

Registered number: 11223300

Paddington Green Propco Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023



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**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 developments

The Company's principal activity is, and will continue to be, that of property development focusing on regeneration and mixed use developments. During the year under review, the Company entered into a long lease and associated development agreement in respect of a property at West End Gate, London W2, as a long-term investment asset for the purposes of rental income and capital growth.

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

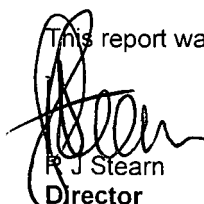
The Company received no income and incurred no expenditure and therefore made neither a profit or loss during the current and prior years.

As at 30 April 2023, the Company had net assets of £35,000k (2022: £nil).

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 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 10 October 2023 and signed on its behalf.



R J Stearn
Director

Paddington Green Propco 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.

Directors

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

R C G Perrins
R J Stearn
P M Vallone

Political donations

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

Qualifying third party indemnity provisions

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.

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.

Auditor

In accordance with section 485(3)(b) of the Companies Act 2006, KPMG LLP were appointed as auditor of the Company on 10 August 2023.

This report was approved by the board on 10 October 2023 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 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 PADDINGTON GREEN PROPCO LIMITED

Opinion

We have audited the financial statements of Paddington Green Propco 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 result 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 PADDINGTON GREEN PROPCO 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 and inspection of policy documentation as to the ultimate parent company, The Berkeley Group Holdings plc's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the Directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, 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. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

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 (as required by auditing standards), and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

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.

This company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PADDINGTON GREEN PROPCO LIMITED

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' responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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
Statutory Auditor

15 Canada Square
London
E14 5GL
11 October 2023

Paddington Green Propco Limited

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2023**

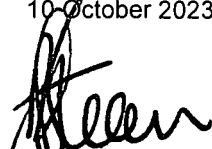
The Company has not traded during the current and prior years. During the year, and the prior year, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

The notes on pages 10 to 14 form part of these financial statements.

BALANCE SHEET
AS AT 30 APRIL 2023

	Note	2023 £000	2022 £000
Fixed assets			
Investment property		43,832	-
Current liabilities			
Creditors	9	(8,832)	-
Net assets		<u>35,000</u>	<u>-</u>
Capital and reserves			
Share capital	10	<u>35,000</u>	<u>-</u>
Total equity		<u>35,000</u>	<u>-</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 October 2023.


R J Stearn
Director

The notes on pages 10 to 14 form part of these financial statements.

Paddington Green Propco Limited

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2023**

	Share capital £000	Total equity £000
At 1 May 2022	-	-
Shares issued during the year	35,000	35,000
At 30 April 2023	35,000	35,000

The notes on pages 10 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023**

1. General information

Paddington Green Propco Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales. The registered address is Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG. The Company is engaged in activities of property development focusing on regeneration 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

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 6 below.

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 with £8,832k accrued at 30 April 2023, in respect of investment property under construction which will be due to The Berkeley Group on completion of the development agreement in respect of land at West End Gate. The Berkeley Group entities have indicated that they do not intend to seek payment of this amount 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 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Changes in fair values are recognised in the Profit and Loss Account. Investment properties are derecognised when they have been disposed of.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023**

2. Accounting policies (continued)

2.6 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.

2.7 Share Capital

Ordinary shares are classified as equity.

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:

— 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 the following amendments to IFRSs 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 IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
— Amendments to IAS 12 Income Taxes.

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. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements that required disclosure.

6. Auditor's remuneration

The auditor's remuneration in relation to the Company of £6k (2022: £nil) is borne by the parent undertaking, Berkeley Homes public limited company.

No other fees are payable to KPMG LLP (2022: £nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023**

7. Directors and employees

There were no employees or staff costs during the year or prior year.

No Director received any emoluments during the year (2022: £nil) 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. Investment property

	Property under construction £000
Valuation	
At 1 May 2022	-
Additions at cost	43,832
At 30 April 2023	43,832

9. Creditors

	2023 £000	2022 £000
Accruals	8,832	-

10. Share capital

	2023 £000	2022 £000
Allotted, called up and fully paid		
35,000,000 (2022:1) Ordinary shares of £1 each	35,000	-

On 23 February 2018 when the Company was incorporated its initial shareholding was 1 Ordinary share with a nominal value of £1. On 31 March 2023, 34,999,999 Ordinary shares were issued with a nominal value of £1 each for £34,999,999.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023**

11. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Berkeley Homes public limited company. 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.