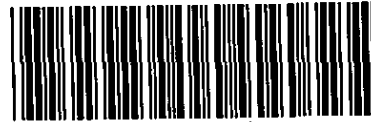


STRADA DEVELOPMENTS LIMITED

Company Number SC235707

ANNUAL REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2009

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STRADA DEVELOPMENTS LIMITED

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STRADA DEVELOPMENTS LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31 December 2009.

Business Review and Principal Activities

Strada Developments Limited is a joint venture between Taylor Wimpey UK Limited and Bett Homes Limited (formerly Gladedale (Northern Division) Limited). On 9 February 2010, Gladedale (Northern) Division Limited passed a special resolution changing its name to Bett Homes Limited.

The site comprises around 17 acres, is located some 4 miles north of Edinburgh city centre and the site has detailed planning permission for 646 dwellings.

During the year the Company generated a gross profit of £719,669 (2008: £1,777,728). After deducting administrative expenses, adding net interest receivable and deducting corporation tax payable, the retained profit after tax for the year is £384,493 (2008: £1,332,516). At 31 December 2009 the net assets of the company were £11,281,707 (2008: £11,756,332). The Directors authorised the payment of a dividend during the year of £859,118 (2008: £nil). There have been no significant changes in the company's activities in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

Key Performance Indicators

The Directors monitor several key performance indicators on a monthly basis comparing actual figures with those budgeted. The main indicators include monitoring the volume of houses (units) sold on an annual basis, the average selling price of the units sold and the square footage this encompasses.

	2009	2008
• No of units sold (per annum)	28	40
• Average selling price (per unit)	£218k	£200k
• Gross margin	11.8%	22.2%
• Total square footage sold	35,717	37,765
• Average square footage sold (per unit)	1,276	944
• Net cash	£3.8m	£0.2m

Going Concern

The day to day working capital requirements of the company are met through the revenue generated from the sale of houses and the investment provided by the joint venture partners. Details of the management of the liquidity risk within the company are noted below.

After making enquiries and reviewing cashflow forecasts and available facilities for a period of at least 12 months, the Directors have formed judgment at the time of approving the financial statements that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly these financial statements have been prepared on a going concern basis.

Financial Risk Management Objectives and Policies

The Company faces a number of risks and uncertainties in the course of its day-to-day operations. By effectively identifying and managing these risks the company is able to improve its performance. The Company uses various financial instruments and these include loans, cash, equity investments as well as various items such as trade debtors and trade creditors that arise directly from operations.

The main risks arising from the Company's financial instruments include market risk, credit risk and liquidity risk. The directors review and agree policies for managing those risks and they are summarised below:

STRADA DEVELOPMENTS LIMITED

DIRECTORS' REPORT (continued)

Market Risk

Market risks affecting the Company can be split into two types of risk; price risk and mortgage availability. Current activity in the Edinburgh new build market is well below recent historical levels. However through detailed sales management we have been able to recognise sales price adjustments where required to enable the stock plot position to be cleared and also generate an acceptable sales rate for the development overall.

As a result of the restricted availability of mortgages to first time buyers, we have introduced various incentives including a shared equity product which has enabled us to achieve sales from this market segment.

Liquidity Risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Credit Risk

The principal credit risk arises from trade debtors. In order to manage the credit risk, aged debtors are monitored on a monthly basis and outstanding amounts chased by our solicitors regularly.

Risk Management

The Board of Strada Developments Limited constantly monitors sales prices, sales rates and availability against relevant competition in order that prices can be maximised whilst achieving an acceptable sales rate. Likewise the Board constantly reviews the range of incentives and financial products available in order that our proposition to the customer is both relevant and competitive.

The Joint Venture partners are committed to communicating and reviewing the operations to ensure best practice is maintained. Methods include regular board meetings, team briefings and opportunities to ensure senior management meet face to face.

Sustainability and the Environment

Taylor Wimpey UK Limited and Bett Homes Limited (formerly Gladedale (Northern Division) Limited) are committed to continuous improvement in the design and construction of new homes and enhancing the built environment for people who live in and near its communities.

Qualifying Third Party Indemnities

Since the end of the financial year covered by these accounts, Taylor Wimpey plc has executed a deed poll of indemnity in favour of, among others, the directors and officers appointed to act on its behalf pursuant to a contractual right of Taylor Wimpey plc or any of its group undertakings to nominate or appoint one or more of the officers of an associated company or a company in which Taylor Wimpey plc holds, directly or indirectly, a minority shareholding. This indemnity covers the Taylor Wimpey nominated directors and officers of this company, and such beneficiaries are indemnified against certain financial exposure that they may incur during the discharge of their professional duties as director or officer of the company. The indemnity is granted in accordance with section 234 of the Companies Act 2006 and Taylor Wimpey plc's articles of association.

Directors

The following persons held office as directors during the year under review or in the post year end period to the date of signing this report:-

David Gaffney	Resigned 15 July 2010
Colin Lewis	Appointed 15 July 2010
Steven Fowler	
Keith Douglas	
Joanne MacLeod (nee Bell)	Resigned 26 March 2009
William Burns	Resigned 26 March 2009
Simon Brown	Appointed 26 March 2009
Karen Armstrong	Appointed 26 March 2009
Angus Iain MacLeod	Resigned 2 November 2009
James McLellan Kirkpatrick	Appointed 23 June 2009

STRADA DEVELOPMENTS LIMITED

DIRECTORS' REPORT (continued)

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

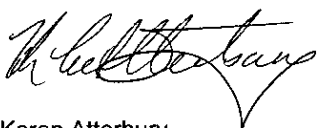
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that 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

Deloitte LLP have expressed their willingness to continue in office 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.

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



Karen Atterbury

Company Secretary

14 September 2010

STRADA DEVELOPMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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.

STRADA DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STRADA DEVELOPMENTS LIMITED

We have audited the financial statements of Strada Developments Limited for the year ended 31 December 2009 which comprise Profit and Loss Account, the Reconciliation of Movement in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Net Debt and the related notes 1 to 17. 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 auditors' 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 Directors' Responsibilities Statement, 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 (APB'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 directors; and the overall presentation of the financial statements.

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 December 2009 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 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.



Christopher Robertson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham, United Kingdom

17/09/10

STRADA DEVELOPMENTS LIMITED

Balance sheet at 31 December 2009

	Note	2009 £	2008 £
Current assets			
Stocks	8	7,847,527	13,085,027
Debtors (including £802,798 due after more than one year (2008: £204,964))	9	1,881,387	328,643
Cash at bank and in hand		3,790,444	3,307,358
		13,519,358	16,721,028
Creditors: amounts falling due within one year	10	(2,237,651)	(1,823,814)
Net current assets		11,281,707	14,897,214
Creditors: amounts falling due after more than one year	11	-	(3,140,882)
Net assets		11,281,707	11,756,332
Capital and Reserves			
Share capital	12	1,000	1,000
Profit and loss account	13	11,280,707	11,755,332
Total shareholders' funds		11,281,707	11,756,332

The financial statements of Strada Developments Limited, registered number SC235707, were approved by the Board of directors and authorised for issue on 14 September 2010.

They were signed on its behalf by:



Simon Brown
Director

STRADA DEVELOPMENTS LIMITED

Profit and loss account for the year ended 31 December 2009

	Note	2009 £	2008 £
Turnover	2	6,099,453	7,999,809
Cost of sales		(5,379,784)	(6,222,081)
Gross profit		719,669	1,777,728
Administrative expenses		(359,305)	(123,498)
Operating profit		360,364	1,654,230
Net interest receivable	3	160,738	209,429
Profit on ordinary activities before taxation	4	521,102	1,863,659
Taxation	6	(136,609)	(531,143)
Profit for the financial year		384,493	1,332,516

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

The Company had no recognised gains or losses in either period other than the results reported above; accordingly no separate statement of total recognised gains and losses is presented.

STRADA DEVELOPMENTS LIMITED

Reconciliation of Movement in Shareholders' Funds for the year ended 31 December 2009

	Note	2009 £	2008 £
Opening shareholders' funds		11,756,332	10,423,816
Profit for the financial year		384,493	1,332,516
Equity dividends paid in year	7	(859,118)	-
Closing shareholders' funds		11,281,707	11,756,332

STRADA DEVELOPMENTS LIMITED

Cash flow statement for the year ended 31 December 2009

	Note	2009 £	2008 £
Net cash inflow from operating activities	14	4,595,878	3,861,392
Returns on investments and servicing of finance			
Net interest receivable		160,738	209,429
Net cash inflow from returns on investments and servicing of finance		160,738	209,429
Equity dividends paid		(859,118)	-
Taxation			
UK corporation tax paid		(273,530)	(864,330)
Net cash outflow from taxation		(273,530)	(864,330)
Financing			
Repayment of loans to shareholder		(3,140,882)	(5,000,000)
Net cash outflow from financing		(3,140,882)	(5,000,000)
Increase/(decrease) in cash		483,086	(1,793,509)

Reconciliation of net cash flow to movement in net debt

	Note	2009 £	2008 £
Increase/(decrease) in cash		483,086	(1,793,509)
Cash flow from decrease in debt		3,140,882	5,000,000
Change in net debt resulting from cash flows		3,623,968	3,206,491
Movement in debt in year	15	3,623,968	3,206,491
Net debt at beginning of year		166,476	(3,040,015)
Net debt at end of year		3,790,444	166,476

STRADA DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 December 2009

1. Accounting policies

The following accounting policies have been used consistently in the current and prior years unless otherwise stated in dealing with items which are considered material.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, under the historical cost convention.

Going Concern

The Directors' Report describes the financial position of the Company, its cashflow and liquidity position. The Directors of the Company have made necessary enquiries, reviewed cashflow forecasts for a period of at least 12 months from the date of signing these financial statements. Following their review the Directors are of the view that there is 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.

Turnover

Turnover arises principally from the sale of residential properties, recognised on legal completion, but excludes the subsequent sale of properties accepted in part exchange.

Profit recognition

Profit arising from the sale of residential properties is taken on legal completion. Residential development profit is calculated based on total expected revenue less total expected costs.

Deferred taxation

Deferred taxation is recognised in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Current taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax 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 liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost represents direct costs plus site and selling overheads.

Trade Debtors

Trade debtors on normal terms do not carry interest and are stated at their initial value reduced by appropriate allowances for estimated irrecoverable amounts. Trade debtors on extended terms, particularly in respect of shared equity debtors are recorded at their fair value at the date of the sale of the asset to which they relate. The asset is discounted at inception with the discount being unwound through the period of the contract (being the shorter of 10 years and the sale of the property by the individual for shared equity debtors).

2. Segmental analysis

All results are attributable to one continuing activity and all trading was in the United Kingdom.

STRADA DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

3. Net Interest receivable

	2009 £	2008 £
Interest receivable on bank loans and overdrafts	160,738	209,429

4. Profit on ordinary activities before taxation

	2009 £	2008 £
Profit on ordinary activities before taxation is after charging		
Auditors remuneration:		
Fees payable to the company's auditors for the audit of the company's annual financial statements	6,700	6,700

5. Staff costs

The Company had no employees other than its directors (2008: none).

The Directors are paid by other group companies and received no remuneration in respect of their services to the Company (2008: £nil).

6. Taxation

The tax charge comprises

	2009 £	2008 £
Current tax:		
UK corporation tax	(136,609)	(531,143)
Total tax on profit on ordinary activities	(136,609)	(531,143)

The standard rate of current tax for the year tax is 28% (2008: 28.5%)

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

	2009 £	2008 £
Profit on ordinary activities before tax	521,102	1,863,659
Tax at the UK corporation tax rate of 28% (2008: 28.5%)	(145,909)	(531,143)
Prior year adjustment	9,300	-
Tax charge for the year	(136,609)	(531,143)

7. Dividends

	2009 £	2008 £
Amounts recognised as distributions to shareholders in year	859,118	-

STRADA DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

8. Stocks

	2009 £	2008 £
Land	4,408,892	5,299,028
Development and construction costs	3,215,845	6,886,501
Showhome Stock	57,790	-
Part Exchange Stock	165,000	899,498
	7,847,527	13,085,027

9. Debtors

	2009 £	2008 £
Amounts falling due within one year:		
Trade debtors	-	29,326
Other debtors	7,699	94,623
Corporation tax	1,070,890	-
	1,078,589	123,949
Amounts falling due greater than one year:		
Trade debtors	802,798	204,694

The corporation tax debtor relates to amounts due from HMRC on behalf of Gladedale (Holdings) Limited, which Bett Homes Limited (formerly Gladedale (Northern Division) Limited) is a wholly owned subsidiary of, in respect of tax losses surrendered for previous years.

10. Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	11,975	44,520
Accruals and deferred income	1,001,133	1,496,464
Amounts due to group undertakings	1,078,634	-
Corporation tax	145,909	282,830
	2,237,651	1,823,814

Included within 'accruals and deferred income' is an amount of £483,785 (2008: £1,101,093) that relates to the Taylor Woodrow Construction Limited Sub-Contractor retention for the main build contract.

Amounts due to group undertakings relate to amounts due to Gladedale (Holdings) Limited in respect of corporation tax as per note 9.

STRADA DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

11. Creditors: amounts falling due after more than one year

	2009 £	2008 £
Loan due to shareholder – Taylor Wimpey UK Limited	-	1,570,441
Loan due to shareholder – Bett Homes Limited (formerly Gladedale (Northern Division) Ltd)	-	1,570,441
	-	3,140,882

12. Share capital

	2009 £	2008 £
Authorised:		
500 'A' ordinary shares of 100p each	500	500
500 'B' ordinary shares of 100p each	500	500
	1,000	1,000
Issued and fully paid:		
500 'A' ordinary shares of 100p each	500	500
500 'B' ordinary shares of 100p each	500	500
	1,000	1,000

As at 31 December 2009, the ordinary 'A' shares of the company are owned by Bett Homes Limited (formerly Gladedale (Northern Division) Limited) and the ordinary 'B' shares of the company are owned by Taylor Wimpey UK Limited. Both of the above classes of share confer the right to appoint three directors, equal rights with respect to dividends and rank equally in the event of winding-up.

13. Profit and loss account

	£
At 1 January 2009	11,755,332
Profit for the financial year	384,493
Equity dividends paid in year	(859,118)
At 31 December 2009	11,280,707

14. Reconciliation of operating profit to operating cash flows

	2009 £	2008 £
Operating profit	360,364	1,654,230
Decrease in stocks	5,237,500	3,031,198
Increase in debtors	(1,552,744)	(22,272)
Increase/(Decrease) in creditors	550,758	(801,764)
Net cash inflow from operating activities	4,595,878	3,861,392

STRADA DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

15. Analysis of net debt

	Cash at bank and in hand	Debt due within one year	Debt due after one year	Total £
At 1 January 2009	3,307,358	-	(3,140,882)	166,476
Cash flow	483,086	-	3,140,882	3,623,968
At 31 December 2009	3,790,444	-	-	3,790,444

16. Related party transactions

During the year, the company incurred expenditure for professional fees by its shareholders and their fellow group companies as follows:-

	2009 £	2008 £
Taylor Wimpey UK Limited		
Management fees	<u>57,979</u>	<u>57,979</u>

17. Ultimate controlling party

The Company is a joint venture between Taylor Wimpey UK Limited and Bett Homes Limited (formerly Gladedale (Northern Division) Limited). Both companies are incorporated in England and Wales.