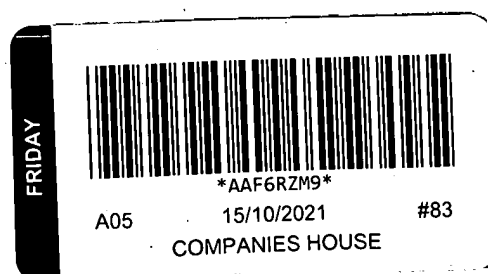


HFS DEVELOPMENTS 2 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



HFS DEVELOPMENTS 2 LIMITED

COMPANY INFORMATION

| | |
|----------------------------|---|
| Directors | M Brayford (resigned 16 October 2020) D J Camp (resigned 16 October 2020) R I German A M Jones Facss J R Trout G Vincent |
| Company secretary | C N Pagan |
| Registered number | 10286958 |
| Registered office | 2nd Floor 100 New Oxford Street London WC1A 1HB |
| Independent auditor | Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG |

HFS DEVELOPMENTS 2 LIMITED

CONTENTS

| | Page |
|--|----------------|
| Directors' report | 1 - 2 |
| Independent auditor's report | 3 - 7 |
| Statement of comprehensive income | 8 |
| Statement of financial position | 9 |
| Statement of changes in equity | 10 |
| Notes to the financial statements | 11 - 15 |

HFS DEVELOPMENTS 2 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Principal activity

The principal objective of the company is to provide a joint venture between Stanhope plc and the Mayor and Burgesses of the London Borough of Hammersmith and Fulham to work in partnership to optimise the provision of affordable housing within the Borough. This offers a unique opportunity for the public and private sector to work together to deliver appropriate forms of housing.

Results for the year

The loss for the year, after taxation, amounted to £154,766 (2020 - loss £118,792).

Directors

The directors who served during the year were:

M Brayford (resigned 16 October 2020)
D J Camp (resigned 16 October 2020)
R I German
A M Jones Facss
J R Trout
G Vincent

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, 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 and 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; and
- make judgments and accounting estimates that are reasonable and prudent.

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.

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

HFS DEVELOPMENTS 2 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Going concern

The financial statements are prepared on a going concern basis, which the directors believe to be appropriate for the following reasons. The company is dependent on funds provided by the company's shareholders for its working capital. The company is in a net current liabilities position as the shareholder loans have been categorised as current. The shareholders' loans is for a facility of £6.35m. A total of £4.47m had been drawn down at the year end of which £3.10m is related to the company. The remaining commitment as at 31 March 2021 amounted to £1.88m.

The remaining facility will enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. The loan is not due to be called for payment until available funding is available, in accordance with the shareholders agreement. The directors and shareholders have considered the continuing serious implications of the outbreak of Covid-19 which has adversely impacted global commercial activities for the going concern assessment. Therefore, the directors believe there is sufficient funding available to enable the company to meet its liabilities as they fall due for a least 12 months from the date of approval of the financial statements. The directors conclude that there's no material uncertainties and therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

28/9/2021

and signed on its behalf.

Jonathan Trout

J R Trout
Director



INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF HFS DEVELOPMENTS 2 LIMITED

Opinion

We have audited the financial statements of HFS Developments 2 Limited (the 'company') for the year, 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 is amongst the most significant economic events currently faced by the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF HFS DEVELOPMENTS 2 LIMITED
(CONTINUED)**

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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.

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.



INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF HFS DEVELOPMENTS 2 LIMITED (CONTINUED)

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 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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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; 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement, 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 AUDITORS' REPORT TO THE DIRECTORS OF HFS DEVELOPMENTS 2 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained understanding of the legal and regulatory frameworks applicable to the company and the industry in which it operates. We determined that the following laws and regulations were most significant: Financial Reporting Standard 102, UK Corporation tax and Companies Act 2006;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Auditor procedures performed by the engagement team included: identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud; challenging assumptions and judgements made by management in its significant accounting estimates; and identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, which included consideration of the engagement team's: understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation; and knowledge of the industry in which the company operates; and
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements. These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations.

We did not identify any material matters relating to non-compliance with laws and regulations or relating to fraud.



**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF HFS DEVELOPMENTS 2 LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the company's directors, 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 directors 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 directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Elizabeth Collins BSc(Hons) ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London Finsbury
Date: 28/9/2021

HFS DEVELOPMENTS 2 LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | 2021 £ | 2020 £ |
|--|------|------------------|------------------|
| Revenue | 4 | 1,971,769 | 372,600 |
| Cost of sales | | (1,908,438) | (309,752) |
| Gross profit | | 63,331 | 62,848 |
| Administrative expenses | | (16,411) | (25,800) |
| Operating profit | 5 | 46,920 | 37,048 |
| Interest receivable and similar income | | 115 | 66 |
| Interest payable and expenses | | (201,801) | (155,906) |
| Loss before tax | | (154,766) | (118,792) |
| Tax on loss | | - | - |
| Loss for the financial year | | (154,766) | (118,792) |

There was no other comprehensive income for 2021 (2020: £Nil).

The notes on pages 11 to 15 form part of these financial statements.

HFS DEVELOPMENTS 2 LIMITED
REGISTERED NUMBER:10286958

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

| | Note | 2021 £ | 2020 £ |
|--|------|--------------------|--------------------|
| Current assets | | | |
| Work in progress | | 24,533 | - |
| Debtors: amounts falling due within one year | 8 | 68,320 | 342,167 |
| Cash at bank and in hand | 9 | 32,232 | 34,785 |
| | | <u>125,085</u> | <u>376,952</u> |
| Creditors: amounts falling due within one year | 10 | (2,468,897) | (2,565,998) |
| Net current liabilities | | (2,343,812) | (2,189,046) |
| Total assets less current liabilities | | (2,343,812) | (2,189,046) |
| Net liabilities | | <u>(2,343,812)</u> | <u>(2,189,046)</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 2 | 2 |
| Profit and loss account | | (2,343,814) | (2,189,048) |
| | | <u>(2,343,812)</u> | <u>(2,189,046)</u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Jonathan Trout

J R Trout

Director

Date: 28/9/2021

The notes on pages 11 to 15 form part of these financial statements.

HFS DEVELOPMENTS 2 LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

| | Called up share capital | Profit and loss account | Total equity |
|--|-------------------------------|-------------------------------|--------------------|
| | £ | £ | £ |
| At 1 April 2020 | 2 | (2,189,048) | (2,189,046) |
| Comprehensive income for the year | | | |
| Loss for the year | - | (154,766) | (154,766) |
| Total comprehensive income for the year | - | (154,766) | (154,766) |
| At 31 March 2021 | 2 | (2,343,814) | (2,343,812) |

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

| | Called up share capital | Profit and loss account | Total equity |
|--|-------------------------------|-------------------------------|--------------------|
| | £ | £ | £ |
| At 1 April 2019 | 2 | (2,070,256) | (2,070,254) |
| Comprehensive income for the year | | | |
| Loss for the year | - | (118,792) | (118,792) |
| Total comprehensive income for the year | - | (118,792) | (118,792) |
| At 31 March 2020 | 2 | (2,189,048) | (2,189,046) |

The notes on pages 11 to 15 form part of these financial statements.

HFS DEVELOPMENTS 2 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

HFS Developments 2 Limited is a private company limited by shares and registered in England and Wales. Registered number 10286958. The registered office is located at 2nd Floor, 100 New Oxford Street, London, WC1A 1HB.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in £ sterling.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements are prepared on a going concern basis, which the directors believe to be appropriate for the following reasons. The company is dependent on funds provided by the company's shareholders for its working capital. The company is in a net current liabilities position as the shareholder loans have been categorised as current. The shareholders' loans is for a facility of £6.35m. A total of £4.47m had been drawn down at the year end of which £3.10m is related to the company. The remaining commitment as at 31 March 2021 amounted to £1.88m.

The remaining facility will enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. The loan is not due to be called for payment until available funding is available, in accordance with the shareholders agreement. The directors and shareholders have considered the continuing serious implications of the outbreak of Covid-19 which has adversely impacted global commercial activities for the going concern assessment. Therefore, the directors believe there is sufficient funding available to enable the company to meet its liabilities as they fall due for a least 12 months from the date of approval of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Revenue

Revenue is recognised to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added taxes and other sales taxes.

HFS DEVELOPMENTS 2 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.4 Taxation**

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising 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. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are included in the Statement of financial position at cost.

2.7 Financial instruments**Financial assets**

Basic financial assets, including other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of comprehensive income.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of comprehensive income, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

HFS DEVELOPMENTS 2 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.7 Financial instruments (continued)**

Financial assets are derecognised when:

- (a) the contractual rights to the cash flows from the asset expire or are settled, or
- (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or
- (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including other payables and loans from shareholders are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no material judgments or estimates in preparation of these financial statements.

HFS DEVELOPMENTS 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Revenue

| | 2021 £ | 2020 £ |
|----------|------------------|----------------|
| Turnover | <u>1,971,769</u> | <u>372,600</u> |

All turnover arose within the United Kingdom.

5. Operating loss

During the year, no director received any emoluments (2020: £Nil).

6. Auditor's remuneration

| | 2021 £ | 2020 £ |
|---|--------------|--------------|
| Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements | <u>3,950</u> | <u>3,950</u> |

Fees payable to the company's auditor and its associates in respect of:

| | | |
|------------------------------|------------|------------|
| Taxation compliance services | 2,205 | 2,160 |
| Accounts preparation | <u>970</u> | <u>950</u> |

7. Employees

The average monthly number of employees, including the directors, during the year was 5 (2020: 6).

8. Debtors

| | 2021 £ | 2020 £ |
|----------------|---------------|----------------|
| Trade debtors | 2 | - |
| VAT receivable | 4,045 | 63,870 |
| Accrued income | 64,273 | 278,297 |
| | <u>68,320</u> | <u>342,167</u> |

HFS DEVELOPMENTS 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Cash and cash equivalents

| | 2021 £ | 2020 £ |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | 32,232 | 34,785 |

10. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|--|------------------|-----------|
| Trade creditors | 22,662 | 324,243 |
| Amounts owed to related party undertakings | 2,412,088 | 2,236,295 |
| Accruals and deferred income | 34,147 | 5,460 |
| | 2,468,897 | 2,565,998 |

Amounts owed to related party undertakings are repayable when the project goes unconditional and the interest being charged is either at 5.5% plus 10% profit on cost or at 12.5% for working capital.

11. Share capital

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid | | |
| 2 (2020 - 2) Ordinary Shares shares of £1.00 each | 2 | 2 |

12. Capital commitments

The company had capital commitments of £Nil as at 31 March 2021 (2020: £Nil).

13. Ultimate parent undertaking and controlling party

The company is owed 50:50 by Stanhope plc and The Mayor and the Burgesses of the London Borough of Hammersmith and Fulham. No shareholder has control and there is no ultimate parent company.