

COMPANY REGISTRATION NUMBER: 09067599

**Hadley DM Services Ltd**  
**Filleted Financial Statements**  
**31 December 2020**

# Hadley DM Services Ltd

## Statement of Financial Position

**31 December 2020**

		2020	2019
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	4	45,621	15,940
<b>Current assets</b>			
Stocks		126,663	73,466
Debtors	6	268,052	166,256
Cash at bank and in hand		641,902	20,227
		1,036,617	259,949
<b>Creditors: amounts falling due within one year</b>	7	2,677,296	3,104,623
<b>Net current liabilities</b>		1,640,679	2,844,674
<b>Total assets less current liabilities</b>		( 1,595,058)	( 2,828,734)
<b>Creditors: amounts falling due after more than one year</b>	8	11,008	—
<b>Net liabilities</b>		( 1,606,066)	( 2,828,734)
<b>Capital and reserves</b>			
Called up share capital		3	3
Profit and loss account		( 1,606,069)	( 2,828,737)
<b>Shareholders deficit</b>		( 1,606,066)	( 2,828,734)

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 24 March 2021 , and are signed on behalf of the board by:

Mr B Higgins

Director

Company registration number: 09067599

# **Hadley DM Services Ltd**

## **Notes to the Financial Statements**

**Year ended 31 December 2020**

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### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Glazers Chartered Accountants, 843 Finchley Road, London, NW11 8NA, United Kingdom.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

To date the company has been funded by loans from its shareholders, who remain committed to the company's long term future. During 2020, Hadley Property Group entered into a strategic partnership with Clarion Housing Group to take advantage of future development opportunities. This partnership has led to the addition of 2 new development management engagements during 2020, helping to bolster the progress made in 2019. The positive cashflow that was generated during 2020 allowed further shareholder loan repayments of £630,000 (2019: £742,500). The company expects to add at least three further engagements during 2021 and has invested in additional resource to support this growth. It forecasts to further reduce the shareholder loan position significantly over the next 12 months. This positive outlook and ongoing commitment from the shareholders means the directors are confident the company will continue as a going concern for a period of at least 12 months

## **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Significant judgements** The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements concerns costs incurred in respect of prospective new development sites. The company's accounting policies are to recognise such 'new site costs' as an asset to the extent that it is viewed as likely that contracts will be exchanged on those sites and the costs will therefore be ultimately recoverable from the site owner. This requires management to exercise judgement with regard to the likelihood of individual sites exchanging in the future. At the period end the company is carrying such costs amounting to £126,663 (2019 - £73,466) in work in progress.

**Key sources of estimation uncertainty** Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key source of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year concerns revenue recognition. The company's accounting policy for revenue is to recognise development management fees on a straight line basis across the expected duration of the engagement. Management is therefore required to estimate the anticipated duration of each development management engagement it undertakes.

### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion, when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. When the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered. Development management fees are recognised in revenue on a straight line basis across the phase of the development to which they relate. Promotes or profit share receivable on exit is recognised in revenue in full upon a development project being successfully exited. Success fees for the sourcing of development opportunities are recognised in full in revenue upon the exchange of contracts for purchase.

### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	20% straight line
Fixtures and fittings	-	20% straight line

### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

**Investments in associates**

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

**Investments in joint ventures**

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

**Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### 4. Tangible assets

	Plant and machinery £	Fixtures and fittings £	<b>Total £</b>
<b>Cost</b>			
At 1 January 2020	23,135	–	23,135
Additions	35,498	8,190	43,688
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<b>At 31 December 2020</b>	<b>58,633</b>	<b>8,190</b>	<b>66,823</b>
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<b>Depreciation</b>			
At 1 January 2020	7,195	–	7,195
Charge for the year	12,369	1,638	14,007
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<b>At 31 December 2020</b>	<b>19,564</b>	<b>1,638</b>	<b>21,202</b>
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<b>Carrying amount</b>			
<b>At 31 December 2020</b>	<b>39,069</b>	<b>6,552</b>	<b>45,621</b>
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At 31 December 2019	15,940	–	15,940
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## 5. Investments

	Other investments other than loans £
<b>Cost</b>	
At 1 January 2020	—
Additions	10,001
<b>At 31 December 2020</b>	<b>10,001</b>
<b>Impairment</b>	
At 1 January 2020	—
Impairment losses	10,001
<b>At 31 December 2020</b>	<b>10,001</b>
<b>Carrying amount</b>	
<b>At 31 December 2020</b>	<b>—</b>
At 31 December 2019	—

## 6. Debtors

	2020 £	2019 £
Trade debtors	577	3,581
Amounts owed by group undertakings and undertakings in which the company has a participating interest	34,746	92,314
Other debtors	232,729	70,361
	<b>268,052</b>	<b>166,256</b>

## 7. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	149,132	216,521
Amounts owed to group undertakings and undertakings in which the company has a participating interest	460,928	472,881
Social security and other taxes	180,639	15,353
Shareholder loans	1,609,005	2,100,368
Interest on shareholder loans	239,372	228,350
Other creditors	38,220	71,150
	<b>2,677,296</b>	<b>3,104,623</b>

The shareholders loans are due for repayment in full on the earliest of 14 December 2021 and the company having adequate funds from the transaction fees for six months' worth of working capital (being an amount not less than £1,532,767). The loans attract interest at rates between 0% and 10%.

## 8. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Social security and other taxes	11,008	—



## 9. Summary audit opinion

The auditor's report for the year dated 24 March 2021 was unqualified .

The senior statutory auditor was Jeffrey N Kelly , for and on behalf of Coveney Nicholls Partnership LLP .

## 10. Related party transactions

The company is under the control of Hadley Property Group Holdings Limited. It has taken advantage of the exemption offered by FRS102 from disclosing transactions with other wholly owned members of the group.

**Transactions with directors** During the year the company acquired services of £153,893 (2019 - £174,525) from Dedicated Consultancy Limited, a related company in which the director Andrew Portlock is also a director in. At the year end the company owed £15,000 (2019 - £15,000) to Dedicated Consultancy Limited, in respect of those services. During the year the company acquired services of £165,904 (2019 - £163,586) from HUM Consultancy Limited, a related company in which the director Mark Lebihan is also a director in. At the year end the company owed £14,820 (2019 - £14,820) to HUM Consultancy Limited, in respect of those services. During the year the company acquired services of £135,372 (2019 - £111,875) from Horndon Solutions Limited, a related company in which the director Brian Higgins is also a director in. During the year the company acquired services of £242,941 (2019 - £252,008) from Highbond Properties Limited, a related company in which the directors Brian Higgins, Andrew Portlock and Mark Lebihan are also directors in. At the year end the company owed £89,659 (2019 - £66,025) to Highbond Properties Limited in respect of those services.

**Transactions with shareholders** The company has historically been advanced loans by Alvarium RE Ltd, a shareholder of the parent company. During the year the company was advanced a loan of £nil (2019 - £11,250) from Alvarium RE Limited. Repayments of £327,397 (2019 - £nil) were made during the year. Interest incurred on the loan in the year amounted to £61,353 (2019 - £68,166). At the year end the company owed £847,029 (2019 - £1,100,677) in respect of the loan and accrued interest. The company has historically been advanced loans by Garrick Street Properties Ltd, a shareholder of the parent company. Interest incurred on the loan in the year amounted to £31,446 (2019 - £31,360). At the year end the company owed £473,699 (2019 - £442,253) in respect of the loan and interest. The company has historically been advanced loans by Invisible Ring Ltd, a shareholder of the parent company. During the year the company was advanced a loan of £nil (2019 - £11,250) from Invisible Ring Limited. Repayments of £327,397 (2019 - £nil) were made during the year. Interest incurred on the loan in the year amounted to £56,860 (2019 - £63,686). At the year end the company owed £527,649 (2019 - £785,789) in respect of the loan and interest. During the year the company provided services and recharged costs totalling £nil (2019 - £108,505) to Hadley Blackwall Yard Property Limited, a company in which the ultimate shareholder of Invisible Ring Limited has an interest. At the year end the company was owed £nil (2019 - £nil) in respect of those services.

**Other related party transactions** The company has historically advanced loans to Hadley Development Solutions Limited, a company with common shareholders. During the year, the company loaned £nil (2019 - £694,478) to Hadley Development Solutions Limited. At the year end the company was owed £694,478 (2019 - £694,478) by Hadley Development Solutions Limited in respect of this loan. A provision of £nil (2019 - £694,478) was made against this balance during the year end. The cumulative balance recorded against this loan at the year end was £694,478 (2019 - £694,478). The company has historically advanced loans to Hadley Property Group Limited, a company with common shareholders. During the year, the company loaned £10,500 (2019 - £9,900) to Hadley Property Group Limited. At the year end the company was owed £56,772 (2019 - £46,272) by Hadley Property Group Limited in respect of this loan. A provision of £10,500 (2019 - £46,272) was made against this balance during the year. The cumulative balance recorded against this loan at the year end was £56,772 (2019 - £46,272). During the year the company provided services of £23,642 (2019 - £20,504) to Chelsea Island Developments Limited, a related company in which the directors Brian Higgins and Andrew Portlock are also directors in. At the year end the company was owed £23,180 (2019 - £3,600) by Chelsea Island Developments Limited in respect of those services.

**11. Controlling party**

The parent company of Hadley DM Services Limited is Hadley Property Group Holdings Limited, registered at 16 Garrick Street, London, England, WC2E 9BA. Hadley Property Group Holdings Limited is not under the control of any single party. The smallest and largest group, into which the entity is consolidated is that headed by Hadley Property Group Holdings Limited.

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