

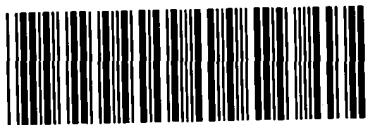
Company No. 01523328

**NOTTING HILL COMMERCIAL  
PROPERTIES LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2019**

MONDAY



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# **NOTTING HILL COMMERCIAL PROPERTIES LIMITED**

## **Report and financial statements for the year ended 31 March 2019**

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# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

Company No. 01523328  
Registered in England and Wales

## List of Officers and Professional Advisers

### Directors

Paul Phillips  
Kate Davies  
Andrew Belton  
John Hughes  
Mark Vaughan  
Elizabeth Froude (appointed 3 April 2018/resigned 1 November 2018)  
Carl Bryne (appointed 3 April 2018)  
Jeremy Stibbe (appointed 3 April 2018)  
Vipul Thacker (appointed 3 April 2018)

### Executive Board

Chief Executive	Kate Davies
Group Finance Director	Paul Phillips
Group Development Director	John Hughes
Group Corporate Services Director	Andrew Muir (resigned 3 April 2018)
Chief Operating Officer	Andrew Belton
Group Director of Commercial Services	Mark Vaughan
Group Director of Housing	Annemarie Fenlon (resigned 3 April 2018)
Deputy Chief Executive	Elizabeth Froude (appointed 3 April 2018/resigned 1 November 2018)
Group Director of Regeneration & Strategic Asset Management	Jeremy Stibbe (appointed 3 April 2018)
Group Director of Central Services	Vipul Thacker (appointed 3 April 2018)
Group Director of Housing	Carl Bryne (appointed 3 April 2018)

### Company Secretary

Andrew Nankivell

### Registered Office

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

### Independent Auditors

BDO LLP  
Chartered Accountants and Statutory Auditors  
55 Baker Street  
London  
W1U 7EU

### Bankers

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

### Principal Solicitors

Devonshires  
30 Finsbury Circus  
London  
EC2M 7DT

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 March 2019.

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

## Principal activities

Notting Hill Commercial Properties Limited (the Company) is the commercial investment arm of Notting Hill Genesis Group, a group of companies which provide low cost housing in London and the Home Countries. The Company has two main business streams.

- It owns a number of shops and offices that it lets out on a commercial basis.
- It invests in other legal entities in the Group, principally to enable the construction and subsequent outright sale of homes in London.

It is financed by loans and share capital of its parent, Notting Hill Genesis.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales.

During the year the Company made the following investments/disinvestments:

- Investment of £7,963,000 (2018: repayment of £5,261,000) in Chobham Farm North LLP to finance the development of residential units.
- Investment of £nil (2018: £700,000) in Walworth Homes Limited to finance investment into Aylesbury Regeneration Project.
- Investment of £255,000 (2018: £1,779,000) in Spray Street Quarter LLP to finance investment in the Woolwich Town Centre project.
- Investment of £227,000 (2018: £662,000) in Gallions 2B Development LLP to finance investment in the Gallions Quarter sites.
- Investment of £790,000 (2018: £12,630,000) in TLD Kidbrooke LLP to finance investment in the Kidbrooke scheme.
- Investment of £1,074,000 (2018: £nil) in Gallions 2A Developments to finance investment in the Gallions Quarter sites.

## Future developments

Notting Hill Commercial Properties Limited will continue to invest in development of property in the Greater London area.

## Result for the year

There was a loss for the year of £446,000 (2018: profit of £659,000). As at 31 March 2019, the Company had total assets of £186,934,000 (2018: £179,176,000), total liabilities of £12,386,000 (2018: £14,951,000) and total equity of £174,548,000 (2018: £164,225,000).

## Dividends

As at 31 March 2019, the directors did not declare a dividend, but recommended a gift aid refund of £801,000 (2018: payable of £4,127,000) as a result of overpayment in the previous year.

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Directors' report (continued)

### 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 Genesis, which include those of the Company as follows:-

- Downturn in the housing market
- Health and safety of our residents
- Fluctuations in interest rates
- External political changes

These are discussed in detail in the Group's annual report which does not form part of this report.

### Key performance indicators

The directors of Notting Hill Genesis 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 Commercial Properties Limited. The development, performance and position of the commercial properties division of Notting Hill Genesis, which includes the Company, are discussed in the Group's annual report, which does not form part of this report.

### 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	Chairman
Kate Davies	
Andrew Belton	
John Hughes	
Andrew Muir (resigned 3 April 2018)	
Mark Vaughan	
Annemarie Fenlon (resigned 3 April 2018)	
Elizabeth Froude (appointed 3 April 2018/resigned 1 November 2018)	
Carl Bryne (appointed 3 April 2018)	
Jeremy Stibbe (appointed 3 April 2018)	
Vipul Thacker (appointed 3 April 2018)	

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

### Independent Auditors

The ultimate parent undertaking Notting Hill Genesis appointed BDO LLP as the new group auditors though a tender process in September 2018. The company's auditors are reappointed on an annual basis.

### 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 COMMERCIAL PROPERTIES LIMITED

## Statement of directors' responsibilities

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 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.

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

## Directors' confirmations

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**  
**24 July 2019**

**Company No. 01523328**

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Independent Auditors' report to the members of Notting Hill Commercial Properties Limited

### Our opinion

We have audited the financial statements of Notting Hill Commercial Properties Limited ("the Company") for the year ended 31 March 2019 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 2019 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.

### Basis of 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 Auditors' 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.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **NOTTING HILL COMMERCIAL PROPERTIES LIMITED**

## **Independent Auditors' report to the members of Notting Hill Commercial Properties Limited (continued)**

### **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 auditors' 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 misstatement, we are required to determine whether there is a material misstatement of 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 based in this regard.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### **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.

### **Matters on which we are required to report by exception**

In 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.

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.

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Independent Auditors' report to the members of Notting Hill Commercial Properties Limited (continued)

### Responsibilities of 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, 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.

### Auditors' 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 auditors' 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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

### Use of this report

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.



Phillip Cliftlands (Senior Statutory Auditor)  
For and on behalf of BDO LLP  
Statutory Auditors

London

Date: 10 February 2019.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

Company No. 01523328  
Registered in England and Wales

## Statement of comprehensive income

For the year ended 31 March 2019

	Note	2019 £000	2018 £000
Turnover	1	417	465
Movement in fair value of investment property	9	186	(74)
Cost of sales		-	(232)
<b>Gross profit</b>		<b>603</b>	<b>159</b>
Administrative expenses		(253)	(90)
Impairment of investment		(658)	-
<b>Operating (loss)/profit</b>		<b>(308)</b>	<b>69</b>
Surplus on disposal of fixed assets		-	505
<b>(Loss)/profit before interest and taxation</b>		<b>(308)</b>	<b>574</b>
Interest receivable and similar income	4	-	60
Interest payable and similar expenses	5	(114)	-
<b>(Loss)/profit before gift aid and taxation</b>	6	<b>(422)</b>	<b>634</b>
Tax on (loss)/profit	7	(24)	25
<b>(Loss)/profit for the financial year</b>		<b>(446)</b>	<b>659</b>

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

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

Company No. 01523328  
Registered in England and Wales

## Statement of financial position

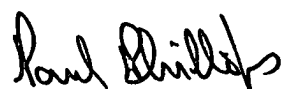
As at 31 March 2019

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Investment properties	9	13,226	11,192
Investments	10	157,225	138,182
		<b>170,451</b>	<b>149,374</b>
<b>Current assets</b>			
Stocks	8	1,371	162
Debtors: amounts falling due within one year	11	12,262	29,425
Cash at bank and in hand		2,850	215
		<b>16,483</b>	<b>29,802</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(11,877)	(14,466)
<b>Net current assets</b>		<b>4,606</b>	<b>15,336</b>
<b>Total assets less current liabilities</b>		<b>175,057</b>	<b>164,710</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	7	(509)	(485)
<b>Net assets</b>		<b>174,548</b>	<b>164,225</b>
<b>Capital and reserves</b>			
Called up share capital	13	85,485	80,501
Share premium account	14	80,012	75,028
Retained earnings	15	9,051	8,696
<b>Total equity</b>		<b>174,548</b>	<b>164,225</b>

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

Notes on page 12 to 24 form part of these financial statements.

The financial statements on pages 9 to 24 were authorised and approved by the Board of Directors on 24 July 2019 and signed on its behalf by:



Paul Phillips  
Director

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

Company No. 01523328  
Registered in England and Wales

## Statement of changes in equity

For the year ended 31 March 2019

	Called up share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 April 2017	76,402	70,929	12,164	159,495
Profit for the financial year	-	-	659	659
Gift aid payable, net of tax	-	-	(4,127)	(4,127)
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>-</b>	<b>(3,468)</b>	<b>(3,468)</b>
Proceeds from shares issued	4,099	4,099	-	8,198
<b>At 31 March 2018</b>	<b>80,501</b>	<b>75,028</b>	<b>8,696</b>	<b>164,225</b>
At 1 April 2018	80,501	75,028	8,696	164,225
Loss for the financial year	-	-	(446)	(446)
Gift aid payable, net of tax	-	-	801	801
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>355</b>	<b>355</b>
Proceeds from shares issued	4,984	4,984	-	9,968
<b>At 31 March 2019</b>	<b>85,485</b>	<b>80,012</b>	<b>9,051</b>	<b>174,548</b>

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Notes to the financial statements

For the year ended 31 March 2019

### 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 except for the measurement of investment property at fair value.

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.

The company is a wholly-owned subsidiary of Notting Hill Genesis and is included in the consolidated financial statements of the parent company which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

#### Turnover

Turnover is derived from UK operations. It represents rental income excluding VAT and is accounted for on a receivable basis.

#### Commercial properties

Commercial properties are classified as investment property and are measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed.

#### Impairment

Assets will be reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, assets are written down to the recoverable amount. Any such write down would be charged to operating profit/(loss).

#### Investments

Investments in subsidiaries are measured at cost in these financial statements. Investments in subsidiaries are accounted for using the equity method in the Group financial statements.

Jointly controlled entities are recognised at cost in these financial statements and the carrying value is accounted for using the equity method in the Group financial statements, which reflects the Group's share of the profit or loss, other comprehensive income and the equity of the jointly controlled entities.

# **NOTTING HILL COMMERCIAL PROPERTIES LIMITED**

## **Notes to the financial statements**

**For the year ended 31 March 2019**

### **1 Accounting policies (continued)**

#### **Stocks**

Stocks and work in progress are recognised 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 to ensure that the realisable value of the land exceeds the value shown in the statement of financial position. 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.

#### **Taxation**

The company is subject to corporation tax on its profits for the year using the current tax rates; however, these are normally paid as gift aid to the ultimate parent entity Notting Hill Genesis.

#### **Trade receivables**

These assets are non-interest rate swap financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost. Provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the receivable item.

#### **Trade Payables**

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised.

#### **Cash and cash equivalents**

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. They include some money market deposits, held for more than 24 hours that can only be withdrawn without penalty on maturity or by giving notice of more than one working day.

#### **Deferred taxation**

Deferred taxation has only been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The carrying value of the Company's investment property is assumed to be realised by sale at the end of use. The deferred tax is calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred taxation assets and liabilities have not been discounted.

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Notes to the financial statements

For the year ended 31 March 2019

### 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) *Investment property*

The fair value of investment properties is determined by using valuation techniques. The valuation of commercial properties is determined using open market value with vacant possession. Properties rented on the open market are valued at market value subject to tenancies using a discounted cash flow methodology.

#### 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.

### 3 Employees and directors

#### Directors' emoluments

The emoluments of the directors are paid by Notting Hill Genesis (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.

#### Staff Costs

There were no employees in Notting Hill Commercial Properties Limited during the year (2018: nil).

### 4 Interest receivable and similar income

	2019 £000	2018 £000
On amounts owed by group undertakings	-	60

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Notes to the financial statements

For the year ended 31 March 2019

### 5 Interest payable and similar charges

	2019 £000	2018 £000
On amounts owed to group undertakings	114	-

### 6 (Loss)/profit on ordinary activities before gift aid and taxation

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

	2019 £000	2018 £000
Auditors' remuneration		
External audit fee (excluding VAT)	4	3
Impairment of commercial properties	4	4

### 7 Taxation

Tax on (loss)/profit on ordinary activities:

	2019 £000	2018 £000
Deferred tax	24	(25)
UK tax on loss/(profit) for the financial year	24	(25)

The tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in the UK of 19% (2018: 19%).

Tax expense relating to other comprehensive expense:

	2019 £000	2018 £000
Current tax	-	-

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Notes to the financial statements

For the year ended 31 March 2019

### 7 Taxation (continued)

#### Total tax charge reconciliation:

	2019 £000	2018 £000
(Loss)/profit before taxation	(422)	634
Corporation tax at 19% (2018: 19%)	(80)	120
Expenses not deductible for tax purposes	125	7
Chargeable gain	27	(1)
Group relief surrendered/claimed	371	-
Adjustment of closing deferred tax to average rate of 20%	(43)	-
Adjustment of opening deferred tax to average rate of 20%	40	-
Fixed asset differences	(27)	(17)
Deferred tax not recognised	-	-
Fair value movement on investment	-	-
LLP income	(389)	649
Gift Aid	-	(783)
Tax on (loss)/profit on ordinary activities	24	(25)
<b>Total tax charge/(credit)</b>	<b>24</b>	<b>(25)</b>

#### Deferred tax liability

	Movement in provision £000
At 1 April 2018	485
Charged to the statement of comprehensive income	24
At 31 March 2019	509

### 8 Stocks

	2019 £000	2018 £000
Property held for sale	1,371	162

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Notes to the financial statements

For the year ended 31 March 2019

### 9 Investment properties

	Commercial properties £000
<b>At valuation</b>	
At 1 April 2017	5,268
Movement in fair value of investment property	(74)
Additions during the year	6,230
Disposals during the year	(232)
	<hr/>
<b>At 31 March 2018</b>	<b>11,192</b>
	<hr/>
At 1 April 2018	11,192
Movement in fair value of investment property	186
Additions during the year	1,848
Disposals during the year	-
	<hr/>
<b>At 31 March 2019</b>	<b>13,226</b>
	<hr/> <hr/>

The properties were valued at 31 March 2019 by external valuers Dunphy's, and Tuckerman. Both valuers are members of the Royal Institute of Chartered Surveyors. The properties were valued on the open market value commercial basis, subject to tenancies. The historical cost of the properties is £9,233,613 (2018: £7,385,151).

### 10 Investments

	2019 £000	2018 £000
Investments in subsidiaries and Joint Ventures (see reconciliation below)	<b>157,225</b>	<b>138,182</b>
	<hr/> <hr/>	<hr/> <hr/>

The investments in subsidiaries and jointly controlled entities of Notting Hill Commercial Properties Limited are listed in the reconciliation below.

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Notes to the financial statements

For the year ended 31 March 2019

### 10 Investments (continued)

#### Reconciliation of investments

	2019 £000	2018 £000
<b>Subsidiaries:</b>		
Investment in Project Light Development 1 Limited	77,226	77,226
Investment in Project Light Development 2 Limited	6,525	6,525
Investment in Notting Hill Developments Limited	25,500	25,500
Investment in Walworth Homes Limited	1,766	1,766
<b>Joint Ventures:</b>		
Investment in Seward Street Developments LLP	-	657
Investment in Chobham Farm North LLP	19,400	11,437
Investment in Spray Street Quarter LLP	2,034	1,779
Investment in Armada 1 South Development LLP	9,391	-
Investment in Gallions 2B Development LLP	889	662
Investment in TLD Kidbrooke LLP	13,420	12,630
Investment in Gallions 2A Developments LLP	1,074	-
	<b>157,225</b>	<b>138,182</b>

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Notes to the financial statements

For the year ended 31 March 2019

### 10 Investments (continued)

#### Joint venture financial results

Name	Nature of business	Proportion of holding	Profit/(loss) for the year before tax		Net assets	
			2019 £000	2018 £000	2019 £000	2018 £000
Seward Street Developments LLP	Development of 107 residential apartments of mixed tenure and 4 commercial units.	75%	-	(21)	-	64
Chobham Farm North LLP	Development of 478 shared ownership, permanent rented, affordable keyworker and private for sale residential accommodation.	50%	(2,904)	5,203	44,886	31,864
Spray Street Quarter LLP	To acquire and develop site in Woolwich Town Centre to construct 612 residential units and 8,770 square metres of non-residential space.	50%	-	(2)	4,065	3,555
Armada 1 South Developments LLP	To develop phase 1 of the Gallions Quarter sites.	50%	(1,192)	(176)	17,415	(176)
Gallions 2B Development LLP	To develop phase 3 of the Gallions Quarter sites.	50%	-	(2)	1,777	1,322
Gallions 2A Developments LLP	To acquire and develop Phase 2 of the Gallions Quarter Sites.	50%	-	-	2,148	-
TLD Kidbrooke LLP	To invest in the Kidbrooke scheme and provides business manager services to Kidbrooke LLP	50%	-	(2)	13,419	12,628
Brenley Park LLP	Develops and sells residential dwellings	50%	-	-	246	246
			<u>(4,096)</u>	<u>5,000</u>	<u>83,956</u>	<u>49,503</u>

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Notes to the financial statements

For the year ended 31 March 2019

### 11 Debtors: amounts falling due within one year

	2019 £000	2018 £000
Trade debtors	292	409
Rental receivables	4	-
Prepayments and accrued income	264	-
Amounts owed by group undertakings	11,702	29,016
	<u>12,262</u>	<u>29,425</u>

No debtors have been impaired during the year ended 31 March 2019 (2018: £nil).

### 12 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	11,166	9,384
Gift aid payable	-	4,104
Other creditors	131	30
Accruals and deferred income	246	928
Trade creditors	74	5
Rent paid in advance	-	15
Taxation and social security	260	-
	<u>11,877</u>	<u>14,466</u>

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Notes to the financial statements

For the year ended 31 March 2019

### 13 Called up share capital

	2019 £000	2018 £000
Allotted and fully paid		
25,958,868 (2018: 25,958,868) ordinary shares of £1 each	25,959	25,959
12,750,000 (2018: 12,750,000) redeemable preference shares of £1 each.	12,750	12,750
46,775,940 (2018: 41,792,174) redeemable ordinary shares of £1 each	46,776	41,792
	<b>85,485</b>	<b>80,501</b>

The Company has issued share capital of one £1 ordinary share to the company's sole shareholder Notting Hill Genesis.

### Redeemable ordinary shares of £1 at £2 per share

	Date issued	Number of shares
Redeemable ordinary £1 shares	13 June 2018	400,000
Redeemable ordinary £1 shares	20 June 2018	47,500
Redeemable ordinary £1 shares	08 August 2018	5,000
Redeemable ordinary £1 shares	24 September 2018	86,500
Redeemable ordinary £1 shares	24 September 2018	118,000
Redeemable ordinary £1 shares	24 September 2018	5,000
Redeemable ordinary £1 shares	29 October 2018	933,700
Redeemable ordinary £1 shares	29 October 2018	6,000
Redeemable ordinary £1 shares	08 November 2018	306,500
Redeemable ordinary £1 shares	16 November 2018	53,066
Redeemable ordinary £1 shares	22 November 2018	877,250
Redeemable ordinary £1 shares	09 January 2019	317,000
Redeemable ordinary £1 shares	09 January 2019	92,000
Redeemable ordinary £1 shares	23 January 2019	20,250
Redeemable ordinary £1 shares	30 January 2019	230,000
Redeemable ordinary £1 shares	06 February 2019	295,750
Redeemable ordinary £1 shares	25 February 2019	40,000
Redeemable ordinary £1 shares	25 February 2019	395,250
Redeemable ordinary £1 shares	06 March 2019	646,000
Redeemable ordinary £1 shares	25 March 2019	87,500
Redeemable ordinary £1 shares	25 March 2019	21,500
<b>Total number of redeemable ordinary £1 shares issued</b>		<b>4,983,766</b>

The total share issue value was £9,967,532 (2018: £25,521,398). £4,983,766 (2018: £12,760,699) has been credited to the share capital account and £4,983,766 (2018: £12,760,699) has been credited to the share premium account.

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Notes to the financial statements

For the year ended 31 March 2019

### 14 Share premium account

	2019 £000	2018 £000
As at beginning of year	75,028	70,929
Issue of 4,983,766 (2018: 4,098,940) Redeemable ordinary shares of £1 each at a premium of £1 per share	4,984	4,099
As at end of year	<u>80,012</u>	<u>75,028</u>

### 15 Retained earnings

	2019 £000	2018 £000
As at 1 April	8,696	12,164
(Loss)/profit for the year	(446)	659
Gift aid payable, net of tax	801	(4,127)
As at 31 March	<u>9,051</u>	<u>8,696</u>

### 16 Capital commitments

	2019 £000	2018 £000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>70,970</u>	<u>5,400</u>

At 31 March 2019 the Board has approved £nil (2018: £2,400,000) of capital expenditure that has not been contracted.

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Notes to the financial statements (continued)

For the year ended 31 MARCH 2019

### 17 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 Genesis.

Notting Hill Commercial Properties Limited has the following subsidiaries and joint ventures:

<b>Company (Subsidiaries)</b>	<b>Principal activity</b>	<b>Parent</b>	<b>Country of registration</b>
Notting Hill Developments Limited	Develops and sells properties	Notting Hill Commercial Properties Limited - 100% shares	England and Wales
Project Light Development 1 Limited	Develops and sells properties	Notting Hill Commercial Properties Limited - 100% shares	England and Wales
Project Light Development 2 Limited	Develops and sells properties	Notting Hill Commercial Properties Limited - 100% shares	England and Wales
Project Light Market Rent Limited	Rents properties at market rent	Project Light Development 1 Limited - 100% shares	England and Wales
Walworth Homes Limited	Regeneration of the Aylesbury Estate.	Notting Hill Commercial Properties Limited - 100% shares	England and Wales
<b>Partnerships (Joint ventures)</b>	<b>Principal activity</b>	<b>Parent</b>	<b>Country of registration</b>
Chobham Farm North LLP	Develops and sells properties	Notting Hill Commercial Properties Limited - 50% control	England and Wales
Brenley Park LLP	Develops and sells properties	Notting Hill Commercial Properties Limited - 50% control	England and Wales
Armada 1 South Development LLP	Develops and sells properties	Notting Hill Commercial Properties Limited - 50% control	England and Wales
Spray Street Quarter LLP	Develops and sells properties	Notting Hill Commercial Properties Limited - 50% control	England and Wales
Gallions 2A Developments LLP000	Develops and sells properties	Notting Hill Commercial Properties Limited - 50% control	England and Wales
Gallions 2B Development LLP	Develops and sells properties	Notting Hill Commercial Properties Limited - 50% control	England and Wales
TLD Kidbrooke LLP	Develops and sells properties	Notting Hill Commercial Properties Limited - 50% control	England and Wales

The registered office address of the above subsidiaries is 2 Killick Street, London, United Kingdom, N1 9FL.

# NOTTING HILL COMMERCIAL PROPERTIES LIMITED

## Notes to the financial statements

For the year ended 31 March 2019

### 17 Related party transactions (continued)

During the year the members' invested £7,963,000 (2018: repaid £5,261,000) in Chobham Farm North LLP to finance the development of residential units.

At 31 March 2019 the company invested £nil (2018: £700,000) in Walworth Homes Limited to carry out the regeneration of Aylesbury Project.

At 31 March 2019 the company invested £255,000 (2018: £1,779,000) in Spray Street Quarter LLP to carry out the Woolwich Town Centre Project.

At 31 March 2019 the company invested £227,000 (2018: £662,000) in Gallions 2B Development LLP to finance Phase 3 of the Gallions Quarter Sites.

During the year the members invested £790,000 (2018: £12,630,000) in TLD Kidbrooke LLP to finance development of the Kidbrooke Scheme.

During the year the members invested £1,074,000 (2018: £nil) in Gallions 2A Developments LLP to finance Phase 2 of the Gallions Quarter Sites.

### 18 Ultimate parent undertaking and controlling party

On 3 April 2018, the ultimate parent company, Notting Hill Housing Trust amalgamated with Genesis Housing Association to form Notting Hill Genesis, a charity incorporated as a community benefit society under the Co-operative and Community Benefit Societies Act 2014 and is a Registered Provider of Social Housing, Registered Number 4880.

The immediate and ultimate parent undertaking and controlling party at 31 March 2019 was Notting Hill Genesis, a registered society within the meaning of the Co-Operative and Community Benefit Societies Act 2014 in England and Wales.

Notting Hill Genesis was the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2019. The consolidated financial statements of Notting Hill Genesis are available from Bruce Kenrick House, 2 Killick Street, London, United Kingdom, N1 9FL or on their website.

### 19 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.