

Registration number: 05747417

Severn Crossing Developments Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2015



Severn Crossing Developments Limited

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Severn Crossing Developments Limited
Company Information

Directors	J N Stacey J K Beauchamp
Company secretary	Mabey Holdings Limited
Registered office	One Valpy 20 Valpy Street Reading Berkshire RG1 1AR
Banker	Barclays Bank PLC Bristol Bridgewater House Counterslip Finzels Reach Bristol Avon BS1 6BX
Auditor	KPMG LLP Arlington Business Park Theale Reading RG7 4SD

Severn Crossing Developments Limited
Directors' Report for the Year Ended 30 September 2015

The directors present their report and the financial statements for the year ended 30 September 2015.

Directors of the company

The directors who held office during the year were as follows:

J N Stacey

J K Beauchamp

Principal activity

The principal activity of the company is that of property development in the United Kingdom.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Appointment of auditors

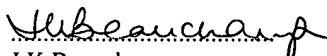
During the year, the Audit Committee instigated a review of the audit engagement. A competitive tender, involving a number of large and medium sized firms, resulted in Ernst and Young LLP being replaced by KPMG LLP

A resolution to reappoint KPMG LLP as auditor will be put to the members at the Annual General Meeting.

Small company provisions statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 8 Dec 2015 and signed on its behalf by:



J K Beauchamp
Director

Severn Crossong Developments Limited
One Valpy
20 Valpy Street
Reading
Berkshire
RG1 1AR

Severn Crossing Developments Limited Statement of Directors' Responsibilities

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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.

Auditor's 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 2015, set out on pages 6 to 14. 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 auditor

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 and express an opinion on 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 2015 and of its loss 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 year for which the financial statements are prepared is consistent with the financial statements.

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 from the requirement to prepare a strategic report.

Auditor's report to the members of Severn Crossing Developments Limited (continued)



Robert Fitzpatrick (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Arlington Business Park
Theale
Reading
RG7 4SD

Date: 17 December 2015

Severn Crossing Developments Limited
Profit and Loss Account for the Year Ended 30 September 2015

	Note	2015 £	2014 £
Turnover		644,450	657,037
Cost of sales		<u>(2,129,646)</u>	<u>(208,389)</u>
Gross (loss)/profit		(1,485,196)	448,648
Administrative expenses		(99,201)	(152,255)
Amortisation of Goodwill		<u>-</u>	<u>-</u>
Operating (loss)/profit	2	(1,584,397)	296,393
Interest payable and similar charges	4	<u>(576,534)</u>	<u>(573,419)</u>
Loss on ordinary activities before taxation		(2,160,931)	(277,026)
Tax on loss on ordinary activities	5	<u>(137,199)</u>	<u>922,435</u>
(Loss)/profit for the financial year	10	<u><u>(2,298,130)</u></u>	<u><u>645,409</u></u>

Turnover and operating (loss)/profit derive wholly from continuing operations.

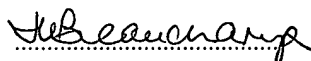
The company has no recognised gains or losses for the year other than the results above.

Severn Crossing Developments Limited
(Registration number: 05747417)
Balance Sheet as at 30 September 2015

	Note	2015 £	2014 £
Current assets			
Stocks	6	9,510,874	11,279,570
Debtors	7	97,564	357,252
Cash at bank and in hand		<u>322,654</u>	<u>223,362</u>
		9,931,092	11,860,184
Creditors: Amounts falling due within one year	8	<u>(10,470,127)</u>	<u>(10,101,089)</u>
Net (liabilities)/assets		<u>(539,035)</u>	<u>1,759,095</u>
Capital and reserves			
Called up share capital	9	3	3
Profit and loss account	10	<u>(539,038)</u>	<u>1,759,092</u>
Shareholders' (deficit)/funds	11	<u>(539,035)</u>	<u>1,759,095</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved and authorised by the Board on 8 Dec 2015 and signed on its behalf by:


J K Beauchamp
Director

Severn Crossing Developments Limited

Notes to the Financial Statements

1 Accounting policies

Basis of preparation

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

The principal accounting policies are set out below:

Exemption from preparing a cash flow statement

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

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 of Mabey Holdings Limited.

Going concern

The company is funded by a loan from its parent company, Mabey Property Limited. Mabey Property Limited has written to the company stating that it will not be requesting repayment within the next twelve months and will fund the company's cash requirements during that period. Thus the board continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

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

Stock

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.

Severn Crossing Developments Limited
Notes to the Financial Statements (continued)

1 . Accounting policies (continued)

Deferred tax

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.

Severn Crossing Developments Limited
Notes to the Financial Statements (continued)

2 Operating profit / loss

Operating (loss)/profit is stated after charging/(crediting):

	2015 £	2014 £
Audit of the financial statements - KPMG LLP	-	-
Audit of the financial statements - Ernst & Young LLP	-	1,000
	<u>-</u>	<u>1,000</u>

Auditor's remuneration for the 2015 financial statements is being paid by the main holdings entity.

3 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Sums paid to third parties for directors' services	7,527	30,539
	<u>7,527</u>	<u>30,539</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	2	2
	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2015 £	2014 £
Remuneration	6,890	16,587
	<u>6,890</u>	<u>16,587</u>

4 Interest payable and similar charges

	2015 £	2014 £
Interest on bank borrowings	(666)	6,361
Interest on loans from group undertakings	577,200	567,058
	<u>576,534</u>	<u>573,419</u>

Severn Crossing Developments Limited
Notes to the Financial Statements (continued)

5 Taxation

Tax on loss on ordinary activities

	2015	2014
	£	£
Current tax		
Corporation tax charge	-	(60,938)
Adjustments in respect of previous years	-	(292)
UK Corporation tax	-	(61,230)
Deferred tax		
Origination and reversal of timing differences	137,199	(861,205)
Total tax on loss on ordinary activities	<u>137,199</u>	<u>(922,435)</u>

Factors affecting current tax charge for the year

The tax on loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK (2014 - lower than the standard rate of corporation tax in the UK) of 20.5% (2014 - 22%).

The differences are reconciled below:

	2015	2014
	£	£
Loss on ordinary activities before tax	<u>(2,160,931)</u>	<u>(277,026)</u>
Corporation tax at standard rate	(442,961)	(60,938)
Adjustment for prior periods	-	(292)
Unrelieved tax losses carried forward	442,961	-
Total current tax	<u>-</u>	<u>(61,230)</u>

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. Further changes to the UK corporation tax rate were announced in the Chancellor's Budget on 8 July 2015. These included reductions in the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As these changes had not been substantively enacted at the balance sheet date, their effects are not included in these financial statements.

Severn Crossing Developments Limited
Notes to the Financial Statements (continued)

6 Stocks

	2015 £	2014 £
Work in progress on property developments	<u>9,510,874</u>	<u>11,279,570</u>

7 Debtors

	2015 £	2014 £
Trade debtors	1,882	2,352
Amounts owed by group undertakings	28,440	28,495
Other debtors	29,847	116,485
Deferred tax	34,425	171,624
Prepayments and accrued income	<u>2,970</u>	<u>38,296</u>
	<u>97,564</u>	<u>357,252</u>

Deferred tax

The movement in the deferred tax asset in the year is as follows:

	Deferred tax £
At 1 October 2014	171,624
Charged to the profit and loss account	<u>(137,199)</u>
At 30 September 2015	<u>34,425</u>

Analysis of deferred tax

	2015 £	2014 £
Tax losses available	<u>34,425</u>	<u>171,624</u>

Severn Crossing Developments Limited
Notes to the Financial Statements (continued)

8 Creditors: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	31,337	86,095
Amounts owed to group undertakings	10,400,000	10,000,000
Corporation tax	5	-
Other creditors	-	3,000
Accruals and deferred income	38,785	11,994
	<u>10,470,127</u>	<u>10,101,089</u>

9 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

10 Reserves

	Profit and loss account £
At 1 October 2014	1,759,092
Loss for the year	<u>(2,298,130)</u>
At 30 September 2015	<u>(539,038)</u>

Severn Crossing Developments Limited
Notes to the Financial Statements (continued)

11 Reconciliation of movement in shareholders' funds

	2015	2014
	£	£
(Loss)/profit attributable to the members of the company	(2,298,130)	645,409
Shareholders' funds at 1 October 2014	<u>1,759,095</u>	<u>1,113,686</u>
Shareholders' (deficit)/funds at 30 September 2015	<u>(539,035)</u>	<u>1,759,095</u>

12 Control

The company is controlled by Mabey Property Limited. The ultimate controlling party is Mabey Holdings Limited.

The parent of the largest group in which results are consolidated is Mabey Holdings Limited.

The ultimate parent company is Mabey Holdings Limited.