

Company No. 2444254

NOTTING HILL DEVELOPMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 31 MARCH 2011

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NOTTING HILL DEVELOPMENTS LIMITED

Report and financial statements for the year ended 31 March 2011

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NOTTING HILL DEVELOPMENTS LIMITED

Company No 2444254

List of Officers and Professional Advisers

Directors

Paul Phillips
Kate Davies
Andrew Belton
John Hughes
Kath King
Alastair Clegg

Corporate Management Team

Chief Executive
Group Finance Director
Group Development Director
Group Corporate Services Director
Chief Operating Officer
Group Director of Asset Management

Kate Davies
Paul Phillips
John Hughes
Alastair Clegg
Andrew Belton
Kath King

Secretary

Andrew Nankivell

Registered Office

1 Butterwick
Rear of Metro Building
Hammersmith
London
W6 8DL

Solicitors

Devonshires
30 Finsbury Circus
London
EC2M 7DT

Auditor

Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

NOTTING HILL DEVELOPMENTS LIMITED

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2011

Activities

The company's principal activity during the year, which it intends to continue, has been that of selling residential and commercial properties in the open market

Future Developments

The Company owns a development referred to as King Street. The intention is to develop 67 units of mixed tenure that will be disposed of from the company, via outright sale

Result for the year

There was a profit on ordinary activities before taxation for the year of £723k (2010 £23k)

Risks

The principal risks facing the company at 31 March 2011 were construction risks, sales risks and interest rate risks. Construction risks are mitigated by ensuring building work is carried out on fixed price contract, sales risks are mitigated by arranging sales in advance and the interest rate risks are mitigated by regularly reviewing the facilities

Directors

The directors who served during the year were as follows

Jonathan Buchanan	Resigned 18 May 2010
Christopher Evans	Resigned 22 September 2010
Martin Baker	Resigned 22 September 2010
Gerry Gallagher	Resigned 21 June 2010
Sophie Warner	Appointed 14 April 2010
	Resigned 22 September 2010
Joanna Embling	Resigned 22 September 2010
Paul Phillips	Appointed 22 September 2010
Kate Davies	Appointed 22 September 2010
Andrew Belton	Appointed 22 September 2010
John Hughes	
Kath King	Appointed 22 September 2010
Alastair Clegg	Appointed 22 September 2010

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

NOTTING HILL DEVELOPMENTS LIMITED

Directors' report (continued)

External Auditors

The company's auditor is automatically reappointed on an annual basis Grant Thornton UK LLP has expressed willingness to continue in office

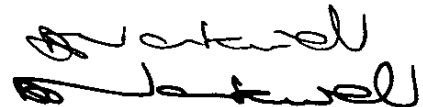
Disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on page 2, confirm the following

- so far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

1 Butterwick,
Rear of Metro Building
Hammersmith
London
W6 8DL

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



Andrew Nankivell
Company Secretary
12 July 2011

NOTTING HILL DEVELOPMENTS LIMITED

Statement of directors' responsibilities for the financial statements

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 elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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.

NOTTING HILL DEVELOPMENTS LIMITED

Report of the Independent Auditor to the members of Notting Hill Developments Limited

We have audited the financial statements of Notting Hill Developments Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet and the related notes on pages 9 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

Grant Thornton UK LLP

Judith Newton

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London, England

19 July 2011

NOTTING HILL DEVELOPMENTS LIMITED

Profit and loss account

For the year ended 31 March 2011

	Note	2011 £000	2010 £000
Turnover	1	8,281	2,973
Cost of sales	1	<u>(6,921)</u>	<u>(2,438)</u>
Gross Profit		1,360	535
Administrative expenses		<u>(287)</u>	<u>(203)</u>
Operating Profit		1,073	332
Interest receivable and other similar income	3	1	-
Interest payable	4	<u>(351)</u>	<u>(309)</u>
Profit on ordinary activities before gift aid and taxation	5	723	23
Gift aid	6	<u>(722)</u>	<u>48</u>
Tax on profit on ordinary activities	13	-	-
Profit on ordinary activities after taxation transferred to reserves		<u>1</u>	<u>71</u>

The turnover and operating profit for the current year are derived from continuing operations in the United Kingdom

The company has no recognised gains and losses or movements in shareholders' funds, for the financial year other than as stated in the profit and loss account above and therefore no separate statement of total recognised gains and losses or movements in shareholders' funds has been prepared. There is no difference between the profit on ordinary activities before taxation and the retained profit for the year as stated above and their historic cost equivalents.

NOTTING HILL DEVELOPMENTS LIMITED

Company No 2444254

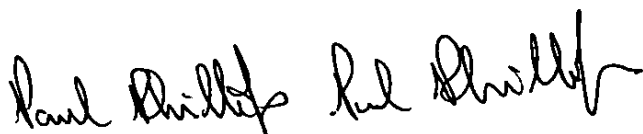
Balance sheet

As at 31 March 2011

	Note	2011 £000	2010 £000 (restated)
Current assets			
Stocks and work in progress	7	8,992	15,725
Debtors	8	613	38
Cash at bank		73	547
		<u>9,678</u>	<u>16,310</u>
Creditors			
Amounts falling due within one year	9	<u>(322)</u>	<u>(5,166)</u>
Net current assets		9,356	11,144
Amounts falling due after one year	10	<u>(9,283)</u>	<u>(11,072)</u>
Total assets less current liabilities		<u>73</u>	<u>72</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	73	72
Equity shareholders' funds		<u>73</u>	<u>72</u>

Notes on page 9 to 13 form part of these financial statements

The financial statements on pages 7 to 13 were authorised and approved by the Board of Directors on 12 July 2011 and signed on its behalf by



Paul Phillips
Director

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the accounts

For the year ended 31 March 2011

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below and remain unchanged from previous year. The accounts have been prepared on a going concern basis.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies of the company are set out below and remain unchanged from the previous year.

Turnover

Turnover 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. Sales of properties have been transacted through the partner developer but sold in the name of Notting Hill Developments Limited.

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 either by the developer or Notting Hill Developments Limited. In addition, certain incentives that are due and paid to a developer partner are recognised in the profit and loss account, on completion of a sale of a completed home to a third party in the open market.

Stock and work in progress

Stock 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. 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. At the year 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.

Taxation

The Company is subject to corporation tax on its profits, however, these are normally paid as gift aid to Notting Hill Housing Trust.

The Company is registered for VAT as a separate entity.

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the accounts (continued)

For the year ended 31 March 2011

2. Directors' emoluments

The directors received remuneration of £nil during the year. There were no employees of Notting Hill Developments Limited during the year (2010 £nil)

3. Interest receivable

	2011 £000	2010 £000
Interest receivable from other group undertakings	1	-

4. Interest payable

	2011 £000	2010 £000
Bank loans and overdrafts	3	36
Interest payable to other group undertakings	348	278
	351	314
Less. Capitalised interest on development (2010 1 49%)	-	(5)
	351	309

5. Profit on ordinary activities before gift aid and taxation

Profit on ordinary activities before gift aid and taxation is stated after charging

	2011 £000	2010 £000
Fees payable to the Company auditor for the audit of the financial statements	3	4

6. Gift Aid

	2011 £000	2010 £000
Payable to /(receivable from) Notting Hill Housing Trust	722	(48)

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the accounts (continued)

For the year ended 31 March 2011

7. Stocks and work in progress

	2011 £000	2010 £000
Land in the course of development	8,992	9,599
Property held for sale	-	6,126
	<u>8,992</u>	<u>15,725</u>

Stock includes capitalised interest of £nil (2010 £195k)

	2011 Number	2010 Number
Number of homes in the course of development	<u>42</u>	<u>67</u>

8. Debtors

	2011 £000	2010 £000
Amount owed by parent	584	7
Other debtors and prepayments	<u>29</u>	<u>31</u>
	<u>613</u>	<u>38</u>

9. Creditors: Amounts falling due within one year

	2011 £000	2010 £000 (restated)
Bank loans	-	2,763
Trade creditors	116	506
Amount owed to other group companies	-	1,231
Other creditors	-	88
Accruals and deferred income	<u>206</u>	<u>578</u>
	<u>322</u>	<u>5,166</u>

10. Creditors: Amounts falling due after one year

	2011 £000	2010 £000
Loan from parent	<u>9,283</u>	<u>11,072</u>

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the accounts (continued)

For the year ended 31 March 2011

10. Creditors: Amounts falling due after one year (continued)

The bank loans and amount owed to parent are secured by both a floating charge over the assets of the Company and by fixed charges on individual properties. The loans will be repaid when the properties are sold.

11. Called up share capital

	2011 £	2010 £
Allotted and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

The shares do not have a right to any dividend or distribution in a winding up, and are not redeemable. Each share has full voting rights.

12. Profit and loss account

	2011 £000	2010 £000
As at 1 April	72	1
Profit for the year	<u>1</u>	<u>71</u>
As at 31 March	<u>73</u>	<u>72</u>

13. Taxation

	2011 £000	2010 £000
UK tax on profit	<u>-</u>	<u>-</u>
Current tax reconciliation		
Profit before tax	<u>723</u>	<u>23</u>
Corporation tax at 28% (2010: 28%)	203	6
Gift aid	(203)	-
Group relief received for less than standard rate	<u>-</u>	<u>(6)</u>
	<u>-</u>	<u>-</u>

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the accounts (continued)

For the year ended 31 March 2011

14. Capital commitments

	2011 £000	2010 £000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	10,835	-
Capital expenditure that has been authorised by the board but has not yet been contracted for	-	16,600

15. Ultimate parent undertaking and related party

The company's parent undertaking is Notting Hill Commercial Properties Ltd and the ultimate parent is Notting Hill Housing Trust, an Industrial and Provident Society registered in England and Wales. The company has taken advantage of exception 3(c) of Financial Reporting Standard 8, not to disclose intra group transactions as it is a wholly owned subsidiary.

Copies of the financial statements of Notting Hill Housing Trust are available from the Group Secretary, Notting Hill Housing Trust, 1 Butterwick, Rear of Metro Building, Hammersmith, London W6 8DL.

16. Cash flow statement

The company is exempt from preparing a cash flow statement under Financial Reporting Standard 1 as consolidated accounts for its ultimate parent undertaking are available.