

Company Registration No. 08857055

**NL MANAGEMENT (CAMPDEN
HILL) LIMITED**

Annual Report and Financial Statements

For the year ended 31 October 2019

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NL MANAGEMENT (CAMPDEN HILL) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019

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NL MANAGEMENT (CAMPDEN HILL) LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements of NL Management (Campden Hill) Limited for the year ended 31 October 2019.

ACTIVITIES, RESULTS, DIVIDENDS AND FUTURE PROSPECTS

The company's principal activity is the provision of property development manager services.

The results of the company for the year are shown on page 6. The profit for the year after tax is £2,059,276 (2018: profit of £5,488,283). During the year, the company accrued for promote fees due as part of the property development management agreement. Income from these promote fees total £2,525,153 (2018: £6,754,588). The promote fees recognised reflect the progress of a related party development and the distributions of profit resulting from the LLP.

The directors do not recommend the payment of a dividend (2018: £nil).

The directors have assessed, based on current projections, that the company has adequate resources to meet the on-going costs of the business for a minimum of 12 months from the date of signing the financial statements. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

DIRECTORS

The directors who served during the year and to the date of this report are as follows:

Mr. Alasdair John Nicholls
Mr. Philip John Blackman
Mr. Jonathan James Mantovani
Mr. David Howard Peck
Mr. Stephen Howard Rhodes Musgrave (resigned on 31 December 2018)
Mr. Nicholas Edward Bowles Gray
Mr. Andrew David Locke

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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; 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 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NL MANAGEMENT (CAMPDEN HILL) LIMITED

DIRECTORS' REPORT

DIRECTORS' INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant audit information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

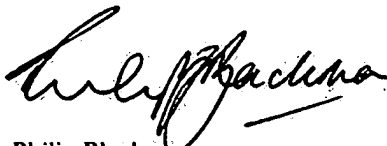
Small companies' exemption

The above report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006

Auditors

A resolution to re-appoint the auditor, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Philip Blackman

Company Secretary

Date: 20 July 2020

Registered office
The Pavilion
118 Southwark Street
London
SE1 0SW

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NL MANAGEMENT (CAMPDEN HILL) LIMITED

Opinion

We have audited the financial statements of NL Management (Campden Hill) Limited (the 'company') for the year ended 31 October 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the 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 FRS 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 October 2019 and of its profit 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter – impact of COVID-19

We draw attention to note 1, "Going concern", of the financial statements, which describes the impact of COVID-19 on the company. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NL MANAGEMENT (CAMPDEN HILL) LIMITED (CONTINUED)**

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Directors' Report.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NL MANAGEMENT (CAMPDEN HILL) LIMITED (CONTINUED)**

Auditor's 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.

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

Use of our 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.

Nexia Smith & Williamson

Andrew Bond

20 July 2020

Senior Statutory Auditor, for and on behalf of

Nexia Smith & Williamson

Statutory Auditor

Chartered Accountants

25 Moorgate

London

EC2R 6AY

NL MANAGEMENT (CAMPDEN HILL) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 October 2019

| | Note | 2019 £ | 2018 £ |
|--------------------------------------|------|------------------|--------------------|
| TURNOVER | 1, 2 | <u>2,565,653</u> | <u>6,822,488</u> |
| Gross profit | | 2,565,653 | 6,822,488 |
| Administrative expenses | | <u>(40,950)</u> | <u>(46,830)</u> |
| OPERATING PROFIT | 3 | 2,524,703 | 6,775,658 |
| Interest receivable | | 17,612 | - |
| PROFIT BEFORE TAXATION | | 2,542,316 | 6,775,658 |
| Tax on profit | | <u>(483,040)</u> | <u>(1,287,375)</u> |
| PROFIT FOR THE FINANCIAL YEAR | | <u>2,059,276</u> | <u>5,488,283</u> |

NL MANAGEMENT (CAMPDEN HILL) LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 October 2019

| | Note | 2019 £ | 2018 £ |
|---|------|------------------|--------------------|
| CURRENT ASSETS | | | |
| Debtors | 5 | 326,822 | 6,755,870 |
| Cash at bank and in hand | | 7,646,128 | 158 |
| | | <u>7,972,950</u> | <u>6,765,028</u> |
| CREDITORS: amounts falling due within one year | 6 | <u>(488,642)</u> | <u>(1,330,996)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET CURRENT ASSETS AND NET ASSETS | | <u>7,484,308</u> | <u>5,425,032</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | | 31 | 31 |
| Profit and loss account | | <u>7,484,277</u> | <u>5,425,001</u> |
| SHAREHOLDERS' FUNDS | | <u>7,484,308</u> | <u>5,425,032</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime, as set out within Part 15 of the Companies Act 2006.

The financial statements of NL Management (Campden Hill) Limited, registered number 08857055, were approved by the Board of Directors and authorised for issue on 20 July 2020.

Signed on behalf of the Board of Directors



Philip Blackman

Director

NL MANAGEMENT (CAMPDEN HILL) LIMITED

STATEMENT OF CHANGES IN EQUITY Year ended 31 October 2019

| | Called up share capital £ | Profit and loss account £ | Total £ |
|-------------------------------|------------------------------------|------------------------------------|------------|
| At 1 November 2017 | 31 | (63,282) | (63,251) |
| Profit for the financial year | - | 5,488,283 | 5,488,283 |
| At 31 October 2018 | 31 | 5,425,001 | 5,425,032 |
| Profit for the financial year | - | 2,059,276 | 2,059,276 |
| At 31 October 2019 | 31 | 7,484,277 | 7,484,308 |

NL MANAGEMENT (CAMPDEN HILL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 October 2019

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

General information and basis of accounting

NL Management (Campden Hill) Limited is a private company limited by shares incorporated in England and Wales. The address of the registered office is given on page 2.

The average monthly number of employees (including executive directors) was 5 (2018 - 5).

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

Going concern

In the light of Covid-19, the company has reassessed all of its cashflows going forward, including stress testing those, and has concluded that there is reasonable assurance the company has adequate resources to meet the on-going costs of the business for a minimum of 12 months from the date of signing the financial statements. For this reason, the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

It is planned that the company be wound up in the next few years as was always the intention alongside the completion of the development.

Revenue Recognition

Turnover comprises income (net of VAT) arising in the United Kingdom, for management and property development services that have been provided in the year. Revenue arising from the provision of services is recognised in the month the services are provided and is accrued if invoiced post the year end date. Promote fees are recognised as distributions from associated entities become payable and accrued if invoiced post the year end date.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial

NL MANAGEMENT (CAMPDEN HILL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 October 2019

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each statement of financial position date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

NL MANAGEMENT (CAMPDEN HILL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 2019

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have not made any estimates in the process of applying the Company's accounting policies when compiling the financial statements.

Critical judgements in applying the company's accounting policies

The follow are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue Recognition

The amount of revenue to be recognised is based on management's estimate of the fair value of the consideration received or receivable, on the successful completion of the associated entities development project and of the point in time at which management considers that it becomes probable that economic benefits will flow to the entity. Management consider the future sales income and potential costs of the development projects and apply a discount rate against the expected future cash flows. Management recognise promote fees at the point at which the distributions receivable can be reliably measured and when economic benefit is probable, therefore the critical judgement is determining the point at which the criteria are met. During the year, promote fees of £2,525,153 (2018 - £6,754,588) have been recognised.

Contingent Asset

In applying the company's accounting policies, the directors have made a critical judgement regarding contingent revenue as more fully disclosed in note 5. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable but not virtually uncertain.

3. PROFIT BEFORE TAXATION

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Profit before taxation is after charging: | | |
| Auditor's remuneration for audit services | 4,550 | 3,950 |
| Auditor's remuneration for taxation services | 4,000 | 2,950 |

NL MANAGEMENT (CAMPDEN HILL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 2019

4. DIRECTORS' EMOLUMENTS

| | 2019 £ | 2018 £ |
|---------------------------------|---------------|---------------|
| Aggregate directors' emoluments | <u>23,904</u> | <u>37,057</u> |

The directors regard the remuneration of directors as disclosed above to be the compensation paid to key management personnel.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 £ | 2018 £ |
|----------------------------------|----------------|------------------|
| Other debtors | 2,462 | 1,998 |
| Amounts due from related parties | <u>324,360</u> | <u>6,754,588</u> |
| | <u>326,822</u> | <u>6,756,586</u> |

Amounts due from related parties include accrued development project promote fees, as described in Note 2. The amounts are unsecured, interest free and payable in line with business terms.

The company has a contingent asset in relation to a potential right to receive payment for a percentage of profit on certain development it manages. The directors regard the likelihood of payment to depend on factors outside of the control of the company and therefore have not recognised a receivable. The directors estimate the potential asset to be £3.34m (2018: £4.03m).

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 £ | 2018 £ |
|---------------------------------|----------------|------------------|
| Trade Creditors | <u>4,326</u> | |
| Amounts owed to group companies | 10,656 | 32,816 |
| Taxation and social security | 464,660 | 1,288,330 |
| Accruals and deferred income | <u>9,000</u> | <u>9,580</u> |
| | <u>488,642</u> | <u>1,330,726</u> |

The amounts owed to group companies are unsecured, interest free and repayable on demand.

NL MANAGEMENT (CAMPDEN HILL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 2019

7. RELATED PARTY TRANSACTIONS

During the year, the company accrued for development project promote fees due from GC Campden Hill LLP upon the distribution of profits, a limited liability partnership with common shareholder members. Income from these promote fees total £2,525,153 (2018: £6,754,588). At the 31 October 2019, the amounts accrued from related parties totalled £324,360 (2018: £6,754,588). This amount is included within 'Amounts due from related parties'.

8. CONTROLLING PARTY

The ultimate parent undertaking and controlling party is Native Land Limited, a limited company registered in England & Wales, which does not prepare consolidated accounts as it is the parent of a small group. Copies of the financial statements of Native Land Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.