

STRADA DEVELOPMENTS LIMITED

Company Number SC235707

ANNUAL REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2013

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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 2013.

Principal Activities

Strada Developments Limited is a joint venture between Taylor Wimpey UK Limited and 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.

Going Concern

The day to day working capital requirements of the Company are met through the revenue generated from the sale of houses.

The Directors of the Company have made the necessary enquiries, including reviewing forecasts of the business and available resources 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.

Qualifying Third Party Indemnities

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:-

C E Lewis
S Fowler
K R Douglas
S C Brown
K J Armstrong

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.

STRADA DEVELOPMENTS LIMITED

DIRECTORS' REPORT (continued)

Auditor

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 auditor is 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 auditor 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 Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor for another term. Appropriate arrangements have been put in place for them to be deemed re-appointed as auditor in the absence of an annual general meeting.

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



Simon Brown

Director

Unit C, Ground Floor

Cirrus Glasgow Airport Business Park

Marchburn Drive

Abbotsinch

Paisley

Scotland

PA3 2SJ

23rd July 2014

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; 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 2013 which comprise Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Net Funds 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 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 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 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

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. In addition, we read all the financial and non-financial information in the annual report 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 31 December 2013 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; or
- the Directors were not entitled to take advantage of the small companies exemption from preparing a Strategic report or in preparing the Directors' report.



Colin Hudson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK

Date: 23 JULY 2014

STRADA DEVELOPMENTS LIMITED

Profit and loss account for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	5,792,084	4,857,704
Cost of sales		(4,526,430)	(3,656,645)
Gross profit		1,265,654	1,201,059
Administrative expenses		(524,311)	(514,322)
Operating profit		741,343	686,737
Net interest receivable	3	167,499	107,385
Profit on ordinary activities before taxation	4	908,842	794,122
Taxation	6	(203,348)	(175,945)
Profit for the financial year		705,494	618,177

All results reported above for both the current and prior 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

Balance sheet at 31 December 2013

	Note	2013 £	2012 £
Current assets			
Stocks	8	3,237,076	4,327,055
Debtors (including £3,305,142 due after more than one year (2012: £2,403,873))	9	3,348,851	2,429,032
Cash at bank and in hand		2,859,768	4,448,205
		9,445,695	11,204,292
Creditors: amounts falling due within one year	10	(1,066,397)	(530,488)
Net assets		8,379,298	10,673,804
Capital and Reserves			
Share capital	11	1,000	1,000
Profit and loss account	12	8,378,298	10,672,804
Shareholders' funds	15	8,379,298	10,673,804

The financial statements of Strada Developments Limited, registered number SC235707, were approved by the Board of Directors and authorised for issue on 23rd July 2014.

They were signed on its behalf by:



Simon Brown
Director

STRADA DEVELOPMENTS LIMITED

Cash flow statement for the year ended 31 December 2013

	Note	2013 £	2012 £
Net cash inflow from operating activities	13	1,598,165	1,289,031
Returns on investments and servicing of finance		-	-
Net Interest receivable		-	107,385
Net cash inflow from returns on investments and servicing of finance		-	107,385
Equity dividends paid		(3,000,000)	-
Taxation			
UK corporation tax paid		(186,602)	(9,916)
Net cash outflow from taxation		(186,602)	(9,916)
(Decrease)/Increase in cash		(1,588,437)	1,386,500

Reconciliation of net cash flow to movement in net funds

	Note	2013 £	2012 £
Increase/(Decrease) in cash		(1,588,437)	1,386,500
Change in net funds resulting from cash flows		(1,588,437)	1,386,500
Movement in funds in year	14	(1,588,437)	1,386,500
Net funds at beginning of year		4,448,205	3,061,705
Net funds at end of year		2,859,768	4,448,205

STRADA DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 December 2013

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 law and United Kingdom accounting standards, under the historical cost convention.

Going Concern

The day to day working capital requirements of the Company are met through the revenue generated from the sale of houses.

The Directors of the Company have made the necessary enquiries, including reviewing forecasts of the business and available resources 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 tax

Deferred tax 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 tax

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, being the development and sales of houses and all trading was in the United Kingdom.

STRADA DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

3. Net Interest receivable

	2013 £	2012 £
Interest unwind on shared equity debtors	167,499	107,385
	167,499	107,385

4. Profit on ordinary activities before taxation

	2013 £	2012 £
Profit on ordinary activities before taxation is after charging		
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	7,950	8,000

5. Staff costs

The Company had no employees other than its Directors (2012: none).
The Directors are paid by related companies and received no remuneration in respect of their services to the Company (2012: £nil).

6. Taxation

The tax charge comprises

	2013 £	2012 £
Current tax:		
UK corporation tax	(203,348)	(175,945)
Total tax charge on profit on ordinary activities	(203,348)	(175,945)

The standard rate of current tax for the year is 23.25% (2012: 24.5%)

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

	2013 £	2012 £
Profit on ordinary activities before tax	908,842	794,122
Tax at the UK corporation tax rate of 23.25% (2012: 24.5%)	(211,306)	(194,560)
Prior year adjustment	7,958	18,615
Tax charge for the year	(203,348)	(175,945)

There is no unrecognised deferred tax asset or liability (2012: nil)

STRADA DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

7. Dividends

	2013 £	2012 £
Amounts recognised as distributions to shareholders in year of £3,000 (2012: nil) per ordinary share	3,000,000	-

8. Stocks

	2013 £	2012 £
Land	676,630	2,028,575
Development and construction costs	2,366,103	2,098,480
Part Exchange Stock	168,426	200,000
Showhomes	25,917	
	3,237,076	4,327,055

9. Debtors

	2013 £	2012 £
Amounts falling due within one year:		
Other debtors	43,709	25,159
	43,709	25,159
Amounts falling due greater than one year		
Trade debtors	3,305,142	2,403,873
	3,305,142	2,403,873

10. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	365,172	20,568
Accruals and deferred income	429,651	255,092
Corporation tax	271,574	254,828
	1,066,397	530,488

STRADA DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

11. Share capital

	2013 £	2012 £
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 2013, the ordinary 'A' shares of the Company are owned by Bett Homes 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.

12. Profit and loss account

	£
At 1 January 2013	10,672,804
Profit for the financial year	705,494
Equity dividends paid in year	(3,000,000)
At 31 December 2013	8,378,298

13. Reconciliation of operating profit to operating cash flows

	2013 £	2012 £
Operating profit	741,343	686,737
Decrease in stocks	1,089,979	1,543,394
Increase in debtors	(752,320)	(587,991)
Increase/(Decrease) in creditors	519,163	(353,109)
Net cash inflow from operating activities	1,598,165	1,289,031

14. Analysis of net funds

	Cash at bank and in hand	Total £
At 1 January	4,448,205	4,448,205
Cash flow	(1,588,437)	(1,588,437)
At 31 December	2,859,768	2,859,768

STRADA DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

15. Reconciliation of Movement in Shareholders' Funds

	Note	2013 £	2012 £
Opening shareholders' funds		10,673,804	10,055,627
Profit for the financial year		705,494	618,177
Equity dividends paid in year	7	(3,000,000)	-
Closing shareholders' funds		8,379,298	10,673,804

16. Related party transactions

During the year, the Company incurred expenditure for professional fees by its shareholders and their fellow Group companies as follows:

	2013 £	2012 £
Taylor Wimpey UK Limited: Management fees	60,680	60,680
Taylor Wimpey UK Limited: Project management fee	78,000	78,000
Taylor Wimpey UK Limited: Customer care management fee	60,000	60,000
Taylor Wimpey UK Limited: Recharge of staff related costs	255,694	216,534

These were the only related party transactions in the year.

17. Ultimate controlling party

The Company is a joint venture between Taylor Wimpey UK Limited (incorporated in England and Wales) and Bett Homes Limited (incorporated in Scotland).