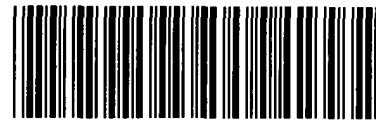


Paradigm Development Services Limited

Report and Financial Statements For the Year Ended 31 March 2019

Company Registration 06794551

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PARADIGM DEVELOPMENT SERVICES LIMITED
COMPANY NUMBER 06794551
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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PARADIGM DEVELOPMENT SERVICES LIMITED
COMPANY NUMBER 06794551
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

COMPANY INFORMATION

Directors

Matthew Bailes

Jane Harrison (resigned with effect from 28 June 2019)

Nicola Ewen (appointed on 5 June 2019)

Secretary

Ewan Wallace

Solicitors

Devonshire Solicitors

Auditor

RSM UK Audit LLP

Bankers

Barclays Bank PLC

Registered Office

1 Glory Park Avenue

Wooburn Green

Buckinghamshire

HP10 0DF

PARADIGM DEVELOPMENT SERVICES LIMITED
COMPANY NUMBER 06794551
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

STRATEGIC REPORT

The directors of Paradigm Development Services Limited ("the Company") present their strategic report for the year ended 31 March 2019.

Principal activity

The Company's principal activity is the provision of property development services to the members of Paradigm Housing Group ("the Group").

Performance for the year

The Company's financial results are set out in the statement of comprehensive income on page 8. The profit for the year before tax is £746k (2018: £79k).

Net assets as at 31st March 2019 are £1,237k (2018: £494k)

Review of business and future developments

During the year ended 31 March 2019 the Company:

- completed construction of 350 (2018: 500) new homes for other group companies
- resolved the problems associated with the insolvency of the contractor on Blyth Road, Uxbridge in 2016. Completed remedial work and made significant progress towards completion of this development of 120 new homes in 2019-20
- made significant progress on delivery of the 224 home development at Caleb Close, Luton with the first new homes handed over in April 2019.

We continue to develop within the Group's existing geographic footprint in which the demand for affordable rented homes and low-cost home ownership properties remains high.

Our development pipeline as at 31 March 2019 totalled 1,346 (2018: 1,467). We forecast that over 1,300 homes will be under development in 2019-20, supporting our target to deliver 600 new homes a year by the end of 2021.

Principal risks and uncertainties

Successful delivery of the development programme depends on continued support from the Group's funders, including Homes England (HE) and Greater London Authority (GLA), as well as the ability and willingness of development contractors to continue to build our schemes in a challenging economic environment. The Group's development programme includes low cost home ownership. Success depends on demand for the properties. Internal risks include potential errors in development scheme appraisal and failure to control costs.

Actions taken to prevent failure in the development process:

- maintaining regular contact with HE and GLA on the development programme:
- enhancing credit checks on new contractors and re-assessing existing contractors:
- rigorous review of development scheme appraisal:
- monitoring progress of schemes under development, with regular meetings with contractors:
- continual review of planned developments and re-appraising planned schemes to offer alternative forms of tenure: and
- monitoring and controlling of construction expenditure.

PARADIGM DEVELOPMENT SERVICES LIMITED
COMPANY NUMBER 06794551
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

STRATEGIC REPORT (CONTINUED)

Key targets	Outcomes
Delivery of 600 new homes per annum by the end of 2021	In 2018-19 we delivered 350 new homes. We plan to deliver 364 homes in 2019-20 and are already on site on the developments required to meet this target. We continue to support other entities within the Group in securing development land and affordable housing contracts in order to achieve the medium term target by 2021.
Research, report and bid for housing solutions for all e.g. shared housing and homelessness	On-going – approach being developed and implemented over the period of the Corporate Plan (2018-21).
Investigate opportunities to deliver more 'land-led' schemes	We have identified a number of opportunities within our core area which if acquired will deliver some 200 - 250 new homes over the next five years. Land-led developments have a longer lead in time than the more simple 'section 106' schemes and this could affect the achievement of the new homes target noted above, although the medium term returns should be greater.

This report was approved by the board on 17 July 2019 and signed on its behalf by:



Matthew Bailes
Board member

PARADIGM DEVELOPMENT SERVICES LIMITED
COMPANY NUMBER 06794551
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 March 2019.

Directors

The directors of the Company for the year ended 31 March 2019 are listed on Page 1. No ordinary dividends were paid (2018: £nil). The directors do not recommend the payment of a dividend.

Interest in shares

None of the directors who acted during the year had any interests in the ordinary shares of the Company.

Group donation

A donation of £600k (2018: £600k) was paid to Paradigm Homes Charitable Housing Association Limited.

Employees

Joint contracts of employment are held in respect of all employees throughout the Group. Salary costs are incurred by Paradigm Housing Group Limited and recharged around the Group.

The strength of the Company lies in the quality of all its employees. Our ability to meet our objectives and commitments to tenants in an efficient and effective manner depends on their contribution.

The Company is committed to equal opportunities and in particular we support the recruitment of disabled people and the retention of employees who become disabled while in the employment of the Company.

Health and safety

The Board is aware of its responsibilities on all matters relating to health and safety. The Company has comprehensive health and safety policies and provides staff training and education on health and safety matters.

Directors' insurance

The Company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the Company.

Information disclosed within the strategic report

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Disclosure of Information to the auditor

So far as each director is aware there is no relevant information needed by the Company's auditor in connection with preparing their report of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

Auditor

A resolution to appoint RSM UK AUDIT LLP as auditor of the Company for the ensuing year and to authorise directors to fix their remuneration will be proposed at the Annual General Meeting in accordance with section 485 (4) of the Companies Act 2006.

Approved by the board of directors on 17 July 2019 and signed on behalf of the board.



Matthew Bailes
Board member

PARADIGM DEVELOPMENT SERVICES LIMITED

COMPANY NUMBER 06794551

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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 those financial statements, the directors are required to:

- a select suitable accounting policies and apply them consistently;
- b make judgements and accounting estimates that are reasonable and prudent;
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d 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.

PARADIGM DEVELOPMENT SERVICES LIMITED

COMPANY NUMBER 06794551

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARADIGM DEVELOPMENT SERVICES LIMITED

We have audited the financial statements of Paradigm Development Services Limited (the 'Company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, and 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 31 March 2019 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.

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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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

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 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 there is a material misstatement in 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 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

PARADIGM DEVELOPMENT SERVICES LIMITED
COMPANY NUMBER 06794551
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARADIGM DEVELOPMENT SERVICES LIMITED
(CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 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.

RSM UK Audit LLP

LARAGH JEANROY (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
IP32 7FA

Date *22/7/2019*

PARADIGM DEVELOPMENT SERVICES LIMITED
COMPANY NUMBER 06794551
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF COMPREHENSIVE INCOME

		2019	2018
	Notes	£'000	£'000
Turnover		68,128	47,222
Cost of sales		(62,647)	(43,969)
Group donation		(600)	(600)
Gross profit		4,881	2,653
Administrative expenses		(3,530)	(2,076)
Operating profit		1,351	577
Interest payable and similar charges	2	(605)	(498)
Profit on ordinary activities before tax	3	746	79
Tax on profit on ordinary activities	4	(3)	(4)
Profit and total comprehensive income for the financial year		743	75

All amounts for the year derive from continuing operations.

The notes on pages 11 to 15 form part of these financial statements.

PARADIGM DEVELOPMENT SERVICES LIMITED
COMPANY NUMBER 06794551
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF FINANCIAL POSITION

	Notes	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	5	740	781
		<u>740</u>	<u>781</u>
Current assets			
Stock	6	-	11,385
Debtors	7	8,997	8,028
Cash and cash equivalent		8	2
		<u>9,005</u>	<u>19,415</u>
Creditors: amounts falling due within one year	8	(8,508)	(19,702)
Net current assets/(liabilities)		<u>497</u>	<u>(287)</u>
Total assets less current liabilities		<u>1,237</u>	<u>494</u>
Net assets		<u>1,237</u>	<u>494</u>
Capital and reserves			
Called up share capital	9	-	-
Revenue reserve	9	1,237	494
Total equity shareholders' funds		<u>1,237</u>	<u>494</u>

The notes on pages 11 to 15 form part of these financial statements.

These financial statements on pages 8 to 15 were approved by the board of directors on 17 July 2019 and signed on their behalf by:



Matthew Bailes
Board member



Ewan Wallace
Secretary

PARADIGM DEVELOPMENT SERVICES LIMITED
COMPANY NUMBER 06794551
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Revenue Reserve	Total
	£'000	£'000	£'000
Balance as at 1 April 2017	-	419	419
Profit for the year	-	75	75
Balance as at 1 April 2018	-	494	494
Profit for the year	-	743	743
Balance as at 31 March 2019	-	1,237	1,237

The notes on pages 11 to 15 form part of these financial statements.

PARADIGM DEVELOPMENT SERVICES LIMITED

COMPANY NUMBER 06794551

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General information

Paradigm Development Services Limited ("the Company") is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales.

The address of the Company's registered office and principal place of business is 1 Glory Park Avenue, Wooburn Green, Buckinghamshire, HP10 0DF.

The Company's principal activities and the nature of operations have been detailed within the strategic report on pages 2-3.

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ('FRS102') and with the Companies Act 2006 including the provisions of the Large and Medium-sized Companies (Accounts and Reports) Regulations 2008 and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the Company.

Reduced disclosures

The Company has taken advantage of the exemption from disclosing the following information as permitted by the Reduced Disclosures Regime of FRS102:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts for financial instruments measured at amortised cost or cost less impairment, interest income/expense and net gains/losses for financial instruments measured at amortised cost, loan defaults or breaches, and descriptions of hedging relationships.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of Paradigm Housing Group Limited ("the Group"). The consolidated financial statements of Paradigm Housing Group Limited are available as disclosed in note 12.

Going concern

After reviewing the Company's forecasts and projections, the directors have reasonable expectation that the Company will continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason it continues to adopt the going concern basis in the financial statements.

Turnover

Turnover represents the fair value of the consideration received or receivable from the provision of property development and marketing services to Group entities under a Framework Agreement in addition to the sale of electricity generated by photovoltaic panels. Turnover is recognised in the period to which it relates and is shown net of Value Added Tax.

Taxation

The tax expense represents the sum of the current tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

PARADIGM DEVELOPMENT SERVICES LIMITED
COMPANY NUMBER 06794551
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation on tangible fixed assets is charged on a straight-line basis so as to write down the value of the assets to their estimated residual values over their expected useful economic lives. The assets are photo voltaic panels which have a useful economic life of 25 years.

Stock

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, the directors assess whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as a loss.

Reversals of impairment losses are also recognised in arriving at profit or loss for the year.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which includes balances due from Group undertakings and accrued income, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Basic financial liabilities

Basic financial liabilities, including amounts due to Group undertakings and accrued expenditure, and other creditors are initially recorded at transaction price, and are subsequently carried at amortised cost.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Judgements

There were no items where management made significant judgements in these financial statements.

Estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected use of the assets. Uncertainties in these estimates may relate to technological innovation or maintenance programmes.

PARADIGM DEVELOPMENT SERVICES LIMITED
COMPANY NUMBER 06794551
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £'000	2018 £'000
Interest payable to Group members	<u>605</u>	<u>498</u>

3. PROFIT ON ORDINARY ACTIVITIES

	2019 £'000	2018 £'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration in their capacity as auditor	7	6
Inventories recognised as an expense	11	18
Depreciation	<u>41</u>	<u>41</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2019 £'000	2018 £'000
UK deferred tax origination and reversal of timing differences	<u>3</u>	<u>4</u>
	<u>3</u>	<u>4</u>
Profit on ordinary activities before tax	<u>746</u>	<u>79</u>
Tax on profit on ordinary activities at standard corporation tax rate of 19% (2018: 19%)	142	15
Group relief claimed	(139)	(10)
Deferred tax now recognised	-	(1)
Tax charge	<u>3</u>	<u>4</u>

Factors that may affect future tax charges:

As at 31 March 2019, the Company had an unprovided deferred tax asset of £nil (2018: £nil)

PARADIGM DEVELOPMENT SERVICES LIMITED
COMPANY NUMBER 06794551
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. FIXED ASSETS

	2019	2018
	PV panels	PV panels
	£'000	£'000
Cost		
At 1 April	1,027	1,027
At 31 March	1,027	1,027
Depreciation		
At 1 April	246	205
Charge for the year	41	41
At 31 March	287	246
Net book value	740	781

6. STOCK

	2019	2018
	£'000	£'000
Land	-	11,385
	-	11,385

7. DEBTORS

	2019	2018
	£'000	£'000
Amounts owed by Group undertakings	8,667	7,662
Prepayments and accrued income	35	31
Other debtors	295	335
As at 31 March	8,997	8,028

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£'000	£'000
Amounts owed to Group undertakings	553	12,537
Accruals and deferred income	6,835	6,567
Other creditors (including deferred tax)	1,120	598
As at 31 March	8,508	19,702

PARADIGM DEVELOPMENT SERVICES LIMITED
COMPANY NUMBER 06794551
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. CALLED UP SHARE CAPITAL AND RESERVES

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
Equity:		
Ordinary share of £1 each	1	1
As at 31 March	1	1

The share provides full voting rights and any rights to dividend or distribution on winding up.

Revenue reserves represents the cumulative profits and losses of the Company net of distributions to owners.

10. DIRECTORS AND EMPLOYEES

Joint contracts of employment are held in respect of all employees throughout the Group. Salary costs are incurred by Paradigm Housing Group Limited and recharged around the Group. The recharges made to Paradigm Development Services Limited in the year amounted to £1,867,553 (2018: £1,331,835).

During the year, two (2018: three) directors were remunerated through the Company's parent company. The apportioned cost to the Company was £nil (2018: £nil).

11. RELATED PARTY TRANSACTIONS

The immediate parent company's voting rights are controlled within the group headed by Paradigm Housing Group Limited. The Company has taken advantage of the exemption contained in FRS102 and has, therefore, not disclosed transactions with entities that form part of the Group. The consolidated statements of Paradigm Housing Group Limited, within which this entity is included, can be obtained from the address shown in note 12.

12. ULTIMATE HOLDING UNDERTAKING

The immediate and ultimate parent company and controlling entity is Paradigm Housing Group Limited which is a Community Benefit Society and is registered with both the Regulator of Social Housing (registration number L4215) and the Financial Conduct Authority (registration number 28844R). Copies of the consolidated financial statements are available from Paradigm Housing Group Limited at its registered address: 1 Glory Park Avenue, Wooburn Green, Buckinghamshire, HP10 0DF.