

Company No. 02444254

# **NOTTING HILL DEVELOPMENTS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2022**



# **NOTTING HILL DEVELOPMENTS LIMITED**

## **Report and financial statements for the year ended 31 March 2022**

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# NOTTING HILL DEVELOPMENTS LIMITED

Company No. 02444254  
Registered in England and Wales

## List of Officers and Professional Advisers

### Directors

Kate Davies  
Abayomi Okunola (appointed 29 September 2021)  
John Hughes  
Vipul Thacker  
Katie Yallop  
Elly Hoult  
Rajiv Peter (appointed 1 April 2022)

### Executive Board

Chief Executive  
Chief Financial Officer  
Group Development Director  
Group Director of Central Services  
Group Director of Sales and Building Safety  
Group Director of Assets  
Chief Information Officer  
Chief Financial Officer  
Chief Operating Officer  
Group Director of Housing  
Group Director of Commercial Services

Kate Davies  
Abayomi Okunola (appointed 29 September 2021)  
John Hughes  
Vipul Thacker  
Katie Yallop  
Elly Hoult  
Rajiv Peter (appointed 1 April 2022)  
Paul Phillips (resigned 21 August 2021)  
Andrew Belton (resigned 31 March 2022)  
Carl Byrne (resigned 17 August 2022)  
Mark Vaughan (resigned 17 August 2022)

### Company Secretary

Andrew Nankivell

### Registered Office

Bruce Kenrick House  
2 Killick Street  
London  
United Kingdom  
N1 9FL

### Independent Auditors

BDO LLP  
55 Baker Street  
London  
W1U 7EU

### Bankers

Barclays Bank PLC  
Business Banking  
Floor 28  
1 Churchill Place  
London  
E14 5HP

### Principal Solicitors

Devonshires  
30 Finsbury Circus  
London  
EC2M 7DT

# NOTTING HILL DEVELOPMENTS LIMITED

## Strategic report

The directors present their strategic report and the audited financial statements of the company for the year ended 31 March 2022.

## Principal activities and review of the business

The Company was set up to acquire land and then construct residential properties for sale on the open market and to other entities in the Notting Hill Genesis Group. The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. During the year ended 31 March 2022, the company acquired a site at the eastern end of the Royal Docks, in the London Borough of Newham, from Great Eastern Homes LLP, another entity in the Notting Hill Group. The company has subsequently entered a contract with Galliford Try Partnerships to commence the construction of the first phase of over 800 homes and commercial space on the site.

## Result for the year

There was a profit for the year of £3,546,000 (2021: £5,622,000). As at 31 March 2022, the company had total assets of £120,001,000 (2021: £148,450,000), total liabilities of £92,296,000 (2021: £120,681,000) and total equity of £27,705,000 (2021: £27,769,000).

The Board has considered the potential impact of external factors such as reductions in house prices, costs, inflation and interest rates rises resulting from the war in Ukraine and the effect of Covid-19 which could adversely affect the key risks of the business. The key risks and uncertainties under Board review include unsold homes and liquidity. Going forward, we continue to monitor developments closely and adapt our working practices as required.

## Distribution

As at 31 March 2022, the directors recommended a gift aid payable of £3,610,000 (2021: £5,623,000) as a distribution of reserves. The Directors do not recommend a declaration of a dividend for the year (2021: £nil).

## Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Notting Hill Genesis group (the 'Group') and are not managed separately. Accordingly, the principal risks and uncertainties of Notting Hill Genesis, which include those of the Company are as follows:

- declining Sales;
- changes to government policy, legislation and regulation;
- failure to comply with Health and Safety standards;
- liquidity risk;
- governance; and
- failure in customer service delivery.

## Financial risk management

The Company is exposed to credit risk if counter parties fail to make payments as they fall due in respect of external trade debtors. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counter party fails to make contractual payments within 60 days of when they fall due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company does not have significant exposure to other types of financial risks.

# NOTTING HILL DEVELOPMENTS LIMITED

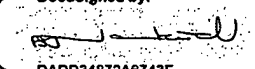
## Strategic report (continued)

### Key performance indicators

The directors of Notting Hill Genesis manage the Group's operations on a divisional basis. A suite of key performance indicators is reported to the Group Board each quarter, with each metric links to a theme within the Corporate Strategy as follows:

- Our residents
- Our homes
- Providing new homes
- Our people
- Financial strength

The Strategic report was approved by the board on 31 October 2022 and signed on its behalf by:

DocuSigned by:  
  
DADD34872A6743F  
Andrew Nankivell  
Company secretary

# **NOTTING HILL DEVELOPMENTS LIMITED**

## **Directors' report**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2022.

## **Future developments**

Notting Hill Developments Limited will continue to invest in the acquisition and development of property in the Greater London area. Construction in the UK has been significantly impacted by the war in Ukraine and the Covid-19 pandemic, which resulted the closure of development sites, reduction in house prices, costs, inflation and interest rates rises and increased uncertainty within the commercial and residential property markets. The impact of these events is being carefully monitored by the directors with an action plan being developed to enable residential developments to be completed in a timely manner. As at the date of this report, the directors do not believe that there has been a material adverse impact on residential property schemes under construction. However, market conditions remain under review.

## **Going concern**

The financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operational existence for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business. The directors have considered the potential impacts from various scenarios that could adversely affect the Company's future plans. These include but are not limited to an evaluation of the financial position and its cash flow forecasts for the year ahead to ensure they are reasonable. Based on these considerations, the directors believe that preparing the financial statements on the going concern basis is appropriate and that no material uncertainty exists.

## **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Kate Davies  
Abayomi Okunola (appointed 29 September 2021)    Chairman  
John Hughes  
Vipul Thacker  
Katie Yallop  
Elly Hoults  
Rajiv Peter (appointed 1 April 2022)  
Paul Phillips (resigned 21 August 2021)  
Andrew Belton (resigned 31 March 2022)  
Carl Byrne (resigned 17 August 2022)  
Mark Vaughan (resigned 17 August 2022)

No director had any beneficial interest in shares of the company or any fellow subsidiary company during the year.

## **Independent Auditors**

The reappointment of the auditors, BDO LLP, will be proposed at the Annual General Meeting.

## **Directors' indemnities**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

# NOTTING HILL DEVELOPMENTS LIMITED

## Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detecting of fraud and other irregularities.

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.

The directors of the ultimate parent company are responsible for maintenance and integrity of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

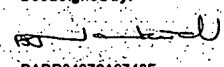
## Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Bruce Kenrick House  
2 Killick Street  
London  
United Kingdom  
N1 9FL

Approved by the Board of  
Directors and signed  
by order of the Board

DocuSigned by:  
  
DADD34872A8743F...

**Andrew Nankivell**  
Company Secretary

**31 October 2022**

**Company No. 02444254**

# **NOTTING HILL DEVELOPMENTS LIMITED**

## **Independent Auditors' report to the members of Notting Hill Developments Limited**

### **Opinion**

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Notting Hill Developments Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



# **NOTTING HILL DEVELOPMENTS LIMITED**

## **Independent Auditors' report to the members of Notting Hill Developments Limited (continued)**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information including the strategic report and the directors' report and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

### **Responsibilities of Directors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# NOTTING HILL DEVELOPMENTS LIMITED

## Independent Auditors' report to the members of Notting Hill Developments Limited (continued)

### Auditors' responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Companies House, and we considered the extent to which non-compliance might have a material effect on the Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- we understood how the company is complying with the legal and regulatory frameworks most significant to the company by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes;
- we assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by discussing with management where it is considered there was a susceptibility of fraud relating to management override of controls and improper income recognition. In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals and tested the application of cut-off and revenue recognition;
- reviewed and challenged the application of significant accounting estimates and judgements made in the preparation of the financial statements;
- discussed with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud; and
- read minutes of meetings of those charged with governance, reviewed internal audit reports and reviewed correspondence with HMRC and regulators.

## NOTTING HILL DEVELOPMENTS LIMITED

### Independent Auditors' report to the members of Notting Hill Developments Limited (continued)

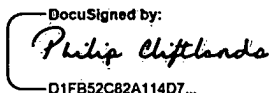
#### Auditors' responsibilities for the audit of the financial statements (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of this report

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.

DocuSigned by:  
  
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Philip Cliftlands  
Senior Statutory Auditor  
For and on behalf of BDO LLP  
Chartered Accountants and Registered Auditors  
London

Date: 20 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**NOTTING HILL DEVELOPMENTS LIMITED**

Company No. 02444254  
Registered in England and Wales

**Statement of comprehensive income**

For the year ended 31 March 2022

	Note	2022 £000	2021 £000
Turnover	2	64,237	89,176
Cost of sales		(59,891)	(83,011)
<b>Gross profit</b>		<b>4,346</b>	<b>6,165</b>
Administrative expenses		(759)	(625)
<b>Operating profit</b>		<b>3,587</b>	<b>5,540</b>
Other operating income		-	82
<b>Profit before interest and taxation</b>		<b>3,587</b>	<b>5,622</b>
Interest receivable and similar income	5	23	-
Interest payable and similar expenses	6	-	-
<b>Profit before taxation</b>	7	<b>3,610</b>	<b>5,622</b>
Tax on profit	8	(64)	-
<b>Profit after taxation</b>		<b>3,546</b>	<b>5,622</b>

The turnover and profit for the financial year are derived from continuing operations in the United Kingdom.

**NOTTING HILL DEVELOPMENTS LIMITED**

Company No. 02444254  
Registered in England and Wales

**Statement of financial position**

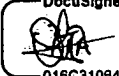
As at 31 March 2022

	Note	2022 £000	2021 £000 Restated
<b>Current assets</b>	18		
Properties in the course of sale	9	102,470	128,312
Debtors	10	12,160	14,843
Cash at bank and in hand		5,371	5,295
		<b>120,001</b>	<b>148,450</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(79,150)	(81,782)
		<b>40,851</b>	<b>66,668</b>
<b>Non-current liabilities</b>			
Creditors: amounts falling due after more than one year	12	(13,082)	(38,899)
Deferred tax liabilities	8	(64)	-
		<b>(13,146)</b>	<b>(38,899)</b>
<b>Net assets</b>		<b>27,705</b>	<b>27,769</b>
<b>Capital and reserves</b>			
Called up share capital	13	12,750	12,750
Share premium account	14	12,750	12,750
Retained earnings		2,205	2,269
<b>Total equity</b>		<b>27,705</b>	<b>27,769</b>

The restatement in 2021 relates to the balances in Properties in the course of sale and Creditors: amounts due within one year. Detailed explanation is disclosed in Note 18.

Notes on page 14 to 21 form part of these financial statements.

The financial statements on pages 11 to 21 were authorised and approved by the Board of Directors on 31 October 2022 and signed on its behalf by:

DocuSigned by:  
  
 016C3108488E481...  
 Abayomi Okunola  
 Director

**NOTTING HILL DEVELOPMENTS LIMITED**

**Company No. 02444254**  
**Registered in England and Wales**

**Statement of changes in equity**

**For the year ended 31 March 2022**

	<b>Called up share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total equity</b>
At 1 April 2020	12,750	12,750	2,269	27,769
Profit for the financial year	-	-	5,622	5,622
<b>Total comprehensive income for the year</b>	-	-	<b>5,622</b>	<b>5,622</b>
Gift aid payable, net of tax	-	-	(5,622)	(5,622)
<b>At 31 March 2021</b>	<b>12,750</b>	<b>12,750</b>	<b>2,269</b>	<b>27,769</b>
At 1 April 2021	12,750	12,750	2,269	27,769
Profit for the financial year	-	-	3,546	3,546
<b>Total comprehensive income for the year</b>	-	-	<b>3,546</b>	<b>3,546</b>
Gift aid payable, net of tax	-	-	(3,610)	(3,610)
<b>At 31 March 2022</b>	<b>12,750</b>	<b>12,750</b>	<b>2,205</b>	<b>27,705</b>

# **NOTTING HILL DEVELOPMENTS LIMITED**

## **Notes to the financial statements**

**For the year ended 31 March 2022**

### **1 General information**

Notting Hill Developments Limited is a private company limited by shares, incorporated in England and Wales. The address of its registered office is Bruce Kenrick House, 2 Killick Street, London, N1 9FL, United Kingdom. The nature of the company's operations and its principal activities are set out in the strategic report. The financial statements are presented in sterling (£).

### **2 Accounting policies**

#### **Basis of accounting**

The financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **Summary of 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.

#### **Basis of preparation**

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of except for the measurement of investment property at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also 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 3.

The company is a wholly owned subsidiary of Notting Hill Genesis and is included in the consolidated financial statements of the parent company which are publicly available. Consequently, the company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- reconciliation of the number of shares outstanding from the beginning to end of the period.
- related party disclosures.
- financial instruments.
- key Management Personnel compensation.
- cashflow statement and related notes.

#### **Basic Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

# **NOTTING HILL DEVELOPMENTS LIMITED**

## **Notes to the financial statements (continued)**

**For the year ended 31 March 2022**

### **2 Accounting policies (continued)**

#### **Going concern**

The financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operational existence for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business. The directors have considered the potential impacts from various scenarios that could adversely affect the Company's future plans. These include but are not limited to an evaluation of the financial position and its cash flow forecasts for the year ahead to ensure they are reasonable. Based on these considerations, the directors believe that preparing the financial statements on the going concern basis is appropriate and that no material uncertainty exists.

#### **Turnover**

All turnover is derived from UK operations, it represents sale proceeds net of any sales discounts and ancillary costs on the sale of completed homes sold in the open market and is recognised on completion of the sale.

Property sales income is recognised when the risks and rewards of ownership have passed to the buyer upon legal completion of the sales, except in circumstances where specific legal contractual terms dictate that risks and rewards of ownership pass at different times.

#### **Cost of sales**

Cost of sales includes an apportionment of the original cost of the land acquired for the development, plus the costs of building the property and any associated overhead costs incurred by Notting Hill Developments Limited.

#### **Stocks**

Stocks and work in progress are recognised in the balance sheet at the historic cost of acquiring land for development. Costs comprise materials, direct labour, direct development overheads and interest capitalised. At the period end, the directors review the value of the land shown in the balance sheet to ensure that the realisable value of the land exceeds the value shown in the balance sheet. No account is taken of any costs incurred by the developer partner in developing new homes for sale, as these costs are not due to the developer until the property is sold to a third party in the open market. Similarly, no account is taken of any incentive payments due to the developer, as they are not due until the sale of a completed home to a third party in the open market.

#### **Taxation**

The company is subject to corporation tax on its profits for the year using the current tax rates; however, these are normally paid as gift aid to Notting Hill Genesis (the ultimate parent entity).

The Company is registered for VAT as a separate entity.

#### **Gift aid**

Gift-aid payments are treated as distributions of profit and recognised as equity upon the creation of a legal obligation. Distributions of profit are shown in the statement of changes in equity.



# **NOTTING HILL DEVELOPMENTS LIMITED**

## **Notes to the financial statements (continued)**

**For the year ended 31 March 2022**

### **3 Critical accounting adjustments and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Impairment of stock and work in progress*

Completed properties and properties under construction for outright sale are valued at the lower of cost and net realisable value. Cost comprises land, payments to contractors, fees, direct development overheads and interest capitalised. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

At the end of each reporting period, work in progress is assessed for indicators of impairment. If a property is impaired, the identified property is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the statement of comprehensive income. Where a reversal of the impairment is required, the impairment charge is reversed, up to the original impairment loss and is recognised as a credit in the statement of comprehensive income.

#### **a) Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### **b) Critical judgements in applying Company's accounting policies**

There were no critical judgements exercised by management during the year in the process of applying the Company's accounting policies.

### **4 Employees and directors**

#### **Directors' emoluments**

The emoluments of the directors are paid by Notting Hill Genesis (the ultimate parent entity) which makes no recharge to the Company. They are directors of the Registered Provider and a number of subsidiaries, and it is not possible to make an accurate apportionment of his/her emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of these directors. His/her total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the ultimate Parent entity.

#### **Staff Costs**

There were no employees in Notting Hill Developments Limited during the year (2021: nil).

# NOTTING HILL DEVELOPMENTS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 March 2022

### 5 Interest receivable and similar income

	2022	2021
Interest receivable	23	-
	<u>23</u>	<u>-</u>

### 6 Interest payable and similar expenses

	2022 £000	2021 £000
On amounts owed to group undertakings	783	2,279
External loan interest payable	264	240
Capitalised interest	(1,047)	(2,519)
	<u>-</u>	<u>-</u>

### 7 Profit before taxation

Profit before taxation is stated after charging:

	2022 £000	2021 £000
Auditors' remuneration		
External audit fee (excluding VAT)	13	4
	<u>13</u>	<u>4</u>

### 8 Taxation

Tax on profit:

	2022 £000	2021 £000
Deferred tax	64	-
UK tax on profit for the financial year	<u>64</u>	<u>-</u>

# NOTTING HILL DEVELOPMENTS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 March 2022

### 8 Taxation (continued)

#### Deferred tax liability

	Increases in fair value of investment properties £000
At 31 March 2021	-
Charged to the statement of comprehensive income	64
At 31 March 2022	<u>64</u>

The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

#### Total tax charge reconciliation:

	2022 £000	2021 £000
Profit before taxation	3,610	5,622
Corporation tax at 19% (2021: 19%)	686	1,068
Chargeable losses	-	(1,068)
Adjustment of closing deferred tax to average rate of 20%	15	-
Gift Aid relief	(637)	-
Tax on profit on ordinary activities	64	-
<b>Total tax charge</b>	<b>64</b>	<b>-</b>

# NOTTING HILL DEVELOPMENTS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 March 2022

### 9. Properties in the course of sale

	2022 £000	2021 £000 Restated
<b>Properties under construction</b>		
Outright sale properties	51,332	21,867
First tranche properties - on behalf of Other Group members	7,741	-
Outright sale properties - on behalf of Other Group members	4,952	1,640
	<u>64,025</u>	<u>23,507</u>
<b>Completed unsold homes</b>		
Outright sale properties	20,209	39,333
	<u>20,209</u>	<u>39,333</u>
Landbank	18,236	65,472
	<u>102,470</u>	<u>128,312</u>

The amount transferred to cost of sales in the year was £59,891,000 (2021: £83,011,000).

### 10 Debtors: amounts falling due within one year

	2022 £000	2021 £000
Trade debtors	2,855	1,918
Rental receivables	19	13
Prepayments and accrued income	2,797	4,201
Amounts owed by group undertakings	6,452	8,478
VAT receivable	37	233
	<u>12,160</u>	<u>14,843</u>

### 11 Creditors: amounts falling due within one year

	2022 £000	2021 £000 Restated
Amounts owed to group undertakings	64,374	69,681
Gift aid payable	3,610	5,623
Other creditors	160	150
Accruals and deferred income	10,521	4,192
Trade creditors	478	2,134
Rent paid in advance	5	-
Taxation and social security	2	2
	<u>79,150</u>	<u>81,782</u>

# NOTTING HILL DEVELOPMENTS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 March 2022

### 12 Creditors: amounts falling due after more than one year

	2022 £000	2021 £000
Loans from parent	-	11,838
Amounts owed to group undertakings	13,082	27,061
	<b>13,082</b>	<b>38,899</b>

	2022 £000	2021 £000
<b>Analysis of loan repayments</b>		
- more than 5 years	13,082	38,899
	<b>13,082</b>	<b>38,899</b>

The loan is secured against the assets of the Company, and it carries an interest rate of LIBOR plus a margin of 4.37% (2021: 4.01%).

### 13 Called up share capital

	2022 £000	2021 £000
Allotted and fully paid		
100 (2021: 100) ordinary shares of £1 each	-	-
12,750,000(2021: 12,750,000) redeemable preference shares of £1 each.	12,750	12,750

The share capital of Notting Hill Developments Limited consists of shares with a nominal value of £1 each. There are two classes of shares, Ordinary and Redeemable Preference. Each class of share carries no rights to interest, dividends or bonus.

### 14 Share premium account

	2022 £000	2021 £000
As at end of year	<b>12,750</b>	<b>12,750</b>

# NOTTING HILL DEVELOPMENTS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 March 2022

### 15 Capital commitments

	2022 £000	2021 £000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	80,022	31,094

The capital expenditure that has been contracted for but has not been provided for in the financial statements will be funded by loans from group undertakings and by sales of completed properties.

### 16 Related party transactions

There are no other related party transactions in the year that require disclosure in the accounts.

### 17 Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party at the year ended 31 March 2022 was Notting Hill Genesis, a charity incorporated as a community benefit society under the Co-operative and Community Benefit Societies Act 2014 and is a Registered Provider of Social Housing, Registered number 4880.

Notting Hill Genesis was the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2022. The consolidated financial statements of Notting Hill Genesis are available from Bruce Kenrick House, 2 Killick Street, London, United Kingdom, N1 9FL or on their website.

### 18 Prior year adjustments

<b>Properties in the course of sale</b>	<b>2021 £000</b>
<b>Landbank</b>	
At 31 March 2021, as previously reported	11,872
Prior year adjustment	53,600
<b>At 31 March 2021, as restated</b>	<b>65,472</b>
<b>Creditors: amounts falling due within one year</b>	<b>2021 £000</b>
<b>Amounts owed to group undertakings</b>	
At 31 March 2021, as previously stated	16,081
Prior year adjustment	53,600
<b>At 31 March 2021, as restated</b>	<b>69,681</b>

The agreement in respect of the land at Lampton Road, was signed on the 13 February 2019. It relates to the sale of land from NHG to Notting Hill Developments Limited. It was not transferred in 2019 in error. As a result, prior year figures for stocks and intercompany creditors have changed to take account of the sale in the amount of £53.6m. The land was sold at cost, therefore there is no impact on surplus.