

**REGISTERED NUMBER: 05437166 (England and Wales)**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014  
FOR  
THAMESWEY HOUSING LIMITED**

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for the Year Ended 31 December 2014**

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**THAMESWEY HOUSING LIMITED**

**COMPANY INFORMATION  
for the Year Ended 31 December 2014**

|                           |  |
|---------------------------|--|
| <b>DIRECTORS:</b>         | M Rolt<br>S Barham<br>T Price<br>R J Kingsbury<br>D J Bittleston   |
| <b>SECRETARY:</b>         | Clyde Secretaries Limited  |
| <b>REGISTERED OFFICE:</b> | The St Botolph Building<br>138 Houndsditch<br>London<br>EC3A 7AR   |
| <b>REGISTERED NUMBER:</b> | 05437166 (England and Wales)   |
| <b>AUDITOR:</b>           | Hamlyns LLP<br>Statutory Auditor and<br>Chartered Accountants<br>Sundial House<br>High Street<br>Horsell<br>Woking<br>Surrey<br>GU21 4SU |
| <b>BANKERS:</b>           | National Westminster Bank Plc<br>PO Box 358<br>1 High Street<br>Woking<br>Surrey<br>GU21 1ZS   |
| <b>SOLICITORS:</b>        | Clyde & Co LLP<br>The St Botolph Building<br>138 Houndsditch<br>London<br>EC3A 7AR   |

**DIRECTORS' REPORT**  
**for the Year Ended 31 December 2014**

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

**REVIEW OF BUSINESS**

During the year the company continued with its plans to provide an economic stimulus to the Borough of Woking as well as to meet housing needs. The company funded the conversion by its sister company (Thameswey Developments Limited) of High Street offices into four flats which have recently been completed and let. The company funded the refurbishment of the Maybury Lodge hotel and transferred it to its newly formed subsidiary company Thameswey Guest Houses Limited where it provides temporary accommodation for homeless people. During the year the company purchased 24 street properties at a cost of £6m bringing its portfolio at the end of 2014 to 286 homes at a cost of £54.5m. Purchasing in 2015 has continued and the company now owns 300 homes. The Board of Directors have made an assessment on the value of the company's homes at the year end and is of the view that an increase of £6.8m is justified. This increase is recorded as a revaluation reserve in the company's accounts and more than cancels out the accumulated trading losses of £3.4m.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

M Rolt  
S Barham  
T Price  
R J Kingsbury  
D J Bittleston

The board of directors must comprise of an equal number of elected members of Woking Borough Council and executive officers of Woking Borough Council. In addition there must be one non-executive director who is neither an elected member of Woking Borough Council or employee of the council who is referred to as an independent non-executive director.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

T Price - Director

14 May 2015

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
for the Year Ended 31 December 2014**

The directors are responsible for preparing the 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 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THAMESWEY HOUSING LIMITED**

We have audited the financial statements of Thameswey Housing Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities, 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 Directors' 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THAMESWEY HOUSING LIMITED**

**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 from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

David Cooper (Senior Statutory Auditor)  
for and on behalf of Hamlyn's LLP  
Statutory Auditor and  
Chartered Accountants  
Sundial House  
High Street  
Horsell  
Woking  
Surrey  
GU21 4SU

14 May 2015

**Note:**

The maintenance and integrity of the Thameswey Housing Limited website is the responsibility of the directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

**PROFIT AND LOSS ACCOUNT**  
for the Year Ended 31 December 2014

|  | Notes | 2014<br>£                 | 2013<br>£               |
|--|-------|---------------------------|-------------------------|
| <b>TURNOVER</b>                                    |       | <b>3,405,036</b>          | 8,397,673               |
| Cost of sales                                      |       | <u>1,105,751</u>          | <u>6,022,747</u>        |
| <b>GROSS PROFIT</b>                                |       | <b>2,299,285</b>          | 2,374,926               |
| Administrative expenses                            |       | <u>542,926</u>            | <u>270,088</u>          |
|  |       | <b>1,756,359</b>          | 2,104,838               |
| Other operating income                             |       | <u>143,256</u>            | <u>143,256</u>          |
| <b>OPERATING PROFIT</b>                            | 3     | <b>1,899,615</b>          | 2,248,094               |
| Interest receivable and similar income             |       | <u>43,049</u>             | <u>12,909</u>           |
|  |       | <b>1,942,664</b>          | 2,261,003               |
| Interest payable and similar charges               |       | <u>2,952,993</u>          | <u>2,807,313</u>        |
| <b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       | <b>(1,010,329)</b>        | (546,310)               |
| Tax on loss on ordinary activities                 | 4     | <u>-</u>                  | <u>-</u>                |
| <b>LOSS FOR THE FINANCIAL YEAR</b>                 |       | <b><u>(1,010,329)</u></b> | <b><u>(546,310)</u></b> |

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
for the Year Ended 31 December 2014

|   | 2014<br>£               | 2013<br>£               |
|---|-------------------------|-------------------------|
| <b>LOSS FOR THE FINANCIAL YEAR</b>                                | <b>(1,010,329)</b>      | <b>(546,310)</b>        |
| Property revaluations   | <u>6,847,412</u>        | <u>-</u>                |
| <b>TOTAL RECOGNISED GAINS AND LOSSES<br/>RELATING TO THE YEAR</b> | <u><b>5,837,083</b></u> | <u><b>(546,310)</b></u> |

NOTE OF HISTORICAL COST PROFITS AND LOSSES  
for the Year Ended 31 December 2014

|   | 2014<br>£               | 2013<br>£               |
|---|-------------------------|-------------------------|
| <b>REPORTED LOSS ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b>                 | <b>(1,010,329)</b>      | <b>(546,310)</b>        |
| Property revaluations   | <u>6,847,412</u>        | <u>-</u>                |
| <b>HISTORICAL COST PROFIT/(LOSS) ON ORDINARY<br/>ACTIVITIES BEFORE TAXATION</b> | <u><b>5,837,083</b></u> | <u><b>(546,310)</b></u> |
| <b>HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR<br/>RETAINED AFTER TAXATION</b>   | <u><b>5,837,083</b></u> | <u><b>(546,310)</b></u> |

**BALANCE SHEET**  
**31 December 2014**

|  |       | 2014              |                          | 2013              |                   |
|--|-------|-------------------|--------------------------|-------------------|-------------------|
|  | Notes | £                 | £                        | £                 | £                 |
| <b>FIXED ASSETS</b>                          |       |                   |                          |                   |                   |
| Tangible assets                              | 5     |                   | <b>11,305</b>            |                   | 20,477            |
| Investments                                  | 6     |                   | <b>60,464</b>            |                   | 464               |
| Investment property                          | 7     |                   | <b>61,455,141</b>        |                   | 48,626,126        |
|  |       |                   | <u><b>61,526,910</b></u> |                   | <u>48,647,067</u> |
| <b>CURRENT ASSETS</b>                        |       |                   |                          |                   |                   |
| Stocks                                       | 8     | <b>10,927,807</b> |                          | 409,744           |                   |
| Debtors                                      | 9     | <b>2,316,699</b>  |                          | 1,735,015         |                   |
| Cash at bank                                 |       | <b>2,272,163</b>  |                          | 4,190,039         |                   |
|  |       |                   | <u><b>15,516,669</b></u> | <u>6,334,798</u>  |                   |
| <b>CREDITORS</b>                             |       |                   |                          |                   |                   |
| Amounts falling due within one year          | 10    | <b>15,226,052</b> |                          | 835,808           |                   |
|  |       |                   | <u><b>290,617</b></u>    | <u>5,498,990</u>  |                   |
| <b>NET CURRENT ASSETS</b>                    |       |                   |                          |                   |                   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                   |                          |                   |                   |
|  |       |                   | <u><b>61,817,527</b></u> | <u>54,146,057</u> |                   |
| <b>CREDITORS</b>                             |       |                   |                          |                   |                   |
| Amounts falling due after more than one year | 11    |                   | <b>(40,804,079)</b>      |                   | (40,826,436)      |
| <b>PROVISIONS FOR LIABILITIES</b>            |       |                   |                          |                   |                   |
|  | 13    |                   | <b>(101,008)</b>         |                   | (101,008)         |
| <b>ACCRUALS AND DEFERRED INCOME</b>          |       |                   |                          |                   |                   |
|  | 14    |                   | <b>(5,441,212)</b>       |                   | (5,584,468)       |
| <b>NET ASSETS</b>                            |       |                   |                          |                   |                   |
|  |       |                   | <u><b>15,471,228</b></u> | <u>7,634,145</u>  |                   |
| <b>CAPITAL AND RESERVES</b>                  |       |                   |                          |                   |                   |
| Called up share capital                      | 15    |                   | <b>12,015,000</b>        |                   | 10,015,000        |
| Revaluation reserve                          | 16    |                   | <b>6,847,412</b>         |                   | -                 |
| Profit and loss account                      | 16    |                   | <b>(3,391,184)</b>       |                   | (2,380,855)       |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                   |                          |                   |                   |
|  | 19    |                   | <u><b>15,471,228</b></u> | <u>7,634,145</u>  |                   |

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 14 May 2015 and were signed on its behalf by:

M Rolt - Director

**CASH FLOW STATEMENT**  
for the Year Ended 31 December 2014

|   | Notes | 2014<br>£           | 2013<br>£   |
|---|-------|---------------------|-------------|
| <b>Net cash (outflow)/inflow from operating activities</b>      | 20    | <b>(8,344,310)</b>  | 8,114,443   |
| <b>Returns on investments and servicing of finance</b>          | 21    | <b>(2,909,944)</b>  | (2,794,404) |
| <b>Capital expenditure and financial investment</b>             | 21    | <b>(6,042,715)</b>  | (4,452,837) |
|   |       | <b>(17,296,969)</b> | 867,202     |
| <b>Financing</b>  | 21    | <b>15,379,093</b>   | 3,180,342   |
| <b>(Decrease)/increase in cash in the period</b>                |       | <b>(1,917,876)</b>  | 4,047,544   |
| <hr/>   |       |                     |             |
| <b>Reconciliation of net cash flow to movement in net funds</b> | 22    |                     |             |
| (Decrease)/increase in cash in the period                       |       | <b>(1,917,876)</b>  | 4,047,544   |
| Change in net funds resulting from cash flows                   |       | <b>(1,917,876)</b>  | 4,047,544   |
| <b>Movement in net funds in the period</b>                      |       | <b>(1,917,876)</b>  | 4,047,544   |
| <b>Net funds at 1 January</b>                                   |       | <b>4,190,039</b>    | 142,495     |
| <b>Net funds at 31 December</b>                                 |       | <b>2,272,163</b>    | 4,190,039   |

NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 December 2014

1. ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The going concern basis adopted for preparing the financial statements is contingent upon the continued financial support of the company's ultimate parent undertaking.

**Preparation of consolidated financial statements**

The financial statements contain information about Thameswey Housing Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Thameswey Limited, a company registered in England and Wales.

**Turnover**

Turnover represents rent received in respect of residential letting of the investment properties, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 33% on reducing balance

Assets under construction are carried at historical cost and are not depreciated until they come into use.

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

It is the company directors who review the investment property each year to ensure it is valued at its most recent market value.

Investment properties are not depreciated.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Government grants**

Government grants relating to fixed assets are treated as deferred income and released to the profit and loss account over the expected useful economic lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

2. DIRECTORS' EMOLUMENTS

|  | 2014              | 2013              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Directors' remuneration and other benefits etc | 9,321             | 2,158             |
|  | <u>          </u> | <u>          </u> |

Directors remuneration relates to fees paid to the independent non-executive director. An explanation of the composition of the board of directors can be found in the directors' report.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2014

3. OPERATING PROFIT

The operating profit is stated after charging:

|                             | 2014          | 2013          |
|-----------------------------|---------------|---------------|
|                             | £             | £             |
| Depreciation - owned assets | 10,284        | 10,157        |
| Auditors' remuneration      | 6,297         | 10,560        |
|                             | <u>16,581</u> | <u>20,717</u> |

4. TAXATION

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2014 nor for the year ended 31 December 2013.

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

|  | 2014               | 2013             |
|--|--------------------|------------------|
|  | £                  | £                |
| Loss on ordinary activities before tax   | <u>(1,010,329)</u> | <u>(546,310)</u> |
| Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%) | (202,066)          | (109,262)        |
| Effects of:  |                    |                  |
| Capital allowances in excess of depreciation   | -                  | (337)            |
| Utilisation of tax losses  | 230,717            | 138,250          |
| Government grants amortised  | <u>(28,651)</u>    | <u>(28,651)</u>  |
| Current tax charge   | <u>-</u>           | <u>-</u>         |

**Factors that may affect future tax charges**

A deferred tax asset has not been recognised in respect of timing differences relating to accelerated capital allowances and trading losses as there is insufficient evidence that the asset will be recovered.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2014

5. TANGIBLE FIXED ASSETS

|                       | Fixtures<br>and<br>fittings<br>£ |
|-----------------------|----------------------------------|
| <b>COST</b>           |                                  |
| At 1 January 2014     | 43,172                           |
| Additions             | 1,112                            |
|                       | <hr/>                            |
| At 31 December 2014   | 44,284                           |
|                       | <hr/>                            |
| <b>DEPRECIATION</b>   |                                  |
| At 1 January 2014     | 22,695                           |
| Charge for year       | 10,284                           |
|                       | <hr/>                            |
| At 31 December 2014   | 32,979                           |
|                       | <hr/>                            |
| <b>NET BOOK VALUE</b> |                                  |
| At 31 December 2014   | 11,305                           |
|                       | <hr/> <hr/>                      |
| At 31 December 2013   | 20,477                           |
|                       | <hr/> <hr/>                      |

6. FIXED ASSET INVESTMENTS

|                       | Shares in<br>group<br>undertakings<br>£ |
|-----------------------|---|
| <b>COST</b>           |   |
| At 1 January 2014     | 464                                     |
| Additions             | 60,000                                  |
|                       | <hr/>                                   |
| At 31 December 2014   | 60,464                                  |
|                       | <hr/>                                   |
| <b>NET BOOK VALUE</b> |   |
| At 31 December 2014   | 60,464                                  |
|                       | <hr/> <hr/>                             |
| At 31 December 2013   | 464                                     |
|                       | <hr/> <hr/>                             |

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiary**

**Thameswey Guest Houses Limited**

Country of incorporation: England & Wales

Nature of business: Provision of bed and breakfast accommodation

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100.00  |

|                                | 2014<br>£   | 2013<br>£   |
|--------------------------------|-------------|-------------|
| Aggregate capital and reserves | 130,028     | 1           |
| Profit for the year            | 70,028      | -           |
|                                | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2014

6. **FIXED ASSET INVESTMENTS - continued**

**Joint venture**

**Rutland Woking (Westminster Court) Limited**

Country of incorporation: England & Wales

Nature of business: Property development

|                                |         |                  |
|--------------------------------|---------|------------------|
| Class of shares:               | %       |                  |
| Ordinary                       | holding |                  |
|                                | 50.00   |                  |
|                                |         | <b>2014</b>      |
|                                |         | <b>£</b>         |
| Aggregate capital and reserves |         | <b>(111,673)</b> |
| Loss for the year              |         | <b>(111,675)</b> |

7. **INVESTMENT PROPERTY**

|                          |              |
|--------------------------|--------------|
|                          | <b>Total</b> |
|                          | <b>£</b>     |
| <b>COST OR VALUATION</b> |              |
| At 1 January 2014        | 48,626,126   |
| Additions                | 6,222,890    |
| Disposals                | (241,287)    |
| Revaluations             | 6,847,412    |
|                          | <hr/>        |
| At 31 December 2014      | 61,455,141   |
|                          | <hr/>        |
| <b>NET BOOK VALUE</b>    |              |
| At 31 December 2014      | 61,455,141   |
|                          | <hr/> <hr/>  |
| At 31 December 2013      | 48,626,126   |
|                          | <hr/> <hr/>  |

In accordance with Statements of Standard Accounting Practice 19, but contrary to the requirements of the Companies Act 2006, investment properties are not depreciated. Instead, they are reviewed annually, which the directors consider necessary in order to show a true and fair view. The directors are of the opinion that the investment property has an open market value not less than the value at which it is included in the accounts.

Cost or valuation at 31 December 2014 is represented by:

|                   |                   |
|-------------------|-------------------|
|                   | <b>£</b>          |
| Valuation in 2014 | 6,847,412         |
| Cost              | 54,607,729        |
|                   | <hr/>             |
|                   | <b>61,455,141</b> |
|                   | <hr/> <hr/>       |

8. **STOCKS**

|                |             |             |
|----------------|-------------|-------------|
|                | <b>2014</b> | 2013        |
|                | <b>£</b>    | <b>£</b>    |
| Finished goods | 10,927,807  | 409,744     |
|                | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2014

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                    | 2014             | 2013             |
|------------------------------------|------------------|------------------|
|                                    | £                | £                |
| Trade debtors                      | 5,644            | 475,863          |
| Amounts owed by group undertakings | 1,715,816        | 615,873          |
| Amounts recoverable on contract    | 586,872          | 627,691          |
| Other debtors                      | 8,367            | 15,588           |
|                                    | <u>2,316,699</u> | <u>1,735,015</u> |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                    | 2014              | 2013           |
|------------------------------------|-------------------|----------------|
|                                    | £                 | £              |
| Trade creditors                    | 10,319            | 237,348        |
| Amounts owed to group undertakings | 14,522,358        | 20,965         |
| Other creditors                    | 693,375           | 577,495        |
|                                    | <u>15,226,052</u> | <u>835,808</u> |

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                                    | 2014              | 2013              |
|------------------------------------|-------------------|-------------------|
|                                    | £                 | £                 |
| Amounts owed to group undertakings | <u>40,804,079</u> | <u>40,826,436</u> |

Amounts owed to group undertaking

|  | 2014              | 2013              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Repayable within one year                      | 14,522,358        | 20,965            |
| Amounts falling due between one and two years  | 23,844            | 22,358            |
| Amounts falling due between two and five years | 81,475            | 76,395            |
| Amounts falling due after more than five years | 40,698,759        | 40,727,683        |
|  | <u>55,326,436</u> | <u>40,847,401</u> |

Amounts owed to group undertaking comprises loans from the ultimate parent undertaking Woking Borough Council. The loans repayable within one year have interest rates between 3% and 4% per annum and are repayable in 2015. All other loans are repayable over 50 years with interest rates between 6% and 7% per annum.

12. SECURED DEBTS

The following secured debts are included within creditors:

|                        | 2014             | 2013             |
|------------------------|------------------|------------------|
|                        | £                | £                |
| Woking Borough Council | <u>3,334,438</u> | <u>3,349,512</u> |

A loan of £3,440,000 from Woking Borough Council in 2005 was secured by a debenture dated 18 April 2008 giving charge on all assets of the company.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2014

13. PROVISIONS FOR LIABILITIES

|                  | 2014<br>£      | 2013<br>£      |
|------------------|----------------|----------------|
| Other provisions | <u>101,008</u> | <u>101,008</u> |

14. ACCRUALS AND DEFERRED INCOME

|                            | 2014<br>£        | 2013<br>£        |
|----------------------------|------------------|------------------|
| Deferred government grants | 5,354,505        | 5,483,310        |
| Deferred grants - other    | <u>86,707</u>    | <u>101,158</u>   |
|                            | <u>5,441,212</u> | <u>5,584,468</u> |

A Planning Benefit Grant of £5,565,250 was received from Woking Borough Council in 2005. Further capital grants of £1,600,000 were received during 2007 and £275,000 in 2010 from Woking Borough Council.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number:                           | Class:   | Nominal<br>value: | 2014<br>£         | 2013<br>£         |
|-----------------------------------|----------|-------------------|-------------------|-------------------|
| 12,015,000<br>(2013 - 10,015,000) | Ordinary | £1                | <u>12,015,000</u> | <u>10,015,000</u> |

2,000,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

16. RESERVES

|                      | Profit<br>and loss<br>account<br>£ | Revaluation<br>reserve<br>£ | Totals<br>£      |
|----------------------|------------------------------------|-----------------------------|------------------|
| At 1 January 2014    | (2,380,855)                        | -                           | (2,380,855)      |
| Deficit for the year | (1,010,329)                        |                             | (1,010,329)      |
| Revaluation in year  | -                                  | 6,847,412                   | 6,847,412        |
| At 31 December 2014  | <u>(3,391,184)</u>                 | <u>6,847,412</u>            | <u>3,456,228</u> |

17. ULTIMATE PARENT COMPANY

The company's immediate parent company is Thameswey Limited, a company incorporated in England and Wales.

The company's ultimate parent undertaking is considered to be Woking Borough Council.

The largest group into which the company is consolidated is headed by Woking Borough Council, and the smallest group into which the company is consolidated is Thameswey Limited. Copies of both sets of group accounts are available from the Company Secretary, Clyde Secretaries Limited, The St Botolph Building, 138 Houndsditch, London, EC3A 7AR.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2014

18. RELATED PARTY DISCLOSURES

The company's immediate parent company Thameswey Limited is 100% (2013 - 100%) owned by Woking Borough Council. Thameswey Limited owns the share capital of the following companies:

|   | 2014 | 2013 |
|---|------|------|
| Thameswey Energy Limited                  | 100% | 100% |
| Thameswey Housing Limited                 | 100% | 100% |
| Thameswey Sustainable Communities Limited | 100% | 100% |
| Thameswey Developments Limited            | 100% | 100% |
| Thameswey Solar Limited                   | 75%  | 75%  |
| Thameswey Maintenance Services Limited    | 100% | 100% |
| Woking Necropolis and Mausoleum Limited   | 100% | 0%   |

Thameswey Energy Limited owns 100% (2013 - 100%) of Thameswey Central Milton Keynes Limited. Thameswey Housing Limited owns 98% (2013 - 98%) of Brunswick Road (Pirbright) Residents Company Limited, 100% (2013 - 100%) of Thameswey Guest Houses Limited and 50% (2013 - 0%) of Rutland Woking (Westminster Court) Limited. Thameswey Developments Limited owns 50% (2013 - 50%) of Rutland (Woking) Limited and 50% (2013 - 50%) of Rutland Woking (Carthouse Lane) Limited. Woking Necropolis and Mausoleum Limited owns 100% (2013 - 0%) of Brookwood Park Limited. Brookwood Park Limited owns 100% (2013 - 0%) of Brookwood Cemetery Limited.

Therefore, no transactions with these related parties are to be disclosed for either year under the provisions of Financial Reporting Standard number 8.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|  | 2014<br>£         | 2013<br>£ |
|--|-------------------|-----------|
| Loss for the financial year                                  | (1,010,329)       | (546,310) |
| Other recognised gains and losses relating to the year (net) | 6,847,412         | -         |
| New share capital subscribed                                 | 2,000,000         | 1,000,000 |
| <b>Net addition to shareholders' funds</b>                   | <b>7,837,083</b>  | 453,690   |
| Opening shareholders' funds                                  | 7,634,145         | 7,180,455 |
| <b>Closing shareholders' funds</b>                           | <b>15,471,228</b> | 7,634,145 |

20. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

|  | 2014<br>£          | 2013<br>£ |
|--|--------------------|-----------|
| Operating profit   | 1,899,615          | 2,248,094 |
| Depreciation charges                                       | 10,284             | 10,157    |
| Grants amortised   | (143,256)          | (143,256) |
| Assets transferred to trading                              | -                  | 7,078,130 |
| Increase in stocks   | (10,477,244)       | (452,074) |
| Decrease/(increase) in debtors                             | 477,440            | (995,599) |
| (Decrease)/increase in creditors                           | (111,149)          | 368,991   |
| <b>Net cash (outflow)/inflow from operating activities</b> | <b>(8,344,310)</b> | 8,114,443 |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2014

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

|   | 2014<br>£                 | 2013<br>£                 |
|---|---------------------------|---------------------------|
| <b>Returns on investments and servicing of finance</b>                      |                           |                           |
| Interest received   | 43,049                    | 12,909                    |
| Interest paid   | <u>(2,952,993)</u>        | <u>(2,807,313)</u>        |
| <b>Net cash outflow for returns on investments and servicing of finance</b> | <u><u>(2,909,944)</u></u> | <u><u>(2,794,404)</u></u> |
| <br><b>Capital expenditure and financial investment</b>                     |                           |                           |
| Purchase of tangible fixed assets   | (1,112)                   | (3,728)                   |
| Purchase of fixed asset investments   | (60,000)                  | (464)                     |
| Purchase of investment property   | (6,222,890)               | (4,448,645)               |
| Sale of investment property   | <u>241,287</u>            | <u>-</u>                  |
| <b>Net cash outflow for capital expenditure and financial investment</b>    | <u><u>(6,042,715)</u></u> | <u><u>(4,452,837)</u></u> |
| <br><b>Financing</b>  |                           |                           |
| New loans in year   | 14,500,000                | 2,200,000                 |
| Loans repayments in year  | (1,120,907)               | (19,658)                  |
| Share issue   | <u>2,000,000</u>          | <u>1,000,000</u>          |
| <b>Net cash inflow from financing</b>                                       | <u><u>15,379,093</u></u>  | <u><u>3,180,342</u></u>   |

22. ANALYSIS OF CHANGES IN NET FUNDS

|              | At 1.1.14<br>£          | Cash flow<br>£            | At<br>31.12.14<br>£     |
|--------------|-------------------------|---------------------------|-------------------------|
| Net cash:    |                         |                           |                         |
| Cash at bank | 4,190,039               | (1,917,876)               | 2,272,163               |
|              | <u>4,190,039</u>        | <u>(1,917,876)</u>        | <u>2,272,163</u>        |
| <br>Total    | <u><u>4,190,039</u></u> | <u><u>(1,917,876)</u></u> | <u><u>2,272,163</u></u> |