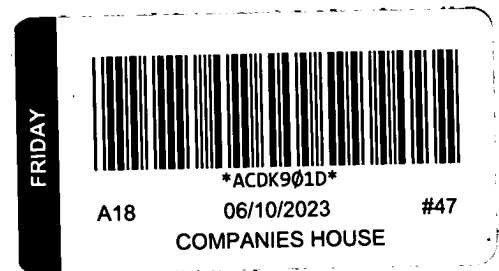


Registered number: 11413846

WESTMINSTER HOUSING INVESTMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



WESTMINSTER HOUSING INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	J M Green J J Bacchus (appointed 7 July 2022) J E A Wilkinson (resigned 16 May 2022) N F Wightman
Company secretary	C Tickell K Balogun
Registered number	11413846
Registered office	13th Floor City Hall 64 Victoria Street London England SW1E 6QP
Independent auditor	Cooper Parry Group Limited Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

WESTMINSTER HOUSING INVESTMENTS LIMITED

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WESTMINSTER HOUSING INVESTMENTS LIMITED
REGISTERED NUMBER: 11413846

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	3	11,396	10,378,549
Investments	4	2	2
Investment property	5	26,159,999	9,732,801
		<u>26,171,397</u>	<u>20,111,352</u>
Current assets			
Debtors: amounts falling due after more than one year	6	5,901,159	35,272,852
Debtors: amounts falling due within one year	6	1,554,131	380,605
Cash at bank and in hand		9,651,126	194,616
		<u>17,106,416</u>	<u>35,848,073</u>
Creditors: amounts falling due within one year	7	(1,931,901)	(330,298)
Net current assets		<u>15,174,515</u>	<u>35,517,775</u>
Total assets less current liabilities		<u>41,345,912</u>	<u>55,629,127</u>
Creditors: amounts falling due after more than one year	8	(38,567,644)	(55,938,465)
Net assets/(liabilities)		<u><u>2,778,268</u></u>	<u><u>(309,338)</u></u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		2,778,267	(309,339)
		<u>2,778,268</u>	<u>(309,338)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

J M Green
 Director

Date: 05 October 2023

The notes on pages 3 to 12 form part of these financial statements.

WESTMINSTER HOUSING INVESTMENTS LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2022	1	(309,339)	(309,338)
Profit for the year	-	3,087,606	3,087,606
At 31 March 2023	1	2,778,267	2,778,268

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2021	1	(96,653)	(96,652)
Loss for the year	-	(212,686)	(212,686)
At 31 March 2022	1	(309,339)	(309,338)

The notes on pages 3 to 12 form part of these financial statements.

WESTMINSTER HOUSING INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies

Westminster Housing Investments Limited (the "company") is a limited liability company incorporated and domiciled in the United Kingdom. The registered address is disclosed on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 March 2023 (2022: year ended 31 March 2022).

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland including Section 1A of FRS 102 and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

1.2 Disclosure exemptions

The company has adopted the following disclosure exemptions:

Under FRS 102 Section 1.12, the company is exempt from the requirements to prepare a statement of cash flows on the grounds that the parent Entity of the group, Westminster City Council, includes the company's cash flows in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of an entity whose consolidated accounts include the results of the subsidiary and are publically available, the company has taken advantage of the FRS 102 Section 33.1a exemption from disclosing transactions with group undertakings.

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Westminster City Council. The group accounts of Westminster City Council are available to the public and can be obtained as set out in note 18.

The following principal accounting policies have been applied:

WESTMINSTER HOUSING INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.3 Going concern

The company acts primarily as an investor in various property development projects located within the City of Westminster which are designed to increase and improve the City's housing provision. At the year end the company had interests in 4 such projects. The company receives its funding for each project via loans from Westminster City Council and their repayment profile is linked to the anticipated date of the sale of housing units, if the loan relates to the building and sale of units, or the anticipated net cashflows from tenants, if the loan relates to the acquisition or construction of properties for rent. Westminster City Council is therefore the primary funder of the company's activities.

At the year end the company's largest investment was conducted via Luton Street Developments LLP, a joint venture with BY Developments Limited for the construction and sale of 109 residential apartments via a fixed sum construction contract with a substantial contractor. At the year end Luton Street Developments LLP owed the company £5.9m (2022: £35.3m) which is included within debtors. The development achieved Practical Completion in August 2022 and the sale of units has commenced with 79 of the 109 units having been sold by the year end. Approximately £29.3m of loan repayments have been received from Luton Street Developments LLP during the year, and the directors anticipate successful sales of the completed project units. From the proceeds of sale the company has repaid approximately £28m of debt owing to Westminster City Council.

Separate loans have been received from Westminster City Council in relation to the acquisition of the 4 apartment blocks referred to above. These loans are repayable over the medium to long term. The ongoing support of Westminster City Council has been confirmed in a Letter Of Support.

The directors carefully monitor each development and its associated cashflows. They also remain in close dialogue with Westminster City Council. Taking all factors into account the directors, at the date of approving these Financial Statements, believe that the company has sufficient resources to meet its obligations as they fall due and that the Financial Statements should be prepared on a going concern basis.

1.4 Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and that the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, Value Added Tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Sale of property

Revenue from the sale of property is recognised upon legal completion. Deposits received from purchasers are held within creditors as deferred income.

WESTMINSTER HOUSING INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.6 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

1.7 Taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date. The income tax charge will also be affected by estimates and judgements made by management on the availability and allocation of tax losses within the group.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.8 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Where loans are received from shareholders at rates of interest below market rate a notional interest charge, at an estimated market rate is charged to the profit and loss account, with a corresponding entry made as a "Capital contribution" within Shareholders funds. Given the beneficial loans were received by a public-benefit entity, the loan has remained at cost and no interest has been recognised through the profit and loss account.

1.9 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset or specific planning conditions effecting the use of the property and the rents which can be charged. No depreciation is provided. Changes in fair value are recognised in profit or loss.

1.10 Valuation of investments

Investments in subsidiaries and joint ventures are measured at cost less accumulated impairment.

1.11 Assets under construction

Where the company is constructing new accommodation which will be ultimately held for long term rental to tenants, construction costs incurred at the year end are included within assets under construction. Such costs are regularly reviewed for potential impairment.

WESTMINSTER HOUSING INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. Accounting policies (continued)

1.12 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans to and from related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently at amortised cost.

1.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2. Employees

The company has no employees other than the directors, who did not receive any remuneration (2022: £Nil).

3. Tangible fixed assets

	Asset under construction £
Cost	
At 1 April 2022	10,378,549
Additions	11,396
Transfer to investment property	(10,378,549)
At 31 March 2023	11,396
 Net book value	
At 31 March 2023	11,396
At 31 March 2022	10,378,549

Assets under construction related to costs incurred to date in the construction of 19 housing units at Jubilee Road. In the current year these units were transferred to investment property upon completion and the company started development at a new site, which is currently in its early stages.

WESTMINSTER HOUSING INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Fixed asset investments

	Investments in subsidiary companies £	Investment in joint ventures £	Total £
Cost			
At 1 April 2022	1	1	2
At 31 March 2023	1	1	2

Subsidiary and joint venture undertakings

The following were subsidiary and joint venture undertakings of the company:

Name	Registered office	Class of shares	Holding
Westminster Housing Developments Limited	13th Floor City Hall, 64 Victoria Street, London, England, SW1E 6QP	Ordinary	100%
Luton Street Development LLP	Becket House, 1 Lambeth Palace Road, London, SE1 7EU	Ordinary	50%

Westminster Housing Developments Limited did not trade during the year. Luton Street Development LLP was engaged in the construction of 109 residential units for open market sale. Practical completion of the project was achieved in August 2022 and sales of the units have commenced in the current financial year with the remainder hopefully to be sold in the 2023/2024 financial year.

WESTMINSTER HOUSING INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Investment property

	Long term leasehold investment property £
Valuation	
At 1 April 2022	9,732,801
Additions at cost	2,177,875
Surplus on revaluation	3,870,774
Transfer from fixed assets	10,378,549
At 31 March 2023	<u><u>26,159,999</u></u>

The properties were revalued by the directors during the year after taking professional advice from leading property advisors. The valuations were on an "existing use" basis which reflect that the company's properties are subject to planning obligations which restricts the rents receivable to "intermediate rents" which are set at below open market values.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2023 £	2022 £
Investment properties cost value	<u><u>22,289,225</u></u>	<u><u>9,732,801</u></u>

WESTMINSTER HOUSING INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Debtors

	2023 £	2022 £
Due after more than one year		
Amounts owed by joint venture entities	5,901,159	35,272,852
	<u>5,901,159</u>	<u>35,272,852</u>
	2023 £	2022 £
Due within one year		
Trade debtors	1,161	2,354
Amounts owed by group undertakings	223,991	227,797
Other debtors	919	129,133
Prepayments and accrued income	62,240	21,321
Deferred taxation (notes 8 & 15)	1,265,820	-
	<u>1,554,131</u>	<u>380,605</u>

7. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	111,385	79,481
Corporation tax	1,542,490	-
Accruals and deferred income	278,026	250,817
	<u>1,931,901</u>	<u>330,298</u>

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

	2023 £	2022 £
Amounts owed to parent company (Westminster City Council)	38,567,644	55,938,465
	<u>38,567,644</u>	<u>55,938,465</u>

WESTMINSTER HOUSING INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8. Creditors: Amounts falling due after more than one year (continued)

The company had entered into an agreement to borrow funds totalling £28m from Westminster City Council in order for the company in turn to provide funds to the joint venture, Luton Street Development LLP, in which the company is a 50% shareholder. At the year end this loan had been repaid in full (2022: £20m outstanding). The loan carried interest at 5.4%.

The company has issued loan notes of £15,187,298 to Westminster City Council, also to assist with the funding of Luton Street Development LLP. The loan notes do not carry interest and are repayable in October 2024. The company has issued security to Westminster City Council over all of its assets in respect of both loans. At 31 March 2023 £15.18m was outstanding (2022: £15.18m).

At the year end the company owed £3,878,000 (2022: £3,670,245) to Westminster City Council in order to assist with the funding of the Jubilee Regeneration Scheme, which is held within investment property. Interest at 5.54% per annum is charged on these loans which are repayable in April 2029.

The company has issued loan notes of £6,558,000 to Westminster City Council, also to assist with the funding of the Jubilee Regeneration Scheme. The loan notes do not carry interest and are repayable in August 2040. At the year end £6,558,000 was outstanding (2022: £6,558,000).

The company has borrowed funds totalling £1.82m from Westminster City Council to assist in the acquisition of the Farm Street properties held within investment properties. Interest at 4.69% per annum is charged on these loans which are repayable in October 2026. At the year end £1.82m was outstanding (2022: £1.82m).

The company has issued loan notes of £980,000 to Westminster City Council, also to assist with the acquisition of the Farm Street properties. The loan notes do not carry interest and are repayable in October 2071. The company has issued security to Westminster City Council over all of its assets in respect of both loans. At the year end £980,000 was outstanding (2022: £980,000).

The company has entered into an agreement to borrow funds totalling £5.9m from Westminster City Council to assist in the acquisition of West End Gate. At the year end funds of £4,565,500 had been drawn against this facility. Interest at 5.25% per annum is charged on these loans and are repayable in January 2072. At 31 March 2022 the balance was £4,565,500.

The company has issued loan notes of £2,404,500 to Westminster City Council, also to assist with the acquisition of the West End Gate properties which are held within investment properties. The loan notes do not carry interest and are repayable in January 2027. The company has issued security to Westminster City Council over all of its assets in respect of both loans. At the year end £2,404,500 was outstanding (2022: £2,404,500).

The company has entered into an agreement to borrow funds up to £2m from Westminster City Council as a working capital facility. At the year end funds of £829,000 had been drawn against this facility (2022: £750,000). Interest at 8% above base rate per annum is charged on these loans which are repayable in March 2027.

The company has borrowed funds totalling £1.52m from Westminster City Council to assist in the acquisition of the Parsons north properties held within investment properties. Interest at 4.76% per annum is charged on these loans which are repayable in April 2072. At the year end £1.52m was outstanding (2022: nil).

The company has issued loan notes of £820,750 to Westminster City Council, also to assist with the acquisition of the Parsons north properties. The loan notes do not carry interest and are repayable in April 2027. The company has issued security to Westminster City Council over all of its assets in respect of both loans. At the year end £820,750 was outstanding (2022: nil).

WESTMINSTER HOUSING INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Deferred taxation

	2023 £
Charged to profit or loss	1,265,820
At end of year	<u><u>1,265,820</u></u>

The deferred tax asset is made up as follows:

	2023 £	2022 £
Short term timing differences	2,233,513	-
Capital gains/(losses)	(967,693)	-
	<u><u>1,265,820</u></u>	<u><u>-</u></u>

10. Share capital

	2023 £	2022 £
Allotted, called up and paid		
1 ordinary share of £1.00	<u><u>1</u></u>	<u><u>1</u></u>

11. Related party transactions

The company has taken advantage of the exemption in FRS 102 and has not disclosed transactions with group undertakings as those transactions are eliminated in the consolidated accounts of the parent company.

12. Contingent liabilities

The company has provided an undertaking to Luton Street Development LLP (see note 1.3) to purchase any residential units within the development which remain unsold 12 months after the practical completion date of August 2022. Demands for the units to date has been strong, and although possible, the directors consider it unlikely that any liability will arise.

13. Ultimate parent undertaking and controlling party

The company is a subsidiary of Westminster City Council which is the ultimate parent undertaking.

The largest and smallest group in which the results of the company are consolidated is that headed by Westminster City Council. The consolidated accounts of this entity are available to the public and may be obtained from 64 Victoria Street, London, SW1E 6QP.

No other group accounts include the results of the company.

WESTMINSTER HOUSING INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Auditor's information

As the profit and loss account has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified.

The auditor was Cooper Parry Group Limited.

Peter Sterling signed the auditor's report as Senior Statutory Auditor.