws. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

Independent Auditor's Report to the Members of St James Homes (Grosvenor Dock) Limited

Directors' responsibilities

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.

Auditor's responsibilities

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.

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.



Kevin Rose (Senior statutory auditor)
for and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

18 January 2024

St James Homes (Grosvenor Dock) Limited

**Profit and Loss Account
For the Year Ended 30 April 2023**

	Note	2023 £	2022 £
Turnover		245,300	359,160
Cost of sales		(33,719,526)	(1,179,780)
Gross loss		(33,474,226)	(820,620)
Administrative expenses		(50,253)	(7,335)
Operating loss	6	(33,524,479)	(827,955)
Interest receivable	8	256,301	231,503
Interest payable	9	-	(172)
Loss before tax		(33,268,178)	(596,624)
Tax on loss	10	7,828,913	116,119
Loss for the financial year		(25,439,265)	(480,505)

There are no items of other comprehensive income for 2023 or 2022 other than the loss for the year. As a result, no separate Statement of Comprehensive Income has been presented.

The notes on pages 12 to 21 form part of these financial statements.

St James Homes (Grosvenor Dock) Limited
Registered number: 04121676

Balance Sheet
As at 30 April 2023

	Note	2023 £	2022 £
Current assets			
Stock	11	480,853	447,862
Debtors: amounts falling due within one year	12	27,209,665	6,686,139
		<u>27,690,518</u>	<u>7,134,001</u>
Creditors: amounts falling due within one year	13	(15,096,441)	(2,810,201)
Net current assets		<u>12,594,077</u>	<u>4,323,800</u>
Provision for liabilities	14	(33,709,542)	-
Net (liabilities)/assets		<u>(21,115,465)</u>	<u>4,323,800</u>
Capital and reserves			
Share capital	15	1	1
Profit and loss account		(21,115,466)	4,323,799
Total equity		<u>(21,115,465)</u>	<u>4,323,800</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 January 2024.



R.J. Stearn
Director

The notes on pages 12 to 21 form part of these financial statements.

St James Homes (Grosvenor Dock) Limited

**Statement of Changes in Equity
For the Year Ended 30 April 2023**

	Share capital £	Profit and loss account £	Total equity £
At 1 May 2021	1	4,804,304	4,804,305
Loss for the year	-	(480,505)	(480,505)
At 1 May 2022	1	4,323,799	4,323,800
Loss for the year	-	(25,439,265)	(25,439,265)
At 30 April 2023	1	(21,115,466)	(21,115,465)

The notes on pages 12 to 21 form part of these financial statements.

St James Homes (Grosvenor Dock) Limited

Notes to the Financial Statements For the Year Ended 30 April 2023

1. General information

St James Homes (Grosvenor Dock) Limited (the "Company") is a private limited 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.

2. Accounting policies

2.1 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.

2.2 Basis of preparation of financial statements

These financial statements have been 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.

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 5 below.

The following principal accounting policies have been applied:

2.3 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of The Berkeley Group Holdings plc as at 30 April 2023 and these financial statements may be obtained from Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG.

**Notes to the Financial Statements
For the Year Ended 30 April 2023**

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Directors have assessed the business plan and future funding requirements of the Company, as part of the Berkeley Group Holdings plc group of companies (The Berkeley Group), over the medium term and compared these with the level of existing cash resources and committed loan facilities that The Berkeley Group has, which are available to all subsidiaries within the group, including the Company.

In making this assessment, consideration has been given to the uncertainty inherent in future financial forecasts and where applicable, severe but plausible sensitivities have been applied to the key factors affecting the financial performance of the Company and The Berkeley Group. The Directors have a reasonable expectation that the Company will have sufficient funds, dependent on its fellow Berkeley Group entities not seeking repayment of the amounts currently due to the group, which at 30 April 2023 amounted to £11,804,079, and providing additional financial support during the going concern assessment period. The Berkeley Group Holdings Plc has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.5 Turnover

Turnover represents the amounts receivable from rental income of commercial property.

2.6 Expenditure

Expenditure recorded in stock 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.

Notes to the Financial Statements
For the Year Ended 30 April 2023

2. Accounting policies (continued)

2.7 Taxation

The Company applies IAS 12 'Income Taxes' in accounting for taxes on income. Income tax payable on taxable profits (current tax) is recognised as an expense in the periods in which the profits arise. In the autumn Budget 2021, a new 4% Residential Property Developer Tax (RPDT) was introduced which is effective from 1 April 2022. RPDT is intended to fund the cost of remedial cladding works borne by the Government and is treated as income tax.

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

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 Profit and Loss Account, 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.

2.8 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 stock 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.

2. Accounting policies (continued)

2.9 Debtors

Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Expected credit losses are based on the difference between the contracted cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted on an approximation of the original effective interest rate. Any expected credit losses are immaterial. For debtors the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. 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 a debtor is not collectible, 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.

2.10 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 interest payable and similar expenses.

2.11 Share Capital

Ordinary shares are classified as equity.

2.12 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 post completion development provisions.

**Notes to the Financial Statements
For the Year Ended 30 April 2023**

3. Adoption of new and revised standards

The following amendments to standards and interpretations are applicable to the Company and are mandatory for the first time for the financial year beginning 1 May 2022:

IAS 16 Property, Plant and Equipment: Proceeds before Intended Use;
IAS 37 Onerous Contracts: Cost of Fulfilling a Contract;
IFRS 3 Business Combinations: References to the Conceptual Framework; and
Annual Improvements to IFRS 9 Financial Instruments.

The Company did not have to change its accounting policies or make retrospective adjustments as a result of these amendments.

4. Impact of standards and interpretations in issue but not yet effective

The International Accounting Standards Board (IASB) has published a number of minor amendments to IFRS's which will be applicable to the Company for the financial year beginning 1 May 2023. These amendments are not expected to have a significant impact on the results of the Company:

Amendments to IAS 1 Presentation of Financial Statements;
Amendments to IFRS 17 Insurance Contracts;
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
Amendments to IAS 12 Income Taxes.

**Notes to the Financial Statements
For the Year Ended 30 April 2023**

5. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise their 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 within the relevant notes below.

(a) Cost of sales recognition

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 stocks 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 in determining each site's margin which is used to estimate cost of sales when turnover is recognised for each unit, 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 all 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 stock 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 stock at each reporting date as this is a function of costs incurred in the year and the allocation of stock to costs of sales on each property sold.

An increase or decrease to estimated costs recognised in the year, by virtue of a 1% change to forecast development margin, would lead to a change in cost of sales and stock of £337,195 in the current financial year (2022: £11,798). This sensitivity is based on a reasonably possible scenario and is provided in the absence of a change to any other factor affecting future gross margins on the Company's developments, such as a change in future sales prices.

(b) Post completion development 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.

Provisions include a best estimate of the expected value of its post completion development obligations in respect of the construction of the Company's portfolio of complex mixed use property developments which are expected to be incurred in the ordinary course of business, based on historical experience of the Company's sites and current site-specific risks, including matters relating to building fire-safety, but which are uncertain in terms of timing and quantum. Provisions are discounted to present value where the effect is material.

The Company continually reviews the identified risks that it is aware of for the Company's portfolio of developments to ensure that the amount of the provision remains appropriate. The increase in the year relates to post completion items on a number of sites including matters relating to building fire-safety. 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 Profit and Loss Account on a systematic basis across the ten years following completion.

If costs estimated in the post completion development provision are overstated or understated by 10%, this would lead to a change in cost of sales and provision of £3,370,954 in the current financial year (2022: £nil).

St James Homes (Grosvenor Dock) Limited

**Notes to the Financial Statements
For the Year Ended 30 April 2023**

6. Operating loss

The auditor's remuneration in relation to the Company of £3,000 (2022: £2,500) is borne by the Parent undertaking, The Berkeley Group plc. No other fees are payable to KPMG LLP.

7. Employees

There were no employees or staff costs incurred by the Company during the year (2022: £nil).

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.

8. Interest receivable

	2023 £	2022 £
Interest receivable from group companies	<u>256,301</u>	<u>231,503</u>

9. Interest payable

	2023 £	2022 £
Other interest payable	<u>-</u>	<u>172</u>

10. Taxation

	2023 £	2022 £
Current tax including RPDT		
Current tax on profits for the year	(7,828,274)	(116,119)
Adjustments in respect of previous periods	(639)	-
Total current tax	<u>(7,828,913)</u>	<u>(116,119)</u>
Taxation on loss	<u>(7,828,913)</u>	<u>(116,119)</u>

Notes to the Financial Statements
For the Year Ended 30 April 2023

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 19.5% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Loss before tax	<u>(33,268,178)</u>	<u>(596,624)</u>
Loss multiplied by standard rate of corporation tax in the UK of 19.5% (2022: 19%)	(6,487,295)	(113,359)
Adjustments in respect of prior periods	(639)	-
RPDT charge in year	<u>(1,340,979)</u>	<u>(2,760)</u>
Total tax charge for the year	<u>(7,828,913)</u>	<u>(116,119)</u>

Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25%, effective from 1 April 2023, was substantively enacted on 24 May 2021. Residential Property Developer Tax ("RPDT") was introduced with effect from 1 April 2022.

11. Stock

	2023 £	2022 £
Work in progress	<u>480,853</u>	<u>447,862</u>

12. Debtors

	2023 £	2022 £
Trade debtors	1,798,955	1,985,790
Amounts owed by group undertakings	25,410,710	4,700,349
	<u>27,209,665</u>	<u>6,686,139</u>

Loan amounts from group undertakings are unsecured, bear interest at rates linked to The Bank of England base rate and have no fixed repayment date.

St James Homes (Grosvenor Dock) Limited

**Notes to the Financial Statements
For the Year Ended 30 April 2023**

13. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,497,274	1,312,820
Amounts owed to group undertakings	11,804,079	-
Corporation tax	29,198	-
Accruals and deferred income	1,765,890	1,497,381
	<u>15,096,441</u>	<u>2,810,201</u>

14. Provisions

	Construction liabilities £
Charged to profit or loss	33,729,542
Utilised in year	(20,000)
At 30 April 2023	<u>33,709,542</u>

Of the total provisions at 30 April 2023, £23,225,542 is current (2022: £nil) with £10,484,000 being long term (2022: £nil).

(a) Construction liabilities

Provisions for other liabilities and charges recognised in the year are a best estimate of post completion development obligations in respect of the construction of a completed mixed use development relating to building fire-safety matters, 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 Profit and Loss Account on a systematic basis across the 10 years following post completion.

15. Share capital

	2023 £	2022 £
Authorised		
1,000 (2022: 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 (2022: 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

St James Homes (Grosvenor Dock) Limited

**Notes to the Financial Statements
For the Year Ended 30 April 2023**

16. 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, Surrey, KT11 1JG.