

Redmira Limited

Annual report and financial statements  
for the year ended 30 June 2014

Registered number: 07587765

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# Redmira Limited

## Annual report and financial statements

for the year ended 30 June 2014

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# **Redmira Limited**

## **Directors and advisers**

### **Directors**

V W Fairclough  
M Riding

### **Company Secretary**

V G Clark (resigned 24 March 2014)  
G A Cope (appointed 24 March 2014)

### **Bankers**

Barclays Bank PLC  
Level 27  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

### **Registered office**

Bridgemere House  
Chester Road  
Preston Brook  
Runcorn  
Cheshire  
WA7 3BD

### **Registered number**

07587765

# **Redmira Limited**

## **Strategic report for the year ended 30 June 2014**

The directors present their strategic report for the Company for the year ended 30 June 2014.

### **Principal activities**

The principal activity of the company is property development. The directors are continuing to seek opportunities and the principal activity will remain unchanged for the foreseeable future. There is an enhanced business review of the Group in the Annual Report and Accounts of Redrow plc on pages 4 to 45.

### **Business review**

The company made a profit of £13,705,131 (2013: £5,664,133) during the year. The main movement during the year relates to the sale of land. On 24 March 2014 PB0311 Limited acquired the remaining 50% of the share capital (50,000 shares) from Ashill Developments Limited and now owns 100% of the share capital of the Company. There is an enhanced business review of the group as a whole in the Strategic report of the Annual Report and Accounts of Redrow plc pages 4 to 45.

### **Financial risk management**

Financial risk management of the business is in line with Redrow Group policy. Further information on this can be found in the Strategic report as published in the Annual Report and Accounts of Redrow plc on pages 33 to 35.

The principal risk is the nature of the conditions within the UK land and housing market. This risk is partially mitigated by having a range of excellent products and by monitoring the lead indicators of the land and housing markets.

### **Key performance indicators**

The key performance indicators of Redrow plc, which includes the company, are discussed on pages 30 to 32 of the Group's Annual Report and Accounts which does not form part of this report.

### **Future developments**

Whilst the underlying housing market remains influenced by the availability of mortgage finance and consumer confidence generally, the directors consider the progress of the business during the year, the state of affairs at the end of the year, and the future prospects of the company, to be satisfactory.

By order of the board



G A Cope  
**Company Secretary**  
Redmira Limited  
1 April 2015

# **Redmira Limited**

## **Directors' report for the year ended 30 June 2014**

The directors present their annual report and the audited financial statements of the company for the year ended 30 June 2014.

### **Future developments**

An indication of the likely future developments of the business is included in the Strategic report on page 2.

### **Results and dividends**

The company made a profit of £13,705,131 (2013: £5,664,133) during the year. A dividend of £10,760,000 (2013: £nil) was declared and paid to its controlling parties at that point, Ashill Developments Limited and PB0311 Limited.

### **Financial risk management**

Financial risk management is described in the Strategic report on page 2.

### **Directors**

The directors of the company who held office during the year and up to the date of the signing of the financial statements are given below:

P J Davies (resigned 24 March 2014)  
V W Fairclough  
S R Lavers (resigned 24 March 2014)  
M Riding (appointed 9 May 2014)  
J Daly (appointed 24 March 2014, resigned 9 May 2014)

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic report, Directors' 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 prepared 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

### **Statement of provision of information to auditors**

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

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. A resolution concerning their reappointment will be proposed at the Annual General Meeting.

# **Redmira Limited**

## **Directors' report for the year ended 30 June 2014 (continued)**

By order of the board



G A Cope  
**Company Secretary**  
Redmira Limited  
Registered number: 07587765  
1 April 2015

# **Redmira Limited**

## **Independent auditors' report to the members of Redmira Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Redmira Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 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.

#### **What we have audited**

Redmira Limited's financial statements comprise:

- the balance sheet as at 30 June 2014;
- the profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in

# Redmira Limited

## Independent auditors' report to the members of Redmira Limited (continued)

giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### What an audit of financial statements involves

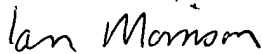
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements 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.



Ian Morrison (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
1 April 2015



## Redmira Limited

### Profit and loss account for the year ended 30 June 2014

	Note	2014 £	2013 £
<b>Turnover</b>	1	<b>34,721,000</b>	20,025,000
Cost of sales		(15,899,831)	(11,253,329)
Gross profit		<b>18,821,169</b>	8,771,671
Administrative expenses		(790,127)	(414,741)
<b>Operating profit</b>		<b>18,031,042</b>	8,356,930
<b>Net interest payable</b>	5	<b>(347,002)</b>	(1,118,270)
<b>Profit on ordinary activities before taxation</b>	6	<b>17,684,040</b>	7,238,660
Tax on profit on ordinary activities	7	(3,978,909)	(1,574,527)
<b>Profit for the financial year</b>	12	<b>13,705,131</b>	5,664,133

The notes on pages 10 to 14 form an integral part of these financial statements.

All amounts relate to continuing operations.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

# Redmira Limited

## Balance sheet as at 30 June 2014

	Note	2014 £	2013 £
<b>Current assets</b>			
Stocks	8	750,000	14,817,517
Debtors	9	9,799,265	10,910,041
Cash at bank and in hand		22,658	391,512
		<b>10,571,923</b>	26,119,070
<b>Creditors: amounts falling due within one year</b>	10	<b>(2,471,923)</b>	(20,964,201)
<b>Net current assets</b>		<b>8,100,000</b>	5,154,869
<b>Total assets less current liabilities</b>		<b>8,100,000</b>	5,154,869
<b>Net assets</b>		<b>8,100,000</b>	5,154,869
<b>Capital and reserves</b>			
Called up share capital	11	100,000	100,000
Profit and loss account	12	8,000,000	5,054,869
<b>Total shareholders' funds</b>	13	<b>8,100,000</b>	5,154,869

The notes on pages 10 to 14 form an integral part of these financial statements.

The financial statements on pages 7 to 14 were approved by the board of directors 1 April 2015 and were signed on its behalf by:

M Riding  
Director



# **Redmira Limited**

## **Statement of accounting policies for the year ended 30 June 2014**

### **Principal accounting policies**

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. A summary of the accounting policies, which have been applied consistently, is set out below.

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention on a going concern basis.

### **Turnover and profit recognition**

Turnover is derived from the company's principal activity, the sale of development property.

Turnover represents amounts receivable for goods and services provided in the normal course of business net of any discounts, value added tax and other sales-related taxes. All revenue is anticipated to be generated in the UK. Site development sales are recognised upon legal completion.

Turnover also included rental income from development property stock leased out under operating leases which is recognised in the profit and loss account on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

### **Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes the acquisition cost and other fees directly attributable to the development of the site. Net realisable value is based on the estimated selling price less further costs expected to be incurred to completion and disposal. Acquisitions of sites are recognised upon exchange of contracts when a binding undertaking is entered into. The balance of exchange monies payable are shown as a land creditor until legal completion and the balance of monies are then paid.

### **Cash flows**

The company is a wholly owned subsidiary of Redrow plc, and is included in the consolidated financial statement of Redrow plc whose financial statements are publicly available. Consequently, the company is exempt from the requirement of Financial Reporting Standard 1 (revised 1996) to prepare a cash flow statement.

### **Current tax**

Corporation tax payable is provided on taxable profits at the current rate.

### **Deferred taxation**

Deferred tax is provided on timing differences arising from the recognition of income and expenditure in different periods for taxation and accounting purposes where timing differences have originated but not reversed by the balance sheet date. Deferred tax is provided at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax assets are only recognised to the extent that it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

### **Related party transactions**

As a wholly owned subsidiary of a company with publicly available financial statements, the Group has taken advantage of the exception under paragraph 3(c) FRS 8 "Related party disclosures" not to disclose intra-group transactions.

### **Net finance costs**

Interest income is recognised on a time apportioned basis by reference to the principal outstanding and the effective interest rate. Borrowing costs are recognised in the income statement on an accruals basis in the period in which they occur.

# Redmira Limited

## Notes to the financial statements for the year ended 30 June 2014

### 1 Turnover

All turnover is generated from one line of business and one geographical area, the UK.

### 2 Directors' emoluments

No director received any remuneration in 2014 or 2013 in respect of their services to this company.

### 3 Employee information

The company did not have any employees in 2014 or 2013.

### 4 Dividends

On 4 September 2013 the company declared a dividend of £10,760,000, being £107.60 per share (2013: £nil). The dividend was paid on 31 October 2013. No further dividends have been proposed.

### 5 Net interest payable

		2014 £	2013 £
Interest payable and similar charges	- bank interest	(82,690)	(221,984)
	- other interest	(267,143)	(909,134)
Interest receivable and similar income	- other interest	2,831	12,848
<b>Net interest payable</b>		<b>(347,002)</b>	<b>(1,118,270)</b>

### 6 Profit on ordinary activities before taxation

		2014 £	2013 £
Profit on ordinary activities before taxation is stated after charging/(crediting):			
Auditors' remuneration	- audit services	6,500	18,000
	- non-audit fees – taxation services	-	5,000
Operating lease income		-	(37,000)

# Redmira Limited

## Notes to the financial statements for the year ended 30 June 2014 (continued)

### 7 Tax on profit on ordinary activities

a) Analysis of charge in the year	2014 £	2013 £
Current taxation:		
United Kingdom corporation tax on profit for the year	3,978,909	1,574,527
<b>Total current tax</b>	<b>3,978,909</b>	<b>1,574,527</b>

#### b) Factors affecting the tax charge for the year

The tax assessed for the year is in line with (2013: lower than) the standard rate of corporation tax in the UK. The differences are explained below:

#### Reconciliation of current taxation charge

<b>Profit on ordinary activities before taxation</b>	<b>17,684,040</b>	<b>7,238,660</b>
Profit on ordinary activities multiplied by the standard UK rate of 22.50% (2013: 23.75%)	3,978,909	1,719,231
Utilisation of losses brought forward	-	(144,704)
<b>Current tax charge for the year</b>	<b>3,978,909</b>	<b>1,574,527</b>

The standard rate of Corporation Tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 22.50% and will be taxed at 20.75% in the year ending 2015.

### 8 Stocks

	2014 £	2013 £
Land	750,000	14,817,517
	<b>750,000</b>	<b>14,817,517</b>

# Redmira Limited

## Notes to the financial statements for the year ended 30 June 2014 (continued)

### 9 Debtors

Debtors: amounts falling due within one year

	2014 £	2013 £
Trade debtors	-	10,025,000
Other tax and social security	319,728	61,273
Amounts owed by group undertakings	9,386,401	-
Other debtors and prepayments	93,136	823,768
	<b>9,799,265</b>	<b>10,910,041</b>

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

	2014 £	2013 £
Bank loans and overdrafts	-	3,625,000
Trade creditors	-	8,034,553
Other loans	-	6,988,868
Current corporation tax	2,351,923	1,574,527
Other creditors including taxation and social security	120,000	-
Accruals and deferred income	-	741,253
	<b>2,471,923</b>	<b>20,964,201</b>

# Redmira Limited

## Notes to the financial statements for the year ended 30 June 2014 (continued)

### 11 Called up share capital

	2014 £	2013 £
<b>Allotted and fully paid</b>		
100,000 (2013: 100,000) ordinary shares of £1 each	100,000	100,000

Ordinary share capital consists of 50,000 A Ordinary shares (par value £1 each) and 50,000 B Ordinary shares (par value £1 each), all of which are called up, allotted and fully paid. The rights of each type of shareholder are pari passu.

### 12 Reserves

	Profit and loss account £
At 1 July 2013	5,054,869
Profit for the financial year (note 13)	13,705,131
Dividends	(10,760,000)
<b>At 30 June 2014</b>	<b>8,000,000</b>

### 13 Reconciliation of movements in total shareholders' funds/(deficit)

	2014 £	2013 £
Profit for the financial year	13,705,131	5,664,133
Dividends	(10,760,000)	-
<b>Profit for the financial year</b>	<b>2,945,131</b>	<b>5,664,133</b>
Opening shareholders' funds/(deficit)	5,154,869	(509,264)
<b>Closing shareholders' funds</b>	<b>8,100,000</b>	<b>5,154,869</b>

## **Redmira Limited**

### **Notes to the financial statements for the year ended 30 June 2014 (continued)**

#### **14 Related party transactions**

At 30 June 2014, the loan balance due to PB0311 was £nil (2013: £5,241,651).

#### **15 Ultimate holding parent company and controlling party**

On 24 March 2014 PB0311 Limited acquired the remaining 50% of the share capital (50,000 shares) from Ashill Developments Limited and now owns 100% of the share capital of the Company

The immediate parent undertaking is PB0311 Limited. The intermediate parent company is Redrow Homes Limited which is the smallest company to consolidate these financial statements.

The company's ultimate parent company and controlling party is Redrow plc, which is the parent undertaking of Redrow Homes Limited and the largest group to consolidate these financial statements. Copies of the Redrow plc financial statements may be obtained from the Company Secretary, Redrow plc, Redrow House, St David's Park, Flintshire, CH5 3RX.