

Company No. 02444254

# **NOTTING HILL DEVELOPMENTS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2023**

WEDNESDAY



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# NOTTING HILL DEVELOPMENTS LIMITED

## Report and financial statements for the year ended 31 March 2023

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# NOTTING HILL DEVELOPMENTS LIMITED

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

## List of officers and professional advisers

### Executive Board

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

Patrick Franco (appointed 3 January 2023)  
Susan Hickey (appointed 18 May 2023)  
John Hughes  
  
Katie Yallop  
Vipul Thacker  
Rajiv Peter  
Matthew Cornwall-Jones (appointed 3 January 2023)  
Carl Byrne (resigned (17 August 2022)  
(Mark Vaughan (resigned 17 August 2022)  
Eleanor Hoult (resigned 31 December 2022)  
Kate Davies (resigned 2 January 2023)  
Abayomi Okunola (resigned 18 May 2023)  
(Mark Vaughan (resigned 17 August 2022)

### Company Secretary

Andrew Nankivell

### Registered Office

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

### Bankers

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

### Principal Solicitors

Devonshires  
30 Finsbury Circus  
London  
EC2M 7DT

### Independent Auditors

Crowe UK LLP  
Chartered Accountants and Statutory Auditors  
55 Ludgate Hill  
London  
EC4M 7JW

# 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 2023.

## 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 Commercial Properties Limited 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 2015, 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 £4,632,000 (2022: £3,546,000). As at 31 March 2023, the company had total assets of £113,179,000 (2022: £120,001,000), total liabilities of £109,620,000 (2022: £117,796,000) and total equity of £3,559,000 (2022: £2,205,000).

## 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

Further details of the results of these key performance indicators are included within the financial statements of Notting Hill Genesis.

## Distribution

As at 31 March 2023, the directors recommended a gift aid payable of £4,778,000 (2022: £3,610,000) as a distribution of reserves. The directors do not recommend a declaration of a dividend for the year (2022: £nil).

# NOTTING HILL DEVELOPMENTS LIMITED

## Strategic report (continued)

### 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:

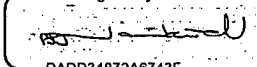
- Declining sales;
- Changes to government policy, legislation and regulation;
- Failure to comply with Health and Safety standards;
- Liquidity risk;
- Governance; and
- Failure in customer service delivery.

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 effect of the war in Ukraine 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.

### 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.

The Strategic report was approved by the board and signed on its behalf on 2<sup>nd</sup> January 2024 by:

DocuSigned by:  
  
QADD34872A6743F...  
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 2023.

## 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 directors have received confirmation that the ultimate parent undertaking, Notting Hill Genesis will provide all necessary financial support to the company for at least one year after these financial statements are signed. The directors have considered the ability of Notting Hill Genesis to provide sufficient financial support and the impacts from numerous multi-variant adverse scenarios which could potentially affect Notting Hill Genesis' future plans. These include but are not limited to its cash flow forecasts for the year ahead to ensure they are reasonable, reduction in house prices, costs, inflation and interest rates rises resulting from the war in Ukraine.

Based on our discussions with the Board of Notting Hill Genesis and a review of their financial position and forecasts for the year ahead we believe that Notting Hill Genesis is able to provide such support. As a result, 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:

Patrick Franco (appointed 3 January 2023)  
John Hughes  
Katie Yallop  
Vipul Thacker  
Rajiv Peter  
Matthew Cornwall-Jones (appointed 3 January 2023)  
Carl Byrne (resigned 17 August 2022)  
Mark Vaughan (resigned 17 August 2022)  
Eleanor Hoult (resigned 31 December 2022)  
Kate Davies (resigned 2 January 2023)  
Abayomi Okunola (resigned 18 May 2023)

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

## Independent Auditors

The ultimate parent undertaking Notting Hill Genesis appointed Crowe UK LLP as the new group auditors through a tender process in December 2022. The group auditors are reappointed on an annual basis.

## **NOTTING HILL DEVELOPMENTS LIMITED**

### **Directors' report (continued)**

#### **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.

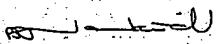
## Directors' confirmations

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:  
  
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**Andrew Nankivell**  
**Company Secretary**  
2/1/2024

.....  
**Company No. 02444254**



# **NOTTING HILL DEVELOPMENTS LIMITED**

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

### **Opinion**

We have audited the financial statements of Notting Hill Developments Limited for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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.

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

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.

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

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.

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:

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the apportionment of costs allocated across developments, the assumptions applied in the consideration of impairment of properties in the course of sale, the assessment of recoverability of investments in joint ventures and amounts due from group undertakings and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, ensuring policies are appropriate under the relevant accounting standards and applicable law, corroborating balances recognised to supporting documentation on a sample basis ensuring those policies are followed, reviewing accounting estimates and judgements for biases, reviewing regulatory correspondence with relevant regulators and reading minutes of meetings of those charged with governance.

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 (irregularities) 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 irregularities as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, forgery, collusion or the provision of intentional misrepresentations. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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.

## NOTTING HILL DEVELOPMENTS LIMITED

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

#### 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:

*Peter Gilligan*

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Peter Gilligan  
Senior Statutory Auditor  
For and on behalf of  
**Crowe UK LLP**  
Statutory Auditors  
London

3/1/2024

Date: .....

**NOTTING HILL DEVELOPMENTS LIMITED**

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

**Statement of comprehensive income**

For the year ended 31 March 2023

	<b>Note</b>	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Turnover	2	51,077	64,237
Cost of sales		(46,415)	(59,891)
<b>Gross profit</b>		<b>4,662</b>	<b>4,346</b>
Administrative expenses		66	(759)
<b>Operating profit</b>		<b>4,728</b>	<b>3,587</b>
<b>Profit before interest and taxation</b>		<b>4,728</b>	<b>3,587</b>
Interest receivable and similar income	5	427	23
Interest payable and similar expenses	6	(427)	-
Impairment of properties in the course of sale		(160)	-
<b>Profit before taxation</b>	7	<b>4,568</b>	<b>3,610</b>
Tax on profit	8	64	(64)
<b>Profit after taxation</b>		<b>4,632</b>	<b>3,546</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 2023**

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Investments	9	1,500	-
		<b>1,500</b>	<b>-</b>
<b>Current assets</b>			
Properties in the course of sale	10	79,904	102,470
Debtors	11	30,167	12,160
Cash at bank and in hand		1,608	5,371
		<b>111,679</b>	<b>120,001</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(109,620)	(104,650)
<b>Net current assets</b>		<b>2,059</b>	<b>15,351</b>
<b>Total assets less current liabilities</b>		<b>3,559</b>	<b>15,351</b>
<b>Non-current liabilities</b>			
Creditors: amounts falling due after more than one year	13	-	(13,082)
Deferred tax liabilities	8	-	(64)
		<b>-</b>	<b>(13,146)</b>
<b>Net assets</b>		<b>3,559</b>	<b>2,205</b>
<b>Capital and reserves</b>			
Called up share capital	14	750	-
Share premium account	15	750	-
Retained earnings		2,059	2,205
<b>Total equity</b>		<b>3,559</b>	<b>2,205</b>

Notes on page 15 to 24 form part of these financial statements.

The financial statements on pages 12 to 24 were authorised and approved by the board of directors and signed on its behalf on 2<sup>nd</sup> January 2024. by:

DocuSigned by:  
  
 2AE2C81F5BE34F1...  
**Matthew Cornwall Jones**  
 Director

Date..... 2/1/2024

**NOTTING HILL DEVELOPMENTS LIMITED**

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

**Statement of changes in equity**

**For the year ended 31 March 2023**

	<b>Called up share capital £000</b>	<b>Share premium £000</b>	<b>Retained earnings £000</b>	<b>Total equity £000</b>
At 1 April 2021, as restated (note 19)	-	-	2,269	2,269
Profit for the financial year	-	-	3,546	3,546
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>3,546</b>	<b>3,546</b>
Gift aid payable, net of tax	-	-	(3,610)	(3,610)
<b>At 31 March 2022, as restated (note 19)</b>	<b>-</b>	<b>-</b>	<b>2,205</b>	<b>2,205</b>
At 1 April 2022	-	-	2,205	2,205
Profit for the financial year	-	-	4,632	4,632
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,632</b>	<b>4,632</b>
Gift aid payable, net of tax	-	-	(4,778)	(4,778)
Proceeds from shares issued	750	750	-	1,500
<b>At 31 March 2023</b>	<b>750</b>	<b>750</b>	<b>2,059</b>	<b>3,559</b>

# NOTTING HILL DEVELOPMENTS LIMITED

## Notes to the financial statements

For the year ended 31 March 2023

### 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 functional currency of Notting Hill Developments Limited is GBP (£) and figures in the primary statements and notes have been rounded to the nearest thousand.

### 2 Accounting policies

#### Basis of accounting

The financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UKGAAP) 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 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:

- Related party disclosures;
- Financial instruments;
- Key management personnel compensation; and
- 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 2023**

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

#### **Going concern**

The directors have received confirmation that the ultimate parent Limited, Notting Hill Genesis will provide all necessary financial support to the company for at least one year after these financial statements are signed. The directors have considered the ability of Notting Hill Genesis to provide sufficient financial support and the impacts from numerous multi-variant adverse scenarios which could potentially affect Notting Hill Genesis' future plans. These include but are not limited to its cash flow forecasts for the year ahead to ensure they are reasonable, reduction in house prices, costs, inflation and interest rates rises resulting from the war in Ukraine.

Based on our discussions with the Board of Notting Hill Genesis and a review of their financial position and forecasts for the year ahead we believe that Notting Hill Genesis is able to provide such support. As a result, 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.

#### **Impairment**

Assets will be reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, assets are written down to the recoverable amount. Any such write down would be charged to operating profit or loss.

#### **Investments**

Investments in jointly controlled entities are recognised at cost less impairment in these financial statements.

#### **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.

# NOTTING HILL DEVELOPMENTS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 2 Accounting policies (continued)

#### 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.

### 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.

#### 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.

##### (i) *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.

##### (ii) *Recoverability of investments*

Investments in joint ventures are measured at cost in these financial statements. When the carrying value exceeds the net asset value of that investment, an impairment is triggered.

# NOTTING HILL DEVELOPMENTS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 3 Critical accounting adjustments and estimation uncertainty (continued)

#### (iii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience of cash collection from tenants. Management have specifically considered the likelihood of recovery of all debtors with specific consideration of non-payment after the end of the year. These financial statements take into account relevant events that have occurred since the end of the financial year that may indicate that debtors due at the year may not be recoverable.

#### 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 (2022: nil).

### 5 Interest receivable and similar income

	2023 £000	2022 £000
On amounts owed by group undertakings	427	-
Interest receivable	-	23
	<b>427</b>	<b>23</b>

### 6 Interest payable and similar expenses

	2023 £000	2022 £000
On amounts owed to group undertakings	2,245	783
External loan interest payable	584	264
Capitalised interest	(2,402)	(1,047)
	<b>427</b>	<b>-</b>

**NOTTING HILL DEVELOPMENTS LIMITED****Notes to the financial statements (continued)****For the year ended 31 March 2023****7 Profit before taxation**

Profit before taxation is stated after charging:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Auditors' remuneration		
External audit fee (excluding VAT)	11	13

**8 Taxation**

Tax on profit:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Deferred tax	(64)	64
UK tax on profit for the financial year	(64)	64

**Deferred tax liability**

	<b>(Decreases)/Inc reases in fair value of investment properties £000</b>
At 31 March 2022	64
Charged to the statement of comprehensive income	(64)
At 31 March 2023	-

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

From 1 April 2023, there is no longer a single Corporation Tax rate for non-ring fence profits. The Corporation Tax main rate for non-ring fence profits will increase from 19% to 25% for profits above £250,000.

# NOTTING HILL DEVELOPMENTS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 8 Taxation (continued)

#### Total tax charge reconciliation:

	2023 £000	2022 £000
Profit before taxation	4,568	3,610
Corporation tax at 19% (2022: 19%)	868	686
Expenses not deductible for tax purposes	30	-
Adjustment of closing deferred tax to average rate of 20%	-	15
Adjustment of opening deferred tax to average rate of 20%	(64)	-
Gift Aid relief	(898)	(637)
Tax on profit on ordinary activities	(64)	64
<b>Total tax (credit)/charge</b>	<b>(64)</b>	<b>64</b>

### 9 Investments

	2023 £000	2022 £000
Investments in Joint Venture	1,500	-

Company (subsidiary)	Principal activity	Parent	Country of registration
Spray Street Quarter LLP	Spray Street Quarter LLP set up as a Jointly controlled entity to develop and sell properties.	Notting Hill Developments Limited - 50% control	England and Wales

During the year, Notting Hill Developments Limited invested £1,500,000 into the equity of Spray Street Quarter LLP, a Joint Venture with Notting Hill Commercial Properties Limited, its immediate parent undertaking, which is also a member of the Notting Hill Genesis group.

**NOTTING HILL DEVELOPMENTS LIMITED****Notes to the financial statements (continued)**

For the year ended 31 March 2023

**9 Investments (continued)**

Joint Venture financial results:

Name	Nature of business	Proportion of holding	Profit/(loss) for the year before tax		Net assets	
			2023 £000	2022 £000	2023 £000	2022 £000
Spray Street Quarter LLP	To acquire and develop site in Woolwich Town Centre to construct 612 residential units and 8,770 square meters of non-residential space.	50%	-	-	8,053	-
			-	-	8,053	-

**10 Properties in the course of sale**

	2023 £000	2022 £000
<b>Properties under construction</b>		
Outright sale properties	41,538	51,332
First tranche properties - on behalf of other group members	7,959	7,741
Outright sale properties - on behalf of other group members	6,879	4,952
	56,376	64,025
<b>Completed unsold homes</b>		
Outright sale properties	6,339	20,209
	6,339	20,209
Landbank	17,189	18,236
<b>Total of properties in the course of sale</b>	<b>79,904</b>	<b>102,470</b>

The amount transferred to cost of sales in the year was £46,415,000 (2022: £59,891,000).

**11 Debtors: amounts falling due within one year**

	2023 £000	2022 £000
Amounts owed by group undertakings	27,640	6,452
Prepayments and accrued income	2,045	2,797
Rental receivables	33	19
Trade debtors	433	2,855
VAT receivable	16	37
	30,167	12,160

# NOTTING HILL DEVELOPMENTS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 March 2023

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

	2023 £000	2022 £000 Restated
Amounts owed to group undertakings	97,153	89,874
Accruals and deferred income	7,098	10,521
Gift aid payable	4,753	3,610
Other creditors	188	160
Rent paid in advance	2	5
Taxation and social security	-	2
Trade creditors	426	478
	<b>109,620</b>	<b>104,650</b>

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

	2023 £000	2022 £000
Amounts owed to group undertakings	-	13,082
	<b>-</b>	<b>13,082</b>

	2023 £000	2022 £000
<b>Analysis of loan repayments</b>		
- more than 5 years	-	13,082
	<b>-</b>	<b>13,082</b>

The loan is secured against the assets of the company and it carries an interest rate of LIBOR plus a margin of 5.94% (2022: 4.37%).

### 14 Called up share capital

	2023 £000	2022 £000 Restated
Allotted and fully paid		
750,000 (2022: nil) redeemable £1 ordinary shares of £2 each	750	-
	<b>750</b>	<b>-</b>

# NOTTING HILL DEVELOPMENTS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 14 Called up share capital (continued)

During the year to 31 March 2023, a total of 750,000 redeemable ordinary shares of £1 each were issued at a premium of £1. 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 ordinary. Each class of share carries no rights to interest, dividends or bonus.

### 15 Share premium account

	2023 £000	2022 £000 Restated
As at beginning of year	-	-
Issue of 750,000 (2022: nil) redeemable ordinary shares of £1 each at premium of £1 per share	750	-
As at end of year	<u>750</u>	<u>-</u>

### 16 Capital commitments

	2023 £000	2022 £000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	53,350	80,022

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.

### 17 Related party transactions

Notting Hill Developments Limited is a partner in the following Joint Venture.

Partnership (Joint Venture)	Principal activity	Parent	Country of registration
Spray Street Quarter LLP	Develops and sells properties	Notting Hill Developments Limited - 50% control	England and Wales

During the year the company contributed £1,500,000 into the members' capital of Spray Street Quarter LLP to fund development of land at Chobham Farm North zone 4 Stratford, London.

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



# NOTTING HILL DEVELOPMENTS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 18 Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party at the year ended 31 March 2023 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 2023. 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.

### 19 Prior year adjustments

<b>Creditors: amounts falling due within one year</b>	<b>2022</b>
	<b>£000</b>
<b>Amounts owed to group undertakings</b>	
At 31 March 2022, as previously reported	64,374
Prior year adjustment	25,500
<b>At 31 March 2022, as restated</b>	<b>89,874</b>

<b>Called up share capital</b>	<b>2022</b>
	<b>£000</b>
<b>12,750,000 redeemable preference £1 shares at £2 each</b>	
At 31 March 2022, as previously stated	12,750
Prior year adjustment	(12,750)
<b>At 31 March 2022, as restated</b>	<b>-</b>

<b>Share premium</b>	<b>2022</b>
	<b>£000</b>
<b>12,750,000 redeemable preference shares at a premium of £1</b>	
At 31 March 2022, as previously stated	12,750
Prior year adjustment	(12,750)
<b>At 31 March 2022, as restated</b>	<b>-</b>

The prior year adjustments have been done to correct the misallocation of redeemable preference shares of 12,750,000 at a premium of £2.00, from share capital and share premium accounts into long-term creditors.