

**SevenCapital** plc

# GROUP ANNUAL REPORT

FOR THE YEAR ENDED  
30<sup>TH</sup> SEPTEMBER 2023





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# A LETTER FROM OUR CHAIRMAN

As we continue to navigate a more subdued property market, it would be easy to focus on the negatives and volatility of the past 12 months: high inflation, the Bank of England's multiple consecutive base rate rises, high mortgage rates, lower transaction rates as a result of the aforementioned. However, now the dust has settled on 2023, there are some promising indications that the UK property market persists with the strength and resilience it is renowned for - despite initial concerns.

At the end of 2022 and early 2023, many predicted house prices to drop by as much as 10% -15% over the course of the year. Yet despite tough conditions negatively impacting affordability for the average buyer, prices remained relatively stable, dropping just circa -1.4% across the year according to government data.

When you consider the economic effects of the pandemic, the war in Ukraine, international property markets such as China and other global events that impact the UK economy; the UK property market was always going to head for a downturn at some point. This has been exacerbated by the huge surge in demand and the subsequent soaring house prices prompted by the lockdowns.

Historic market trends always point to a periodical peak followed by a momentary dip, so it was less a matter of 'if' but 'when' that fall would come. Thankfully, that come down so far has proven steady - rather than the crash some previously predicted. This is perhaps due, in part, to banks learning lessons from the crash of 2008 and tightening up on lending criteria to ensure that, since then, only those who could afford it could be eligible for a mortgage.

What has become apparent during this period, and what we need to focus on, is that the property market is changing. Much like technology continues to evolve very quickly and our working practises must adapt to keep up, the property market is also going through its own period of change as living and working trends evolve. To remain ahead, businesses may need to consider adopting a more flexible approach.



“ AS WE CLOSED OFF 2023, WE ACHIEVED PRACTICAL COMPLETION ON OUR LANDMARK BRACKNELL DEVELOPMENT, THE GRAND EXCHANGE, DELIVERING 242 HIGH QUALITY APARTMENTS TO THE AREA, AND CONTINUED TO WORK ON NUMEROUS PIPELINE DEVELOPMENTS ACROSS BOTH LONDON, THE SOUTH EAST AND BIRMINGHAM.

As SevenCapital embarks on our 15th year of operation, we have been reflecting on the market's evolution and how our business now needs to advance to ensure its sustainability for the next decade and beyond.





The buy-to-sell strategy that SevenCapital found considerable success with has been challenging because of unfavourable market conditions for this product. As such, we are placing increased emphasis on our agility as a business and focusing on our strategy to expand and diversify our remit, as expressed in our previous reports, to meet evolving trends and demands and distribute the financial risk associated with any sole vehicle. Be this through hiring, restructuring, or adapting our working practises.

One good example is in the form of Build to Rent (BTR). Despite a reduction in the number of private landlords and subsequently rental properties in the market, demand from tenants continues to rise. The emergence of BTR is becoming an increasingly lucrative investment for developers, while also, and crucially, serving to professionalise the market.

Equally, there is an increasing imbalance between the supply and demand of purpose-built student accommodation (PBSA) across the UK's cities. Recent research suggests that of over 1.3 million full-time students across these cities, only half a million operational beds are available, leaving urgent and significant scope for developers to contribute. In other areas of our business's continual evolution, ESG remains a clear priority across the industry, to which we all must remain committed. We continue our efforts to meet and exceed related targets for housing and development, as we equally continue to provide financial support to charitable organisations that continually strive to achieve a positive impact within our communities.

As we closed off 2023, we achieved practical completion on our landmark Bracknell development, The Grand Exchange, delivering 242 high quality apartments to the area, and continued to work on numerous pipeline developments across both London, the South East and Birmingham.

Now navigating 2024, we take with us a renewed spirit of optimism on the back of the resilience that our sector continues to present. Whilst the next 12 months will not be without challenges, there are encouraging signs that most areas of the market are past their worst and this will prompt a gradual return to confidence and thus activity across both commercial and residential sectors, albeit with some adjustments.



**SIGNED BY**

Balbinder Sohal, Chairman



“AS WE MOVE FORWARD, WE CONTINUE TO MAKE GOOD HEADWAY WITHIN THE REALMS OF LONDON AND THE M25 AS WELL AS EMBARKING ON NEW PIPELINE PROJECTS WITHIN BIRMINGHAM & THE MIDLANDS. OUR HOUSEBUILDING ARM, SEVENHOMES, CONTINUES TO GO FROM STRENGTH TO STRENGTH, BUILDING ON A SOLID LAND STRATEGY THAT HAS PROVEN OUR ABILITY TO ADD VALUE TO SIGNIFICANT AND COMPLEX VENTURES.”

## A STATEMENT FROM OUR GROUP MANAGING DIRECTOR

As reflected across the industry, the past 12 months have not been the easiest to navigate for the property market, which continues to be precarious thanks to hikes in inflation and interest rates plus other direct and indirect impacts on UK property from struggling overseas markets. However, whilst the lessened demand and stagnating house prices aren't and haven't been good for business, we choose not to dwell on it and instead continue our efforts to re-strategise and expand our remit and our team, manoeuvring quickly where necessary, to enable us to meet an ever-diversifying market.

Over the past 12 months we have remained laser focused on where we need to get to and what and who we need to help to get us there. We have identified a growing demand for good quality, sustainable BTR and mixed-use schemes, along with PBSA, all of which feature in more heavily as we move through 2024 and beyond. As will affordable homes, given the increasing need across the UK and particularly London, where we continue to gain a stronger foothold. All our current pipeline schemes in the capital feature 40% + affordable homes.

Across the Group, we are already fortunate to maintain a strong breadth and calibre of team, which has allowed us to start widening our net in line with our renewed direction over the past 12-24 months.

To continue to build on this we were pleased to welcome a number of new staff members into our team: Krish Parekh as Head Analyst and Disha Patel as Financial Controller, both of whom have proven valuable additions in recent months. As we move into 2024, we also look forward to welcoming two further new faces into our senior management team, bolstering our operations and sales functions.

James Moody joins us from his role as Managing Director, Europe at MARK, our JV partner on 100 West



Cromwell Road, Kensington. James will head up and bring a refreshed approach to our operations as Chief Operating Officer with vast experience in real estate and funding, particularly across the London markets. Also joining us as Group Sales Director is Rebecca Thomson, who joins us from London developer Camrose.

As we move forward, we continue to make good headway within the realms of London and the M25 as well as embarking on new pipeline projects within Birmingham and the Midlands. Our housebuilding arm, SevenHomes, continues to go from strength to strength, building on a solid land strategy that has proven our ability to add value to significant and complex ventures.

In line with our continual evolution and response to movements within the market, we continue to align our teams, improving in skillset and scope to adapt quickly and smoothly into the realms we require, consistently laying stronger foundations for future growth.

#### SIGNED BY



Damien Siviter, Group Managing Director





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# MARKET OVERVIEW



The 12 months between October 2022 and September 2023 saw the UK property market undergo a period of adjustment following the end of an extended stamp duty holiday and increasing inflation rates.

The level of demand cooled as mortgage rates increased, while property prices began to stabilise after breaking records throughout 2022, but the overall property market remained relatively tough despite fears of an economic downturn. Increased caution resulted in comparatively lower levels of transactions throughout the UK than previously.

## HOUSE PRICE STABILISATION

According to Land Registry data, the average property price in the UK decreased by 1.5% compared to the previous year as the market adjusted to these changes. Regional disparities in property prices persisted, with city centres generally maintaining stronger levels of demand as homebuyers returned to urban areas post-pandemic, while rural and suburban areas experienced varying levels of activity.

However, by the latter half of the year, inflation had fallen further than anticipated – to the lowest level in two years – prompting lenders to offer lower interest rates and homebuyers to return to the market. By the last quarter of the 2023, alignment between supply and demand meant most regions had begun recording positive growth, with predictions looking optimistic for the year ahead.

## INTERNATIONAL DEMAND

Ongoing economic recovery, the attractiveness of UK property as a safe haven asset and favourable exchange rates continued to draw interest from foreign homebuyers, despite slower growth within the market. Key foreign property markets, such as China, have experienced turmoil throughout 2023, prompting a growing number of foreign nationals to consider UK property an even more attractive venture. China's troubled property sector finished the year with the worst declines in property prices for almost a decade despite Beijing and Shanghai relaxing their home purchase restrictions in mid-December to try and support the market.

Meanwhile, growing demand from Gulf Cooperation Council countries placed London as the top global destination for property purchases and the UK overall

as a main consideration, citing stability of the UK currency and a transparent legal system as key reasons for growing interest. This was boosted by a new ETA visa scheme facilitating better relations with the UK moving forward.



## FUTURE OUTLOOK

As we move into 2024, homebuyer sentiment is increasing in light of a more positive economic landscape. Falling inflation levels have elevated confidence in the market with industry experts anticipating interest rates to follow suit, resulting in greater levels of activity and a gradual return to growth.

Preliminary figures indicate a cautious but positive start to 2024 with modest month-on-month price growth, reinforced by five-year forecasts which remain conservative but overall relatively optimistic for buyer sentiment and growth. The prime central London market is predicted to outperform the rest of the UK, demonstrating the market's traditionally robust nature.



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# GROUP STRATEGY





# SevenCapital

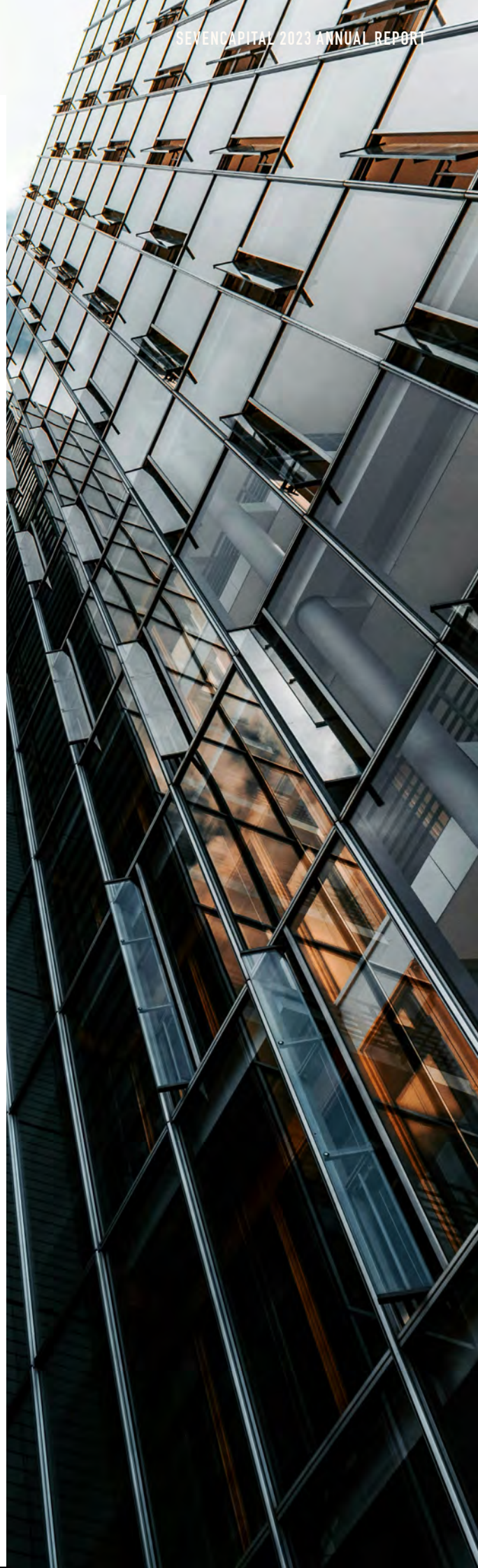
SevenCapital prides itself on having a diversified portfolio of land across London, Birmingham and the South East. Our highly experienced land team headed by Angus Michie employs a heavily detailed analytical process on potential schemes to ensure all factors are considered prior to making decisions. These factors include location, financial obligations, planning considerations, potential development obstacles and exit strategies. This process ensures that SevenCapital is always alive to any form of liquidity, planning or market risk that might impact operations. As we progress into 2024, the macroeconomic circumstances surrounding monetary policies and high inflation has not done the property market any favours. High borrowing rates, expensive raw materials and increasing planning costs has impacted the supply side of the market drastically causing a spillover effect on consumers who in turn have seen their purchasing power subside substantially over the past couple of years. To tackle these issues SevenCapital has undertaken a multitude of strategies.

Looking ahead, SevenCapital is excited to announce the addition of two new senior executives to our already skilled team. James Moody, formerly Europe Managing Director of MARK (previously Meyer Bergman), will join the business as Chief Operating Officer. He will be responsible for overseeing all ongoing and forthcoming projects, contributing his extensive expertise and a distinguished history of successful project management, which is anticipated to significantly contribute to the expansion of SevenCapital's portfolio.

Additionally, we have Rebecca Thompson joining us from Camrose as the new Sales Director. She is set to infuse a new dynamism into our sales strategy. Her role is crucial in addressing the complexities of the property market through innovative ideas, strategies, and methodologies, fortifying our resilience against potential external risks.

Our unique selling proposition lies in securing land acquisitions directly, bypassing the competitive tender process, which significantly lowers our capital expenses and boosts profit margins. SevenCapital's consistent track record of delivering annual profits and asset protection to shareholders since its establishment stands as evidence of our meticulously developed and successful approach.

From a development perspective, we are starting to look at more BTR and PBSA schemes







as a direct response to market conditions. This diversified strategy allows us to spread our risk across a wide variety of tenures helping safeguard our investors interests. This also helps us from a financial perspective as it opens the possibility of forward funds aiding our cashflows and potentially reducing our borrowing requirements amidst an unfavourable macroeconomic climate. We are also looking at opportunistic acquisitions of commercial assets given their recent price readjustment.

In the dynamic landscape of property development, SevenCapital's evolution has been marked by an ambitious drive towards becoming a preferred developer across Greater London and beyond. Initially anchored in Birmingham, our strategic orientation has now broadened, placing a stronger emphasis on the M4 corridor and the South East. This shift is a testament to our commitment to urban revitalisation and our capacity to navigate economic fluctuations adeptly, securing land at advantageous prices when our more heavily leveraged contemporaries have found themselves constrained.

Our adeptness in leveraging market downturns to our benefit has not only solidified our standing in the Central London market but has also facilitated strategic partnerships with leading investors. Through these collaborations, we are spearheading the development of significant projects in areas identified for their growth potential. This approach, reflective of our innovative and forward-thinking ethos, underscores our dedication to contributing to the urban landscape with projects of distinction and value.

# SevenHomes

As we progress into 2024, SevenHomes is steadfastly advancing towards our ultimate ambition of becoming the premier housebuilder in the Midlands region. Reflecting on the past two years, our strategy has increasingly honed in on land acquisitions. We have fortified our land acquisition team, enhancing our capability to secure off-market land deals directly with landowners. This strategic focus not only boosts our margins but also strengthens our market position.

Over the recent period, our team has excelled in executing a commercially driven planning strategy, securing numerous planning permissions, elevating site values, and enhancing development performance. This progress underscores our commitment to operational excellence and strategic growth.

Continuing our commitment to sustainable development, brownfield regeneration remains a cornerstone of our strategy. We target areas with high residential density - known as high chimney pot areas - to capitalise on robust demand and potential future sales price appreciation. These areas offer significant opportunities for performance enhancement throughout the lifespan of each site.

Looking ahead to the next phase of our growth, SevenHomes will continue to focus on strategically located land within a one-hour drive from Birmingham. This will allow us to maximise our pipeline of land opportunities and development units with existing planning approvals.

Our aim is to solidify our foundations and adapt dynamically as we expand, positioning SevenHomes as the top residential developer in the Midlands, distinguished by our commitment to quality and value. This approach not only aligns with our growth plan but also ensures we remain at the forefront of the industry in a changing economic landscape.

SevenHomes now has a pipeline of 1,432 homes.





# sevenliving.

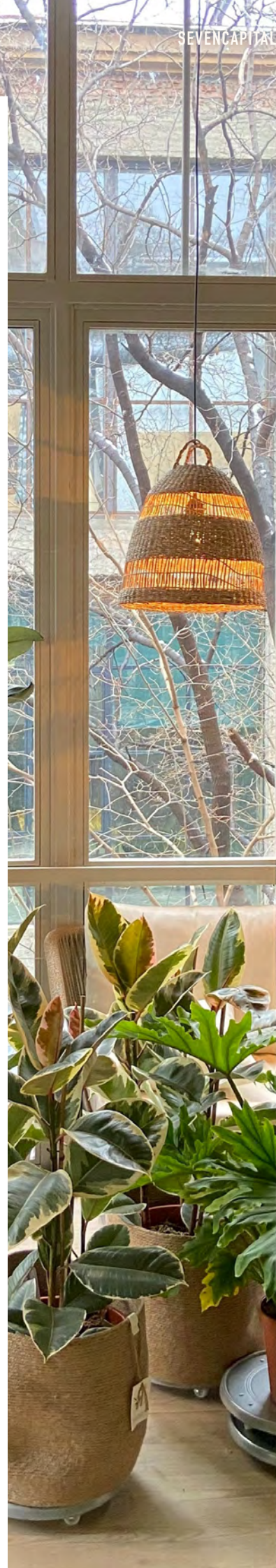
At SevenLiving, our vision is bold and our pathway clear. We embark on a journey of strategic growth and operational superiority, with ambitious objectives and strategic initiatives that are set to propel our company into a future of expansive growth and unmatched excellence. Over the past two years, we have witnessed a remarkable 40% increase in the number of properties within our portfolio. Buoyed by this success, we are setting our sights on achieving an additional 50% growth over the next two years.

A key focus of our expansion strategy will centre on broadening our geographical footprint across the United Kingdom, with a particular emphasis on the Midlands and South East of England. Building on our established presence, the forthcoming 12 months will see us intensifying our efforts in these regions, aiming to capitalise on the burgeoning market opportunities they present.

An integral component of our strategic framework is the enhancement of our fully managed letting services. As we persist in maximising our landlords' returns, ensuring their asset is well looked after, we continue to recognise the paramount importance of customer satisfaction and are committed to consistently evolving our customer service offerings. Our goal is to deliver a hassle-free letting solution that not only meets but exceeds the expectations of landlords, thus reinforcing our position as a leading letting agency.

In the past year, we made significant strides in modernising our operational capabilities through the implementation of multiple cloud-based systems. These advancements have yielded substantial benefits, particularly in terms of robust and efficient data processing, thereby facilitating our capacity to handle greater volumes of business in alignment with our growth trajectory. Despite these advancements, we acknowledge that there remains room for improvement and are dedicated to continuous enhancement of these systems.

In response to evolving market demands, our short-let offering has undergone considerable expansion, now providing landlords with the flexibility to be more involved in the management process should they choose. This adaptability has been well received, yet we recognise the necessity for increased promotional efforts to fully leverage its potential. Moreover, our marketing strategy is poised for a dynamic shift





towards elevating and differentiating our brand within the competitive online letting agency landscape. Through the development of cohesive messaging and aligned campaigns, we aim to enhance our market visibility and appeal.

A pivotal aspect of our strategy involves increasing direct short-let bookings through our online channels. By reducing reliance on third-party platforms such as Booking.com and Airbnb, we envisage a model that delivers greater income for both SevenStays and our landlords by eliminating intermediary costs. This approach not only promises enhanced financial returns but also fosters direct relationships with our clientele, thereby enriching the customer experience.

In conclusion, as we navigate the forthcoming year, our comprehensive strategy is designed to drive sustainable growth, operational efficiency, and unparalleled service quality. Through deliberate expansion, service innovation, and a focus on direct customer engagement, SevenLiving is poised to solidify its standing as a property management and lettings agency, delivering value to our clients and stakeholders alike.



# PIPELINE

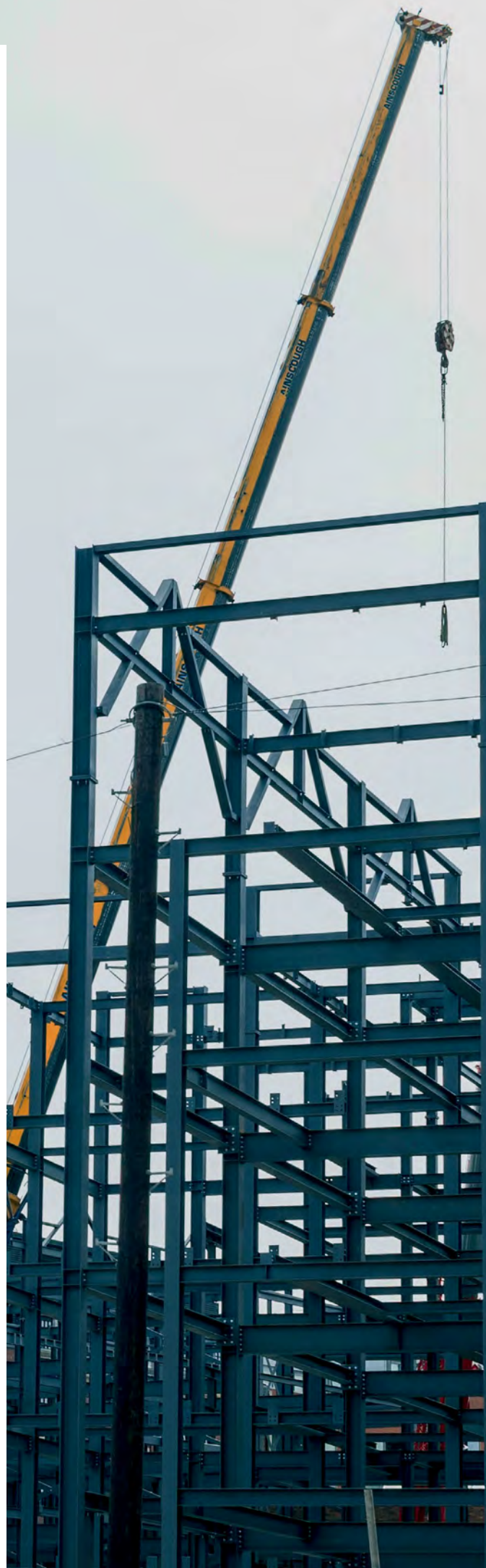
SevenCapital is actively expanding our portfolio of prestigious sites throughout London, Birmingham, and the South East of England. Our successful origination strategy, which has consistently delivered profits annually since our foundation, is a source of considerable pride. This success is backed by our esteemed land acquisition team, renowned for their expertise and innovative approaches in gaining early insight into forthcoming site sales through a variety of strategies.

Our upcoming development in Kensington, specifically 100 West Cromwell Road, is already under development and is expected to achieve practical completion in September 2026. We are on track to launch within the next year and are expecting a healthy response from the consumer market. The site is being developed in partnership with MARK and has a GDV upwards of £500 million.

Additionally, the historic Archway Campus site in Islington, which SevenCapital acquired in July 2021, has now been through several rounds of consultation and we are due to submit a planning application for the £210M GDV development early in the next financial year. The development is a key site in the London Borough of Islington, and will provide several public benefits, not least the preservation of the historic Holborn Union Infirmary Buildings, dating from the late 1870's, and the delivery of many affordable homes.

We have also secured a site formally known as Klein's Wharf in the Tower Hamlets area. The site is located to the South West of the Isle of Dogs, within the London Borough of Tower Hamlets (LBTH) and comprises an area of 7,840 square metres. The development will likely comprise of a total of 375 new homes, 109 of which to be reserved for affordable housing. 10% of those units will be wheelchair homes demonstrating SevenCapital's motive towards accommodating housing for people with all kinds of abilities.

Across commissioned schemes and those SevenCapital are highly confident of winning, we expect to add an increased concentration of mixed-use development and more than 10,000 residential units to our portfolio over the next five to seven years. In line with our core focus on sustainability, affordability and customer service, the business expects these schemes to enable communities to enjoy a higher standard of living.



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# HOW WE MANAGE RISK





## FINANCIAL RISK

Our company employs various financial tools to manage financial risk consistently throughout the business cycle, acknowledging the operational risks inherent in our operations. Thanks to our solid financial standing, we are typically able to accept higher operational risks under normal conditions.

This strategy allows us to generate strong risk-adjusted returns, all within the confines of our business model. The financial risks that to which SevenCapital is exposed to includes:

- **Interest rate risk:** The Bank of England's monetary policy and interest rate decisions directly impact borrowing costs for SevenCapital. In a bid to control inflation or stimulate the economy, the rise in interest rates can affect the feasibility of development projects and property investment attractiveness.
- **Liquidity risk:** Given the high cost of borrowing and surge in costs of raw materials, property developers face a liquidity risk if not exposed to sufficient financing. Changes in lending criteria of banks posed by unfavourable macro-economic conditions are additional challenges that alleviate liquidity risks.
- **Market credit risk:** Market credit risk refers to the possibility that counterparties, primarily customers, will fail to meet their contractual commitments, leading to financial losses for SevenCapital. The company's vulnerability to credit risk is primarily associated with its holdings in cash, cash equivalents, and trade and other receivables.
- **Development cost risk:** Although the surge in inflation observed immediately following the Covid period has somewhat stabilised, the escalating costs associated with development remain a persistent issue. The expenses related to labour (including the availability of certain skills), transportation, and raw materials - particularly those dependent on energy or fuel for their production - continue to rise. This increase in costs has rendered some projects financially unfeasible and introduced a degree of uncertainty into financial forecasting. In addition, the Building Safety Act, enforced in April 2024, brings with it further financial implications. Cost must now be considered to cover remedial work for applicable

tall buildings, along with a new requirement for second staircases in approved buildings over 18 metres in height and the knock on effect on a new building's design - although the 30 month transition period on this element is welcome.

- **Sales market risk:** On the 26<sup>th</sup> July 2023, the typical interest rate for a five-year fixed mortgage stood at 6.36%, while a two-year fixed mortgage came in at 6.85%. This represents a significant increase from December 2021, when mortgage rates were more than 50% lower. With the rise in borrowing costs, the financial burden on individuals looking to refinance or buy property has intensified, potentially reaching a level where such financial commitments are no longer feasible.
- **Funding risk:** Funding risk arises from the leveraged operations typical of the real estate development industry and those of SevenCapital, posing a challenge in obtaining financing for upcoming projects. However, this risk is counterbalanced by the company's distinguished history of success, consistent profitability, solid ties with financing institutions, and the option for financing from shareholders.
- **Housing market risk:** The swift rise in mortgage rates has naturally led to a decrease in average house prices. In June, there was a 2.6% drop in the average price of a property, marking the most significant yearly decrease in twelve years. Such steep hikes in mortgage rates tend to diminish affordability for potential buyers, making home ownership increasingly challenging, especially for first-time purchasers who typically have smaller deposits and higher loan-to-value ratios.

## MANAGEMENT OF FINANCIAL RISKS: TOP OF FORM

- **Treasury policy and central overview:** The treasury policy, endorsed by the shareholders, guides senior management in overseeing daily operations. Central coordination takes care of banking relationships and the management of cash. The purpose of this policy is to sustain a suitable capital framework that addresses identified financial risks and offers a solid foundation for the company to handle its operational risks.

- **Gearing:** The company currently utilises a combination of senior loans, junior debt, shareholder equity, and net cash from the Balance Sheet to fund its operations. Exposure to interest rate fluctuations is minimised since agreements with lenders are established at fixed rates.
- **Land holdings:** Through strategic investment in land at optimal times within the cycle, maintaining a transparent pipeline for development within our land portfolio, and consistently enhancing our current assets, we avoid the need to acquire new land when it would not be beneficial for the business's long-term profitability.
- **Headroom provided by lenders:** The company consistently ensures there is adequate financial leeway in its agreements with primary financiers, emphasising the importance of flexibility. The robust connections SevenCapital has established with several financial institutions that offer banking services are essential to our liquidity risk management strategy.
- **Forward sales:** SevenCapital follows a number of methods to achieve forward funding to support the development of each project. The company's strategy of selling properties in advance to customers significantly improves the forecast of future cash inflows. This method also serves to lessen market credit risk, primarily through the security provided by customer deposits received after contracts are irrevocably exchanged. Where the project is purposely designed as BTR, PBSA or includes a proportion of Affordable Housing, SevenCapital secures funding via an investment partner, which is increasingly becoming a more preferable option to the former route of securing individual deposits. SevenCapital is also able to leverage the value added onto its recent land acquisitions via their disposal following achievement of planning consent, when the raising of funds is a higher priority than taking a site through to practical build completion.
- **Refinancing:** To mitigate potential liquidity risks that may arise during the development of projects, SevenCapital adopts a strategic approach towards securing essential financing. The company actively pursues refinancing options for its projects, as demonstrated by the successful £30 million refinancing deal with Alpha Property Lending for The Grand Exchange project. Furthermore, SevenCapital is committed to upholding favourable loan-to-cost and loan-to-value ratios, thereby safeguarding against any risk of defaulting on financial obligations.

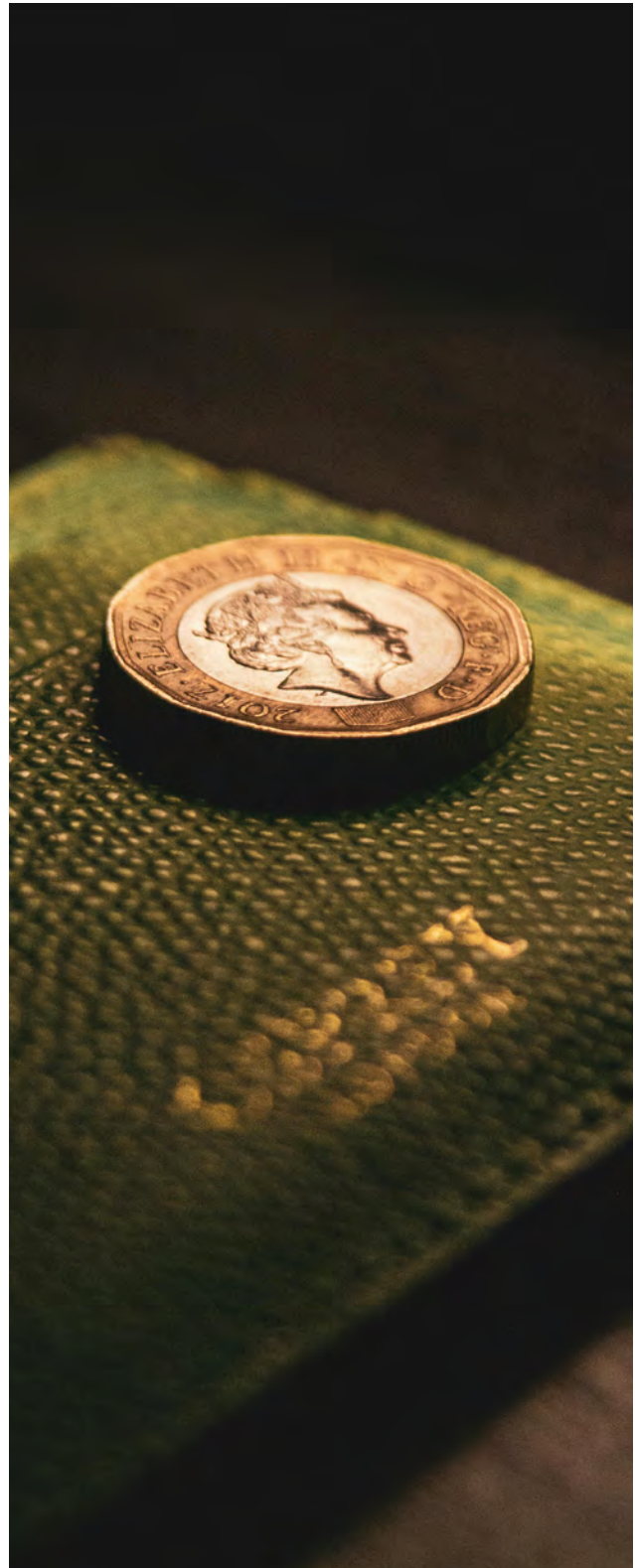




## EXTERNAL RISKS

- **Economic outlook:** Being a property development entity, our operations are significantly influenced by broader economic indicators including shifts in interest rates, employment rates, and overall consumer sentiment. Additionally, the purchasing decisions and financial commitments of some of our clients are affected by fluctuations in the sterling exchange rate. Acknowledging our presence in a cyclical industry is at the heart of our strategic planning. Therefore, sustaining a robust financial standing is vital to our business approach, ensuring resilience against negative economic shifts.
- **Political outlook:** As the UK approaches its upcoming election, SevenCapital is keenly aware of the significant ramifications it may have on the property development sector. The potential for shifts in government policy, economic directives, and regulatory frameworks post-election could directly impact housing policies, property taxation, and infrastructure priorities, influencing both demand and development costs. In response, we are conducting a thorough analysis of possible election outcomes to proactively adapt our strategic and operational plans. Our focus remains on maintaining flexibility and resilience, ensuring minimal disruption to our projects and safeguarding our investments against market volatility. Through transparent communication with our stakeholders and robust risk management strategies, SevenCapital is well-prepared to navigate the uncertainties presented by the political landscape, affirming our commitment to the ongoing success and stability of our operations in the face of potential policy changes post-election.
- **Regulation:** SevenCapital concentrates its operations mainly within London, Birmingham, and the South East of England. This geographic focus streamlines our ability to comprehend and assess the effects of new regulations, reducing the complexity associated with navigating rules across various locations and jurisdictions.
- **Land procurement strategy:** SevenCapital strategically targets land purchases in its key markets—London, Birmingham, and the South East of England—where the company is confident in the robust demand fundamentals. With specialised land acquisition teams that possess

deep insights into these markets, SevenCapital is adept at securing land even without immediate planning permission, underpinned by a thorough comprehension of the requirements and expectations of local stakeholders.



## INTERNAL RISKS

- **Planning strategy:** SevenCapital conducts comprehensive planning and risk evaluations for every site, regardless of its planning permission status, both pre- and post-acquisition. The outcome of these risk assessments influences our decision to acquire sites on a conditional or unconditional basis. The planning status of each site undergoes weekly reviews and is also assessed during monthly Board meetings. In developing planning proposals, SevenCapital engages closely with local communities and fosters robust connections with local government bodies and planning officials, ensuring a collaborative approach to site development.
- **Employee retention:** At SevenCapital, we prioritise attracting and retaining the best talent in the industry, aiming for a staff turnover rate below 10%. We are committed to fostering their professional growth and providing a welcoming, engaging work atmosphere that encourages our team to look forward to coming to work each day. Moreover, we cultivate a supportive, amiable, and diligent workplace culture that makes every team member feel valued, included, and confident in their role within our larger family. For us, SevenCapital is more than just a workplace; it's a community where everyone is part of the family.
- **Securing Sales:** The company boasts a seasoned sales team that conducts thorough market demand analyses for each potential site prior to acquisition, guaranteeing that the supply aligns with the local demand. Every site is evaluated individually in terms of design, product type, and quality to ensure they resonate with the preferences and expectations of the target market and customers in the respective area.

## PROCUREMENT

The procurement of premier contractors and suppliers is essential to our core operational strategy. Through a meticulous tendering process for construction initiatives, our commitment lies in the continuous cultivation and strengthening of both longstanding and emerging partnerships with esteemed contractors, subcontractors, suppliers, and manufacturers.

This strategic emphasis ensures the perpetuation of trust and adherence to exemplary quality standards

throughout every project. This is a critical component for the progressive enhancement and expansion of our project scope and supply chain requisites.



## HEALTH & SAFETY

Ensuring the well-being and safety of our employees, contractors, and guests stands at the forefront of our commitment to fostering and upholding trust in SevenCapital as a conscientious entity. We diligently implement all necessary health and safety protocols, which undergo regular scrutiny and assessment. This includes the systematic testing of all our systems and alarms to confirm their optimal operation, reflecting our dedication to maintaining a secure and healthy work environment.

## IT

In today's digital age, the risk of cyber threats to businesses continues to escalate. SevenCapital entrusts its cybersecurity to a reputable IT firm, tasked with safeguarding the integrity of our company's networks and technological resources. This partnership is vital in our proactive stance against potential cyber vulnerabilities, ensuring continuous vigilance and the implementation of robust security measures to counteract any emerging threats.



An aerial photograph of a cityscape. In the foreground, a large array of solar panels is installed on a flat roof, stretching towards the horizon. The panels are arranged in a grid pattern. In the background, various city buildings are visible, including a prominent tall building with many windows. The sky is overcast.

# 21 ESG COMMITMENTS



As a responsible property developer, we have a deep-rooted focus on looking after our planet and helping to build sustainable communities within our residential developments and the surrounding areas. We view this as a continuous journey, whereby we remain committed to regularly reviewing and assessing our environmental impact and setting new targets and goals to continuously improve our efforts.

SevenCapital is proud to lead the way amongst UK property developers in improving our construction practices and incorporating innovative building materials and techniques to help make the construction process as sustainable as possible.



We continue to strive for lower energy and carbon consumption to provide the best value not only for our residents, but for the wider environment.

## GREEN COMMITMENTS

Our focus has always been on three core elements: people, communities and the environment. The way we think about our developments has continued to evolve as we look to further promote sustainable practices and build a better future.

Whilst we operate on a regional level, we acknowledge our duty to help address climate change issues on a global scale and help facilitate greener communities for years to come. That's why we strive to maximise building performance, both in terms of energy efficiency and quality of design. This includes exploring new and forward-thinking technology to integrate into our developments to achieve lower emissions, minimise waste and avoid any unnecessary additional costs for our customers. Our on-going commitment to supporting the local and global environment spans a variety of initiatives that are engrained into every property development project. These include:

- Achieving an EPC rating of B or above on all new developments by actively reducing the use of fossil fuels and implementing renewable technology.
- Contributing towards the continuous improvement to local communities by developing redundant land/sites, thereby enhancing lifestyle and providing affordable housing across an array of tenures.
- Utilising zero carbon energy suppliers across schemes and reduced wastage of water by installing efficient sanitary ware in all units.
- Collaborating with local authorities to implement green travel plans, cycle storage provisions and electrical vehicle charging networks.
- Working with supply chains to ensure materials and labour are sourced locally where viable, to minimise logistics and transport requirements.
- Ensuring resource and waste are managed efficiently throughout the construction period.
- Working with local ecologists to enhance the biodiversity.



## PRIORITISING PEOPLE

We follow a code of ethics relating to socially and environmentally responsible working practices and strive to cultivate a healthy and positive culture. We are committed to maintaining the care of all employees and partners, as well as giving back to the communities we operate within:

To date we have provided more than £8.4million in affordable housing provisions with a portfolio of over 372,800 sq ft of affordable homes either delivered, in planning or in the pipeline. Given the increasing need for affordable housing across the UK, we are committed to placing increased emphasis in this area and to delivering more than 1,000 affordable properties over the next 10 years.

During this financial year we have made a total of £2.27 million in community infrastructure levy (CIL) contributions with a future pipeline of more than £29.8 million, plus a future pipeline of more than £11.1 million towards other obligatory planning contributions.

We prioritise employment opportunities within the local communities where we operate, actively choosing to recruit or contract skilled workers in those areas. We also provide work experience opportunities where possible to support the learning and development of young people looking to build a career within the remits of our industry.

SevenCapital is passionate about supporting local charitable and educational organisations with their work within our communities. As well as practical support to humanitarian organisations, we continue to offer significant funding support to our nominated charities, Birmingham Children's Hospital and Richard House, as two charitable foundations very close to the hearts of many families both within and outside of our organisation.





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# CORPORATE GOVERNANCE



Our corporate governance practices are fundamental to ensuring transparency, accountability and integrity in the decision-making process. This enables us to mitigate risks and meet the ever-evolving needs of stakeholders whilst building sustainable growth for the company.

## STAKEHOLDERS, CULTURE AND VALUES

Our core purpose is to build sustainable, thriving communities by transforming under-utilised land into high-quality new homes and community spaces.

Culture and values are intrinsic to SevenCapital and start with the tone set by the Board, permeating down to all of the teams within the company. These are truly ingrained in our people whose energy, passion and determination helps to drive the business forward for the benefit of all our stakeholders.

## BOARD ACTIVITIES

The Board of Directors is responsible for setting the company's objectives, monitoring its performance, and safeguarding the interests of all stakeholders. Its activities are instrumental to ensuring a strategy is appropriately and accurately devised and executed across the wider Group. The Board operates within a framework of clearly defined roles and responsibilities. These include:

### 1) RISK MANAGEMENT

The Board oversees the identification, assessment, and management of risks inherent in the property market and within the company's operations, ensuring that effective risk management processes are in place.

### 2) FINANCIAL REPORTING

The Board ensures the accuracy, transparency, and integrity of financial reporting, including the review of financial statements and disclosures.

### 3) COMPLIANCE AND ETHICS

The Board promotes a culture of compliance and ethical conduct throughout the organisation, ensuring adherence to relevant laws, regulations, and ethical standards. This is voluntarily extended to guarantee



SevenCapital remains committed to a long-term, target-based system that ensures business operations drive positive change that help address climate challenges.

### 4) STAKEHOLDER ENGAGEMENT

The Board maintains open channels of communication with stakeholders including employees, customers, suppliers, and the broader community, to understand their concerns and interests.

Whilst these are the key matters arising in the year, the Board agenda covers a vast array of other areas impacting the business. Looking forward to 2024, the Board will continue its program to refresh Board composition, to monitor the corporate governance agenda and seek to improve and adapt our governance processes to ensure best practice in a way which complements SevenCapital's unique business model and operating structure.

# OUR VALUES

## ACT WITH INTEGRITY

Trust is a cornerstone of good, honest business. We act with integrity in all areas of our business, to build trust and nurture strong relationships among our workforce, clients, partners and peers.

## WORK WITH PASSION

Passion breeds positivity, creativity, loyalty and excellence. We work with passion to promote a positive and motivating environment which encourages our people to thrive.

## BEHAVE WITH RESPECT

We treat our people and environment with respect to promote an inclusive and welcoming culture within both our places of work and our wider communities.

## STRIVE FOR EXCELLENCE

We strive for excellence in everything we do. We promote personal development amongst our people to help them be the best they can be, and we continually work to deliver an excellent product and first class service to our customers.

## PUSH FOR INNOVATION

To lead is to innovate. We actively seek out and welcome new and fresh ideas to improve our product, working practices and our environment as we continually strive to be and remain best-in-class.





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# OUR PEOPLE



Our people form the cornerstones of our business, with each person playing an integral role in our continual endeavour for success.

We strive to attract, breed and nurture excellence in all we do, thereby creating a business that our staff are proud of and our clients, partners and customers are pleased to do business with.

Culture is paramount. Whilst we seek to engage those who are highly skilled, we place equal emphasis on work ethic and attitude towards peers. This ensures each employee member feels welcome, valued and respected as part of the team, with a mutual desire to get the job done whilst actively upholding our key company values.

We pride ourselves on being an equal opportunities employer, encouraging applications from all who possess the aptitude and ability to meet the requirements of the job, and hiring based on suitability and values – irrespective of gender, ethnicity, age, religion, disability or otherwise.

Equally, we encourage progression and innovation amongst our existing team. As a progressive organisation, we welcome new ideas and processes from all levels of employee to improve, enhance or expand on our existing output. We actively recognise and incentivise excellence in performance, promoting from within where opportunities arise. As such, we consciously target a staff retention rate of 90%.

We consistently endeavour to provide a wholly inclusive, fair and comfortable working environment for all members of staff by ensuring we accommodate both the physical and non-physical needs of each individual, thus guaranteeing that they feel supported and able to carry out their responsibilities with ease.





# LEADERSHIP TEAM



**BAL SOHAL**

**CHAIRMAN**

Bal is an accomplished investor in the real estate sector with considerable experience of complex real estate transactions, including deal structuring, financing, and the successful monetisation of projects both in the UK and overseas.

**DAMIEN SIVITER**

**GROUP MANAGING DIRECTOR**

Damien spearheads the investment and growth strategy across all brands within SevenCapital. Having been instrumental in many of the organisation's major acquisitions, Damien's particular specialism lies in finding value and funding solutions in large-scale, mixed-use opportunities within major towns and cities.



**ANGUS MICHIE**

**SEVENCAPITAL MANAGING DIRECTOR**

Angus drives SevenCapital's UK residential development strategy. Previously Divisional Chairman at Berkeley, where he spent in excess of 24 years, Angus specialises in identifying, planning and developing large scale and complex city centre and mixed-use schemes in London. Angus is also non-executive director of a housing association.

**JAMES MOODY**

**CHIEF OPERATIONS OFFICER**

James leads and oversees all operations across SevenCapital and recently joined the business from his previous role as Europe Managing Director at MARK. A RICS qualified professional for 30 years, James brings a multi-skilled approach to land, planning, funding, delivery and exit, with boundless expertise in all areas of real estate, in particular offices, hotels, residential and retail.



# EXECUTIVE TEAM



## ABDUL ALI

### SEVENHOMES EXECUTIVE DIRECTOR

Abdul brings over 26 years' experience and an enviable track record of sound land acquisitions across the West Midlands. Responsible for driving and overseeing all operational activities, he leads SevenHomes's team of highly experienced land, planning and technical managers through securing sound and complex residential led development opportunities by enforcing a strong value-add strategy designed to promote continual business growth, with the overall vision of becoming the Midlands leading force in the housebuilding sector.

---

## CHARLOTTE THURSFIELD

### MANAGING DIRECTOR OF OPERATIONS & SEVENLIVING MANAGING DIRECTOR

Charlotte has over 20 years' experience leading award-winning operations and customer service teams and has shaped the team at SevenCapital to deliver a best-in-class and hassle-free 360 degree service to customers. Under Charlotte's leadership the SevenCapital brand is now rated excellent on Trustpilot.



## STEPHEN COCK

### CONSTRUCTION LEGAL DIRECTOR

Stephen is a highly experienced construction lawyer with more than 26 years of experience in the industry, dealing with both contentious and non-contentious construction matters. Playing a pivotal role in safeguarding the business's interests, Stephen's remit includes the provision of in-house due diligence on legal aspects of acquisition and disposals to and from the SevenCapital portfolio, whilst effectively saving time and money through the full management of construction related financing.



# EXECUTIVE TEAM

## DEBRA GANAWAY

### LEGAL BANKING DIRECTOR

Debra has a wealth of legal finance experience from her circa 20-year career in private practice and in-house and joined SevenCapital in 2017 from Eversheds Sutherland as legal and banking director. Debra works closely with the board, their investors and external professionals to transact and deliver more than £1bn worth of development and investment finance transactions.

Debra has experience in corporate lending and borrowing, property and development finance, leveraged and acquisition finance, project finance and receivables finance.



## SARAH MORRIS

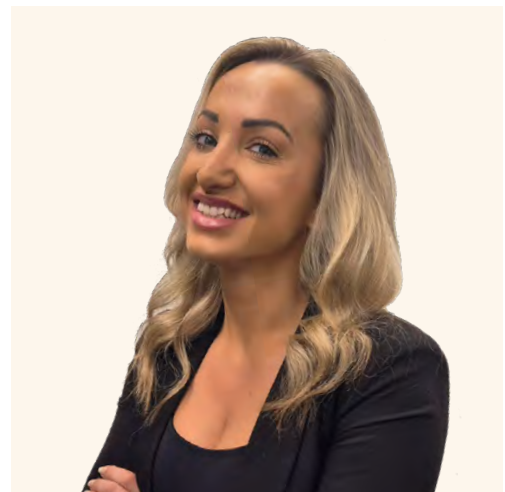
### GROUP MARKETING DIRECTOR

Sarah leads the marketing function at SevenCapital, orchestrating strategic initiatives designed to elevate brand presence, drive lead generation and promote business growth. With over 17 years of marketing and communications experience, Sarah has a proven track record of cultivating impactful communication strategies that resonate with diverse audiences, ensuring tangible results in a competitive landscape.

## REBECCA THOMSON

### GROUP SALES DIRECTOR

Rebecca has over 15 years of experience in Sales and Marketing within residential development, working for large PLC's and smaller SME's. With a strategic focus, Rebecca manages the sales department, implementing sales strategies which think ahead of the competition to be market leading. Rebecca is highly driven, commercially minded and knows how to drive a sale over the line.



# EXECUTIVE TEAM



**SHAUN LYONS**

## TECHNICAL OPERATIONS DIRECTOR

Shaun is an accomplished operations manager with over 25 years of construction experience and a proven track record in delivering multi-residential and mixed-use projects. A dynamic leader, Shaun adeptly engages teams and manages stakeholder expectations, overseeing the full lifecycle of SevenCapital's construction projects from preconstruction to achieve the agreed quality and specification in line with client expectations.

**JESSICA CLAYTON**

## ASSET MANAGER

Jess has more than nine years of experience in asset management and administration within real estate and plays an integral role within SevenCapital. Leveraging her expertise, Jess is responsible for managing and monitoring all company assets and plays a pivotal role in facilitating the business's administrative operations and maintaining engagement across all company divisions.



**KRISH PAREKH**

## HEAD ANALYST

Krish joined the SevenCapital team in November 2023. He has a degree in Economics from UCL. With a strong aptitude for mathematics and background in financial analysis, Krish plays a pivotal role in modelling cashflows and appraisals for our team. He is also responsible for conducting market analysis and aiding the management for making informed decisions about acquisitions, disposal and development.





# EXECUTIVE TEAM

## DISHA PATEL

### FINANCIAL CONTROLLER

Disha boasts over 9 years of comprehensive expertise in finance, accounting, and auditing across diverse industries in both India and the UK. Armed with a master's degree in commerce and a background in finance, Disha plays a crucial role in analysing and tracking financial data at SevenCapital, contributing her skills to informed decision-making and the efficient functioning of financial processes.





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# FINANCIAL REPORT

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS  
AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023 FOR SEVENCAPITAL PLC





# FINANCIAL REVIEW

## KRISH PAREKH

As we recover from the impending impact of the COVID-19 pandemic, SevenCapital went through a transition year. As our schemes progress through their development stages, cash inflow has proven to be difficult resulting in a drop in YOY sales from £38.7m to £8.8m. The drop in revenue coupled with an increase in administrative expenses, drop in operating income and stagnant financing costs meant that we recorded a loss of £1.7m in 2023.

Understandably, this suggests a declining financial position of the firm but that is far from the case. We are currently in the development phase of several promising new projects and schemes, which are expected to drive our future growth and profitability. This period of investment, focused on innovation and market expansion, is a calculated step to retool our offerings in alignment with shifting market demands and long-term strategic goals. There are also several positive indicators that underline our operational resilience and financial prudence during this transition phase. Firstly, the reduction in turnover was accompanied by a corresponding decrease in the cost of sales, demonstrating effective cost management and an agile response to changing sales volumes. This ability to adjust our cost base protects our gross margins and positions us well for leveraging upturns in market conditions. Additionally, our proactive efforts in managing administrative expenses and reducing long-term obligations reflect a robust strategic approach to strengthening our balance sheet.

These strategic adjustments are not merely about navigating immediate challenges, but are part of a broader vision to set SevenCapital on a path to sustainable growth. The investments we are making today in developing new projects are laying the groundwork for future revenue streams and market expansion. Our commitment to maintaining a strong equity base and reducing liabilities demonstrates our dedication to financial stability and shareholder value. As we progress through this phase of development and renewal, we are setting the stage for SevenCapital to emerge as a more competitive, innovative, and financially robust entity. We appreciate the continued support of our shareholders and stakeholders and are confident that the strategies we are implementing will yield substantial benefits, ensuring the long-

term success and resilience of our company. The Group's performance reflects the cyclical nature of our business model with long development cycles and pre-sales influencing results from prior years. Despite the ongoing macroeconomic challenges and fluctuating UK property market conditions, we have strengthened our position by strategically focusing on 'build-to-sell', potential BTR and PBSA units in London's Zones 1-6 and Birmingham.

The Group's performance reflects the cyclical nature of our business model with long development cycles and pre-sales influencing results from prior years. Despite the ongoing macroeconomic challenges and fluctuating UK property market conditions, we have strengthened our position by strategically focusing on 'build-to-sell', potential BTR and PBSA units in London's Zones 1-6 and Birmingham.

## NET ASSETS

The Group's net asset position has remained stable at £61.6 million (2022: £63.3 million). This slight decrease reflects our strategic reinvestment in the company and our resilience in managing external economic pressures. Despite these challenges, our focus on sustainable growth and prudent financial management has ensured the Group's strong financial position.

## STRATEGIC FINANCIAL OUTLOOK

The balance sheet of SevenCapital for FY 2023 reflects a company that is strategically navigating its path through complex market conditions with a clear focus on long-term sustainability. The adjustments in asset and liability management are in line with our conservative yet progressive financial strategy, designed to safeguard and strengthen our financial foundation.

## POSITIVE IMPLICATIONS FOR STAKEHOLDERS

For our stakeholders, the financial strategies and outcomes reflected in our balance sheet signify a business that is not only resilient, but is also

proactively managing its financial health to ensure stability and growth. Our strategic focus on optimizing asset utilisation, reducing long-term debt, and maintaining a solid equity base positions SevenCapital as a forward-looking entity in the property development sector, ready to leverage upcoming market opportunities. Our financial manoeuvres during the year have been both responsive and anticipatory, ensuring that we remain on a trajectory that aligns with our long-term goals and the interests of our shareholders and stakeholders. The upcoming year is viewed with optimism, with strategic initiatives set to further enhance our market position and financial returns.

## CASH FLOW

The cash flow statement for SevenCapital in 2023 reveals significant insights into our financial operations, resource management, and strategic adjustments made during a period of complex economic conditions. This year's cash management reflects prudent fiscal control, strategic investment, and financing decisions designed to secure long-term stability and growth.

## CASH FLOW FROM FINANCING ACTIVITIES

Financing activities have also reflected a strategic manoeuvring, with net cash provided by financing activities amounting to £15.2m, a decrease from £39.8m in 2022. This year, the company raised £16.4m through new loans but also increased repayments of existing loans to £1.2m. There was a notable decrease in emergency funding requirements, demonstrating a stable financial structure and reduced reliance on external financing. This adjustment aligns with our strategic objective to optimise the capital structure and maintain financial agility.

## NET CHANGE IN CASH AND CASH EQUIVALENTS

As of 30 September 2023, the business had a net cash balance of £3.8m (£3.9m). The decrease in cash and cash equivalents by £150k in 2023 compared to a decrease of £13.7m in 2022 represents a substantial improvement in our cash preservation efforts. Starting with £3.9m at the beginning of the year and closing at £3.8m illustrates our capability to manage liquidity efficiently amidst ongoing economic uncertainties.

## STRATEGIC FINANCIAL MANAGEMENT

SevenCapital continues to demonstrate robust liquidity risk management through continuous monitoring of cash flows and compliance with financial covenants. Our approach includes maintaining adequate banking facilities, enabling access to equity through strategic partnerships, and nurturing strong relationships with creditors to ensure favourable terms. This careful treasury management, paired with strategic capital rebalancing, positions SevenCapital to enhance capital efficiency and build reserves that provide flexibility for future growth.

The financial manoeuvres throughout 2023, as detailed in our cash flow statement, underscore SevenCapital's resilient and proactive financial management strategies. These efforts are geared towards ensuring long-term sustainability and readiness to capitalise on upcoming opportunities, reflecting our commitment to maintaining strong financial health and delivering value to our stakeholders.





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**SEVEN CAPITAL PLC**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

<b>DIRECTORS:</b>	Balbinder Singh Sohal Damien Anthony Siviter
<b>SECRETARY:</b>	Balbinder Singh Sohal
<b>REGISTERED OFFICE:</b>	97 Park Lane, Mayfair, London, W1K 7TG
<b>REGISTERED NUMBER:</b>	07011445 (England and Wales)
<b>AUDITORS:</b>	Brindleys Limited, Statutory Auditors 2 Wheeleys Road, Edgbaston, Birmingham West Midlands , B15 2LD



## GROUP STRATEGIC REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors present their strategic report of the company and the Group for the year ended 30 September 2023.

#### PRINCIPAL ACTIVITY

The principal activity of the Group during the year is that of Property development. Whilst at the forefront of investment in Birmingham and London Zones 2-6, our portfolio expands well beyond the Midlands with developments being built across the country with a wider focus on the South East.

#### REVIEW OF BUSINESS

The Group exceeded shareholder expectations in its strong performance to the year ended 30 September 2023. More details are given on page 35 and 36.

#### KEY PERFORMANCE INDICATORS

Key operating indicators are showing a positive trend and the balance sheet continues to strengthen, giving the Group an opportunity to take advantage of new and exciting development opportunities. Further details can be seen on page 35 and 36.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The Group uses various financial levers to manage risk. These include shareholders loans, operating cash generated and a number of working capital items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial levers is to ensure the Group is adequately funded in order to continue its operations uninterrupted. While these financial levers enable the Group to manage operations, their existence exposes the Group to a number of financial and operational risks, which are described on page 17.

## SECTION 172 STATEMENT

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of SevenCapital Group ('the Company') for the benefit of its members as a whole, and in doing so have regard, amongst other matters, to:

### a. The likely consequences of any decision in the long term

The Board is mindful that all strategic decisions can have a long-term impact on the business and its stakeholders. As such, the Board assesses all possible implications of any decision or process and continues to monitor therewith. Over the past year, there has been a need to make decisions quickly to ensure the continuity of the business in light of the pandemic, which is discussed within our Chairman and Group Managing Director's statements on pages 3 and 5 of the report. The Board also has in place a set strategy for assessing and managing risk, designed to protect the company, its employees and stakeholders, which is addressed on pages 17 to 20. Our overall strategy demonstrates the main direction of the Group, upon which the majority of strategic decisions are made (see pages 10 to 14).

### b. The interests of the company's employees

The Board considers all employees integral to the business, with culture, promotion and inclusion each a high priority. As such, the Board actively engages with, invites and considers all views and suggestions of employees when making strategic decisions. Equally the Board promotes complete equality within the workforce without exception, including areas such as disability, gender, race, religion and otherwise. This is explained further within the 'Our People' section of the report on page 28.

### c. The need to foster the company's business relationships with suppliers, customers and others

The Board understands the positive impact that is achieved through nurturing strong relationships with those connected to the business. As such, the aim is to treat all suppliers, customers, partners and stakeholders and employees with equal respect and fairness. This is detailed on pages 20, 25, 26, and 28 of the report.

### d. The impact of the company's operations on the community and the environment

As a Real Estate business, community and environmental impact are of utmost importance. The Board considers and has in place numerous operations and metrics, which the Group is continually working to improve, to minimise negative impact and promote sustainable 'green' initiatives. The business also makes significant contributions to community, charitable and educational organisations to help support existing communities to flourish. These are laid out in detail within the wider Annual Report on pages 22 and 23.

### e. The desirability of the company maintaining a reputation for high standards of business conduct

The Board prides itself on its history of ethics and integrity within all its business dealings. The Board adopts a clear Governance framework and follows and enforces a set of key company values in order to operate and maintain best practise across the Group. These key values are expressed on page 26 of the Annual Report.

### f. The need to act fairly as between members of the company

The Board operates a policy of fairness across the Group whereby each employee is assessed purely by ability and suitability for the role, detailed within 'Our People' on page 28 of the Annual Report. The business carries a key value of respect (page 26) which the Board enforces throughout all dealings with employees, partners, stakeholders and customers.

On behalf of the board:



Balbinder Singh Sohal—Director  
24<sup>th</sup> June 2024



## **SEVEN CAPITAL PLC**

### **REPORT OF THE DIRECTORS**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The directors present their report with the financial statements of the company and the Group for the year ended 30 September 2023.

#### **DIVIDENDS**

The total distributions for the year is Nil (2022 : £Nil)

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 October 2022 to the date of this report.

Balbinder Singh Sohal  
Damien Anthony Siviter

#### **DISCLOSURE IN THE STRATEGIC REPORT**

As permitted by Paragraph 1A of schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report. These matters relate to review of business, principal risks and uncertainties and future developments.

#### **IMPORTANT EVENTS SINCE THE BALANCE SHEET DATE**

There were no important events since the year end that require disclosure.

#### **CARBON REPORT**

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

#### **DIRECTORS INDEMNITY INSURANCE**

Indemnity insurance for the benefit of the directors was in place during the year and as at the date of approval of the financial statements.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted

Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

## AUDITORS

The auditors, Brindleys Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:



Balbinder Singh Sohal—Director

24<sup>th</sup> June 2024



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SEVEN CAPITAL PLC

### OPINION

We have audited the financial statements of Seven Capital Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2023 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 group's and of the parent company affairs as at 30 September 2023 and of the group's 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 FOR 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 group 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

## 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

## RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 41, 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 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 group's and the parent 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 group or the parent 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have considered the nature of the Group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, Pensions legislation, tax legislation etc; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making the accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

## USE OF OUR 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 a Report of the Auditors 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.



Sajjad Sumar (Senior Statutory Auditor)

for and on behalf of Brindleys Limited

Statutory Auditors

2 Wheeleys Road

Edgbaston

Birmingham

West Midlands

B15 2LD

24<sup>th</sup> June 2024



## CONSOLIDATED PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2023

	NOTES	2023 £	2022 as restated £
<b>TURNOVER</b>	3	8,837,378	38,705,223
Cost of sales		3,624,301	27,332,995
<b>GROSS PROFIT</b>		5,213,077	11,372,228
Administrative expenses		6,293,022	5,776,392
		(1,079,945)	5,595,836
Other operating income		3,830,582	3,391,963
<b>OPERATING PROFIT</b>	5	2,750,637	8,987,799
Profit/loss on sale of operation	7	-	7160
		2,750,637	8,994,959
Interest receivable and similar income		1,576,373	1,101,005
		4,327,010	10,095,964
Interest payable and similar expenses	8	5,985,301	6,273,819
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(1,658,291)	3,822,145
Tax on (loss)/profit	9	57,652	1,467,517
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(1,715,943)	2,354,628
<b>OTHER COMPREHENSIVE INCOME:</b>			
Loss on share buy back			
Deconsolidation and investments of NCI		-	(302)
Income tax relating to components of other comprehensive income			
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>			(302)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		(1,715,943)	2,354,326
<b>(Loss)/Profit attributable to:</b>			
Owners of the parent		(1,115,174)	2,755,176
Non-controlling interests		(600,769)	(400,548)
		(1,715,943)	2,354,628
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		(1,115,174)	2,755,176
Non-controlling interests		(600,769)	(400,848)
		(1,715,943)	2,354,326

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 30 SEPTEMBER 2023

	NOTES	£	2023 £	£	2022 as restated £
<b>FIXED ASSETS</b>					
Tangible assets	12		144,432		154,530
Investments	13		32,545,710		32,665,712
			32,690,142		32,820,242
<b>CURRENT ASSETS</b>					
Stocks	14	151,373,026		152,002,728	
Debtors	15	82,351,103		83,178,348	
Cash at bank and in hand		3,812,107		3,962,686	
		237,536,236		239,143,762	
<b>CREDITORS</b>					
Amounts falling due within one year	16	33,890,076		30,367,360	
<b>NET CURRENT ASSETS</b>			203,646,160		208,776,402
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			236,336,302		241,596,644
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		174,709,427		178,253,826
<b>NET ASSETS</b>			61,626,875		63,342,818
<b>CAPITAL AND RESERVES</b>					
Called up share capital	22		66,666		66,666
Capital redemption reserve	23		15,000		15,000
Retained earnings	23		45,765,773		46,880,946
<b>SHAREHOLDERS' FUNDS</b>			45,847,439		46,962,612
<b>NON-CONTROLLING INTERESTS</b>			15,779,436		16,380,206
<b>TOTAL EQUITY</b>			61,626,875		63,342,818

The financial statements were approved by the Board of Directors and authorised for issue on 24<sup>th</sup> June 2024 and were signed on its behalf by:



Balbinder Singh Sohal, Director



## SEVEN CAPITAL PLC (REGISTERED NUMBER: 07011445)

## COMPANY STATEMENT OF FINANCIAL POSITION

30 SEPTEMBER 2023

	NOTES	£	2023 £	£	2022 as restated £
<b>FIXED ASSETS</b>					
Tangible assets	12		101,856		95,496
Investments	13		50,071		170,153
			151,927		265,649
<b>CURRENT ASSETS</b>					
Stocks	14	8,022,458		4,997,799	
Debtors	15	46,881,495		49,349,313	
Cash at bank		3,048,354		3,037,441	
		57,952,307		57,384,553	
<b>CREDITORS</b>					
Amounts falling due within one year	16	12,110,789		12,180,302	
<b>NET CURRENT ASSETS</b>			45,841,518		45,204,251
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			45,993,445		45,469,900
<b>PROVISIONS FOR LIABILITIES</b>	21		16,446		18,144
<b>NET ASSETS</b>			45,976,999		45,451,756
<b>CAPITAL AND RESERVES</b>					
Called up share capital	22		66,666		66,666
Capital redemption reserve	23		15,000		15,000
Retained earnings	23		45,895,333		45,370,090
<b>SHAREHOLDERS' FUNDS</b>			45,976,999		45,451,756
Company's profit for the financial year			525,243		4,162,715

The financial statements were approved by the Board of Directors and authorised for issue on 24<sup>th</sup> June 2024 and were signed on its behalf by:



Balbinder Singh Sohal, Director

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2023

	CALLED UP SHARE CAPITAL £	RETAINED EARNINGS £	CAPITAL REDEMPTION RESERVE £
BALANCE AT 1 OCTOBER 2021	50,000	44,545,114	15,000
CHANGES IN EQUITY			
Issue of share capital	16,666	-	-
Total comprehensive income	-	2,335,832	-
BALANCE AT 30 SEPTEMBER 2022	66,666	46,880,946	15,000
CHANGES IN EQUITY			
Total comprehensive income	-	(1,115,174)	-
BALANCE AT 30 SEPTEMBER 2023	66,666	45,765,772	15,000

	TOTAL £	NON-CONTROLLING INTERESTS £	TOTAL EQUITY £
BALANCE AT 1 OCTOBER 2021	44,610,114	17,126,054	61,736,168
CHANGES IN EQUITY			
Issue of share capital	16,666	-	16,666
Dividends	-	(345,000)	(345,000)
Total comprehensive income	2,335,832	(400,848)	1,934,984
BALANCE AT 30 SEPTEMBER 2022	46,962,612	16,380,206	63,342,818
CHANGES IN EQUITY			
Total comprehensive income	(1,115,174)	(600,769)	(1,715,943)
BALANCE AT 30 SEPTEMBER 2023	45,847,438	15,779,437	61,626,875

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2023

	CALLED UP SHARE CAPITAL £	RETAINED EARNINGS £	CAPITAL REDEMPTION RESERVE £	TOTAL EQUITY £
BALANCE AT 1 OCTOBER 2021	50,000	41,207,375	15,000	41,272,375
CHANGES IN EQUITY				
Issue of share capital	16,666	-	-	16,666
Total comprehensive income	-	4,162,715	-	4,162,715
BALANCE AT 30 SEPTEMBER 2022	66,666	45,370,090	15,000	45,451,756
CHANGES IN EQUITY				
Total comprehensive income	-	525,243	-	525,243
BALANCE AT 30 SEPTEMBER 2023	66,666	45,895,333	15,000	45,976,999



## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2023

	NOTES	2023 £	2022 as restated £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	1	(9,569,700)	(12,494,346)
Interest paid		(5,985,301)	(6,273,819)
Tax paid		(1,394,681)	(3,283,691)
Net cash from operating activities		(16,949,682)	(22,051,856)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets		(27,334)	(33,910)
Purchase of fixed asset investments		-	(32,620,000)
Sale of fixed asset investments		-	1,110
Interest received		1,576,373	1,101,005
Net cash from investing activities		1,549,039	(31,551,795)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New loans in year		16,487,202	40,872,018
Loan repayments in year		(1,218,199)	(712,596)
Amount withdrawn by directors		(18,939)	(5,165)
Share issue		-	16,666
Dividends to Non controlling interests		-	(345,000)
Net cash from financing activities		15,250,064	39,825,923
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(150,579)</b>	<b>(13,777,728)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	2	<b>3,962,686</b>	<b>17,740,414</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	2	<b>3,812,107</b>	<b>3,962,686</b>

## NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023 £	2022 as restated £
Profit before taxation	(1,658,291)	3,822,145
Depreciation charges	37,433	36,357
Impairment of investments	120,002	-
Deconsolidation parent share	-	15,663
Deconsolidation	-	(302)
Finance costs	5,985,301	6,273,819
Finance income	(1,576,373)	(1,101,005)
	2,908,072	9,046,677
Decrease in stocks	629,702	6,649,944
(Decrease)/ increase in trade and other debtors	1,077,115	(31,767,457)
(Decrease)/ increase in trade and other creditors	(14,184,589)	3,576,490
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(9,569,700)</b>	<b>(12,494,346)</b>

### 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

YEAR ENDED 30 SEPTEMBER 2023	30.9.23 £	1.10.22 £
Cash and cash equivalents	3,812,107	3,962,686
YEAR ENDED 30 SEPTEMBER 2022	30.9.22 as restated £	1.10.21 £
Cash and cash equivalents	3,962,686	17,740,414

## 3. ANALYSIS OF CHANGES IN NET DEBT

	AT 1.10.22 £	CASH FLOW £	AT 30.9.23 £
<b>NET CASH</b>			
Cash at bank and in hand	3,962,686	(150,579)	3,812,107
	3,962,686	(150,579)	3,812,107
<b>DEBT</b>			
Debts falling due after 1 year	(132,145,422)	(15,269,003)	(147,414,425)
	(132,145,422)	(15,269,003)	(147,414,425)
<b>TOTAL</b>	<b>(128,182,736)</b>	<b>(15,419,582)</b>	<b>(143,602,318)</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 1. STATUTORY INFORMATION

Seven Capital Plc is a public limited company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

### 2. ACCOUNTING POLICIES

#### BASIS OF PREPARING THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

These financial statements have been prepared on a going concern basis and are prepared in British Pound Sterling which is the financial currency of the group.

#### BASIS OF CONSOLIDATION

The consolidated financial statement include the accounts of the parent undertaking and its subsidiary undertakings made up to 30 September 2023. A subsidiary is an entity that is controlled by the parent. The results of the subsidiary undertaking are included in the consolidated profit and loss account from the date that control commences to the date that control ceases. Control is established when the Company has power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment. All financial statements are made up to 30 September 2023.

#### SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

#### USEFUL ECONOMIC LIVES OF PROPERTY, PLANT AND EQUIPMENT

The annual depreciation charge for property, plant and equipment is sensitive to changes in estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended where necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets.

#### IMPAIRMENT OF TRADE RECEIVABLES

The Group makes an estimate of the recoverable amount of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

#### REVENUE RECOGNITION

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**TANGIBLE FIXED ASSETS**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.  
Fixtures and fittings – 15% on reducing balance.

**INVESTMENTS IN ASSOCIATES**

Investments in associate undertakings are recognised at cost.

**INVENTORY**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Costs incurred by the company for the conversion of commercial property into residential flats including overheads directly attributable to the project are carried forward as stock until all have been disposed of. The profit/loss will be realised in the accounting period in which the flats are sold.

**TAXATION**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account and Other Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**DEFERRED TAX**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

**PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**HOLIDAY PAY**

Holiday pay is recognised as an expense in the period in which the service is received.

**BASIC FINANCIAL INSTRUMENTS****Trade and Other Debtors/Creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

### Interest bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

### Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

### OTHER INVESTMENTS

Other investments are recognised at cost.

## 3. TURNOVER

The turnover and loss (2022 - profit) before taxation are attributable to the one principal activity of the Group. An analysis of turnover by class of business is given below:

	2023 £	2022 as restated £
Contracts	6,161,697	36,793,223
Consultancy	2,675,681	1,912,000
	<b>8,837,378</b>	<b>38,705,223</b>

## 4. EMPLOYEES AND DIRECTORS

	2023 £	2022 as restated £
Wages and salaries	2,692,948	3,042,431
Social security costs	302,349	355,125
Other pension costs	58,382	52,960
	<b>3,053,679</b>	<b>3,450,516</b>

The average number of employees during the year was as follows:

	2023 £	2022 as restated £
Administration	47	56

The average number of employees by undertakings that were proportionately consolidated during the year was 16 (2022 - 28).



	2023 £	2022 as restated £
Directors' remuneration	234,518	275,151

Information regarding the highest paid director is as follows:

	2023 £	2022 as restated £
Emoluments etc	114,518	117,059

## 5. OPERATING PROFIT

The operating profit is stated after charging:

	2023 £	2022 as restated £
Depreciation - owned assets	37,432	36,356
Operating lease	127,296	33,040
Impairment of investments	120,002	-

## 6. AUDITORS' REMUNERATION

	2023 £	2022 as restated £
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	71,100	76,450

The auditors were also paid £31,625 for non audit services provided to the Group

## 7. EXCEPTIONAL ITEMS

	2023 £	2022 as restated £
Profit/ loss on sale of operation	-	7,160

## 8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £	2022 as restated £
Other Loan Interest	5,985,301	6,273,819

## 9. TAXATION

### ANALYSIS OF THE TAX CHARGE

The tax charge on the loss for the year was as follows:

	2023 £	2022 as restated £
<b>CURRENT TAX:</b>		
UK corporation tax	315,420	1,437,614
Deferred tax	(257,768)	29,903
Tax on (loss)/profit	57,652	1,467,517

### RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2023 £	2022 as restated £
(Loss)/profit before tax	(1,658,291)	3,882,145
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 25% (2022-19%)	(414,573)	726,208

### EFFECTS OF:

Expenses not deductible for tax purposes	12,049	205,183
Income not taxable for tax purposes	(101,915)	(988,191)
Capital allowances in excess of depreciation	(3,856)	(5,371)
Utilisation of tax losses	(40,921)	(1,416)
Deferred tax	(25,296)	10,872
Consolidation adjustments	-	988,189
Losses carried forward	650,793	537,803
Overprovision last year	(101)	3,248
Land remediation relief	-	(9,008)
Corporation tax rate adjustment	(36,055)	
Loans written off	(12,501)	
Impairment of investments	30,028	
<b>Total tax charge</b>	<b>57,652</b>	<b>1,467,517</b>

Tax effects relating to effects of other comprehensive income: There were no tax effects for the year ended 30 September 2023.

## 9. TAXATION – CONTINUED

	2022 GROSS £	2022 TAX £	2022 NET £
Loss on share buy back	(302)	-	(302)
Deconsolidation and investments of NCI	(302)	-	(302)

## 10. INDIVIDUAL PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account and Other Comprehensive Income of the parent company is not presented as part of these financial statements.

## 11. PRIOR YEAR ADJUSTMENT

The loan payment of £1,601,600 in subsidiary Seven Capital (Granville) Ltd was incorrectly classified as dividend in the following prior periods:

- 30/09/2019 - £1,100,000
- 30/09/2021 - £501,600

Closing balances for 30/09/2021 were adjusted for the prior period adjustment of year ended 30/09/2019.

Retained earnings and non-controlling interests before and after adjustment for the year ended 30/09/2021 are as follows for the Group:

SEVEN CAPITAL PLC – CONSOLIDATED	BEFORE PRIOR YEAR ADJUSTMENTS	AS RE-STATED	DIFFERENCE
Retained earnings	£43,789,789	£44,110,109	£320,320
Non-controlling interest	£15,844,773	£17,126,053	£1,281,280

Retained earnings and net assets before and after adjustment for the year ended 30/09/2021 are as follows for Seven Capital (Granville) Ltd:

SEVEN CAPITAL (GRANVILLE) LTD	BEFORE PRIOR YEAR ADJUSTMENTS	AS RE-STATED	DIFFERENCE
Net assets	£538,351	£2,139,951	£1,601,600
Retained earnings	£79,951	£1,681,551	£1,601,600

Group non-controlling interest was adjusted by £1,281,280 and retained earnings were adjusted by £320,320.

Also, directors planned to liquidate following three subsidiaries last year, hence they were not included in the last years consolidation.

1. Seven Capital (Granville) Ltd
2. Seven Capital (Ridley) Ltd
3. Seven Capital (Regency Place) Ltd



However plans were changed later on and companies were not liquidated. Comparatives for the year ended 30/09/2022 are re-stated to include the subsidiaries mentioned above.

Retained earnings and non-controlling interests before and after adjustment for the year ended 30/09/2022 are as follows:

SEVEN CAPITAL PLC – CONSOLIDATED	BEFORE PRIOR YEAR ADJUSTMENTS	AS RE-STATE	DIFFERENCE
Retained earnings	£45,934,735	£46,880,946	£946,211
Non-controlling interest	£13,010,300	£16,380,206	£3,369,906

Capital and reserves and net assets for the year ended 30/09/2022 are as follows for Seven Capital (Granville) Ltd, Seven Capital (Ridley) Limited and Seven Capital (Regency Place) Ltd:

<b>SEVEN CAPITAL (GRANVILLE) LTD:</b>		
Net assets		£2,137,029
Called up share capital		£1,000
Share premium		£457,400
Retained earnings		£1,678,629
<b>SEVEN CAPITAL (RIDLEY) LTD:</b>		
Net assets		£546,896
Called up share capital		£1,000
Share premium		£302,324
Retained earnings		£243,572
<b>SEVEN CAPITAL (REGENCY PLACE) LTD:</b>		
Net assets		£1,632,193
Called up share capital		£890
Share premium		£407,627
Retained earnings		£1,223,676

Breakdown of the adjustments to Non-controlling interest and retained earnings of the consolidated accounts for the year ended 30/09/2022 is as follows:

SEVEN CAPITAL (GRANVILLE) LTD	RETAINED EARNINGS	NON-CONTROLLING INTEREST
Retained earnings	£503,589	£1,175,040
Called up share capital		£150
Share premium		£457,400

SEVEN CAPITAL (RIDLEY) LTD	RETAINED EARNINGS	NON-CONTROLLING INTEREST
Retained earnings	£73,072	£170,500
Called up share capital		£150
Share premium		£302,324
SEVEN CAPITAL (REGENCY PLACE) LTD	RETAINED EARNINGS	NON-CONTROLLING INTEREST
Retained earnings	£367,100	£856,575
Called up share capital		£150
Share premium		£407,627
Other adjustments	£2,450	
<b>Total</b>	<b>£946,211</b>	<b>£3,369,906</b>

## 12. TANGIBLE FIXED ASSETS

GROUP	SHORT LEASEHOLD £	FIXTURE AND FITTINGS £	TOTALS £
<b>COST</b>			
At 1 October 2022	39,190	289,838	329,028
Additions		27,334	27,334
At 30 September 2023	39,190	317,172	356,362
<b>DEPRECIATION</b>			
At 1 October 2022	10,943	163,555	174,498
Charge for year	7,062	30,370	37,432
At 30 September 2023	18,005	193,925	211,930
<b>NET BOOK VALUE</b>			
At 30 September 2023	21,185	123,247	144,432
At 30 September 2022	28,247	126,283	154,530
COMPANY	FIXTURE AND FITTINGS £		
<b>COST</b>			
At 1 October 2022			244,015
Additions			24,334
At 30 September 2023			268,349
<b>DEPRECIATION</b>			
At 1 October 2022			148,519
Charge for year			17,974
At 30 September 2023			166,493

**NET BOOK VALUE**

At 30 September 2023	101,856
At 30 September 2022	95,496

**13. FIXED ASSET INVESTMENTS**

GROUP	UNLISTED INVESTMENTS £
<b>COST</b>	
At 1 October 2022	32,665,712
Impairments	(120,002)
At 30 September 2023	32,545,710
<b>NET BOOK VALUE</b>	
At 1 October 2023	32,545,710
At 30 September 2022	32,665,712
COMPANY	UNLISTED INVESTMENTS £
<b>COST</b>	
At 1 October 2022	170,153
Impairments	(120,082)
At 30 September 2023	50,071
<b>NET BOOK VALUE</b>	
At 1 October 2023	50,071
At 30 September 2022	170,153

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**ASSOCIATED COMPANIES**

SEVEN CAPITAL (TINDAL) LTD	CLASS OF SHARES	% HOLDING	30.9.23	30.9.22
Registered office: United Kingdom Nature of business: Buying and selling of own estate	A Ordinary	50%		
Aggregate capital and reserves			(96,808)	(96,808)
Loss for the year			-	(608)
SEVEN CAPITAL (BASINGSTOKE) LTD	CLASS OF SHARES	% HOLDING	31.1.23	31.1.22
Registered office: United kingdom Nature of business: Development of Building projects	B Ordinary	2%		
Aggregate capital and reserves			86,886	92,489
Loss for the year			(5,603)	(295)



SEVEN CAPITAL MARK LIMITED	CLASS OF SHARES	% HOLDING	31.12.23	31.12.22
Registered office: 97 Park Lane Mayfair London W1K 7TB Nature of business: Development of Building Projects	Ordinary	39.2%		
Aggregate capital and reserves			49,038,499	49,112,395
Loss for the year			(73,896)	(59,346)
SEVEN CAPITAL (BRACKNELL) LTD	CLASS OF SHARES	% HOLDING	31.7.23	31.7.22
Registered office: United Kingdom Nature of business: Buying and selling of real estate	Ordinary	50%		
Aggregate capital and reserves			(433,952)	(628,818)
Loss for the year			194,866	132,865
SEVEN CAPITAL (CROCUS) LTD	CLASS OF SHARES	% HOLDING	31.1.23	31.1.22
Registered office: United Kingdom Nature of business: Buying and selling of real estate	Ordinary	50%		
Aggregate capital and reserves			(27,208)	(23,437)
Loss for the year			(3,771)	(4,691)

SUBSIDIARIES	CLASS OF SHARES	HOLDING %
<b>SEVEN CAPITAL (1 HAGLEY RD) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	Ordinary	96%
<b>SEVEN CAPITAL (JQ) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	A Ordinary	90%
<b>SEVEN CAPITAL (BRIDGEWATER HOUSE) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	A Ordinary	98%
<b>SEVEN CAPITAL (BROADWAY) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	A Ordinary	98%
<b>SEVEN CAPITAL (FABRIC SQUARE) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	Ordinary	100%
<b>SEVEN CAPITAL (MADISON) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	A Ordinary	100%
<b>SEVEN CAPITAL (PINEHAM) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	A Ordinary	84%
<b>SEVEN CAPITAL (SUMMER HILL) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	A Ordinary	90%
<b>SEVEN CAPITAL (ST. GEORGES) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	A Ordinary	90%
<b>SEVEN CAPITAL (SLOUGH) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	A Ordinary	98%

<b>SEVEN CAPITAL (HARBORNE) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	A Ordinary	90%
<b>SEVEN CAPITAL (GROSVENOR) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	A Ordinary	84%
<b>SEVEN CAPITAL (ERDINGTON) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	Ordinary	98%
<b>SEVEN CAPITAL (BROADWAY RESIDENCIES) LTD</b> Registered Office: United Kingdom Nature of business: Selling/Renting of residential properties	Ordinary	98%
<b>SEVEN CAPITAL (STIRCHLEY) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	A Ordinary	98%
<b>SEVEN CAPITAL (DMS) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	A Ordinary	98%
<b>SEVEN CAPITAL (CHELMSFORD) LTD</b> Registered Office: United Kingdom Nature of business: Development of building project	A Ordinary	98%
<b>SEVEN CAPITAL (SNOW HILL) LTD</b> Registered office: United Kingdom Nature of business: Buying and selling of real estate	A Ordinary	100%
<b>SEVEN CAPITAL (M25) LTD</b> Registered office: United Kingdom Nature of business: Holding investments	A Ordinary	100%
<b>SEVEN CAPITAL (KENSINGTON) LTD</b> Registered office: United Kingdom Nature of business: Buying and selling of real estate	A Ordinary	78.4%
<b>SEVEN CAPITAL (CORBETT) LTD</b> Registered office: United Kingdom Nature of business: Buying and selling of real estate	A Ordinary	100%
<b>SEVEN CAPITAL (NORTHFIELD) LTD</b> Registered office: United Kingdom Nature of business: Buying and selling of real estate	A Ordinary	100%
<b>SEVEN CAPITAL (CS) LTD</b> Registered office: United Kingdom Nature of business: Buying and selling of real estate	A Ordinary	80%
<b>SEVEN CAPITAL (WYREHILL) LTD</b> Registered office: United Kingdom Nature of business: Buying and selling of real estate	A Ordinary	100%
<b>SEVEN LIVING LTD</b> Registered office: United Kingdom Nature of business: Letting and operating of real estate	A Ordinary	100%
<b>SEVEN CAPITAL (HIGHGATE HILL) LTD</b> Registered office: United Kingdom Nature of business: Letting and operating of real estate	A Ordinary	98%
<b>SEVEN HOMES (SC) LTD</b> Registered office: United Kingdom Nature of business: Buying and selling of real estate	Ordinary	100%
<b>SEVEN CAPITAL GRANVILLE) LTD</b> Registered office: United Kingdom Nature of business: Buying and selling of real estate	Ordinary	85%
<b>SEVEN CAPITAL (RIDLEY) LTD</b> Registered office: United Kingdom Nature of business: Buying and selling of real estate	Ordinary	85%

**SEVEN CAPITAL (REGENCY PLACE) LTD**

Registered office: United Kingdom

Nature of business: Buying and selling of real estate

Ordinary

84%

All subsidiaries are registered at 97 Park Lane Mayfair London W1K 7TG.

**14. STOCKS**

	GROUP		COMPANY	
	2023 £	2022 as restated £	2023 £	2022 as restated £
Closing work in progress	147,838,484	148,215,506	4,837,916	1,570,577
Finished goods	3,534,542	3,787,222	3,184,542	3,427,222
	151,373,026	152,002,728	8,022,458	4,997,799

**15. DEBTORS**

	GROUP		COMPANY	
AMOUNTS FALLING DUE WITHIN ONE YEAR:	2023 £	2022 as restated £	2023 £	2022 as restated £
Trade debtors	1,189,040	481,062	785,659	396,844
Amounts owed by group undertakings	-	-	3,752,551	3,769,209
Other debtors	67,764,579	70,247,447	42,270,453	44,965,906
VAT	-	601,065	-	-
Deferred tax asset	455,091	205,221	-	-
Prepayments	533,007	332,917	72,832	217,354
	69,941,717	71,867,712	46,881,495	49,349,313
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:				
Other debtors	7,314,420	7,314,420	-	-
Prepayments and accrued income	5,094,966	3,996,216	-	-
	12,409,386	11,310,636	-	-
Aggregate amounts	82,351,103	83,178,348	46,881,495	49,349,313
DEFERRED TAX ASSET:				
Deferred tax	455,091	205,221	-	-



## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	2023 £	2022 as restated £	2023 £	2022 as restated £
Trade creditors	1,753,314	2,601,850	143,270	1,905,459
Amount owed to group undertakings	-	-	4,888,446	3,463,149
Corporation Tax	414,813	1,501,971	75,834	-
Social security and other taxes	83,786	108,723	67,367	90,694
VAT	271,647	-	99,721	31,790
Other creditors	29,443,152	23,863,004	6,697,688	6,462,249
Directors' current accounts	56,826	75,765	56,826	75,765
Accrued expenses	1,866,538	2,216,047	81,637	151,196
	<b>33,890,076</b>	<b>30,367,360</b>	<b>12,110,789</b>	<b>12,180,302</b>

## 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP	
	2023 £	2022 as restated £
Bank loans (see note 18)	11,939,801	13,158,000
Other loans (see note 18)	135,474,624	118,987,422
Other creditors	-	19,200,000
Accruals and deferred income	27,295,002	26,908,404
	<b>174,709,427</b>	<b>178,253,826</b>

Other creditors represent amount for purchase of land payable after one year.

Accruals and deferred income relates to accruals of £27,295,002 (2022: £26,908,404) for interest on the loans which are payable upon completion of the project.

## 18. LOANS

An analysis of the maturity of loans is given below:

	GROUP	
Amounts falling due between two and five years:	2023 £	2022 as restated £
Bank loans - 2-5 years	11,939,801	13,158,000
Other loans - 2-5 years	135,474,624	118,987,422
	<b>147,414,425</b>	<b>132,145,422</b>

Included in other loans, amounts of £7,625,000 with interest rate of 24%, £2,250,000 with interest rate of 10%, £69,975,000 with interest rate of 5%, £44,153,270 with interest rate of 4%, and £11,471,353 interest free which are repayable between two and five years.

## 19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

GROUP	NON-CANCELLABLE OPERATING LEASE	
	2023 £	2022 as restated £
Within one year	63,300	152,000
Between one and five years	-	63,300
	<b>63,300</b>	<b>215,300</b>

The operating lease relates to property lease within average duration of 2 years.

## 20. SECURED DEBTS

Bank and other loans are secured by fixed and floating charges over the assets of the companies.

## 21. DEFERRED TAX

COMPANY	2023 £	2022 as restated £
Deferred tax	16,446	18,144

GROUP	£
Balance at 1 October 2022	(205,221)
Provided during year	(249,870)
Balance at 30 September 2023	<b>(455,091)</b>

## 21. DEFERRED TAX – CONTINUED

COMPANY	£
Balance at 1 October 2022	18,144
Provided during year	(1,698)
Balance at 30 September 2023	16,446

The deferred tax liability at 30 September 2023 has been calculated based on the rate of 25% substantively enacted during the year.

## 22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

NUMBER:	CLASS:	NOMINAL VALUE	2023 £	2022 as restated £
50,000	A Ordinary	£1	50,000	50,000
16,666	B Ordinary	£1	16,666	16,666
			66,666	66,666

Each class of share has equal voting right and equal rights to dividends and distributions.

## 23. RESERVES

GROUP	RETAINED EARNINGS £	CAPITAL REDEMPTION RESERVE £	TOTALS £
At 1 October 2022	46,880,947	15,000	46,895,947
Deficit for the year	(1,115,174)	-	(1,115,174)
At 30 September 2023	45,765,773	15,000	45,780,773
COMPANY	RETAINED EARNINGS £	CAPITAL REDEMPTION RESERVE £	TOTALS £
At 1 October 2022	45,370,090	15,000	45,385,090
Profit for the year	525,243	-	£525,243
At 30 September 2023	45,895,333	15,000	45,910,333



## 24. NON-CONTROLLING INTERESTS

The aggregate amount of the net loss after dividends for the year relating to non controlling shareholders is £600,769 (2022: £400,848)

The non controlling interest liability as at 30.09.2023 was £15,779,436 (2022 : £16,380,206).

## 25. PENSION COMMITMENTS

Under the Company's defined contribution pension scheme, employees of the Company pay contribution to an independently administered fund, into which the Company also pays contribution based upon a fixed percentage of the employee's contribution. The Company has no further obligations once its contributions have been paid. Contributions paid for defined contribution scheme of £58,382 (2022 - £52,960) have been recognised in the Company's Profit and Loss Account. The pensions liability as at 30 September 2023 was £10,750 (2022 - £10,389).

## 26. CONTINGENT LIABILITIES

The directors are aware of cladding remedial work that is required to the development projects completed by the following subsidiaries of the group. The cost of these remedial works has not yet been quantified.

1. Seven Capital (Bridgewater House) Limited
2. Seven Capital (Ridley) Ltd
3. Seven Capital (Granville) Ltd
4. Seven Capital (Harborne) Ltd
5. Seven Capital (Slough) Ltd
6. Seven Capital (Fabric Square) Ltd
7. Seven Capital (Regency Place) Ltd
8. Seven Capital (Madison) Ltd
9. Seven Capital (St.Georges) Ltd
10. Seven Capital (Grosvenor) Ltd
11. Seven Capital (Summer Hill) Ltd
12. Seven Capital (Broadway) Limited
13. Seven Capital (1 Hagley Rd) Limited
14. Seven Capital (Erdington) Ltd
15. Seven Capital (JQ) Ltd

Where the cladding requirements relate to previously liquidated subsidiaries, steps will be taken to re-instate the companies for the costs to be recovered from the shareholders.

## 27. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

During the year company received management charges totalling £2,320,800 (2022 - £1,367,000) from it's associated company Seven Capital Mark Limited which is registered in England and Wales. At the year end date total amount outstanding from Seven Capital Mark Limited was £621,240 (2022 - £332,080).

During the year company received management charges totalling £180,000 (2022 - £115,000) from it's associated company Seven Capital (Crocus) Limited which is registered in England and Wales. At the year end date total amount outstanding from Seven Capital (Crocus) Limited was £134,128 (2022 - £13,872).

Included in Other debtors, balance of £3,739,910 (2022: £3,739,910) which is due from it's associated company Seven Capital (Crocus) Limited, a company registered in England and Wales and is repayable within 3 years. Interest is accrued at the rate of 15%.on the loan amount of £3,750,000 and included in prepayments and accrued income.

Included in Other debtors, balance of £3,574,510 (2022: £3,574,510) due from it's associated company Seven Capital (Bracknell) Limited a company registered in England and Wales and is repayable within 3 years. Interest is accrued at the rate of 15% on the loan amount of £3,575,000 and is included in prepayments and accrued income.

## 28. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Balbinder Singh Sohal.