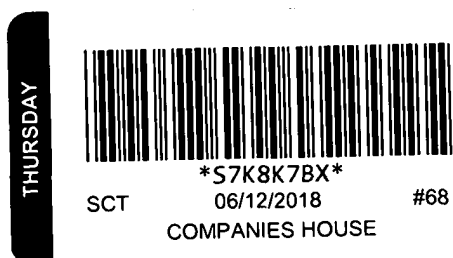


STRADA DEVELOPMENTS LIMITED

Company Number SC235707

**ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**



**COMPANIES HOUSE
EDINBURGH**

06 DEC 2018

FRONT DESK

STRADA DEVELOPMENTS LIMITED

CONTENTS

Directors' Report	2
Independent Auditor's Report	5
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

STRADA DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their Annual Report and the audited financial statements of Strada Developments Limited (the "Company") for the year ended 31 December 2017.

Principal activities and future developments

Strada Developments Limited is a joint venture between Taylor Wimpey UK Limited and Avant Homes (Scotland) Limited (formerly Bett Homes Limited). The purpose of the joint venture was the development of a 646 homes project. The sale of all the homes has now been legally completed. Current and future activities are in respect of meeting obligations arising from the project and collecting amounts due in relation to shared equity on homes legally completed.

Dividend

The Company paid a dividend of £1,500,000 (2016: £nil) to its shareholders. The dividend per share was £1,500 (2016: £nil)

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:-

K J Armstrong
K R Douglas
C E Lewis
G Smith
P S Matthews (resigned 30 April 2017)

Going concern

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 a period of at least 12 months from the date of signing these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Financial risk management and policies

The financial risk management objectives of the Company are to ensure that sufficient liquidity is maintained to meet its future obligations. The Company does not undertake speculative or trading activities in financial instruments. The Company operates within policies approved by the Board.

STRADA DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

Credit risk

Credit risk is the risk of financial loss where counterparties are not able to meet their obligations. Mortgage receivables, including shared equity loans, are in connection with the various historical promotion schemes to support sales on a selective basis. The mortgages are secured by a second charge over the property and are held at amortised cost. The non-closely related embedded derivative relating to shared equity is held at fair value. Credit risk is managed by the confirmation from the Directors of TW plc that it will provide the necessary financial support to the Company.

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' 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), including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 judgements 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

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

Disclosure of information to 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 section 418 of the Companies Act 2006.

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.

This Directors' report was approved by the Board of Directors on _____ and is signed on its behalf by:



K Armstrong
Director
Registered Office:
Unit C, Ground Floor
Cirrus Glasgow Airport Business Park
Marchburn Drive
Abbotsinch
Paisley
PA3 2SJ
United Kingdom
Date: 6/12 2018

STRADA DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF STRADA DEVELOPMENTS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Strada Developments Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland"; (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; 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.

We have nothing to report in respect of these matters.

STRADA DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF STRADA DEVELOPMENTS LIMITED (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 respect of these matters.

Responsibilities of Directors

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, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Directors' Report.

STRADA DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF STRADA DEVELOPMENTS LIMITED (continued)

Matters on which we are required to report by exception

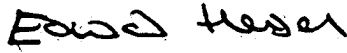
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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.



Edward Hanson ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

Date: 6th December 2018

STRADA DEVELOPMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Other income		287,924	456,450
Administrative expenses		(204,288)	(64,183)
Operating profit		83,636	392,267
Finance income	5	118,190	316,000
Profit before tax		201,826	708,267
Tax	7	(38,908)	(83,123)
Profit for the financial year	4	162,918	625,144
Other comprehensive result		-	-
Total comprehensive income for the year		162,918	625,144

All results are attributable to one continuing activity, being the development and sale of houses and all trading was in the United Kingdom.

STRADA DEVELOPMENTS LIMITED
Company Number SC235707

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2017

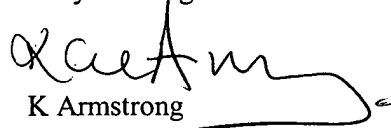
	Note	2017 £	2016 £
Non-current assets			
Trade and other receivables	8	<u>2,078,299</u>	2,562,695
		2,078,299	2,562,695
Current assets			
Trade and other receivables	9	46,503	572,131
Cash at bank and in hand		<u>1,010,952</u>	1,749,648
		1,057,455	2,321,779
Current liabilities			
Trade and other payables	10	(451,462)	(860,273)
		<u>605,993</u>	1,461,506
Net current assets			
		<u>2,684,292</u>	4,024,201
Total assets less current liabilities			
Provisions –deferred tax liability	11	(18,895)	(21,722)
		<u>2,665,397</u>	4,002,479
Net assets			
Capital and Reserves			
Share capital	12	1,000	1,000
Profit and loss account		<u>2,664,397</u>	4,001,479
Shareholders' funds		<u>2,665,397</u>	<u>4,002,479</u>

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

The accounts have been prepared in accordance with the provisions of Section 1A of FRS 102.

The financial statements of Strada Developments Limited, company number SC235707, were approved by the Board of Directors and authorised for issue on 6 Dec 2018.

They were signed on its behalf by:


K. Armstrong
Director

STRADA DEVELOPMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Share capital £	Retained earnings £	Total £
Balance as at 1 January 2017		1,000	4,001,479	4,002,479
Profit for the year		-	162,918	162,918
Other comprehensive result for the year		-	-	-
Total comprehensive income for the year		-	162,918	162,918
Dividends paid	6	-	(1,500,000)	(1,500,000)
Total distributions to owners		-	(1,500,000)	(1,500,000)
Balance at 31 December 2017		1,000	2,664,397	2,665,397
Balance as at 1 January 2016		1,000	3,376,335	3,377,335
Profit for the year		-	625,144	625,144
Other comprehensive result for the year		-	-	-
Total comprehensive income for the year		-	625,144	625,144
Dividends paid	6	-	-	-
Total distributions to owners		-	-	-
Balance at 31 December 2016		1,000	4,001,479	4,002,479

STRADA DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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.

General information and basis of preparation

Strada Developments Limited is a private company incorporated and domiciled in the United Kingdom. The Company is limited by shares. The Company is registered in Scotland and its registered office is noted on page 4 and its principal activities are noted on page 2.

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

The financial statements are prepared in pound sterling, which is the functional currency of the Company.

Going Concern

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 a period of at least 12 months from the date of signing these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Financial instruments

Financial assets and liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables on normal terms do not carry interest and are stated at their nominal value as reduced by appropriate allowances for estimated unrecoverable amounts. Shared equity loans are separated into a loan receivable and a non-closely related embedded derivative asset for accounting purposes, as allowed under section 11 of FRS 102. The loan is measured at amortised cost and the embedded derivative is measured at fair value through profit and loss with any fair value gains and losses recognised as other income or expense. The profit or loss on the redemption of mortgage debtors is recognised as other income or expense. The fair value of the derivative is based on the movement in a national house price index relating to the geographical region in which the properties sold are based. The timing of future cash flows from this financial instrument is the earlier of when the house is sold or the final equity portion is repaid by the original customer.

Trade payables

Trade payables on normal terms are not interest bearing and are stated at their nominal value.

STRADA DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

1. Accounting policies (continued)

Finance Income

Finance income represents discount to the nominal value on the mortgage receivables which is amortised over the period of the credit term.

Mortgage receivables

Mortgage receivables relate to sales incentives including shared equity loans. The receivable is recorded at amortised cost. Shared equity loans are separated into a loan receivable and a non-closely related embedded derivative asset for accounting purposes as allowed under section 11 of FRS 102. The loan is measured at amortised cost and the embedded derivative is measured at fair value through profit and loss with any subsequent impairment charged through profit and loss. The fair value of the derivative is based on the movement in a national house price index relating to the geographical region in which the properties sold are based.

Other income

Other income represents the profit or loss on the redemption of mortgage debtors as defined in the "Trade Receivables" accounting policy and any changes in the value of the embedded derivative as defined in the "Mortgage receivables" accounting policy.

Taxation

The tax charge represents the sum of the tax currently payable and the deferred tax.

Deferred tax

Deferred tax is recognised in full on timing differences that result in an obligation at the Statement of Financial Position 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 Statement of Financial Position date.

2. Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The Directors have considered whether there are any such sources of estimation or critical accounting judgements in forming the financial statements and do not determine there to be any for the purposes of disclosure.

STRADA DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

3. Employees information

There were no employees in the Company during 2017 (2016: nil).

4. Profit for the financial year

	2017	2016
	£	£
Profit for the financial year is after charging/(crediting)		
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	11,350	11,350
Change in fair value of embedded derivative asset	(4,803)	(54,925)

Fees paid to the Company auditor for other non-audit services were £nil in both years.

5. Finance income

	2017	2016
	£	£
Interest unwind on shared equity receivables	118,190	316,000
	<u>118,190</u>	<u>316,000</u>

6. Dividend

	2017	2016
	£	£
Dividends Payable	<u>1,500,000</u>	<u>-</u>

The Company paid a dividend of £1,500,000 (2016: £nil) to its shareholders. The dividend per share was £1,500 (2016: £nil).

STRADA DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

7. Taxation

The tax charge comprises

	2017	2016
	£	£
Current tax charge		
UK Corporation Tax: Current Year:	41,716	144,631
Prior Year:	19	(58,383)
Total current tax charge	<u>41,735</u>	<u>86,248</u>
Deferred tax credit		
Origination and reversal of timing differences:		
Current Year:	(2,827)	(3,125)
Prior Year:	-	-
Total deferred tax credit	<u>(2,827)</u>	<u>(3,125)</u>
Total tax charge for the year	<u>38,908</u>	<u>83,123</u>

The standard rate of current tax for the year is 19.25% (2016: 20%)

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

	2017	2016
	£	£
Profit before tax	<u>201,826</u>	<u>708,267</u>
Tax at the UK corporation tax rate of 19.25% (2016: 20%)	38,852	141,653
Other rate impacting adjustments	37	(147)
Prior year adjustment	19	(58,383)
Total tax charge for the year	<u>38,908</u>	<u>83,123</u>

The Company also has a net recognised deferred tax liability in respect of the fair value adjustment of £18,895 (2016: £21,722). Substantially all the deferred tax provision is expected to fall due after one year.

8. Non-current assets: trade and other receivables

	2017	2016
	£	£
Amounts falling in more than one year		
Mortgage receivables	2,078,299	2,562,695
	<u>2,078,299</u>	<u>2,562,695</u>

STRADA DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

9. Current assets: trade and other receivables

	2017 £	2016 £
Amounts falling due within one year:		
Trade receivables	46,503	512,962
HMRC debtor	-	59,169
	<u>46,503</u>	<u>572,131</u>

10. Trade and other payables: amounts falling due within one year

	2017 £	2016 £
Trade payables	150	4,827
Accruals	409,596	645,827
Amounts due to related parties	-	64,988
Corporation tax	41,716	144,631
	<u>451,462</u>	<u>860,273</u>

11. Provisions: deferred tax

	2017 £	2016 £
At 1 January	21,722	24,847
Credited to statement of comprehensive income	(2,827)	(3,125)
At 31 December	<u>18,895</u>	<u>21,722</u>

Substantially all the deferred tax provision is expected to fall due in more than one year.

12. Share capital

	2017 £	2016 £
Authorised:		
500 (2016: 500) 'A' ordinary shares of 100p each	500	500
500 (2016: 500) 'B' ordinary shares of 100p each	500	500
	<u>1,000</u>	<u>1,000</u>
Issued and fully paid:		
500 (2016: 500) 'A' ordinary shares of 100p each	500	500
500 (2016: 500) 'B' ordinary shares of 100p each	500	500
	<u>1,000</u>	<u>1,000</u>

As at 31 December 2017, the ordinary 'A' shares of the Company are owned by Avant Homes (Scotland) 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.

STRADA DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

13. Related party transactions

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

	2017	2016
	£	£
Taylor Wimpey UK Limited: Management fee	60,000	59,320
Taylor Wimpey UK Limited: Project management fee	-	(78,000)
Taylor Wimpey UK Limited: Customer care management fee	-	72,816

14. Controlling parties

The Company is a joint venture between Taylor Wimpey UK Limited and Avant Homes (Scotland) Limited (formerly Bett Homes Limited). Both entities exercise equal control in the operation of this entity and thus there is no ultimate controlling party.

The registered office of Taylor Wimpey UK Limited is Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom.

The registered office of Avant Homes (Scotland) Limited is Argyll Court, The Castle Business Park, Stirling, Scotland, FK9 4TT, United Kingdom.

The Annual Report and financial statements of both companies may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.