

**GLOBE ROAD LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**



**Company number: 05207305**

# **GLOBE ROAD LIMITED**

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## **GLOBE ROAD LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

The Directors present their Annual Report and the audited financial statements of the Company for the year ended 31 December 2017 and have taken the small companies exemption not to prepare a strategic report.

#### **Principal activities and future developments**

The Company's principal activity was property development. During the year, the Company sold its interest in its sole property for £8 million. Future activities are in respect of meeting obligations arising from the sale.

#### **Directors**

The following Directors held office during the year and subsequently:

S J Brown (resigned 31 December 2017)

R W S Willer

M A Lonnon (appointed 6 June 2017)

No Director was materially interested during the year in any contract which was significant in relation to the business of the Company.

#### **Going concern**

The Company is reliant on the recoverability of a balance owing from Taylor Wimpey plc ("TW plc") to fund its own operations.

The Directors of the Company have confirmed with TW plc that it will continue to provide the necessary financial support to the Company, for a period of at least 12 months from the date of approval of these financial statements.

TW plc is the ultimate parent of the Taylor Wimpey group ("the Group"). The Group is profitable and is in a strong financial position.

The Directors of the Company are of the view, at the time of approving the financial statements, that there is a reasonable expectation the Company will be able to remain in existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

#### **Qualifying third party indemnity provisions**

Taylor Wimpey plc has granted indemnities in favour of the Directors and officers of its Group subsidiary companies against financial exposure that they may incur in carrying out their duties during the financial year, and up to the date of approval of these financial statements (including the Directors and officers of this company). These have been granted in accordance with section 234 of the Companies Act 2006.

#### **Directors' responsibilities statement**

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101), and applicable law).

## **GLOBE ROAD LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

#### **Directors' responsibilities statement (continued)**

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

#### **Disclosure of information to auditors**

Each person who is a Director at the date of approval of this report confirms that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **Re-appointment of auditors**

PricewaterhouseCoopers LLP has indicated their willingness to be re-appointed as auditors for another term. Appropriate arrangements have been put in place for them to be deemed re-appointed as auditors in the absence of an annual general meeting.

#### **Small company provisions**

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies.

Approved by the Board of Directors and signed on its behalf by:



C R Clapham

Company Secretary

Registered office:

Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom

Date: 13 June 2018

## **GLOBE ROAD LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBE ROAD LIMITED**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Globe Road Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2017; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## **GLOBE ROAD LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBE ROAD LIMITED (continued)**

#### **Reporting on other information (continued)**

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' responsibilities statement set out on page 2 and 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## **GLOBE ROAD LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBE ROAD LIMITED (continued)**

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Reporting on other information**

##### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Diane Walmsley (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
13 June 2018

**GLOBE ROAD LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

		<b>2017 £'000</b>	<b>2016 £'000</b>
	<b>Note</b>		
Revenue	3	<b>8,000</b>	-
Cost of sales		<b>(3,904)</b>	-
Gross profit		<b>4,096</b>	-
Other income	4	<b>20,600</b>	-
Administrative expenses		<b>(14)</b>	(45)
<b>Operating profit/(loss)</b>	5	<b>24,682</b>	(45)
Finance income	6	<b>5</b>	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>24,687</b>	(45)
Tax on profit/(loss) on ordinary activities	8	-	-
<b>Profit/(loss) for the financial year</b>		<b>24,687</b>	(45)
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive profit/(loss) for the year</b>		<b>24,687</b>	(45)

All the results reported above for both the current and prior year relate solely to continuing operations.



**GLOBE ROAD LIMITED**  
**Company number: 05207305**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £'000	2016 £'000
<b>Current assets</b>			
Inventories	9	-	3,779
Trade and other receivables	10	102	-
<b>Current liabilities</b>			
Trade and other payables	11	(21)	(28,385)
<b>Net assets/(liabilities)</b>		<u>81</u>	<u>(24,606)</u>
<b>Capital and reserves</b>			
Share capital	12	-	-
Retained earnings/(accumulated losses)		81	(24,606)
<b>Total shareholders' funds/(deficit)</b>		<u>81</u>	<u>(24,606)</u>

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



M A Lonnon  
Director

Date 13 June 2018

**GLOBE ROAD LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Share capital  £'000	Retained earnings/ (accumulated losses)  £'000	Total shareholders' funds/(deficit)  £'000
<b>Balance as at 1 January 2017</b>	-	(24,606)	(24,606)
Profit for the financial year	-	24,687	24,687
Other comprehensive income for the year	-	-	-
<b>Total comprehensive profit for the year</b>	-	24,687	24,687
Dividends paid	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-
<b>Balance at 31 December 2017</b>	-	81	81
<b>Balance as at 1 January 2016</b>	-	(24,561)	(24,561)
Loss for the financial year	-	(45)	(45)
Other comprehensive income for the year	-	-	-
<b>Total comprehensive loss for the year</b>	-	(45)	(45)
Dividends paid	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-
<b>Balance at 31 December 2016</b>	-	(24,606)	(24,606)

## **GLOBE ROAD LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **1. Accounting policies**

The following accounting policies have been used consistently throughout the current and prior year.

##### **General information and basis of preparation**

Globe Road Limited is a private company incorporated and domiciled in the United Kingdom. The Company is limited by shares. The Company is registered in England and Wales and its registered office is noted on page 3.

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101). The financial statements are prepared in sterling, which is the functional currency of the Company and rounded to the nearest thousand pounds.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

##### **Disclosure exemptions**

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash-flow statement, capital management, financial instruments, International Financial Reporting Standards (IFRSs) issued but not effective and related party transactions. Where required, equivalent disclosures are given in the Group financial statements of Taylor Wimpey plc. The Group financial statements of Taylor Wimpey plc are available to the public and can be obtained as set out in note 13.

##### **Adoption of new and revised standards of interpretation**

In the year, the Company has applied amendments to IFRSs issued by the International Accounting Standards Board as noted below. Their adoption has not had any material impact on the disclosures or amounts reported in these financial statements.

- Annual Improvements to IFRSs 2014-2016 Cycle

##### **Going concern**

The Company is reliant on the recoverability of a balance owing from Taylor Wimpey plc ("TW plc") to fund its own operations.

The Directors of the Company have confirmed with TW plc that it will continue to provide the necessary financial support to the Company for a period of at least 12 months from the date of approval of these financial statements.

TW plc is the ultimate parent of the Taylor Wimpey group ("the Group"). The Group is profitable and is in a strong financial position.

The Directors of the Company are of the view, at the time of approving the financial statements, that there is a reasonable expectation the Company will be able to remain in existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

## **GLOBE ROAD LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

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

##### **Revenue**

Revenue is measured at the fair value of the consideration received or receivable, net of incentives and value added taxes. Revenue is recognised in the Income Statement when the significant risks and rewards of ownership have been transferred to the purchaser.

##### **Interest receivable**

Interest income is recognised in the income statement as it falls due.

##### **Financial instruments**

Financial assets and liabilities are recognised on the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

##### ***Trade and other receivables***

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated unrecoverable amounts.

##### ***Trade and other payables***

Trade and other payables on normal terms are not interest bearing and are stated at their nominal value.

##### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

##### **Taxation**

The tax charge represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using corporation tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Any liability or credit in respect of group relief in lieu of current tax is also calculated on the same basis unless a different rate (including a nil rate) has been agreed within the Group.

# GLOBE ROAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

### 1. Accounting policies (continued)

#### Taxation (continued)

##### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated, on a non-discounted basis, at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted by the Statement of Financial Position date.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

### 2. Key sources of estimation uncertainty and critical accounting judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The Directors have considered whether there are any such sources of estimation or critical accounting judgements in forming the financial statements and do not determine there to be any for the purposes of disclosure.

### 3. Revenue

Revenue in the year arose solely in the United Kingdom.

	2017 £'000	2016 £'000
Land sales	<u>8,000</u>	<u>-</u>

On 15 June 2017, the Company sold its interest in its sole property for £8 million.

# GLOBE ROAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

### 4. Other income

	2017 £'000	2016 £'000
Waiver of loan owed to Group company	<u>20,600</u>	<u>-</u>

On 8 December 2017, Taylor Wimpey UK Limited waived its loan to the Company to the amount of £20.6 million.

### 5. Operating profit/(loss)

Operating profit/(loss) is after charging:

	2017 £'000	2016 £'000
Fee payable to the Company's auditors for the audit of the Company's annual financial statements	<u>11</u>	<u>10</u>

Fees paid to the Company's auditors for other services were £nil (2016: £nil).

### 6. Finance income

	2017 £'000	2016 £'000
Interest received on loans to Group companies	<u>5</u>	<u>-</u>

### 7. Employees and Directors

The Company did not employ any persons during the year (2016: none).

Directors' remuneration and benefits paid by the Company in the year amounted to £nil (2016: £nil). All Directors' emoluments are borne by a fellow Group company and have not been recharged. It is not practicable to allocate these between their services as Directors between subsidiary companies.

# GLOBE ROAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

### 8. Tax on profit/(loss) on ordinary activities

	2017 £'000	2016 £'000
<b>Current tax charge</b>		
UK corporation tax on profit/(loss) for the year	-	-
Adjustments in respect of prior periods	-	-
<b>Deferred tax charge</b>		
Ordinary deferred tax	-	-
Adjustments in respect of prior periods	-	-
<b>Tax on profit/(loss) on ordinary activities</b>	<u>-</u>	<u>-</u>

The standard rate of current tax for the year, based on the weighted average of the UK standard rate of corporation tax is 19.25% (2016: 20%).

The tax charge for the year can be reconciled as follows:

	2017 £'000	2016 £'000
Profit/(loss) on ordinary activities before tax	<u>24,687</u>	<u>(45)</u>
Standard rate of corporation tax of 19.25% (2016: 20%)	4,752	(9)
Non-taxable income	(3,966)	-
Group relief (claimed)/surrendered for no payment	(786)	9
Total tax charge	<u>-</u>	<u>-</u>

### 9. Inventories

	2017 £'000	2016 £'000
Land held for development	-	3,779
	<u>-</u>	<u>3,779</u>

### 10. Trade and other receivables

	2017 £'000	2016 £'000
Amounts owed by Group undertakings	102	-
	<u>102</u>	<u>-</u>

Amounts owed by Group undertakings are unsecured, are repayable on demand and bear interest at differing rates between 0% and 0.5%.

# GLOBE ROAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

### 11. Trade and other payables

	2017 £'000	2016 £'000
Amounts owed to Group undertakings	-	28,354
Accruals and deferred income	21	31
	<u>21</u>	<u>28,385</u>

Amounts owed to Group undertakings are unsecured, non-interest bearing and are repayable on demand.

### 12. Share capital

	2017 £'000	2016 £'000
<b>Authorised:</b>		
100 (2016: 100) ordinary shares of £1 each	<u>-</u>	<u>-</u>
<b>Allotted, called-up and fully paid:</b>		
1 (2016: 1) ordinary share of £1	<u>-</u>	<u>-</u>

### 13. Controlling parties

The immediate parent undertaking is George Wimpey City Limited.

The Company's ultimate parent undertaking and controlling party is Taylor Wimpey plc, a company incorporated in the United Kingdom. Taylor Wimpey plc is the parent of the smallest and largest group for which consolidated financial statements are prepared and of which the Company is a member. Taylor Wimpey plc's registered office is Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom.

Copies of the Group financial statements, which include the Company are available from Companies House, Crown Way, Cardiff, CF14 3UZ.