

**STRADA DEVELOPMENTS LIMITED**

Company Number SC235707

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2016 .**



# STRADA DEVELOPMENTS LIMITED

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# STRADA DEVELOPMENTS LIMITED

## DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements of the Company for the year ended 31 December 2016 and have taken the small companies exemption not to prepare a strategic report.

### 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.

### 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  
P S Matthews (Resigned 30th April 2017)  
G Smith (Appointed 9<sup>th</sup> September 2016)

### Going concern

On the basis of their assessment of the Company's financial position, and of responses to enquiries made, the Directors are of the view that the Company will be able to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis. As at 31 December 2016, the Company is in a net asset position and net current asset position.

### 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.

### 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.

# STRADA DEVELOPMENTS LIMITED

## DIRECTORS' REPORT (continued)

### Re-appointment of Auditor

Deloitte LLP has expressed its 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.

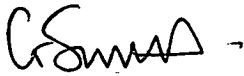
### Dividend

The Company paid a dividend of £nil (2015: £1,500,000) to its shareholders. The dividend per share was £nil (2015: £1,500)

### 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.

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



G Smith  
Director  
Registered Office:  
Unit C, Ground Floor  
Cirrus Glasgow Airport Business Park  
Marchburn Drive  
Abbotsinch  
Paisley  
PA3 2SJ  
United Kingdom  
Date: 16 Nov 2017

# **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), including FRS102 "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 year.

In preparing those 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 2016, which comprise of 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 the United Kingdom Generally Accepted Accounting Practice applicable to small entities, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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 included within the Directors Report, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion 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.

### 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report



Stephen Craig (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
Date: 16 November 2017

# STRADA DEVELOPMENTS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Other income/(expenses)		456,450	(71,239)
Administrative expenses		(64,183)	(271,267)
<b>Operating profit/(loss)</b>		<b>392,267</b>	<b>(342,506)</b>
Finance Income	5	316,000	57,036
<b>Profit/(loss) before taxation</b>	4	<b>708,267</b>	<b>(285,470)</b>
Taxation	7	(83,123)	13,615
<b>Profit/(loss) for the financial year</b>		<b>625,144</b>	<b>(271,855)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>625,144</b>	<b>(271,855)</b>

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

## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2016

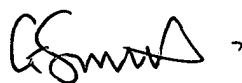
	Note	2016 £	2015 £
<b>Non-current assets</b>			
Trade and other receivables	8	2,562,695	3,381,063
		<b>2,562,695</b>	<b>3,381,063</b>
<b>Current assets</b>			
Trade and other receivables	9	572,131	123,227
Cash at bank and in hand		1,749,648	963,968
		<b>2,321,779</b>	<b>1,087,195</b>
<b>Current liabilities</b>			
Trade and other payables	10	(860,273)	(1,066,076)
		<b>1,461,506</b>	<b>21,119</b>
<b>Net current assets</b>		<b>1,461,506</b>	<b>21,119</b>
<b>Total assets less current liabilities</b>		<b>4,024,201</b>	<b>3,402,182</b>
<b>Non-current liabilities</b>			
Deferred tax liability	11	(21,722)	(24,847)
		<b>4,002,479</b>	<b>3,377,335</b>
<b>Net assets</b>		<b>4,002,479</b>	<b>3,377,335</b>
<b>Capital and Reserves</b>			
Called-up Share capital	12	1,000	1,000
Profit and loss account		4,001,479	3,376,335
<b>Shareholders' funds</b>		<b>4,002,479</b>	<b>3,377,335</b>

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 16 NOV 2017.

They were signed on its behalf by:



G Smith  
Director



# STRADA DEVELOPMENTS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Called-up share capital £	Retained earnings £	Total £
<b>Balance as at 1 January 2016</b>		<b>1,000</b>	<b>3,376,335</b>	<b>3,377,335</b>
Profit for the year		-	625,144	625,144
Other comprehensive income for the year		-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>625,144</b>	<b>625,144</b>
Dividends paid		-	-	-
<b>Total contributions by and distributions to owners</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 December 2016</b>		<b>1,000</b>	<b>4,001,479</b>	<b>4,002,479</b>
<b>Balance as at 1 January 2015</b>		<b>1,000</b>	<b>5,148,190</b>	<b>5,149,190</b>
Loss for the year		-	(271,855)	(271,855)
Other comprehensive income for the year		-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(271,855)</b>	<b>(271,855)</b>
Dividends paid	6	-	(1,500,000)	(1,500,000)
<b>Total contributions by and distributions to owners</b>		<b>-</b>	<b>(1,500,000)</b>	<b>(1,500,000)</b>
<b>Balance at 31 December 2015</b>		<b>1,000</b>	<b>3,376,335</b>	<b>3,377,335</b>

# STRADA DEVELOPMENTS LIMITED

## Notes to the financial statements for the year ended 31 December 2016

### 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 3.

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 the foreseeable future. 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 IAS 39 'Financial Instruments'. 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 a national house price index. 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 statements for the year ended 31 December 2016 (continued)

### 1. Accounting policies (continued)

#### Finance income

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

#### 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.

### 3. Employees and Directors costs

The Company did not employ any persons during the year (2015: none).

Directors' remuneration and benefits paid by the Company in the year amounted to £nil (2015: £nil). Directors are not remunerated for qualifying services provided to the Company.

### 4. Profit/(loss) before taxation

	2016	2015
	£	£
Profit/(loss) before taxation is stated 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
Fair value of embedded derivative asset	(54,925)	71,239

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

# STRADA DEVELOPMENTS LIMITED

## Notes to the financial statements for the year ended 31 December 2016 (continued)

### 5. Finance income

	2016 £	2015 £
Interest unwind on shared equity receivables	316,000	57,036
	<b>316,000</b>	<b>57,036</b>

### 6. Dividend

	2016 £	2015 £
Dividends Payable	-	1,500,000

The Company paid a dividend of £nil (2015: £1,500,000) to its shareholders. The dividend per share was £nil (2015: £1,500).

### 7. Taxation

The tax charge comprises

	2016 £	2015 £
<b>Current tax charge/(credit)</b>		
UK Corporation Tax: Current Year:	144,631	-
Prior Year	(58,383)	(8,705)
<b>Total current tax charge/ (credit)</b>	<b>86,248</b>	<b>(8,705)</b>
<b>Deferred tax charge/(credit)</b>		
Origination and reversal of timing differences: Current Year:	(3,125)	(4,910)
Prior Year	-	-
<b>Total deferred tax charge/(credit)</b>	<b>-</b>	<b>(4,910)</b>
	<b>(3,125)</b>	
<b>Total tax charge/(credit) for the year</b>	<b>83,123</b>	<b>(13,615)</b>

The standard rate of current tax for the year is 20% (2015: 20.25%)

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

	2016 £	2015 £
Profit/(loss) before tax	708,267	(285,470)
Tax at the UK corporation tax rate of 20% (2015: 20.25%)	141,653	(57,808)
Unrecognised losses carried forward	-	54,795
Utilisation of brought forward losses	-	-
Other rate impacting adjustments	(147)	(1,897)
Prior year adjustment	(58,383)	(8,705)
<b>Total tax charge/(credit) for the year</b>	<b>83,123</b>	<b>(13,615)</b>

The Company has an unrecognised deferred tax asset of losses carried forward amounting to £nil (2015: £270,592). No deferred tax asset was recognised in respect of this amount due to lack of certainty about future taxable profit.

The Company also has a net recognised deferred tax liability in respect of the fair value adjustment of £21,722 (2015: £24,847). Substantially all the deferred tax provision is expected to fall due in more than one year.

# STRADA DEVELOPMENTS LIMITED

## Notes to the financial statements for the year ended 31 December 2016 (continued)

### 8. Trade and other receivables; non-current

	2016 £	2015 £
<b>Amounts falling in more than one year</b>		
Mortgage receivables	2,562,695	3,381,063
	<b>2,562,695</b>	<b>3,381,063</b>

### 9. Trade and other receivables; current

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade receivables	512,962	13,102
HMRC debtor	59,169	110,125
	<b>572,131</b>	<b>123,227</b>

Trade receivables includes £497,070 in relation to mortgage receivables.

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

	2016 £	2015 £
Trade payables	4,827	12,955
Accruals	645,827	949,870
Amounts due to related parties	64,988	-
Corporation tax	144,631	103,251
	<b>860,273</b>	<b>1,066,076</b>

### 11. Deferred tax liability

	2016 £	2015 £
At 1 January	24,847	29,757
Charged/(credited) to profit and loss account	(3,125)	(4,910)
At 31 December	<b>21,722</b>	<b>24,847</b>

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

### 12. Share capital

	2016 £	2015 £
<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 2016, 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 statements for the year ended 31 December 2016 (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:

	2016	2015
	£	£
Taylor Wimpey UK Limited: Management fees	59,320	60,680
Taylor Wimpey UK Limited: Project management fee	(78,000)	78,000
Taylor Wimpey UK Limited: Customer care management fee	72,816	72,816
Taylor Wimpey UK Limited: Recharge of staff related costs	-	46,089

At 31 December 2016, a balance of £64,988 is owed to Taylor Wimpey UK Limited. This balance does not incur interest and repayable on demand.

### 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.