

Company No. 02444254

NOTTING HILL DEVELOPMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 31 MARCH 2012

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NOTTING HILL DEVELOPMENTS LIMITED

Report and financial statements for the year ended 31 March 2012

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NOTTING HILL DEVELOPMENTS LIMITED

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2012

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 with 67 units of mixed tenure, and is in the process of disposing the developed property via outright sale

Result for the year

There was a loss on ordinary activities before taxation for the year of £350k (2011 profit of £723k)

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued support of the ultimate controlling party Notting Hill Housing Trust. The directors have received confirmation that Notting Hill Housing Trust intends to support the partnership for at least one year after these financial statements are signed

Financial risk management

The principal risks facing the company at 31 March 2012 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 of the company who were in office during the year and up to the date of signing the financial statements were

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

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

NOTTING HILL DEVELOPMENTS LIMITED

Company No. 02444254

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

Company Secretary

Andrew Nankivell

Registered Office

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

Solicitors

Devonshires
30 Finsbury Circus
London
EC2M 7DT

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

NOTTING HILL DEVELOPMENTS LIMITED

Directors' report (continued)

Independent Auditors

Following a tendering exercise during the year, PricewaterhouseCoopers LLP were appointed auditors and Grant Thornton UK LLP resigned as auditors. The company's auditor is automatically reappointed on an annual basis, and PricewaterhouseCoopers 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/she ought to have taken as a director in order to make himself/herself 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.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

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

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



Andrew Nankivell
Company Secretary
17 July 2012

NOTTING HILL DEVELOPMENTS LIMITED

Statement of directors' responsibilities

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

NOTTING HILL DEVELOPMENTS LIMITED

Independent Auditors' report 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 2012 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. 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).

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 and express an opinion on 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 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

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.

NOTTING HILL DEVELOPMENTS LIMITED

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

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



Philip Cliftlands
Senior Statutory Auditor
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London, England
20 July 2012

NOTTING HILL DEVELOPMENTS LIMITED

Profit and loss account

For the year ended 31 March 2012

	Note	2012 £000	2011 £000
Turnover	1	27	8,281
Cost of sales	1	(39)	(6,921)
Gross (loss)/profit		(12)	1,360
Administrative income/(expenses)		8	(287)
Operating (loss)/profit on ordinary activities		(4)	1,073
Interest receivable and similar income	3	6	1
Interest payable and similar charges	4	(352)	(351)
(Loss)/profit on ordinary activities before gift aid and taxation	5	(350)	723
Gift aid	6	-	(722)
Tax on (loss)/profit on ordinary activities	7	-	-
(Loss)/profit for the financial year		(350)	1

The turnover and (loss)/profit for the financial years 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 material difference between the (loss)/profit on ordinary activities before taxation and the retained profit for the years as stated above and their historic cost equivalents

NOTTING HILL DEVELOPMENTS LIMITED

Company No. 02444254

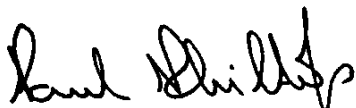
Balance Sheet

As at 31 March 2012

	Note	2012 £000	2011 £000
Current assets			
Stocks and work in progress	8	8,864	8,992
Debtors	9	708	613
Cash at bank		-	73
		<u>9,572</u>	<u>9,678</u>
Current liabilities			
Bank overdraft		(5)	-
Amounts falling due within one year	10	<u>(209)</u>	<u>(322)</u>
		(214)	(322)
Net current assets		<u>9,358</u>	<u>9,356</u>
Total assets less current liabilities		<u>9,358</u>	<u>9,356</u>
Creditors			
Amounts falling due after more than one year	11	<u>9,635</u>	<u>9,283</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	<u>(277)</u>	<u>73</u>
Total shareholders' (deficit)/funds		<u>(277)</u>	<u>73</u>
		<u>9,358</u>	<u>9,356</u>

Notes on page 10 to 14 form part of these financial statements

The financial statements on pages 8 to 14 were authorised and approved by the Board of Directors on 17 July 2012 and signed on its behalf by



Paul Phillips
Director

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the financial statements

For the year ended 31 March 2012

1. Accounting policies

The financial statements are prepared on the going concern basis, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

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.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued support of the ultimate controlling party Notting Hill Housing Trust.

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.

Related party transactions

The company is entitled to the exemption allowed by Financial Reporting Standard No. 8 in relation to the disclosure of transactions with other companies in the group as it is a wholly owned subsidiary and its results are consolidated in the financial statements of Notting Hill Housing Trust.

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2012

2. Directors' emoluments

The emoluments of the directors are paid by Notting Hill Housing Trust (the Trust) which makes no recharge to the company. They are directors of the Trust and a number of subsidiaries and it is not possible to make an accurate apportionment of his/her emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of these directors. His/her total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the Trust.

3. Interest receivable and similar income

	2012 £000	2011 £000
Interest receivable from other group undertakings	6	1

4. Interest payable and similar charges

	2012 £000	2011 £000
Bank loans and overdrafts	-	3
Interest payable to other group undertakings	352	348
	<u>352</u>	<u>351</u>

5. (Loss)/profit on ordinary activities before gift aid and taxation

(Loss)/profit on ordinary activities before gift aid and taxation is stated after charging

	2012 £000	2011 £000
Fees payable to the Company auditor for the audit of the financial statements	2	3

6. Gift aid

	2012 £000	2011 £000
Payable to Notting Hill Housing Trust	-	722

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2012

7. Tax on (loss)/profit on ordinary activities

	2012 £000	2011 £000
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UK tax on (loss)/profit	-	-
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The tax assessed for the year is equal (2011 equal) to the standard rate of corporation tax in the UK of 26% (2011 28%)

	2012 £000	2011 £000
Current tax reconciliation		
(Loss)/profit before tax	(350)	723
Corporation tax at 26% (2011 28%)	(91)	203
Gift aid	-	(203)
Group relief given away for nil	91	-
	-	-

8. Stocks and work in progress

	2012 £000	2011 £000
Land in the course of development	-	8,992
Property held for sale	8,864	-
	8,864	8,992

	2012 Number	2011 Number
Number of homes in the course of development	-	42

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2012

9. Debtors

	2012 £000	2011 £000
Amount owed by parent undertaking	257	584
Amount owed by group undertakings	433	-
Other debtors and prepayments	18	29
	<u>708</u>	<u>613</u>

10. Creditors: Amounts falling due within one year

	2012 £000	2011 £000
Trade creditors	15	116
Amount owed to group undertakings	100	-
Other creditors	5	-
Accruals and deferred income	89	206
	<u>209</u>	<u>322</u>

11. Creditors: Amounts falling due after more than one year

	2012 £000	2011 £000
Loan from parent	<u>9,635</u>	<u>9,283</u>

	2012 £000	2011 £000
Analysis of loan repayments		
- within one year or on demand	-	-
- between two and five years	-	-
- after five years	9,635	9,283
	<u>9,635</u>	<u>9,283</u>

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.

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2012

12. Called up share capital

	2012 £	2011 £
Allotted and fully paid		
100 ordinary shares of £1 each	100	100

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.

13. Profit and loss account

	2012 £000	2011 £000
As at 1 April	73	72
(Loss)/profit for the year	(350)	1
As at 31 March	(277)	73

14. Capital commitments

	2012 £000	2011 £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	1,153	-

15. Ultimate parent undertaking

The immediate parent undertaking is Notting Hill Commercial Properties Limited.

The ultimate parent undertaking and controlling party is Notting Hill Housing Trust, a company incorporated in England and Wales.

Notting Hill Housing Trust is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2012. The consolidated financial statements of Notting Hill Housing Trust are available from Bruce Kenrick House, 2 Killick Street, London, United Kingdom, N1 9FL.

16. Cash flow statement

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