

REGISTERED NUMBER: 07679222 (England and Wales)

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

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2014**

	Page
Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Financial Statements	9

THAMESWEY SOLAR LIMITED
COMPANY INFORMATION
for the Year Ended 31 December 2014

DIRECTORS: J P Thorp
Cllr R J Kingsbury
Dr B M Maunders
S Westerman
D J Spinks

SECRETARY: Clyde Secretaries Limited

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

REGISTERED NUMBER: 07679222 (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 2014

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of to own, operate and instal solar photovoltaic panels.

REVIEW OF BUSINESS

This year was the second full year of trading following the commencement of trading operations in March 2012. In December 2012 the Goldwater Lodge facility was destroyed by fire and no income has been received from this site since. It is expected to be reinstated by the middle of 2015. This has resulted in a loss of revenue of approximately £12,000 p.a. - 5.7% of total revenue in 2013 and 2014.

535 tonnes of Carbon Dioxide were saved in 2014 (518 in 2013) which was 4.5% below the objective of 560 tonnes due mainly to the Goldwater Lodge fire explained above. In 2014 no further loans were drawn from WBC(2013 £80,000 was drawn) with £110,584 (2013 £102,044) being repaid in addition to interest of £122,322.

DIRECTORS

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

J P Thorp
Cllr R J Kingsbury
Dr B M Maunders
S Westerman

Other changes in directors holding office are as follows:

S Bonsor - resigned 30 April 2014
D J Spinks - appointed 6 May 2014

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 ought to have taken as a director in order to make himself 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:

Dr B M Maunders - Director

19 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 SOLAR LIMITED**

We have audited the financial statements of Thameswey Solar Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the 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).

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 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 SOLAR 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

19 May 2015

Note:

The maintenance and integrity of the Thameswey Solar 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 £	2013 £
TURNOVER		198,846	209,813
Cost of sales		<u>17,390</u>	<u>19,637</u>
GROSS PROFIT		181,456	190,176
Administrative expenses		<u>49,272</u>	<u>160,181</u>
		132,184	29,995
Other operating income		<u>21,055</u>	-
OPERATING PROFIT	3	153,239	29,995
Interest receivable and similar income		<u>465</u>	<u>410</u>
		153,704	30,405
Interest payable and similar charges		<u>117,808</u>	<u>122,232</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		35,896	(91,827)
Tax on profit/(loss) on ordinary activities	4	<u>(41,936)</u>	<u>(51,671)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>77,832</u>	<u>(40,156)</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

THAMESWEY SOLAR LIMITED (REGISTERED NUMBER: 07679222)

BALANCE SHEET
31 December 2014

	Notes	2014		2013	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		2,987,961		3,014,754
CURRENT ASSETS					
Debtors	6	90,944		145,886	
Cash at bank		267,106		65,554	
			358,050		211,440
CREDITORS					
Amounts falling due within one year	7	160,364		166,697	
NET CURRENT ASSETS			197,686		44,743
TOTAL ASSETS LESS CURRENT LIABILITIES			3,185,647		3,059,497
CREDITORS					
Amounts falling due after more than one year	8		(1,794,077)		(1,916,113)
ACCRUALS AND DEFERRED INCOME	10		(170,354)		-
NET ASSETS			1,221,216		1,143,384
CAPITAL AND RESERVES					
Called up share capital	11		1,182,688		1,182,688
Profit and loss account	12		38,528		(39,304)
SHAREHOLDERS' FUNDS	15		1,221,216		1,143,384

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 19 May 2015 and were signed on its behalf by:

J P Thorp - Director

CASH FLOW STATEMENT
for the Year Ended 31 December 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	16	190,735	181,672
Returns on investments and servicing of finance	17	(117,343)	(121,822)
Taxation		51,671	-
Capital expenditure	17	(4,336)	6,236
		120,727	66,086
Financing	17	80,825	(22,044)
Increase in cash in the period		201,552	44,042
<hr/>			
Reconciliation of net cash flow to movement in net funds	18		
Increase in cash in the period		201,552	44,042
Change in net funds resulting from cash flows		201,552	44,042
Movement in net funds in the period		201,552	44,042
Net funds at 1 January		65,554	21,512
Net funds at 31 December		267,106	65,554

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

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under historical cost convention.

Turnover

Turnover represents net invoiced sales, based on meter readings, 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.

Plant and machinery - Straight line over 40 years

It is the opinion of the directors that the estimated useful life of the solar panels has increased from 25 years to 40 years. The directors are now of the opinion that the solar panels will generate electricity long after the expiry of the Feed in Tariff and the first 25 years. There is no intention to remove the panels within 40 years with research showing the lifespan of a solar panel to be far longer than originally thought.

The company capitalises all directly attributable costs relating to the purchase or construction of a fixed asset.

The directors undertake an annual impairment review in order to consider whether any tangible fixed asset are impaired.

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.

Grants

Grant relating to the Net Present Value of 75% of the maintenance fees lost are treated as deferred income and released to the profit and loss account over the expected useful life of the Photovoltaic Units that the maintenance fees relate to.

2. DIRECTORS' EMOLUMENTS

	2014	2013
	£	£
Directors' remuneration and other benefits etc	(897)	4,953
	<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.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2014	2013
	£	£
Depreciation - owned assets	31,129	127,424
Auditors' remuneration	4,800	10,630
	<u> </u>	<u> </u>

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

4. TAXATION**Analysis of the tax credit**

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

	2014	2013
	£	£
Current tax:		
UK corporation tax	(41,936)	(51,671)
	<u>(41,936)</u>	<u>(51,671)</u>
Tax on profit/(loss) on ordinary activities	(41,936)	(51,671)
	<u>(41,936)</u>	<u>(51,671)</u>

Factors affecting the tax credit

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

	2014	2013
	£	£
Profit/(loss) on ordinary activities before tax	35,896	(91,827)
	<u>35,896</u>	<u>(91,827)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.442% (2013 - 23.246%)	7,697	(21,346)
Effects of:		
Expenses not deductible for tax purposes	-	122
Income not taxable for tax purposes	(4,211)	-
Capital allowances in excess of depreciation	(45,322)	(30,447)
Utilisation of tax losses	(100)	-
	<u>(41,936)</u>	<u>(51,671)</u>
Current tax credit	(41,936)	(51,671)
	<u>(41,936)</u>	<u>(51,671)</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. The amount of the asset not recognised is £34,736 (2013 - £14,234). The asset would be recovered if there were sufficient suitable taxable profits against which this expense could be offset.

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

5. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 January 2014	3,204,114
Additions	4,336
	<hr/>
At 31 December 2014	3,208,450
	<hr/>
DEPRECIATION	
At 1 January 2014	189,360
Charge for year	31,129
	<hr/>
At 31 December 2014	220,489
	<hr/>
NET BOOK VALUE	
At 31 December 2014	2,987,961
	<hr/> <hr/>
At 31 December 2013	3,014,754
	<hr/> <hr/>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade debtors	10,106	31,580
Other debtors	80,838	114,306
	<hr/>	<hr/>
	90,944	145,886
	<hr/> <hr/>	<hr/> <hr/>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	1,245	18,004
Amounts owed to group undertakings	121,352	108,260
Other creditors	37,767	40,433
	<hr/>	<hr/>
	160,364	166,697
	<hr/> <hr/>	<hr/> <hr/>

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

	2014	2013
	£	£
Amounts owed to group undertakings	1,794,077	1,916,113
	<hr/> <hr/>	<hr/> <hr/>

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

9. SECURED DEBTS

The following secured debts are included within creditors:

	2014 £	2013 £
Owed to group undertakings	<u>1,913,789</u>	<u>2,024,373</u>

Amounts owed to group undertaking comprise a loan from the ultimate parent undertaking Woking Borough Council. Interest is charged at the rate of 6% per annum and are secured by a debenture dated 23 March 2012 giving a fixed and floating charge over the company and on all property and assets of the company.

Amounts owed to group undertaking

	2014 £	2013 £
Repayable within one year	119,712	108,260
Amounts falling due between one and two years	127,002	114,853
Amounts falling due between two and five years	429,326	388,256
Amounts falling due after more than five years	1,237,749	1,413,004
	<u>1,913,789</u>	<u>2,024,373</u>

10. ACCRUALS AND DEFERRED INCOME

	2014 £	2013 £
Grants from group undertakings	<u>170,354</u>	<u>-</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2014	2013
Number:	Class:	Nominal value:	£	£
1,182,688	Ordinary	£1	<u>1,182,688</u>	<u>1,182,688</u>

12. RESERVES

	Profit and loss account £
At 1 January 2014	(39,304)
Profit for the year	77,832
At 31 December 2014	<u>38,528</u>

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

13. **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.

14. **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 (Carhouse 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.

Total Gas Contracts Limited holds a 25% shareholding in Thameswey Solar Limited. During the year purchases made from Total Gas Contracts Limited totalled £nil (2013: £nil). Sales of £8,424 (2013: £8,893) were made to Total Gas and Power Limited, an associated company of Total Gas Contracts Limited. At the year end Total Gas and Power Limited owed Thameswey Solar Limited £41 (2013: £373)

15. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014	2013
	£	£
Profit/(loss) for the financial year	77,832	(40,156)
Share issued		
Net addition/(reduction) to shareholders' funds	77,832	(40,156)
Opening shareholders' funds	1,143,384	1,183,540
Closing shareholders' funds	1,221,216	1,143,384

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

16. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating profit	153,239	29,995
Depreciation charges	31,129	127,424
Grants amortised	(21,055)	-
Decrease in debtors	45,207	23,655
(Decrease)/increase in creditors	(17,785)	598
Net cash inflow from operating activities	190,735	181,672

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

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	465	410
Interest paid	(117,808)	(122,232)
Net cash outflow for returns on investments and servicing of finance	(117,343)	(121,822)
Capital expenditure		
Purchase of tangible fixed assets	(4,336)	(1,574)
Disposal of tangible fixed assets	-	7,810
Net cash (outflow)/inflow for capital expenditure	(4,336)	6,236
Financing		
New loans in year	-	80,000
Loan repayments in year	(110,584)	(102,044)
New Grant in year	191,409	-
Net cash inflow/(outflow) from financing	80,825	(22,044)

18. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.14	Cash flow	At
	£	£	31.12.14
			£
Net cash:			
Cash at bank	65,554	201,552	267,106
	<u>65,554</u>	<u>201,552</u>	<u>267,106</u>
Total	<u>65,554</u>	<u>201,552</u>	<u>267,106</u>