

Registered No 05747417

Severn Crossing Developments Limited

Report and Financial Statements

30 September 2014

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COMPANIES HOUSE

Severn Crossing Developments Limited

Registered No: 05747417

Directors

J N Stacey

J K Beauchamp

Secretary

Mabey Holdings Limited

Auditors

Ernst & Young LLP

1 Bridgewater Place

Water Lane

Leeds

LS11 5QR

Bankers

Barclays Bank PLC

Bridgewater House

Counterslip

Finzels Reach

Bristol

BS1 6BX

Registered Office

One Valpy

20 Valpy Street

Reading

RG1 1AR

Registered No: 05747417

Directors' report

The directors present their report and the financial statements for the year ended 30 September 2014.

Results

The profit for the year ended 30 September 2014 amounts to £645,409 (2013 – £213,378) and is dealt with as shown in the profit and loss account.

Principal activity

The principal activity of the company continues to be that of property development in the UK.

Directors

The present directors of the company are shown on page 1. P Lloyd left the board on 30 April 2014. J N Stacey and J K Beauchamp joined the board on 15 April 2014.

Disclosure of information to the auditors

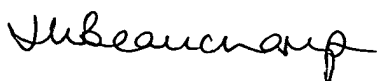
As at the date of this report, as far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken such steps as he should have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution reappointing Ernst & Young LLP as auditors will be proposed at the Annual General Meeting.

The directors have taken advantage of the small companies' exemption provided by Section 414B of the Companies Act 2006 not to provide a Strategic Report.

By order of the board



J K Beauchamp
Director

9 December 2014

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report and 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). 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 proper 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.

Independent auditors' report

to the members of Severn Crossing Developments Limited

We have audited the financial statements of Severn Crossing Developments Limited for the year ended 30 September 2014 which comprise the Profit and loss account, the Statement of movements on reserves and reconciliation of movements in shareholders' funds, the Balance sheet, and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Severn Crossing Developments Limited (continued)

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report.

Ernst & Young LLP

P R Buckler (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP (Statutory Auditor)

Leeds

10th December 2014

Profit and loss account

for the year ended 30 September 2014

	Notes	2014 £	2013 £
Turnover	2	657,037	653,494
Cost of sales		208,389	23,804
Gross profit		448,648	629,690
Administrative expenses		152,255	97,766
Operating profit		296,393	531,924
Interest receivable and similar income	4	-	659
Interest payable and similar charges	5	(573,419)	(389,696)
(Loss)/profit on ordinary activities before taxation	3	(277,026)	142,887
Tax on (loss)/profit on ordinary activities	6	(922,435)	(70,491)
Retained profit for the year		645,409	213,378

All activities relate to continuing operations.

There are no recognised gains or losses other than the profit of £645,409 in the year ended 30 September 2014 (2013 – profit of £213,378).

Statement of movements on reserves and reconciliation of movements in shareholders' funds


	Share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 30 September 2012	3	900,305	900,308
Profit for the year	-	213,378	213,378
Balance at 30 September 2013	3	1,113,683	1,113,686
Profit for the year	-	645,409	645,409
Balance at 30 September 2014	3	1,759,092	1,759,095

Balance sheet

at 30 September 2014

	Notes	2014 £	2013 £
Current assets			
Stocks	7	11,279,570	11,056,201
Debtors	8	357,252	106,610
Cash at bank and in hand		223,362	355,298
		<u>11,860,184</u>	<u>11,518,109</u>
Creditors: amounts falling due within one year	9	10,101,089	9,714,842
		<u>1,759,095</u>	<u>1,803,267</u>
Net current assets			
Provision for liabilities and charges			
Deferred taxation	10	-	689,581
		<u>1,759,095</u>	<u>1,113,686</u>
Net assets			
Capital and reserves			
Called up share capital	11	3	3
Profit and loss account		1,759,092	1,113,683
		<u>1,759,095</u>	<u>1,113,686</u>
Shareholders' funds			
		<u>1,759,095</u>	<u>1,113,686</u>

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


J K Beauchamp – Director

9 December 2014

Notes to the financial statements

at 30 September 2014

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention. The financial statements are prepared in accordance with applicable accounting standards.

The company meets its day-to-day working capital requirements through a combination of cash reserves and funding from its parent Mabey Property Limited ("funding facilities").

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash resources and funding facilities

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the board continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost of property developments comprises the direct cost of materials, services, sub-contractors and labour and all costs directly attributable to development projects. Net realisable value of development projects is the anticipated sales value less anticipated cost of all further work to completion of the projects including provision for maintenance work where applicable.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- (i) Provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets with no likely subsequent rollover or available capital losses.
- (ii) Provision is made for gains on revalued fixed assets only where there is a commitment to dispose of the revalued assets and the attributable gain can neither be rolled over nor eliminated by capital losses.
- (iii) Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Related party transactions

The company has taken advantage of the exemption in FRS 8 not to disclose transactions with fellow group undertakings as it is a wholly owned subsidiary undertaking of Mabey Holdings Limited.

Cash flow statement

The company has taken advantage of the exemption conferred under FRS 1 (revised) from presenting its own cash flow statement as it is a wholly owned subsidiary undertaking of Mabey Holdings Limited.

Notes to the financial statements

at 30 September 2014

1. Accounting policies (continued)

Cash

Cash comprises cash at bank and in hand including short term deposits.

2. Turnover

Turnover comprises the total amounts receivable, stated net of value added tax, from the sale of property developments and property rental.

3. (Loss)/profit on ordinary activities before taxation

This is stated after charging:

	2014	2013
	£	£
Directors' emoluments	30,539	20,319
	<u> </u>	<u> </u>

There were no employees in the year other than the directors.

The number of directors to whom retirement benefits were accruing in respect of qualifying service under the group's pension schemes was:

	2014	2013
	No.	No.
Money purchase scheme	2	-
	<u> </u>	<u> </u>

Auditors' remuneration:

The remuneration of the auditors for the audit of the financial statements amounted to £1,000 (2013 - £1,000). Non-audit fees relating to taxation services amounted to £nil (2013 - £660).

4. Interest receivable and similar income

	2014	2013
	£	£
Other interest	-	659
	<u> </u>	<u> </u>
	-	659
	<u> </u>	<u> </u>

5. Interest payable and similar charges

	2014	2013
	£	£
Interest payable to group undertakings	567,058	387,796
Other interest	6,361	1,900
	<u> </u>	<u> </u>
	573,419	389,696
	<u> </u>	<u> </u>

Notes to the financial statements

at 30 September 2014

6. Tax

(a) Tax on (loss)/profit on ordinary activities

The tax credit is made up as follows:

	2014 £	2013 £
Current tax		
Corporation tax	(60,938)	-
Adjustments relating to prior years	(292)	1,030
Total current tax (Note 6(b))	(61,230)	1,030
Deferred tax		
Origination and reversal of timing differences	-	(70,573)
Adjustments relating to prior years	(861,205)	(948)
Total deferred tax	(861,205)	(71,521)
Tax on (loss)/profit on ordinary activities	(922,435)	(70,491)

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is different from that at the standard rate of corporation tax of 22% (2013 – 23.5%).

	2014 £	2013 £
(Loss)/profit on ordinary activities before taxation	(277,026)	142,887
Profit on ordinary activities multiplied by standard rate of corporation tax of 22% (2013 – 23.5%)	(60,938)	33,576
Losses utilised	-	(33,576)
Adjustments relating to prior years	(292)	1,030
Current tax (credit)/charge (note 6(a))	(61,230)	1,030

(c) Factors that may affect future tax charges

The standard rate of corporation tax in the UK reduced from 22% to 21% from 1 April 2014 and a further reduction to 20% will take effect from 1 April 2015. The 20% rate was enacted at the balance sheet date.

Notes to the financial statements

at 30 September 2014

7. Stocks

	2014	2013
	£	£
Work in progress on property developments	11,279,570	11,056,201

8. Debtors

	2014	2013
	£	£
Trade debtors	2,352	6,236
Amounts due from group undertakings	28,495	62,345
Taxation recoverable	54,938	19,000
Other debtors	61,547	15,920
Prepayments and accrued income	38,296	3,109
Deferred tax (note 10)	171,624	-
	357,252	106,610

9. Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	86,095	-
Amounts due to group undertakings	-	94,876
Other creditors	3,000	3,000
Accruals and deferred income	11,994	16,966
Amounts due to immediate parent undertaking	10,000,000	9,600,000
	10,101,089	9,714,842

Notes to the financial statements

at 30 September 2014

10. Deferred taxation

	£
At 1 October 2013	689,581
Credit for the year	-
Adjustment in respect of prior periods	(861,205)
At 30 September 2014 (note 8)	<u>(171,624)</u>

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	<i>Provided</i>		<i>Not provided</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	£	£	£	£
Capital gains "rolled over"	-	861,454	-	-
Losses	(171,624)	(171,873)	-	-
	<u>(171,624)</u>	<u>689,581</u>	<u>-</u>	<u>-</u>

11. Called up share capital

	<i>Allotted, called up and fully paid</i>	
	<i>2014</i>	<i>2013</i>
	£	£
Ordinary shares of £1 each	3	3

12. Parent undertaking and ultimate parent company

The company's immediate parent undertaking is Mabey Property Limited. The parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member is Mabey Holdings Limited, registered in England and Wales, which is also the company's ultimate parent company and controlling party.