

# **STRADA DEVELOPMENTS LIMITED**

**Company Number SC235707**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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# **STRADA DEVELOPMENTS LIMITED**

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# **STRADA DEVELOPMENTS LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

The Directors present their strategic report on the Company for the year ended 31 December 2014.

### **Business Review and Principal Activities**

Strada Developments Limited is a joint venture between Taylor Wimpey UK Limited and Bett Homes Limited. This was a development of 646 plots, all of which are now legally complete. The Company will continue to trade in order to recover debts and settle liabilities arising from the development.

### **Financial Review and Key Performance Indicators**

The Company made a profit for the year of £1,650,866 (2013: £705,494). The net assets at the end of the year were £5,030,164 (2013: £8,379,298). The net cash flow from operating activities in the year was £5,688,279 (2013: £1,598,165)

The Directors consider the Company to have no further financial and nonfinancial Key Performance Indicators (KPIs).

### **Dividends**

The Company paid a dividend of £5,000,000 in the year (2013: £3,000,000). The dividend was paid in equal proportion to the two joint venture partners, Taylor Wimpey UK Limited and Bett Homes Limited.

### **Principal Risks and Uncertainties**

As with any business, Strada Developments Limited 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. With the whole of the development now being sold the majority of risks have now been minimised with the main residual risk being in managing the recovery of trade debtors. This is performed as part of the day-to-day management of the Company's working capital commitments.

### **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.

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



Keith Douglas  
Director  
Unit C, Ground Floor  
Cirrus Glasgow Airport Business Park  
Marchburn Drive  
Abbotsinch  
Paisley  
Scotland  
PA3 2SJ

28<sup>th</sup> September 2015

# **STRADA DEVELOPMENTS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

The Directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31 December 2014.

### **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  
K R Douglas  
S C Brown  
K J Armstrong

### **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 is 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:



Keith Douglas  
Director  
Unit C, Ground Floor  
Cirrus Glasgow Airport Business Park  
Marchburn Drive  
Abbotsinch  
Paisley  
Scotland  
PA3 2SJ

28<sup>th</sup> September 2015

# **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 AUDITOR'S REPORT TO THE MEMBERS OF STRADA DEVELOPMENTS LIMITED

We have audited the financial statements of Strada Developments Limited for the year ended 31 December 2014 which comprise the 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

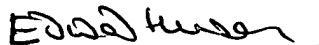
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' and Strategic Reports 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.



Edward Hanson (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

Date 30 September 2015

# STRADA DEVELOPMENTS LIMITED

## Profit and loss account for the year ended 31 December 2014

	Note	2014 £	2013 £
<b>Turnover</b>	2	<b>8,508,356</b>	5,792,084
Cost of sales		<b>(6,004,041)</b>	(4,526,430)
Gross profit		<b>2,504,315</b>	1,265,654
Administrative expenses		<b>(497,528)</b>	(524,311)
<b>Operating profit</b>		<b>2,006,787</b>	741,343
Interest receivable	3	<b>90,106</b>	167,499
<b>Profit on ordinary activities before taxation</b>	4	<b>2,096,893</b>	908,842
Taxation	6	<b>(446,027)</b>	(203,348)
<b>Profit for the financial year</b>		<b>1,650,866</b>	705,494

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 as at 31 December 2014

	Note	2014 £	2013 £
<b>Current assets</b>			
Stocks	8	-	3,237,076
Debtors	9	3,468,711	3,348,851
Cash at bank and in hand		3,285,614	2,859,768
		6,754,325	9,445,695
Creditors: amounts falling due within one year	10	(1,724,161)	(1,066,397)
<b>Net assets</b>		<b>5,030,164</b>	<b>8,379,298</b>
<b>Capital and Reserves</b>			
Called-up share capital	11	1,000	1,000
Profit and loss account	12	5,029,164	8,378,298
<b>Shareholders' funds</b>	15	<b>5,030,164</b>	<b>8,379,298</b>

The financial statements of Strada Developments Limited, registered number SC235707, were approved by the Board of Directors and authorised for issue on 28<sup>th</sup> September 2015

They were signed on its behalf by:



Keith Douglas  
Director

# STRADA DEVELOPMENTS LIMITED

## Cash flow statement for the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	13	5,688,279	1,598,165
Returns on investments and servicing of finance			-
Net Interest received		4,336	-
Net cash inflow from returns on investments and servicing of finance		4,336	-
Equity dividends paid		(5,000,000)	(3,000,000)
Taxation			
UK corporation tax paid		(266,769)	(186,602)
Net cash outflow from taxation		(266,769)	(186,602)
Increase/(Decrease) in cash		425,846	(1,588,437)

## Reconciliation of net cash flow to movement in net funds

	Note	2014 £	2013 £
Increase/(Decrease) in cash		425,846	(1,588,437)
Change in net funds resulting from cash flows		425,846	(1,588,437)
Movement in funds in year	14	425,846	(1,588,437)
Net funds at beginning of year		2,859,768	4,448,205
Net funds at end of year		3,285,614	2,859,768

# **STRADA DEVELOPMENTS LIMITED**

## **Notes to the financial statements for the year ended 31 December 2014**

### **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 2014 (continued)

### 3. Net Interest receivable

	2014 £	2013 £
Interest unwind on shared equity debtors	85,770	167,499
Interest received from bank	4,336	-
	<b>90,106</b>	<b>167,499</b>

### 4. Profit on ordinary activities before taxation

	2014 £	2013 £
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	7,950

There were no non-audit fees in the year (2013: £nil).

### 5. Staff costs

The Company had no employees other than its Directors (2013:none).

The Directors are paid by related companies and received no remuneration in respect of their services to the Company (2013: £nil).

### 6. Taxation

The tax charge comprises

	2014 £	2013 £
<b>Current tax:</b>		
UK corporation tax	(446,027)	(203,348)
<b>Total tax charge on profit on ordinary activities</b>	<b>(446,027)</b>	<b>(203,348)</b>

The standard rate of current tax for the year is 21.5% (2013: 23.25%)

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

	2014 £	2013 £
Profit on ordinary activities before tax	2,096,893	908,842
Tax at the UK corporation tax rate of 21.5% (2013: 23.25%)	(450,832)	(211,306)
Prior year adjustment	4,805	7,958
Tax charge for the year	<b>(446,027)</b>	<b>(203,348)</b>

There is no unrecognised deferred tax asset or liability (2013: nil)

# STRADA DEVELOPMENTS LIMITED

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 7. Dividends

	2014 £	2013 £
Amounts recognised as distributions to shareholders in year of £5,000 (2013: nil) per ordinary share	5,000,000	3,000,000

### 8. Stocks

	2014 £	2013 £
Land	-	676,630
Development and construction costs	-	2,366,103
Part Exchange Stock	-	168,426
Showhomes	-	25,917
	-	3,237,076

### 9. Debtors

	2014 £	2013 £
Amounts falling due within one year:		
Other debtors	1,441	43,709
	1,441	43,709
Amounts falling due greater than one year		
Gross trade debtors	4,696,121	4,533,473
Allowances for estimated irrecoverable amounts	(1,228,851)	(1,228,331)
	3,467,270	3,305,142

### 10. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	52,239	365,172
Accruals and deferred income	1,221,090	429,651
Corporation tax	450,832	271,574
	1,724,161	1,066,397

# STRADA DEVELOPMENTS LIMITED

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 11. Called-up share capital

	2014 £	2013 £
<b>Authorised:</b>		
500 'A' ordinary shares of 100p each	500	500
500 'B' ordinary shares of 100p each	500	500
	<b>1,000</b>	<b>1,000</b>
<b>Issued and fully paid:</b>		
500 'A' ordinary shares of 100p each	500	500
500 'B' ordinary shares of 100p each	500	500
	<b>1,000</b>	<b>1,000</b>

As at 31 December 2014, 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 2014	8,378,298
Profit for the financial year	1,650,866
Equity dividends paid in year	(5,000,000)
At 31 December 2014	5,029,164

### 13. Reconciliation of operating profit to operating cash flows

	2014 £	2013 £
Operating profit	2,006,787	741,343
Decrease in stocks	3,237,076	1,089,979
(Increase) in debtors	(34,090)	(752,320)
Increase in creditors	478,506	519,163
Net cash inflow from operating activities	<b>5,688,279</b>	<b>1,598,165</b>

### 14. Analysis of net funds

	Cash at bank and in hand	Total £
At 1 January 2014	2,859,768	<b>2,859,768</b>
Cash flow	425,846	<b>425,846</b>
At 31 December 2014	<b>3,285,614</b>	<b>3,285,614</b>

# STRADA DEVELOPMENTS LIMITED

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 15. Reconciliation of movement in Shareholders' Funds

	Note	2014 £	2013 £
Opening shareholders' funds		8,379,298	10,673,804
Profit for the financial year		1,650,866	705,494
Equity dividends paid in year	7	(5,000,000)	(3,000,000)
Closing shareholders' funds		5,030,164	8,379,298

### 16. Related party transactions

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

	2014 £	2013 £
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	278,306	255,694

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 the United Kingdom) and Bett Homes Limited (incorporated in Scotland). This is equally owned and therefore there is no controlling party.