

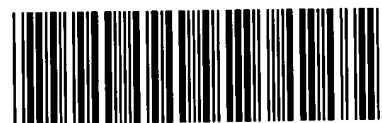
Company No. 02444254

NOTTING HILL DEVELOPMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2017

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NOTTING HILL DEVELOPMENTS LIMITED

Report and financial statements for the year ended 31 March 2017

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NOTTING HILL DEVELOPMENTS LIMITED

Company No. 02444254
Registered in England and Wales

List of Officers and Professional Advisers

Directors

Paul Phillips
Kate Davies
Andrew Belton
John Hughes
Andrew Muir
Mark Vaughan
Annemarie Fenlon (appointed 2nd February 2017)

Executive Board

Chief Executive
Group Finance Director
Group Development Director
Group Corporate Services Director
Chief Operating Officer
Group Director of Commercial Services
Group Director of Housing

Kate Davies
Paul Phillips
John Hughes
Andrew Muir
Andrew Belton
Mark Vaughan
Annemarie Fenlon (appointed 2nd February 2017)

Company Secretary

Andrew Nankivell

Registered Office

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

Bankers

Barclays Bank PLC
Business Banking
Floor 28
1 Churchill Place
London
E14 5HP

Principal Solicitors

Devonshires
30 Finsbury Circus
London
EC2M 7DT

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

NOTTING HILL DEVELOPMENTS LIMITED

Strategic report

Principal activities

The company was set up to acquire land and then construct residential properties for sale on the open market and to other entities in the Notting Hill Housing Group. The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. During the year ended 31 March 2015, the company acquired a site at the eastern end of the Royal Docks, in the London Borough of Newham, from Great Eastern Homes LLP, another entity in the Notting Hill Group. The company has subsequently entered a contract with Galliford Try Partnerships to commence the construction of the first phase of over 800 homes and commercial space on the site.

Result for the year

There was a profit for the year of £4,522,000 (2016: loss of £883,000). As at 31 March 2017, the company had total assets of £89,301,000 (2016: £85,147,000), total liabilities of £63,061,000 (2016: £60,734,000) and total equity of £26,240,000 (2016: £24,413,000).

Dividends and transfers to reserves

The Directors do not recommend a declaration of a dividend for the year (2016: £nil).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Notting Hill Housing Trust, which include those of the Company, are discussed in the Group's annual report which does not form part of this report.

Key performance indicators

The directors of Notting Hill Housing Trust manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Notting Hill Developments Limited. The development, performance and position of the commercial properties division of Notting Hill Housing Trust, which includes the Company, are discussed in the Group's annual report, which does not form part of this report.

NOTTING HILL DEVELOPMENTS LIMITED

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2017.

The report of the directors has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

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
Andrew Muir
Mark Vaughan
Annemarie Fenlon (appointed 2nd February 2017)

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

Independent Auditors

The Company's auditors are 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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware.
- 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 audit information and to establish that the Company's auditors are aware of that information.
- The Company's dividend policy for the year as set by the Directors is disclosed in the strategic report.

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.

NOTTING HILL DEVELOPMENTS LIMITED

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- notify its shareholders in writing about the use of disclosure exemptions, if any of FRS 102 used in the preparation of 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.

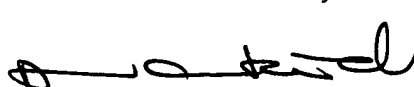
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he/she 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 audit information and to establish that the company's auditors are aware of that information.

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
19 July 2017

Company No. 02444254

NOTTING HILL DEVELOPMENTS LIMITED

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

Report on the financial statements

Our opinion

In our opinion, Notting Hill Developments Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its results 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.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 March 2017;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

NOTTING HILL DEVELOPMENTS LIMITED

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, 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) ("ISAs (UK & 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.

NOTTING HILL DEVELOPMENTS LIMITED

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

What an audit of financial statements involves

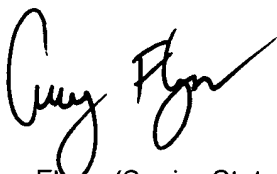
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



Guy Flynn (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date 20/07/17

NOTTING HILL DEVELOPMENTS LIMITED

Company No. 02444254
Registered in England and Wales

Statement of comprehensive income

For the year ended 31 March 2017

	Note	2017 £000	2016 £000
Turnover		55,540	29,057
Cost of sales		(49,541)	(29,052)
Gross profit		5,999	5
Administrative expenses		(151)	(52)
Profit/(loss) before interest and taxation		5,848	(47)
Interest payable and similar charges	4	(577)	(836)
Profit/(loss) on ordinary activities before gift aid and taxation	5	5,271	(883)
Tax on profit/(loss) on ordinary activities	6	(749)	-
Profit/(loss) for the financial year		4,522	(883)
Gift aid payable		(3,444)	-
Tax relating to other comprehensive expense	6	749	-
Total comprehensive income/(expense) for the year		1,827	(883)

The turnover and profit for the financial year are derived from continuing operations in the United Kingdom.

NOTTING HILL DEVELOPMENTS LIMITED

Company No. 02444254
Registered in England and Wales


Statement of financial position

As at 31 March 2017

	Note	2017 £000	2016 £000
Current assets			
Stocks	7	59,855	70,741
Debtors: amounts falling due within one year	8	25,377	14,375
Cash at bank and in hand		4,069	31
		89,301	85,147
Current liabilities			
Creditors: amounts falling due within one year	9	(10,896)	(6,397)
		78,405	78,750
Net current assets			
Non-current liabilities			
Creditors: amounts falling due after more than one year	10	(52,165)	(54,337)
		26,240	24,413
Net assets			
Capital and reserves			
Called up share capital	11	12,750	12,750
Share premium account	12	12,750	12,750
Retained earnings	13	740	(1,087)
		26,240	24,413
Total equity			

Notes on page 12 to 18 form part of these financial statements.

The financial statements on pages 9 to 18 were authorised and approved by the Board of Directors on 19 July 2017 and signed on its behalf by



Paul Phillips
Director

NOTTING HILL DEVELOPMENTS LIMITED

Company No. 02444254
Registered in England and Wales

Statement of changes in equity

For the year ended 31 March 2017

	Called up share capital ²	Share premium	(Accumulated losses)/ Retained earnings ¹	Total equity
	£000	£000	£000	£000
At 1 April 2015	12,750	12,750	(204)	25,296
Loss for the financial year	-	-	(883)	(883)
Total comprehensive expense for the year	-	-	(883)	(883)
At 31 March 2016	12,750	12,750	(1,087)	24,413
At 1 April 2016	12,750	12,750	(1,087)	24,413
Profit for the financial year	-	-	4,522	4,522
Gift aid payable, net of tax	-	-	(2,695)	(2,695)
Total comprehensive income for the year	-	-	1,827	1,827
At 31 March 2017	12,750	12,750	740	26,240

¹ Retained earnings represent accumulated comprehensive income for the year and losses in the prior years.

² As at 31 March 2017, called up share capital is £12,750,100 (31 March 2016: £12,750,100).

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

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.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Turnover

All turnover is derived from UK operations, it 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 legal completion of the sale.

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 by Notting Hill Developments Limited.

Stocks

Stocks 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. At the period 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. 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.

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies (continued)

Staff Costs

There were no employees in Notting Hill Developments Limited during the year. (2016: nil)

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.

2 Critical accounting adjustments and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

(ii) Impairment of stock

When assessing if there is indication that stock may be impaired, the Company considers indications such as downturn in the technological, market, economic or legal environment in which the Company operates, increase in market interest rates or other indications. If any such indication exists, the Company estimates the selling price less costs to complete and sell (using external valuer).

b) Critical judgements in applying Company's accounting policies

There were no judgements exercised by management during the year in the process of applying Company's accounting policies.

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the financial statements

For the year ended 31 March 2017

3 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.

4 Interest payable and similar charges

	2017 £000	2016 £000
On amounts owed to group undertakings	577	836

5 Profit/(loss) before gift aid and taxation

Profit/(loss) before gift aid and taxation is stated after charging:

	2017 £000	2016 £000
Auditors' remuneration		
External audit fee (excluding VAT)	2	2

6 Income tax

Tax on profit/(loss):

	2017 £000	2016 £000
UK tax on profit/(loss) for the financial year	749	-

Tax (credit)/expense relating to other comprehensive expense:

	2017 £000	2016 £000
Current tax	(749)	-

The tax assessed for the year is higher (2016: higher) than the standard rate of corporation tax in the UK of 20% (2016: 20%).

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the financial statements

For the year ended 31 March 2017

6 Income tax (continued)

Total tax charge reconciliation:

	2017 £000	2016 £000
Profit/(loss) before tax	5,271	(883)
Corporation tax at 20% (2016: 20%)	1,054	177
Income tax not taxable for tax purposes	(749)	-
Group relief surrendered/claimed	(305)	(177)
Current tax (charged)/credited directly to STRGL	749	-
Tax on profit/(loss) on ordinary activities	749	-
Tax relating to other comprehensive expense	(749)	-
Total tax charge	-	-

7 Stocks

	2017 £000	2016 £000
Properties under construction	59,855	70,741

8 Debtors: amounts falling due within one year

	2017 £000	2016 £000
Other debtors	2,020	662
Amounts owed by group undertakings	23,357	13,713
	25,377	14,375

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the financial statements

For the year ended 31 March 2017

9 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	3,257	23
Gift aid payable	3,444	-
Other creditors	10	-
Accruals and deferred income	4,105	6,345
Trade creditors	80	29
	10,896	6,397

10 Creditors: amounts falling due after more than one year

	2017 £000	2016 £000
Amounts owed to group undertakings	52,165	54,337

Analysis of loan repayments

	2017 £000	2016 £000
- due within 1-2 years;	52,165	-
- due within 2-5 years; and	-	54,337
- more than 5 years	-	-
	52,165	54,337

The loan is secured against NHD assets and it carries an interest rate of LIBOR plus a margin of 3.75%.

11 Called up share capital

	2017 £000	2016 £000
Allotted and fully paid		
100 (2016: 100) ordinary shares of £1 each	-	-
12,750,000(2016:12,750,000) redeemable preference shares of £1 each.	12,750	12,750

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.

NOTTING HILL DEVELOPMENTS LIMITED

Notes to the financial statements

For the year ended 31 March 2017

12 Share premium account

	2017 £000	2016 £000
As at end of year	<u>12,750</u>	<u>12,750</u>

13 Retained earnings/(Accumulated losses)

	2017 £000	2016 £000
As at 1 April	(1,087)	(204)
Profit/(loss) for the year	4,522	(883)
Gift aid payable, net of tax	(2,695)	-
As at 31 March	<u>740</u>	<u>(1,087)</u>

14 Capital commitments

	2017 £000	2016 £000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>116,212</u>	<u>11,542</u>

The capital expenditure that has been contracted for but has not been provided for in the financial statements will be funded by loans from group undertakings and by sales of completed properties.

15 Related Party Transactions

The Company is entitled to the exemption allowed by FRS 102 Section 33.1A 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

For the year ended 31 March 2017

16 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Notting Hill Commercial Properties Limited.

The ultimate parent undertaking and controlling party is Notting Hill Housing Trust, a registered society within the meaning of the Co-Operative and Community Benefit Societies Act 2014 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 2017. The consolidated financial statements of Notting Hill Housing Trust are available from Bruce Kenrick House, 2 Killick Street, London, United Kingdom, N1 9FL or on our website www.nottinghillhousing.org.uk

17 Cash flow statement

The Company is exempt from preparing a cash flow statement under FRS 102 as consolidated financial statements for its ultimate parent undertaking are available.