

# Hockley Developments Limited

Annual Report and Consolidated Financial Statements  
for the Period from 1 July 2018 to 30 September 2019

# Hockley Developments Limited

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# Hockley Developments Limited

## Company Information

<b>Director</b>	Mr Alan Forsyth
<b>Registered office</b>	15 Clarendon Street Nottingham NG1 5HR
<b>Solicitors</b>	Freeths LLP Cumberland Court 80 Mount Street Nottingham NG1 6HH Bates Solicitors Limited 43 Essex Street London WC2R 3JF David Morgan Jones 49 North Hill Colchester Essex CO1 1PY Kew Law LLP 55 North Hill Colchester Essex CO1 1PX
<b>Bankers</b>	National Westminster Bank PLC Nottingham 16 South Parade Nottingham NG1 2JX

# Hockley Developments Limited

## Strategic Report for the period from 1 July 2018 to 30 September 2019

The director presents his strategic report for the period from 1 July 2018 to 30 September 2019.

### Principal activity

The principal activity of the company is the development and construction of residential properties for resale

### Fair review of the business

Hockley Developments is a property development company based in the heart of Nottingham.

We have been property developers in the East Midlands since 2014, and pride ourselves on developing excellent quality residential properties at great value. The Group was formed on 14 June 2017 with a view to consolidating a number of separate local developments in order to centralise management and operations to achieve economies of scale. We build apartments and houses, a mix of new builds and conversions and are growing year on year. Our head office is in Nottingham and we have site offices and show apartments at each of our developments.

We believe Nottingham continues to be one of the best places to buy property in the UK, for both owner occupiers and buy to let investors, due to the fantastic affordability and rental returns, as regularly highlighted by both Zoopla and Rightmove. We believe Nottingham, with its young population, two world class universities and excellent employment prospects is the perfect city to in which to develop. With these excellent fundamentals coupled with the shortage of supply, very strong rental market, our fantastic local contacts, suppliers, subcontractors and internal expertise, we are very confident we shall continue to find great potential in Nottingham for years to come.

Many first time buyers have brought properties from our Nottingham developments and one of the reasons, apart from the price and the level of finish, is the fact that we always have an allocation for the Help to Buy scheme. The Help to Buy scheme offers an equity loan where the government lends first-time buyers and existing home owners money to buy a newly built home. The business model of the Hockley Developments Group is to produce properties that appeal to a range of buyers, but primarily first time buyers, young families and buy to let investors, with average values of around £140,000. Marketing will start at the off plan stage, with a target to pre sell 30-40% in the first 3 months. Another 30% of each site will be sold during the build period, leaving approximately 30-40% to sell on completion. This helps to ensure good regular cashflows and ensures developments sell at a good pace.

It has been a busy year for the Hockley Developments Group, with completions across three developments and work progressing well at five further sites. We also have a further six sites in early development or progressing through planning.

During the course of the year we have set up the groups own internal construction arm, Hockley Construction Services Limited. We have brought in an experienced team to join the existing management structure with a Head of Construction, Quantity Surveyor and two Site Managers joining our team. This is designed to improve quality and efficiencies on site, as well as improving the speed in which our build programmes can progress. As we anticipated, this has resulted in some initial start-up costs with fees paid to recruitment companies and a substantial increase to central costs, which has adversely affected the overall profitability for this financial period, but we felt this step was essential to enable the group to continue to achieve the growth targets it has set. We fully expect to see the rewards of this investment in the coming years. Hockley Construction Services Limited will be managing the construction of our developments at Mount Street, Palm Street and Holland Street and we expect to see our first completed projects for sale in the latter half of 2020 when the developments at Palm Street and Mount Street are due to be completed, with Holland Street completing early in 2021. At the year end the conversion project of 12 apartments at Palm street was progressing well and approximately 60% completed, with the 5 new build houses 20% completed. Our 31 apartment conversion at Mount Street was approximately 20% complete at the period end. Our 36 apartment conversion at Holland Street was still in it's infancy, with the demolition works commencing just prior to the period end.

## **Hockley Developments Limited**

### **Strategic Report for the period from 1 July 2018 to 30 September 2019**

Our completed projects include our development at Vivian Avenue, which completed ahead of programme, with all 18 apartments successfully completing within this financial period. Our project at Basford Road was slightly behind programme, with 13 out of 17 of the apartments completing in the period and the remainder sold post period end. Our development at Cedar Court in Wales was signed off in February 2019, with 17 out of 22 apartments completing in the period and again the remainder sold post period end.

Our ongoing projects include our development at Sherwood Rise, which was 90% complete at period end with all 14 apartments being sold before the end of December 2019. Our development at College Avenue in Wales was around 80% complete at the period end and was completed in January 2020. We hope to have all 24 apartments sold before the next financial year end.

We took the decision to close two of our companies during the year, Hockley Developments (Broad St) Limited and Hockley Developments (Parli Street) Limited. After initial site analysis work was completed it became apparent that the costs of developing these projects made them too risky and unprofitable to move forward so we decided not to acquire the land.

Our future projects include an exciting development at Woodborough Road, where we were in advanced planning at the period end and eventually took ownership of this development in December 2019. We have further exciting projects moving towards planning at Shelford Road, Oakdale Road, Sturgeon Avenue and Spondon Street in Nottingham and at North Penrallt in Wales which, if successful and the projects remain feasible, will be potential acquisitions in 2020.

Next year we envisage adding one or two further key personnel appointments, as we look to continue to strengthen our team. We are also anticipating turnover increasing by 30-50% depending on when our sites complete in 2020 and when our customers are able to complete. We have a substantial amount of reserved and exchanged properties for the next financial year and we are projecting that this will translate to improvements to both gross and net profit.

#### **Principal risks and uncertainties**

The group has established an informal risk committee that meets regularly and which evaluates the group's risk appetite. The principal risks and uncertainties facing the group are broadly grouped as – competitive, legislative and financial instrument risk.

##### **Competitive risks**

The group is reliant on the availability of suitable development sites which are often openly available and subject to competitive tender. Acquisition of these sites is uncertain and based on financial and performance criteria. A further competitive risk relates to the probability of large national companies entering into the market.

##### **Legislative risks in the UK**

Property must be constructed to strict standards. These standards are subject to continuous revision and any new directive may have a material impact on the ability of the group to construct and supply properties at a profit. In addition compliance imposes costs and failure to comply with the standards could materially affect the group's ability to operate.

##### **Financial instrument risks**

The group has established a risk and financial management framework whose primary objectives are to protect the group from events that hinder the achievement of the group's performance objectives. The objectives aim to limit undue counterparty exposure, ensuring sufficient working capital exists and monitoring the management of risk at a business unit level.

**Hockley Developments Limited**

**Strategic Report for the period from 1 July 2018 to 30 September 2019**

Approved by the director on 7 July 2020 and signed on its behalf by:

.....  
Mr Alan Forsyth  
Director

## **Hockley Developments Limited**

### **Director's Report for the Period from 1 July 2018 to 30 September 2019**

The director presents his report and the for the period from 1 July 2018 to 30 September 2019.

#### **Director of the group**

The director who held office during the period was as follows:

Mr Alan Forsyth

Approved by the director on 7 July 2020 and signed on its behalf by:

.....  
Mr Alan Forsyth  
Director

## Hockley Developments Limited

### Consolidated Profit and Loss Account for the Period from 1 July 2018 to 30 September 2019

	Note	2019 £	2018 £
Turnover	<u>3</u>	6,831,545	265,362
Cost of sales		<u>(6,165,412)</u>	<u>(1,226)</u>
Gross profit		666,133	264,136
Administrative expenses		(571,210)	(172,308)
Other operating income		<u>133,824</u>	<u>26,368</u>
Operating profit		<u>228,747</u>	<u>118,196</u>
Gain on financial assets at fair value through profit and loss account		45,679	-
Amounts written off investments		(27,015)	-
Interest payable and similar expenses	<u>4</u>	<u>(102,592)</u>	<u>(21,939)</u>
		<u>(83,928)</u>	<u>(21,939)</u>
Profit before tax		144,819	96,257
Tax on profit	<u>7</u>	<u>(32,708)</u>	<u>(20,075)</u>
Profit for the financial period		<u>112,111</u>	<u>76,182</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		<u>112,111</u>	<u>76,182</u>

The notes on pages 13 to 28 form an integral part of these financial statements.



## Hockley Developments Limited

### Consolidated Statement of Comprehensive Income for the Period from 1 July 2018 to 30 September 2019

	2019 £	2018 £
Profit for the period	<u>112,111</u>	<u>76,182</u>
Total comprehensive income for the period	<u><u>112,111</u></u>	<u><u>76,182</u></u>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	<u><u>112,111</u></u>	<u><u>76,182</u></u>

The notes on pages 13 to 28 form an integral part of these financial statements.

**Hockley Developments Limited**  
**(Registration number: 10818756)**  
**Consolidated Balance Sheet as at 30 September 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	<u>8</u>	445,854	394,116
Investments	<u>9</u>	-	1
		<u>445,854</u>	<u>394,117</u>
<b>Current assets</b>			
Stocks	<u>11</u>	9,231,072	5,285,735
Debtors	<u>12</u>	422,139	239,697
Cash at bank and in hand		66,085	38,528
		9,719,296	5,563,960
<b>Creditors: Amounts falling due within one year</b>	<u>14</u>	<u>(8,273,056)</u>	<u>(5,881,894)</u>
<b>Net current assets/(liabilities)</b>		<u>1,446,240</u>	<u>(317,934)</u>
<b>Total assets less current liabilities</b>		1,892,094	76,183
<b>Creditors: Amounts falling due after more than one year</b>	<u>14</u>	(1,711,006)	-
<b>Provisions for liabilities</b>		<u>(7,786)</u>	-
<b>Net assets</b>		<u>173,302</u>	<u>76,183</u>
<b>Capital and reserves</b>			
Called up share capital	<u>15</u>	1	1
Other reserves		37,893	-
Profit and loss account		135,400	76,182
Equity attributable to owners of the company		173,294	76,183
Minority interests		8	-
Shareholders' funds		<u>173,302</u>	<u>76,183</u>

Approved and authorised by the director on 7 July 2020

.....  
Mr Alan Forsyth  
Director

The notes on pages 13 to 28 form an integral part of these financial statements.  
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**Hockley Developments Limited**  
**(Registration number: 10818756)**  
**Balance Sheet as at 30 September 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	<u>8</u>	445,854	394,116
Investments	<u>9</u>	121	7
		<u>445,975</u>	<u>394,123</u>
<b>Current assets</b>			
Debtors	<u>12</u>	1,041,109	309,895
Cash at bank and in hand		1,134	2,386
		1,042,243	312,281
<b>Creditors:</b> Amounts falling due within one year	<u>14</u>	<u>(1,188,315)</u>	<u>(619,839)</u>
<b>Net current liabilities</b>		<u>(146,072)</u>	<u>(307,558)</u>
<b>Total assets less current liabilities</b>		299,903	86,565
<b>Creditors:</b> Amounts falling due after more than one year	<u>14</u>	(150,001)	-
<b>Provisions for liabilities</b>		<u>(7,786)</u>	-
<b>Net assets</b>		<u>142,116</u>	<u>86,565</u>
<b>Capital and reserves</b>			
Called up share capital	<u>15</u>	1	1
Other reserves		37,893	-
Profit and loss account		104,222	86,564
Shareholders' funds		<u>142,116</u>	<u>86,565</u>

The company made a profit after tax for the financial period of £70,551 (2018 - profit of £86,564).

For the financial period ending 30 September 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 13 to 28 form an integral part of these financial statements.  
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**Hockley Developments Limited**  
**(Registration number: 10818756)**  
**Balance Sheet as at 30 September 2019**

Approved and authorised by the director on 7 July 2020

Mr Alan Forsyth  
Director

The notes on pages 13 to 28 form an integral part of these financial statements.

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## Hockley Developments Limited

### Consolidated Statement of Changes in Equity for the Period from 1 July 2018 to 30 September 2019 Equity attributable to the parent company

	Share capital £	Other reserves £	Profit and loss account £	Total £	Non- controlling interests £
At 1 July 2018	1	-	76,182	76,183	-
Profit for the period	-	-	112,111	112,111	-
Other comprehensive income	-	37,893	(37,893)	-	-
Total comprehensive income	-	37,893	74,218	112,111	-
Dividends	-	-	(15,000)	(15,000)	-
New share capital subscribed	-	-	-	-	8
At 30 September 2019	1	37,893	135,400	173,294	8

  

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 July 2017	1	-	1	1
Profit for the period	-	76,182	76,182	76,182
Total comprehensive income	-	76,182	76,182	76,182
At 30 June 2018	1	76,182	76,183	76,183

The notes on pages 13 to 28 form an integral part of these financial statements.  
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## Hockley Developments Limited

### Statement of Changes in Equity for the Period from 1 July 2018 to 30 September 2019

	<b>Share capital</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 July 2018	1	-	86,564	86,565
Profit for the period	-	-	70,551	70,551
Other comprehensive income	-	37,893	(37,893)	-
	-	37,893	32,658	70,551
Total comprehensive income	-	-	(15,000)	(15,000)
Dividends	1	37,893	104,222	142,116
At 30 September 2019	1	37,893	104,222	142,116

  

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Profit for the period	-	86,564	86,564
Total comprehensive income	-	86,564	86,564
New share capital subscribed	1	-	1
At 30 June 2018	1	86,564	86,565

The notes on pages 13 to 28 form an integral part of these financial statements.

# Hockley Developments Limited

## Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019

### 1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

15 Clarendon Street  
Nottingham  
NG1 5HR  
England

These financial statements were authorised for issue by the director on 7 July 2020.

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 September 2019.

## **Hockley Developments Limited**

### **Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019**

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the group's activities.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.



# Hockley Developments Limited

## Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

### Tangible assets

Tangible assets (excluding land and building) are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Land and building are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Where fair value can be measured reliably, land and building are then subsequently measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account and accumulated in its own 'other reserves' unless a deficit below original cost, or its reversal, on an individual property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Office and computer equipment	4 years on a straight line basis

### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

### Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **Hockley Developments Limited**

### **Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019**

#### **Debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

#### **Inventories**

Work in progress is stated at the lower of cost and estimated selling price less costs to complete and sell. The cost of work in progress comprises, site acquisition, direct materials, direct labour costs, development finance costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, work in progress is assessed for impairment. If work in progress is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing. Interest expense relating to the development of building projects is recognised on the basis of the effective interest method and is included in finance charges within direct costs. Interest expense relating to all other borrowing (including exit funding) is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## Hockley Developments Limited

### Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019

#### Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### 3 Revenue

The analysis of the group's revenue for the period from continuing operations is as follows:

	2019 £	2018 £
Sale of goods	6,797,845	5,695
Rendering of services	33,700	259,667
	<u>6,831,545</u>	<u>265,362</u>

#### 4 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and borrowings	36,563	21,939
Interest expense on other finance liabilities	66,029	-
	<u>102,592</u>	<u>21,939</u>

#### 5 Staff costs

The aggregate payroll costs (including director's remuneration) were as follows:

	2019 £	2018 £
Wages and salaries	374,059	91,812
Social security costs	38,222	7,951
Pension costs, defined contribution scheme	9,505	-
Other employee expense	12,014	14,750
	<u>433,800</u>	<u>114,513</u>

The average number of persons employed by the group (including the director) during the period, analysed by category was as follows:

## Hockley Developments Limited

### Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019

	2019 No.	2018 No.
Production	8	3
Administration and support	4	2
Sales	1	1
	13	6
	13	6

#### 6 Director's remuneration

The director's remuneration for the period was as follows:

	2019 £	2018 £
Remuneration	25,060	-
Contributions paid to money purchase schemes	298	-
	25,358	-
	25,358	-

#### 7 Taxation

Tax charged/(credited) in the income statement

	2019 £	2018 £
<b>Current taxation</b>		
UK corporation tax	24,922	20,075
<b>Deferred taxation</b>		
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	7,786	-
	32,708	20,075
	32,708	20,075

#### Deferred tax

##### Group

Deferred tax assets and liabilities

**2019**

Fair value adjustment to head office building

**Liability  
£**

7,786

##### Company

Deferred tax assets and liabilities

**2019**

Fair value adjustment to head office building

**Liability  
£**

7,786



## Hockley Developments Limited

### Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019

#### Tax relating to items recognised in other comprehensive income or equity - group

	2019	2018
	£	£
Deferred tax related to items recognised as items of other comprehensive income	7,786	-

#### Tax relating to items recognised in other comprehensive income or equity - company

	2019	2018
	£	£
Deferred tax related to items recognised as items of other comprehensive income	7,786	-

## 8 Tangible assets

### Group

	Land and buildings £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 July 2018	390,741	3,375	394,116
Revaluations	45,679	-	45,679
Additions	3,580	6,070	9,650
At 30 September 2019	440,000	9,445	449,445
<b>Depreciation</b>			
Charge for the period	-	3,591	3,591
At 30 September 2019	-	3,591	3,591
<b>Carrying amount</b>			
At 30 September 2019	440,000	5,854	445,854
At 30 June 2018	390,741	3,375	394,116

Included within the net book value of land and buildings above is £440,000 (2018 - £390,741) in respect of freehold land and buildings.

## Hockley Developments Limited

### Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019

#### Company

	Land and buildings £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 July 2018	390,741	3,375	394,116
Revaluations	45,679	-	45,679
Additions	3,580	6,070	9,650
	440,000	9,445	449,445
At 30 September 2019			
<b>Depreciation</b>			
Charge for the period	-	3,591	3,591
At 30 September 2019	-	3,591	3,591
<b>Carrying amount</b>			
At 30 September 2019	440,000	5,854	445,854
At 30 June 2018	390,741	3,375	394,116

Included within the net book value of land and buildings above is £440,000 (2018 - £390,741) in respect of freehold land and buildings.

#### Revaluation

The fair value of the company's land and buildings was revalued on 6 June 2020 by an independent valuer.

The company's freehold office building was valued in June 2019 as part of the refinance of this property, which eventually took place in December 2019. While this valuation was prepared for the bank's purposes, the director, who has several years of experience in the industry and has dealt with hundreds of property sale transactions, believes this valuation of £440,000 is a fair value for the freehold land and buildings known as 15 Clarendon Street, Nottingham, NG1 5HR.

The name and qualification of the independent valuer are undisclosed as the valuation was not provided for the purposes of the financial statements.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £394,321 (2018 - £390,741).

## 9 Investments

#### Company

	2019 £	2018 £
Investments in subsidiaries	121	7

## Hockley Developments Limited

### Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019

<b>Subsidiaries</b>	<b>£</b>
<b>Cost or valuation</b>	
At 1 July 2018	7
Additions	124
Disposals	<u>(10)</u>
At 30 September 2019	<u>121</u>
<b>Provision</b>	
<b>Carrying amount</b>	
At 30 September 2019	<u><u>121</u></u>
At 30 June 2018	<u><u>7</u></u>

#### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
<b>Subsidiary undertakings</b>				
Oaking Developments Limited	3 15 Clarendon Street, Nottingham, NG1 5HR Wales	£1 ordinary shares	100%	100%
Hockley Developments (Mount Street) Limited	15 Clarendon Street, Nottingham, NG1 5HR England	£1 ordinary shares	94%	100%
Hockley Developments (Basford Road) Limited	15 Clarendon Street, Nottingham, NG1 5HR England	£1 ordinary shares	100%	100%
Oaking Developments (College Avenue) Limited	15 Clarendon Street, Nottingham, NG1 5HR Wales	£1 ordinary shares	100%	100%
Hockley Developments (Parli Street) Limited	15 Clarendon Street, Nottingham, NG1 5HR England	£1 ordinary shares	0%	100%
Hockley Developments (Vivian Avenue) Limited	15 Clarendon Street, Nottingham, NG1 5HR England	£1 ordinary shares	100%	100%



## Hockley Developments Limited

### Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
Oaking Developments (Oak House) Limited	15 Clarendon Street, Nottingham, NG1 5HR England	£1 ordinary shares	100%	0%
Hockley Developments (Broad Street) Limited	15 Clarendon Street, Nottingham, NG1 5HR England	£1 ordinary shares	0%	100%
Hockley Developments (Sherwood Rise) Limited	15 Clarendon Street, Nottingham, NG1 5HR England	£1 ordinary shares	90%	0%
Hockley Developments (Holland Street) Limited	15 Clarendon Street, Nottingham, NG1 5HR England	£1 ordinary shares	100%	0%
Hockley Developments (Palm Street) Limited	15 Clarendon Street, Nottingham, NG1 5HR England	£1 ordinary shares	90%	0%
Oaking Developments (North Penrallt) Limited	15 Clarendon Street, Nottingham, NG1 5HR Wales	£1 ordinary shares	100%	0%
Hockley Construction Services Limited	15 Clarendon Street, Nottingham, NG1 5HR England	£1 ordinary shares	100%	0%
Hockley Developments (Woodborough Road) Limited	15 Clarendon Street, Nottingham, NG1 5HR England	£1 ordinary shares	100%	0%

#### Subsidiary undertakings

##### *Oaking Developments 3 Limited*

The principal activity of Oaking Developments 3 Limited is the development and construction of residential properties.

##### *Hockley Developments (Mount Street) Limited*

The principal activity of Hockley Developments (Mount Street) Limited is the development and construction of residential properties for resale.

##### *Hockley Developments (Basford Road) Limited*

The principal activity of Hockley Developments (Basford Road) Limited is the development and construction of residential properties for resale.

## **Hockley Developments Limited**

### **Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019**

#### *Oaking Developments (College Avenue) Limited*

The principal activity of Oaking Developments (College Avenue) Limited is the development and construction of residential properties.

#### *Hockley Developments (Parli Street) Limited*

The principal activity of Hockley Developments (Parli Street) Limited is the development and construction of residential properties for resale.

#### *Hockley Developments (Vivian Avenue) Limited*

The principal activity of Hockley Developments (Vivian Avenue) Limited is the development and construction of residential properties for resale.

#### *Oaking Developments (Oak House) Limited*

The principal activity of Oaking Developments (Oak House) Limited is the development and construction of residential properties for resale.

#### *Hockley Developments (Broad Street) Limited*

The principal activity of Hockley Developments (Broad Street) Limited is the development and construction of residential properties for resale.

#### *Hockley Developments (Sherwood Rise) Limited*

The principal activity of Hockley Developments (Sherwood Rise) Limited is the development and construction of residential properties for resale.

#### *Hockley Developments (Holland Street) Limited*

The principal activity of Hockley Developments (Holland Street) Limited is the development and construction of residential properties for resale.

#### *Hockley Developments (Palm Street) Limited*

The principal activity of Hockley Developments (Palm Street) Limited is the development and construction of residential properties for resale.

#### *Oaking Developments (North Penrallt) Limited*

The principal activity of Oaking Developments (North Penrallt) Limited is the development and construction of residential properties for resale.

#### *Hockley Construction Services Limited*

The principal activity of Hockley Construction Services Limited is to provide construction services to group development projects.

#### *Hockley Developments (Woodborough Road) Limited*

The principal activity of Hockley Developments (Woodborough Road) Limited is the development and construction of residential properties for resale.

## Hockley Developments Limited

### Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019

#### 10 Disposal of subsidiary

On 28 May 2019, the group disposed of its interest in Hockley Developments (Parli Street) Limited. The gain/(loss) on disposal of Hockley Developments (Parli Street) Limited was £(26,940). Hockley Developments (Parli Street) Limited contributed £- to the group profit/(loss).

On 28 May 2019, the group disposed of its interest in Hockley Developments (Broad St) Limited. The gain/(loss) on disposal of Hockley Developments (Broad St) Limited was £(75). Hockley Developments (Broad St) Limited contributed £- to the group profit/(loss).

#### 11 Stocks

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Work in progress	9,231,072	5,285,735	-	-

#### Group

#### 12 Debtors

	Note	Group		Company	
		2019	2018	2019	2018
		£	£	£	£
Trade debtors		39,943	29,105	125,935	28,705
Amounts owed by related parties		-	109,000	743,997	281,190
Other debtors		358,652	59,442	42,177	-
Prepayments		23,544	42,150	-	-
Accrued income		-	-	129,000	-
		422,139	239,697	1,041,109	309,895

#### 13 Cash and cash equivalents

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Cash on hand	200	2,007	-	2,003
Cash at bank	62,844	36,521	1,134	383
Short-term deposits	3,041	-	-	-
	66,085	38,528	1,134	2,386
Bank overdrafts	(16)	(41)	-	-
Cash and cash equivalents in statement of cash flows	66,069	38,487	1,134	2,386

## Hockley Developments Limited

### Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019

#### 14 Creditors

	Note	Group		Company	
		2019 £	2018 £	2019 £	2018 £
<b>Due within one year</b>					
Loans and borrowings	<u>16</u>	5,997,828	4,667,178	689,612	558,546
Trade creditors		498,770	519,555	10,292	11,959
Amounts due to related parties		-	15,925	367,632	4,000
Social security and other taxes		115,798	25,541	78,519	23,126
Outstanding defined contribution pension costs		9,626	890	730	890
Other payables		1,298,605	632,730	20,514	1,243
Accruals		306,783	-	8,936	-
Income tax liability	<u>7</u>	45,646	20,075	12,080	20,075
		<u>8,273,056</u>	<u>5,881,894</u>	<u>1,188,315</u>	<u>619,839</u>
<b>Due after one year</b>					
Loans and borrowings	<u>16</u>	<u>1,711,006</u>	<u>-</u>	<u>150,001</u>	<u>-</u>

#### 15 Share capital

##### Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
ordinary shares of £1 each	1	1	1	1

#### 16 Loans and borrowings

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
<b>Non-current loans and borrowings</b>				
Bank borrowings	1,561,005	-	-	-
Other borrowings	150,001	-	150,001	-
	<u>1,711,006</u>	<u>-</u>	<u>150,001</u>	<u>-</u>

## Hockley Developments Limited

### Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
<b>Current loans and borrowings</b>				
Bank borrowings	5,118,359	3,866,181	243,751	243,750
Bank overdrafts	16	41	-	-
Other borrowings	879,453	800,956	445,861	314,796
	5,997,828	4,667,178	689,612	558,546
	5,997,828	4,667,178	689,612	558,546

#### Group

#### Bank borrowings

##### Development funding is denominated in pound sterling (£)

Finance Wales Investments (11) Limited & Finance Wales Investments (3) Limited have provided funding to acquire and develop our site at Victoria Park. This facility has a nominal interest rate of 7%, and the final instalment is due on 19 April 2019. The carrying amount at period end is £Nil (2018 - £2,041,516).

This loan was repaid in full on 10 May 2019.

Zorin Finance Limited & P2P Global Investments PLC have provided funding to acquire and develop our site at Vivian Avenue. This facility has a nominal interest rate of 11%, and the final instalment is due on 13 February 2021. The carrying amount at period end is £967,778 (2018 - £Nil).

This loan was repaid in full on 22 July 2019.

Zorin Finance Limited & P2P Global Investments PLC have provided funding to acquire and develop our site at Mount Street. This facility has a nominal interest rate of 8.25%, and the final instalment is due on 13 February 2021. The carrying amount at period end is £967,778 (2018 - £Nil).

This facility is secured via a first charge against all assets of the company. The maximum term of this facility is 20 months from 13 June 2019.

Assetz Capital Trust Company Limited have provided funding to acquire and develop our site at Basford Road. This facility has a nominal interest rate of 8.9%, and the final instalment is due on 3 June 2019. The carrying amount at period end is £351,072 (2018 - £385,954).

This facility is secured via a first charge against all assets of the company. The maximum term of this facility is 12 months from 04 June 2018. No formal extension was agreed when this fixed term expired as the majority of this development sold shortly after this date, but the facility was closely monitored until this was cleared in full post year end.

## Hockley Developments Limited

### Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019

DBW Investments (11) Limited have provided funding to acquire and develop our site at College Avenue. This facility has a nominal interest rate of 6.5%, and the final instalment is due on 31 May 2020. The carrying amount at period end is £2,499,322 (2018 - £519,161).

This facility is secured via a first charge against all assets of the company. The original term of this facility was 18 months from 19 January 2018, however a formal extension was agreed on this facility until 31 May 2020.

Invest & Fund Limited have provided funding to acquire and develop our site at Sherwood Rise. This facility has a nominal interest rate of 7.5%, and the final instalment is due on 4 February 2020. The carrying amount at period end is £1,077,173 (2018 - £Nil).

This facility is secured via a first charge against all assets of the company. The maximum term of this facility is 12 months from 05 February 2019.

Zorin Finance Limited & P2P Global Investments PLC have provided funding to acquire and develop our site at Palm Street. This facility has a nominal interest rate of 8.5%, and the final instalment is due on 18 December 2020. The carrying amount at period end is £593,228 (2018 - £Nil).

This facility is secured via a first charge against all assets of the company. The maximum term of this facility is 20 months from 18 June 2019.

#### **Bridging funding is denominated in pound sterling (£).**

Together Commercial Finance Limited have provided a bridging funding facility to acquire our site at Holland Street. This facility has a nominal interest rate of 12%, and the final instalment is due on 5 June 2020. The carrying amount at period end is £548,292 (2018 - £Nil).

This facility is secured via a first charge against all assets of the company. The maximum term of this facility is 12 months from 06 June 2019. In December 2019, this facility was discharged in full and refinanced with Zorin Finance Limited & Pollen Street Secured Lending PLC, who have provided a development funding facility to develop this site.

#### **Exit funding is denominated in pound sterling (£).**

Together Commercial Finance Limited have provided exit funding to refinance our site at Victoria Park. This facility has a nominal interest rate of 12%, and the final instalment is due on 10 May 2020. The carrying amount at period end is £398,750 (2018 - £Nil).

This facility is secured via a first charge against the remaining assets of the company. The maximum term of this facility is 12 months from 10 May 2019.

#### **Freehold property bridging loan is denominated in pound sterling (£).**

Together Commercial Finance Limited have provided a bridging loan to facilitate the acquisition of our freehold premises at 15 Clarendon Street, Nottingham. This facility has a nominal interest rate of 12%, and the final instalment is due on 16 December 2019. The carrying amount at period end is £243,751 (2018 - £243,751).

This facility is secured via a first charge against this property. This facility was refinanced post year end with Santander UK PLC.

# Hockley Developments Limited

## Notes to the Financial Statements for the Period from 1 July 2018 to 30 September 2019

### Other borrowings

Minority shareholder loans is denominated in pound sterling (£) with a nominal interest rate of 0%. The carrying amount at year end is £433,592 (2018 - £Nil).

CPM (Stourbridge) Limited, a minority shareholder at 3 of our Nottingham developments has introduced funds to help fund working capital for these projects. CMP (Stourbridge) Limited has introduced £150,000 at Mount Street where they hold a 6% shareholding, £136,600 at Sherwood Rise where they hold a 10% shareholding and £147,000 at Palm Street where they hold a 10% shareholding. This loan is non interest bearing, unsecured and repayable on demand.

Related party loans is denominated in pound sterling (£) with a nominal interest rate of 0%. The carrying amount at year end is £155,556 (2018 - £Nil).

Fast Property Sale Limited, a company owned and controlled by the director and shareholder, has loaned the group funds totalling £155,556 to facilitate the acquisition of several sites and assist with working capital. While this balance regularly fluctuates £155,556 remained outstanding at 30 September 2019, which is included in other borrowings. This loan is non interest bearing, unsecured and repayable on demand, however Fast Property Sale Limited have confirmed that they will not request repayment of £100,000 until after 31 December 2020.

Growth loan notes is denominated in pound sterling (£) with a nominal interest rate of 12%, and the final instalment is due on 18 September 2021. The carrying amount at year end is £50,001 (2018 - £Nil).

The group has issued loan notes to external investors to facilitate growth. These loan notes carry the security of a personal guarantee from the director and are due for repayment within 24 months of 18 September 2019.

Project specific loans is denominated in pound sterling (£) with a nominal interest rate of 15%, and the final instalment is due on 29 March 2020. The carrying amount at year end is £100,000 (2018 - £Nil).

An external investor has provided a facility to help fund the development of our site at Mount Street. This facility is secured via a first refusal to purchase apartment 3 at this development. The maximum term of this facility is 12 months from 29 March 2019.

Directors loan is denominated in pound sterling (£) with a nominal interest rate of 12%. The carrying amount at year end is £290,305 (2018 - £Nil).

The director has introduced funds to facilitate growth. The total balance owing to the director at 30 September 2019 was £290,305. £279,000 of this was introduced from funds obtained via a second charge on the directors personal property with an annual interest rate of 12%. This interest is being paid by the company and amounted to £5,580 during the period.

### 17 Dividends

#### Interim dividends paid

	2019	2018
	£	£
Interim dividend of £15,000 (2018 - £Nil) per each ordinary shares	15,000	-

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.