Registered number: 02264097

Berkeley Strategic Land Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

Berkeley Strategic Land Limited

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2020

Introduction

The Directors present their Strategic Report for the year ended 30 April 2020.

Principal activities, review of the business and future developments

The Company's principal activity is, and will continue to be, that of identification and promotion of residential and mixed use developments, and this may include the acquisition of certain land assets through outright purchase or the control of strategic land.

Due to the long term nature of the business activity the financial results of individual reporting periods vary.

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 79 of the 2020 Annual Report of The Berkeley Group Holdings plc.

Results

The results for the Company show a loss on ordinary activities before tax of £5,976k (2019: profit of £14,559k) and turnover of £nil (2019: £17,446k). The Company's loss for the financial year is £4,889k (2019: profit of £11,732k).

As at 30 April 2020 the Company had a net liability position of £8,628k (2019: £3,739).

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 23 October 2020 and signed on its behalf.

R J Stearn
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2020

The Directors present their report and the financial statements for the year ended 30 April 2020.

Results and dividends

The loss for the year, after taxation, amounted to £4,889k (2019: profit £11,732k).

Directors

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

R C Perrins
R J Stearn
A D Brown
S L Fairless
S P Gorman
A W Pidgley (until 26 June 2020)

Qualifying third party indemnity provisions

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.

Employment policy

An Equal Opportunities Policy was introduced in 2001. Following periodic reviews (the most recent in September 2010) the policy is now an Equality and Diversity Policy with the aim of ensuring that all employees, potential employees and other individuals receive equal treatment (including access to employment, training and opportunity for promotion) regardless of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief (including lack of belief), sex or sexual orientation.

All disclosures concerning diversity of the Group's Directors, senior management and employees (as required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013) are contained within the Strategic Report, on page 43 of the 2020 Annual Report of the Berkeley Group Holdings plc.

The Group has implemented Human Rights, Modern Slavery and Child Labour policies in support of human rights which are implicit in all of its pre existing corporate policies and procedures. The Group believes these policies to be effective in promoting and protecting human rights by establishing clear ethical standards for ourselves and our expectations for those external parties who work with the Group or on our behalf.

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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2020

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 23 October 2020 and signed on its behalf.

R J Stearn
Director
Berkeley House
19 Portsmouth Road
Cobham
Surrey
KT11 1JG

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 APRIL 2020

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 Financial Reporting Standard 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 to 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 BERKELEY STRATEGIC LAND LIMITED

Opinion
We have audited the financial statements of Berkeley Strategic Land Limited ("the Company") for the year ended 30 April 2020 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 2020 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").

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 a year from the date of approval of the financial statements. 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. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Other information
The Directors are responsible for the other information, which comprises the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusions thereon.

Our responsibility is to read the other information 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 other information;
- in our opinion the information given in the Strategic Report and the Directors' Report 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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

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.

Tom Eve (Senior statutory auditor)
for and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants
Statutory Auditor
15 Canada Square
London
E14 5GL
23 October 2020

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2020

	Note	2020 £000	2019 £000
Turnover		-	17,446
Operating expenses		(4,291)	(1,918)
Gross (loss)/profit		(4,291)	15,528
Administrative expenses		(4)	-
Operating (loss)/profit	5	(4,295)	15,528
Interest payable and similar expenses	8	(1,681)	(969)
(Loss)/profit before tax		(5,976)	14,559
Tax on (loss)/profit	9	1,087	(2,827)
(Loss)/profit for the financial year		(4,889)	11,732

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 10 to 22 form part of these financial statements.

Berkeley Strategic Land Limited
REGISTERED NUMBER: 02264097

BALANCE SHEET
AS AT 30 APRIL 2020

	Note	2020 £000	2019 £000
Fixed assets			
Right-of-use assets	11	-	-
Current assets			
Stocks	12	**5,809**	4,885
Debtors: amounts falling due within one year	13	**43,943**	43,895
Bank and cash balances		**8,324**	3,139
		58,076	51,919
Creditors: amounts falling due within one year	14	**(58,541)**	(47,783)
Net current (liabilities)/assets		**(465)**	4,136
Creditors: amounts falling due after more than one year	15	**(8,163)**	(7,875)
		(8,628)	(3,739)
Net liabilities		**(8,628)**	(3,739)
Capital and reserves			
Called up share capital	17	-	-
Profit and loss account		**(8,628)**	(3,739)
Total equity		**(8,628)**	(3,739)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 October 2020.

R J Stearn
Director

The notes on pages 10 to 22 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2020

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 May 2018	-	(15,471)	(15,471)
Profit for the year	-	11,732	11,732
At 1 May 2019	-	(3,739)	(3,739)
Loss for the year	-	(4,889)	(4,889)
IFRS 16 application adjustment at 1 May 2019	-	-	-
At 30 April 2020	-	(8,628)	(8,628)

The notes on pages 10 to 22 form part of these financial statements.

1. General information

Berkeley Strategic Land 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's principal activity is, and will continue to be, that of identification and promotion of residential and mixed use developments.

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

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006..

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

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 paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- 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

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 over the medium-term, which indicate that taking account of reasonably possible downsides the Company will have sufficient funds, through funding from other Berkeley Group entities, to meet its liabilities as they fall due for that period. Those forecasts are dependent on the Berkeley Group entities not seeking full repayment of the amounts currently due to the group, which at 30 April 2020 amounted to £56,705k, and providing additional financial support during that period as required.

The Berkeley Group entities have indicated their intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek full repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. 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 a minimum of 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 Basis of consolidation

The Company is a wholly owned subsidiary of The Berkeley Group Holdings plc and is included in the consolidated financial statements of The Berkeley Group Holdings plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006. The address of the ultimate parent's registered office is Berkeley House, 19 Portsmouth Road, Cobham, KT11 1JG.

2.6 Turnover

Turnover represents the amounts receivable from the sale of land in the UK. Land is treated as sold and profits are taken when contracts are exchanged.

2.7 Expenditure

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.

2. Accounting policies (continued)

2.8 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.

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. Accounting policies (continued)

2.9 Right-of-use assets

IFRS 16 'Leases' replaces IAS 17 'Leases' and IFRIC 4 'Determining whether an Arrangement contains a Lease' setting out criteria for recognition, measurement and disclosure of leases. The standard is effective for periods beginning on or after 1 January 2019 and has been implemented by the Company from 1 May 2019. The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of the initial application is recognised in retained earnings at 1 May 2019. Comparative information has therefore not been restated and is reported under the previous accounting policies.

Policy applicable from 1 May 2019:
The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. The Company determines the borrowing rate from external financing sources and adjusts this to reflect the term of the lease and the type of assets subject to the lease. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Company is reasonably certain to exercise that option. Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, and reducing it by the lease payments made. The lease liability is remeasured when the Company changes its assessment of whether it will exercise an extension or termination option.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability, plus any initial direct costs and an estimate of asset retirement obligations, less any lease incentives. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability. Depreciation is calculated on a straight line basis over the length of the lease.

The Company has elected to apply exemptions for short-term leases and leases for which the underlying asset is of low value. For these leases, payments are charged to the Profit and Loss Account on a straight line basis over the term of the relevant lease.

Right-of-use assets are presented separately in non-current assets on the face of the Balance Sheet and lease liabilities are shown separately on the Balance Sheet in current liabilities and non-current liabilities depending on the length of the lease term.

2.10 Investments

The Company's fixed asset investments are included in the Balance Sheet at cost less provision for any impairment.

2.11 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.

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 Cash and cash equivalents

Cash and cash equivalents comprises of cash balances in hand and at the bank.

2.15 Share capital

Ordinary shares are classified as equity.

3. New standards, amendments to standards and interpretations

The following new standard is applicable to the Company and is mandatory for the first time for the financial year beginning 1 May 2019:

IFRS 16 'Leases' replaces IAS 17 'Leases' and IFRIC 4 'Determining whether an Arrangement contains a Lease', setting out criteria for recognition, measurement and disclosure of leases. The standard is effective for periods beginning on or after 1 January 2019 and has been implemented by the Company from 1 May 2019. The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of the initial application is recognised in retained earnings at 1 May 2019. Comparative information has therefore not been restated and is reported under the previous accounting policies.

Under IFRS 16, most leases previously classified as operating leases under IAS 17 are recognised on the Balance Sheet as a right-of-use asset along with a corresponding lease liability.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 May 2019.

The associated right-of-use assets for the Company's leases were measured on a prospective basis, applying the new rules from 1 May 2019.

Impact on the financial statements:

On transition to IFRS 16, the Company recognised an additional £4,157 of right-of-use assets and £4,303 of lease liabilities. The net difference of £146 was recognised in retained earnings.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Company is reasonably certain to exercise that option. Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, and reducing it by the lease payments made. The lease liability is remeasured when the Company changes its assessment of whether it will exercise an extension or termination option.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability, plus any initial direct costs and an estimate of asset retirement obligations, less any lease incentives. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability. Depreciation is calculated on a straight line basis over the length of the lease.

The Company has elected to apply exemptions for short-term leases and leases for which the underlying asset is of low value. For these leases, payments are charged to the Profit & Loss Account on a straight line basis over the term of the relevant lease. For the year ended 30 April 2020, payments charged to the Profit and Loss Account related to low value and short-term leases were insignificant.

Right-of-use assets are presented separately in non-current assets on the face of the Balance Sheet and lease liabilities are shown separately on the Balance Sheet in current liabilities and non-current liabilities depending on the length of the lease term.

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 2020. These amendments are not expected to have a significant impact on the results of the Company.

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020 £000	2019 £000
Staff costs (note 5)	**2,019**	2,351
Interest payable to group undertakings	**1,393**	681
Preference share interest payable	**288**	288
Depreciation on right-of-use asset	**4**	-

The auditor's remuneration in relation to the Company of £4,000 (2019: £3,000) is borne by the Parent undertaking. No other fees are payable to KPMG LLP.

6. Employees

Staff costs, including Directors' remuneration, were as follows:

	2020 £000	2019 £000
Wages and salaries	**1,696**	1,966
Social security costs	**218**	294
Cost of defined contribution scheme	**105**	91
	2,019	2,351

The average monthly number of employees, including the Directors, during the year was as follows:

	2020 No.	2019 No.
Residential development activities	**13**	14

7. Directors' remuneration

Mr A W Pidgley, Mr R C G Perrins and Mr R J Stearn were Directors of The Berkeley Group Holdings plc and provided their services primarily to that company. As such, their remuneration is paid by and disclosed in full in the Annual Report and Accounts of The Berkeley Group Holdings plc, pages 106 to 134. The nature of their respective roles across the entire The Berkeley Group Holdings plc group is such that 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. Therefore the following disclosures exclude any allocation of remuneration to the Company in respect of these Directors. Mr S Fairless is an employee of Berkeley Group Services Limited and provides his services primarily to that company. As such, his remuneration is paid by and disclosed in the accounts of Berkeley Group Services Limited.

	2020 £000	2019 £000
Directors' emoluments	491	408
Company contributions to defined contribution pension schemes	38	37
	529	445

The highest paid Director received remuneration of £299k (2019: £358k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £30k (2019: £30k).

During the year a defined contribution scheme, The Berkeley Group plc Group Personal Pension Plan was in place. The assets of this scheme were held in separate trustee administered funds. At the financial year end there were no contributions outstanding to the scheme (2019: £nil).

The Company did not provide any emoluments directly to Mr A W Pidgley, Mr R C Perrins or Mr R J Stearn (2019: £nil). 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. The following disclosures therefore exclude these Directors as their services to this company were of negligible value.

8. Interest payable and similar expenses

	2020 £000	2019 £000
Interest payable to group undertakings	1,393	681
Other loan interest payable	288	288
Interest on lease liabilities	-	-
	1,681	969

9. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	**(1,045)**	2,845
Adjustments in respect of previous years	**2**	(120)
	(1,043)	2,725
Total current tax	**(1,043)**	2,725
Deferred tax		
Deferred tax movement	**(42)**	(17)
Adjustments in respect of previous year	**(2)**	119
Total deferred tax	**(44)**	102
Taxation on (loss)/profit on ordinary activities	**(1,087)**	2,827

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £000	2019 £000
(Loss)/profit on ordinary activities before tax	**(5,976)**	14,559
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	**(1,135)**	2,766
Effects of:		
Adjustments to tax charge in respect of prior years	**-**	(1)
Other timing differences leading to an increase (decrease) in taxation	**(7)**	7
Non-deductible preference share interest	**55**	55
Total tax charge for the year	**(1,087)**	2,827

9. Taxation (continued)

Factors that may affect future tax charges

Changes to UK corporation tax rates were substantively enacted as part of the Finance (No 2) Act 2015 on 18 November 2015 and the Finance Act 2016 on 15 September 2016. These changes included reductions to the main rate of corporation tax to 19% from 1 April 2017 and to 17% from 1 April 2020. At the Budget 2020, the Government announced that the corporation tax main rate for years starting 1 April 2020 and 2021 would remain at 19% and the change was substantially enacted for IFRS and UK GAAP purposes on 17 March 2020. As a result, the deferred taxes at the Balance Sheet date have been measured using these revised rates and are based on when the assets are expected to be realised.

10. Investments

	2020 £	2019 £
Shares in subsidiary company		
Opening Balance at 1 May	1	1
At 30 April 2020	1	1

Investments comprise one £1 Ordinary share in Berkeley One Hundred and Thirteen Limited, a UK registered holding company. Details of the subsidiary is provided in note 19 of the financial statements. Directors believe that the carrying value of the investment is supported by its underlying net assets.

11. Right-of-use assets

	Motor vehicles £	Total £
1 May 2019	4,157	4,157
Depreciation	(4,157)	(4,157)
At 30 April 2020	-	-

The amounts recognised in the Profit & Loss Account relating to interest on lease liabilities is disclosed in note 8.

12. Stock

	2020 £000	2019 £000
Land not under development	**5,809**	4,885

13. Debtors

	2020 £000	2019 £000
Amounts owed by group undertakings	**43,736**	43,735
Other debtors	**12**	9
Prepayments	**1**	1
Deferred taxation	**194**	150
	43,943	43,895

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.

14. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	**-**	75
Amounts owed to group undertakings	**56,705**	45,582
Other creditors	**170**	227
Accruals and deferred income	**1,666**	1,899
	58,541	47,783

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

15. Creditors: Amounts falling due after more than one year

	2020 £000	2019 £000
Interest accrued on preference shares at 5.75%	**3,163**	2,875
Redeemable preference shares	**5,000**	5,000
	8,163	7,875

In the event of the winding up of the Company the holders shall be entitled to the repayment of the capital paid up on the shares together with any arrears of preferential interest, in priority to any payments to the holders of the Ordinary shares.

16. Deferred taxation

	2020 £000
At beginning of year	**150**
Deferred tax charge in profit and loss account	**34**
The effect of the increase in tax rate to 19.0% (2019: 19.0%)	**8**
Adjustment in respect of prior years	**2**
At end of year	**194**

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Short term timing differences	**194**	150

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% as appropriate (2019: 19%/17%). There is no unprovided deferred tax (2019: £nil) at the Balance Sheet date.

17. Share capital

	2020 £	2019 £
Shares classified as equity		
Allotted, called up and fully paid		
2 (2019: 2) Ordinary shares of £1 each	**2**	2

	2020 £	2019 £
Shares classified as debt		
Allotted, called up and fully paid		
5,000,000 (2019: 5,000,000) Preference shares of £1 each	**5,000,000**	5,000,000

18. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Berkeley Residential 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.

19. Subsidiary companies

In accordance with section 409 of the Companies Act 2006 a full list of subsidiaries, partnerships, associates, joint ventures and joint arrangements, the country of incorporation, the registered address and the effective percentage of equity owned, as at 30 April 2020 is disclosed below.

The company listed below is incorporated in England and Wales and has their registered office address at Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG. The company is wholly owned and has ordinary share capital.

Direct subsidiary undertaking
Berkeley One Hundred and Thirteen Limited *

* The above company is a non-trading company as at 30 April 2020.