

REGISTERED NUMBER: 05437166 (England and Wales)

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
FOR
THAMESWEY HOUSING LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2015**

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THAMESWEY HOUSING LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015

DIRECTORS: S Barham
T Price
Cllr R J Kingsbury
Cllr D J Bittleston
P N Bryant

SECRETARY: Clyde Secretaries Limited

REGISTERED OFFICE: The St Botolph Building
138 Houndsditch
London
EC3A 7AR

REGISTERED NUMBER: 05437166 (England and Wales)

AUDITOR: Hamlyns LLP
Statutory Auditor and
Chartered Accountants
Sundial House
High Street
Horsell
Woking
Surrey
GU21 4SU

BANKERS: National Westminster Bank Plc
PO Box 358
1 High Street
Woking
Surrey
GU21 1ZS

SOLICITORS: Clyde & Co LLP
The St Botolph Building
138 Houndsditch
London
EC3A 7AR

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report with the financial statements of the company for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of affordable housing in the borough.

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.

During the year the company purchased 22 street properties at a cost of £5.3m, took possession of the 45 new flats at Westminster Court recently converted from offices in Old Woking and made significant contributions towards the completion of Greenwood House to provide 33 homes above the new fire station with shared facilities to be completed in 2016. The total completed housing numbers at the end of 2015 was 348 and purchasing and construction has continued into 2016.

Following further rises in the property market the Board of Directors appointed Frazers (Chartered Surveyors) to carry out a comprehensive professional valuation of the company's housing portfolio as at the end of 2015 and this has resulted in a further increase in the revaluation reserve of £20.1m in the company's accounts bringing the total to £26.9m. In accordance with the new Financial Reporting Standards under which the company now reports any changes to the valuation of investment properties passes through the company's profit and loss account and this increase has increased the reported profit before tax for the year to £19.4m (2014 £5.8m) but this is not a cash profit and does not change distributable reserves.

The company's wholly owned subsidiary Thameswey Guest Houses Limited successfully completed its first full year of operation of the Maybury Lodge hotel where it provides temporary accommodation for homeless people.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

S Barham
T Price
Cllr R J Kingsbury
Cllr D J Bittleston

Other changes in directors holding office are as follows:

M Rolt - resigned 3 July 2015
P N Bryant - appointed 15 September 2015

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 THE 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.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

ON BEHALF OF THE BOARD:

T Price - Director

28 April 2016

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 2015 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement 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), including Financial Reporting Standard 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 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' 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

28 April 2016

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.

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 £	2014 £
TURNOVER		3,265,862	3,405,036
Cost of sales		<u>597,584</u>	<u>1,105,751</u>
GROSS PROFIT		2,668,278	2,299,285
Administrative expenses		<u>24,273</u>	<u>542,926</u>
		2,644,005	1,756,359
Other operating income	2	<u>20,238,258</u>	<u>6,990,668</u>
OPERATING PROFIT	5	22,882,263	8,747,027
Interest receivable and similar income		<u>188,615</u>	<u>43,049</u>
		23,070,878	8,790,076
Interest payable and similar charges		<u>3,661,355</u>	<u>2,952,993</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		19,409,523	5,837,083
Tax on profit on ordinary activities	6	<u>3,462,713</u>	<u>1,369,482</u>
PROFIT FOR THE FINANCIAL YEAR		<u>15,946,810</u>	<u>4,467,601</u>

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
PROFIT FOR THE YEAR		15,946,810	4,467,601
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		15,946,810	4,467,601

BALANCE SHEET
31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		4,972,955		11,305
Investments	8		360,464		60,464
Investment property	9		83,767,417		61,455,141
			<u>89,100,836</u>		<u>61,526,910</u>
CURRENT ASSETS					
Stocks	10	12,665,127		10,927,807	
Debtors	11	11,073,311		2,316,699	
Cash at bank		1,262,707		2,272,163	
			<u>25,001,145</u>	<u>15,516,669</u>	
CREDITORS					
Amounts falling due within one year	12	12,542,032		15,226,052	
			<u>12,459,113</u>	<u>290,617</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>101,559,949</u>	<u>61,817,527</u>	
CREDITORS					
Amounts falling due after more than one year	13		(59,280,234)		(40,804,079)
PROVISIONS FOR LIABILITIES	15		(4,933,203)		(1,470,490)
ACCRUALS AND DEFERRED INCOME	16		(5,297,956)		(5,441,212)
NET ASSETS			<u>32,048,556</u>	<u>14,101,746</u>	
CAPITAL AND RESERVES					
Called up share capital	17		14,015,000		12,015,000
Retained earnings	18		18,033,556		2,086,746
SHAREHOLDERS' FUNDS			<u>32,048,556</u>	<u>14,101,746</u>	

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

The financial statements were approved by the Board of Directors on 28 April 2016 and were signed on its behalf by:

S Barham - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2014	10,015,000	(2,380,855)	7,634,145
Changes in equity			
Issue of share capital	2,000,000	-	2,000,000
Total comprehensive income	-	4,467,601	4,467,601
Balance at 31 December 2014	<u>12,015,000</u>	<u>2,086,746</u>	<u>14,101,746</u>
Changes in equity			
Issue of share capital	2,000,000	-	2,000,000
Total comprehensive income	-	15,946,810	15,946,810
Balance at 31 December 2015	<u><u>14,015,000</u></u>	<u><u>18,033,556</u></u>	<u><u>32,048,556</u></u>

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 £	2014 £
Cash flows from operating activities			
Cash generated from operations	21	758,265	(8,344,310)
Interest paid		(3,661,355)	(2,952,993)
Net cash from operating activities		<u>(2,903,090)</u>	<u>(11,297,303)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,970,720)	(1,112)
Purchase of fixed asset investments		(300,000)	(60,000)
Purchase of investment property		(5,327,591)	(6,222,890)
Sale of fixed asset investments		355,910	-
Sale of investment property		3,092,090	241,287
Interest received		188,615	43,049
Net cash from investing activities		<u>(6,961,696)</u>	<u>(5,999,666)</u>
Cash flows from financing activities			
New loans in year		15,477,630	14,500,000
Loans advanced		(6,622,300)	(1,120,907)
Share issue		-	2,000,000
Net cash from financing activities		<u>8,855,330</u>	<u>15,379,093</u>
Decrease in cash and cash equivalents		(1,009,456)	(1,917,876)
Cash and cash equivalents at beginning of year	22	2,272,163	4,190,039
Cash and cash equivalents at end of year	22	<u>1,262,707</u>	<u>2,272,163</u>

The notes on pages 12 to 20 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The going concern basis 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

The company capitalises all directly attributable costs relating to the purchase of construction of fixed assets.

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

Investment property

Investment properties are properties held to earn rentals.

Investment properties are initially measured at cost, including transactions costs. Subsequently investment properties whose fair value can be measured reliably without undue cost or effort on an on-going basis are measured at fair value.

Gains and losses arising from changes in the fair value of investment properties are included in the income statement in the period in which they arise.

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 taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in 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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES - continued

Provisions

Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

2. OTHER OPERATING INCOME

	2015	2014
	£	£
Sundry receipts	18,227	-
Value adjustments	20,076,775	6,847,412
Grants amortised	143,256	143,256
	<u>20,238,258</u>	<u>6,990,668</u>

Value adjustments relate to the surplus on the revaluation of investment properties.

3. STAFF COSTS

No employees are directly employed by the company. The independent director is remunerated by the parent undertaking in both the current and preceding year. The cost of which is reimbursed.

4. DIRECTORS' EMOLUMENTS

	2015	2014
	£	£
Directors' remuneration and other benefits etc	<u>7,010</u>	<u>9,321</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.

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation - owned assets	9,070	10,284
Profit on disposal of fixed assets	(355,910)	-
Auditors' remuneration	<u>8,400</u>	<u>6,297</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2015	2014
	£	£
Deferred tax	<u>3,462,713</u>	<u>1,369,482</u>
Tax on profit on ordinary activities	<u>3,462,713</u>	<u>1,369,482</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2015 £	2014 £
Profit on ordinary activities before tax	<u>19,409,523</u>	<u>5,837,083</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 20%)	3,881,905	1,167,417
Effects of:		
Income not taxable for tax purposes	(4,015,355)	(1,369,482)
Utilisation of tax losses	162,101	230,716
Government grants amortised	(28,651)	(28,651)
Deferred tax	<u>3,462,713</u>	<u>1,369,482</u>
Total tax charge	<u>3,462,713</u>	<u>1,369,482</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.

7. TANGIBLE FIXED ASSETS

	Assets under construction £	Fixtures and fittings £	Totals £
COST			
At 1 January 2015	-	44,284	44,284
Additions	<u>4,928,301</u>	<u>42,419</u>	<u>4,970,720</u>
At 31 December 2015	<u>4,928,301</u>	<u>86,703</u>	<u>5,015,004</u>
DEPRECIATION			
At 1 January 2015	-	32,979	32,979
Charge for year	-	<u>9,070</u>	<u>9,070</u>
At 31 December 2015	-	<u>42,049</u>	<u>42,049</u>
NET BOOK VALUE			
At 31 December 2015	<u>4,928,301</u>	<u>44,654</u>	<u>4,972,955</u>
At 31 December 2014	<u>-</u>	<u>11,305</u>	<u>11,305</u>

The company had a contractual obligation at the 31st December 2015 to pay £500,000 to BSDL (Fire Station Limited) on the practical completion date of the acquisition of the lease of Greenwood House.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

8. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 January 2015	60,464
Additions	<u>300,000</u>
At 31 December 2015	<u>360,464</u>
NET BOOK VALUE	
At 31 December 2015	<u>360,464</u>
At 31 December 2014	<u>60,464</u>

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

	%	2015	2014
Class of shares:	holding	£	£
Ordinary	100.00		
Aggregate capital and reserves		<u>442,448</u>	130,028
Profit for the year		<u>12,208</u>	<u>70,028</u>

The company changed name from Rutland Woking (Westminster Court) Limited to Rutland Woking (Residential) Limited on 18 February 2016.

Joint venture

Rutland Woking (Residential) Limited

Country of incorporation: England & Wales

Nature of business: Property development

	%	2015	2014
Class of shares:	holding	£	£
Ordinary	50.00		
Aggregate capital and reserves		<u>(176,903)</u>	(111,673)
Loss for the year		<u>(65,230)</u>	<u>(111,675)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

9. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2015	61,455,141
Additions	5,327,591
Disposals	(3,092,090)
Revaluations	20,076,775
	<u>83,767,417</u>
At 31 December 2015	<u>83,767,417</u>
NET BOOK VALUE	
At 31 December 2015	<u>83,767,417</u>
At 31 December 2014	<u>61,455,141</u>

In accordance with Financial Reporting Standard 102 Section 16, 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 sought a valuation of the investment properties at 31st December 2015 by Frazers Chartered Surveyors of Horsell, qualified property valuers. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in their respective areas.

Cost or valuation at 31 December 2015 is represented by:

	£
Valuation in 2014	6,847,412
Valuation in 2015	20,076,775
Cost	56,843,230
	<u>83,767,417</u>

10. STOCKS

	2015 £	2014 £
Land bank	<u>12,665,127</u>	<u>10,927,807</u>

11. DEBTORS

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	1,139	5,644
Amounts owed by group undertakings	8,330,963	1,715,816
Amounts recoverable on contract	704,245	586,872
Other debtors	17,823	-
Prepayments and accrued income	11,977	8,367
	<u>9,066,147</u>	<u>2,316,699</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

11. DEBTORS - continued

	2015 £	2014 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>2,007,164</u>	<u>-</u>
Aggregate amounts	<u>11,073,311</u>	<u>2,316,699</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	40,327	10,319
Amounts owed to group undertakings	11,523,844	14,522,358
Other creditors	214	6,664
Accruals and deferred income	977,647	686,711
	<u>12,542,032</u>	<u>15,226,052</u>

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

	2015 £	2014 £
Amounts owed to group undertakings	<u>59,280,234</u>	<u>40,804,079</u>

Amounts owed to group undertaking

	2015 £	2014 £
Repayable within one year	11,523,844	14,522,358
Amounts falling due between one and two years	25,430	23,844
Amounts falling due between two and five years	86,894	81,475
Amounts falling due after more than five years	59,167,910	40,698,759
	<u>70,804,078</u>	<u>55,326,436</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 2016. All other loans are repayable between 15 and 49 years with interest rates between 5% and 7% per annum.

14. SECURED DEBTS

The following secured debts are included within creditors:

	2015 £	2014 £
Woking Borough Council	<u>3,318,329</u>	<u>3,334,438</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 2015

15. PROVISIONS FOR LIABILITIES

	2015 £	2014 £
Deferred tax	4,832,195	1,369,482
Other provisions	101,008	101,008
	<u>4,933,203</u>	<u>1,470,490</u>
	Deferred tax £	Other provisions £
Balance at 1 January 2015	1,369,482	101,008
Provided during year	3,462,713	-
Balance at 31 December 2015	<u>4,832,195</u>	<u>101,008</u>

Other provisions relate to the mortgage protection fund for shared ownership properties where there could be damage to shared ownership properties or defaults of rental income.

16. ACCRUALS AND DEFERRED INCOME

	2015 £	2014 £
Deferred government grants	5,225,700	5,354,505
Deferred grants - other	72,256	86,707
	<u>5,297,956</u>	<u>5,441,212</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.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
14,015,000	Ordinary	£1	14,015,000	12,015,000
(2014 - 12,015,000)			<u> </u>	<u> </u>

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

The issue of £2,000,000 share capital was included within amounts owed by group undertakings at the year end, the cash was received after the balance sheet date.

A further 1,900,000 Ordinary £1 shares were issued after the year end.

Each share is entitled to one vote in any circumstances and each share is also entitled pari passu to dividend payments or any other distribution, including a distribution arising from a winding up of the company. The shares are not redeemable.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

18. RESERVES

	Retained earnings £
At 1 January 2015	2,086,746
Profit for the year	15,946,810
	<hr/>
At 31 December 2015	<u>18,033,556</u>

19. 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.

20. RELATED PARTY DISCLOSURES

The company's immediate parent company Thameswey Limited is 100% (2014 - 100%) owned by Woking Borough Council. Thameswey Limited owns the share capital of the following companies:

	2015	2014
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%	100%

Thameswey Energy Limited owns 100% (2014 - 100%) of Thameswey Central Milton Keynes Limited. Thameswey Housing Limited owns 98% (2014 - 98%) of Brunswick Road (Pirbright) Residents Company Limited, 100% (2014 - 100%) of Thameswey Guest Houses Limited and 50% (2014 - 50%) of Rutland Woking (Residential) Limited. Thameswey Developments Limited owns 50% (2014 - 50%) of Rutland (Woking) Limited and 50% (2014 - 50%) of Rutland Woking (Carthouse Lane) Limited. Rutland (Woking) Limited owns 50% (2014: 50%) of Rutland Woking (Residential) Limited. Woking Necropolis and Mausoleum Limited owns 99.98% (2014 - 99.98%) of Brookwood Park Limited. Brookwood Park Limited owns 100% (2014 - 100%) of Brookwood Cemetery Limited.

Therefore, no transactions with these related parties are to be disclosed for either year under the provisions of section 33 of Financial Reporting Standard 102.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

21. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2015	2014
	£	£
Profit before taxation	19,409,523	5,837,083
Depreciation charges	9,070	10,284
Profit on disposal of fixed assets	(355,910)	-
Grants amortised	(143,256)	(143,256)
Investment property revaluation	(20,076,775)	(6,847,412)
Finance costs	3,661,355	2,952,993
Finance income	(188,615)	(43,049)
	<u>2,315,392</u>	<u>1,766,643</u>
Increase in stocks	(1,737,320)	(10,477,244)
(Increase)/decrease in trade and other debtors	(134,301)	477,440
Increase/(decrease) in trade and other creditors	314,494	(111,149)
	<u>758,265</u>	<u>(8,344,310)</u>
Cash generated from operations	<u><u>758,265</u></u>	<u><u>(8,344,310)</u></u>

22. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	<u>1,262,707</u>	<u>2,272,163</u>

Year ended 31 December 2014

	31.12.14	1.1.14
	£	£
Cash and cash equivalents	<u>2,272,163</u>	<u>4,190,039</u>

RECONCILIATION OF EQUITY
1 JANUARY 2014
(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets	5	20,477	-	20,477
Investments	6	464	-	464
Investment property	7	48,626,126	-	48,626,126
		<u>48,647,067</u>	<u>-</u>	<u>48,647,067</u>
CURRENT ASSETS				
Stocks	8	409,744	-	409,744
Debtors	9	1,735,015	-	1,735,015
Cash at bank		4,190,039	-	4,190,039
		<u>6,334,798</u>	<u>-</u>	<u>6,334,798</u>
CREDITORS				
Amounts falling due within one year	10	(835,808)	-	(835,808)
NET CURRENT ASSETS				
		<u>5,498,990</u>	<u>-</u>	<u>5,498,990</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		54,146,057	-	54,146,057
CREDITORS				
Amounts falling due after more than one year	11	(40,826,436)	-	(40,826,436)
PROVISIONS FOR LIABILITIES				
	13	(101,008)	-	(101,008)
ACCRUALS AND DEFERRED INCOME				
	14	(5,584,468)	-	(5,584,468)
NET ASSETS				
		<u>7,634,145</u>	<u>-</u>	<u>7,634,145</u>
CAPITAL AND RESERVES				
Called up share capital	15	10,015,000	-	10,015,000
Retained earnings	16	(2,380,855)	-	(2,380,855)
SHAREHOLDERS' FUNDS				
		<u>7,634,145</u>	<u>-</u>	<u>7,634,145</u>

RECONCILIATION OF EQUITY - continued
31 DECEMBER 2014

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets	5	11,305	-	11,305
Investments	6	60,464	-	60,464
Investment property	7	61,455,141	-	61,455,141
		<u>61,526,910</u>	<u>-</u>	<u>61,526,910</u>
CURRENT ASSETS				
Stocks	8	10,927,807	-	10,927,807
Debtors	9	2,316,699	-	2,316,699
Cash at bank		2,272,163	-	2,272,163
		<u>15,516,669</u>	<u>-</u>	<u>15,516,669</u>
CREDITORS				
Amounts falling due within one year	10	(15,226,052)	-	(15,226,052)
NET CURRENT ASSETS				
		<u>290,617</u>	<u>-</u>	<u>290,617</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		61,817,527	-	61,817,527
CREDITORS				
Amounts falling due after more than one year	11	(40,804,079)	-	(40,804,079)
PROVISIONS FOR LIABILITIES				
	13	(101,008)	(1,369,482)	(1,470,490)
ACCRUALS AND DEFERRED INCOME				
	14	(5,441,212)	-	(5,441,212)
NET ASSETS				
		<u>15,471,228</u>	<u>(1,369,482)</u>	<u>14,101,746</u>
CAPITAL AND RESERVES				
Called up share capital	15	12,015,000	-	12,015,000
Revaluation reserve		6,847,412	(6,847,412)	-
Retained earnings	16	(3,391,184)	5,477,930	2,086,746
SHAREHOLDERS' FUNDS				
		<u>15,471,228</u>	<u>(1,369,482)</u>	<u>14,101,746</u>

RECONCILIATION OF LOSS OR PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2014

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	3,405,036	-	3,405,036
Cost of sales	(1,105,751)	-	(1,105,751)
	<hr/>	<hr/>	<hr/>
GROSS PROFIT	2,299,285	-	2,299,285
Administrative expenses	(542,926)	-	(542,926)
Other operating income	143,256	6,847,412	6,990,668
	<hr/>	<hr/>	<hr/>
OPERATING PROFIT	1,899,615	6,847,412	8,747,027
Interest receivable and similar income	43,049	-	43,049
Interest payable and similar charges	(2,952,993)	-	(2,952,993)
	<hr/>	<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(1,010,329)	6,847,412	5,837,083
Tax on (loss)/profit on ordinary activities	-	(1,369,482)	(1,369,482)
	<hr/>	<hr/>	<hr/>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	<u>(1,010,329)</u>	<u>5,477,930</u>	<u>4,467,601</u>