

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011
FOR
THAMESWEY DEVELOPMENTS LIMITED**

THAMESWEY DEVELOPMENTS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2011**

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THAMESWEY DEVELOPMENTS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS: M Roit
S Bonsor
G Elson
Cllr R J Kingsbury
T Price

SECRETARY: Clyde Secretaries Limited

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

REGISTERED NUMBER: 06646380 (England and Wales)

AUDITORS: Hamlyn's LLP
Chartered Accountants & Statutory Auditors
Sundial House
High Street
Horsell
Woking
Surrey
GU21 4SU

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

THAMESWEY DEVELOPMENTS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report with the financial statements of the company for the year ended 31 December 2011.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property development.

REVIEW OF BUSINESS

During 2011 the Company completed just over half of the Hoe Valley Scheme bringing it to around 90% complete at the year end. The Scheme is for the flood alleviation of approximately 183 homes in the Hoe Valley area of Woking, the rectification of contaminated land, landscaping works, and the building of approximately 200 new homes. The company also commenced work on the St Johns Memorial Hall, Horsell Village Hall and the Link Leisure projects. During 2011 work on the Carthouse Lane starter units and allotments was commenced via a joint venture with Rutland Properties Limited.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2011.

DIRECTORS

M Rolt has held office during the whole of the period from 1 January 2011 to the date of this report.

Other changes in directors holding office are as follows:

S Bonsor - appointed 20 April 2011

G Elson , Cllr R J Kingsbury and T Price were appointed as directors after 31 December 2011 but prior to the date of this report.

R N Morgan and D J Spinks ceased to be directors after 31 December 2011 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

THAMESWEY DEVELOPMENTS LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are 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 auditors are aware of that information.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink that reads "Terry Price". The signature is written in a cursive, slightly slanted style.

T Price - Director

24 May 2012

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THAMESWEY DEVELOPMENTS LIMITED**

We have audited the financial statements of Thameswey Developments Limited for the year ended 31 December 2011 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 a Report of the Auditors 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 Report of the Directors to identify material inconsistencies with the audited financial statements. 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 2011 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THAMESWEY DEVELOPMENTS 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.



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

24 May 2012

THAMESWEY DEVELOPMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
TURNOVER		6,800,811	9,941,928
Cost of sales		<u>6,270,047</u>	<u>9,742,178</u>
GROSS PROFIT		530,764	199,750
Administrative expenses		<u>36,837</u>	<u>52,858</u>
OPERATING PROFIT	3	493,927	146,892
Interest receivable and similar income		<u>1,107</u>	<u>2,365</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		495,034	149,257
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>495,034</u></u>	<u><u>149,257</u></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 profits for the current year or previous year.

THAMESWEY DEVELOPMENTS LIMITED

BALANCE SHEET
31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
FIXED ASSETS					
Investments	5		99,567		49,566
CURRENT ASSETS					
Stocks	6	17,862,617		-	
Debtors	7	1,283,678		6,859,557	
Cash at bank		428,906		874,714	
		<u>19,575,201</u>		<u>7,734,271</u>	
CREDITORS					
Amounts falling due within one year	8	<u>2,141,960</u>		<u>1,561,009</u>	
NET CURRENT ASSETS			<u>17,433,241</u>		<u>6,173,262</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			17,532,808		6,222,828
CREDITORS					
Amounts falling due after more than one year	9		(16,750,000)		(5,950,000)
ACCRUALS AND DEFERRED INCOME	10		<u>(14,946)</u>		-
NET ASSETS			<u><u>767,862</u></u>		<u><u>272,828</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		10,001		10,001
Profit and loss account	12		<u>757,861</u>		<u>262,827</u>
SHAREHOLDERS' FUNDS	15		<u><u>767,862</u></u>		<u><u>272,828</u></u>

The financial statements were approved by the Board of Directors on 24 May 2012 and were signed on its behalf by:



S. Bonsor - Director

The notes on pages 9 to 14 form part of these financial statements

THAMESWEY DEVELOPMENTS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Net cash outflow from operating activities	16	(11,211,860)	(2,478,896)
Returns on investments and servicing of finance	17	1,107	2,365
Capital expenditure and financial investment	17	(50,001)	(49,566)
		<u>(11,260,754)</u>	<u>(2,526,097)</u>
Financing	17	10,814,946	2,960,000
(Decrease)/increase in cash in the period		<u>(445,808)</u>	<u>433,903</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	18		
(Decrease)/increase in cash in the period		<u>(445,808)</u>	<u>433,903</u>
Change in net funds resulting from cash flows		<u>(445,808)</u>	<u>433,903</u>
Movement in net funds in the period		<u>(445,808)</u>	<u>433,903</u>
Net funds at 1 January		<u>874,714</u>	<u>440,811</u>
Net funds at 31 December		<u>428,906</u>	<u>874,714</u>

The notes on pages 9 to 14 form part of these financial statements

THAMESWEY DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the value of work done net of value-added-tax.

Turnover is recognised on long-term contracts, only where the final outcome can be assessed with reasonable certainty, by including turnover and related costs in the profit and loss account as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract. Where a loss is expected on the contract as a whole it will be recognised as soon as it is foreseen.

Stocks

Stocks and work in progress (except long term contracts) are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Long term contracts are stated at net cost less foreseeable losses less any applicable payments on account. The amount recorded as turnover in respect of long term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded turnover and related costs.

Deferred tax

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

Long term contracts

Long-term contracts are assessed on a contract by contract basis.

The amount by which recorded turnover is in excess of payments on account is classified as "amounts recoverable on contracts" and is included within debtors.

The balance of payments on account is classified as "payments on account" and is included within creditors.

Long term contract costs are total costs incurred, net of amounts transferred to the profit and loss account in respect of work carried out to date, less foreseeable losses and applicable payments on account. This balance is classified as "long term contract balances" and is included within stock.

2. STAFF COSTS

There were no staff or employees directly employed by the company for the year ended 31 December 2011 or for the year ended 31 December 2010. The directors are remunerated by parent undertakings for the current and preceding financial years. Staff costs are reallocated from parent undertakings.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2011	2010
	£	£
Auditors' remuneration	<u>5,500</u>	<u>12,270</u>
Directors' remuneration	<u>-</u>	<u>-</u>

THAMESWEY DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2011 nor for the year ended 31 December 2010.

Factors affecting the tax charge

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

	2011 £	2010 £
Profit on ordinary activities before tax	<u>495,034</u>	<u>149,257</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.247% (2010 - 21%)	100,230	31,344
Effects of:		
Group relief for nil consideration	(100,635)	(31,745)
Expenses not deductible for tax purposes	<u>405</u>	<u>401</u>
Current tax charge	<u>-</u>	<u>-</u>

5. FIXED ASSET INVESTMENTS

	Interest in joint venture £
COST	
At 1 January 2011	49,566
Additions	<u>50,001</u>
At 31 December 2011	<u>99,567</u>
NET BOOK VALUE -	
At 31 December 2011	<u>99,567</u>
At 31 December 2010	<u>49,566</u>

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

Joint Ventures

Rutland (Woking) Limited

Country of incorporation: England & Wales

Nature of business: Property development

	%		2011 £	2010 £
Class of shares:	holding			
Ordinary	50.00			
Aggregate capital and reserves			<u>100,929</u>	10,000
Loss for the year			<u>(9,071)</u>	<u>-</u>

THAMESWEY DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

5.	FIXED ASSET INVESTMENTS - continued		
	Rutland Woking (Carthouse Lane) Limited		
	Country of incorporation: England & Wales		
	Nature of business: Property development		
	Class of shares:	%	
	Ordinary	holding 50.00	
			2011
			£
	Aggregate capital and reserves		(4,367)
	Loss for the year		<u>(4,369)</u>
6.	STOCKS		
		2011	2010
		£	£
	Work-in-progress	17,820,924	-
	Long term contract net cost less foreseeable losses	41,693	-
		<u>17,862,617</u>	<u>-</u>
7.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2011	2010
		£	£
	Amounts recoverable on contract	27,618	6,428,185
	VAT	1,256,060	431,372
		<u>1,283,678</u>	<u>6,859,557</u>
8.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2011	2010
		£	£
	Payments on account	205,008	258,868
	Trade creditors	187,291	95,721
	Accruals and deferred income	1,749,661	1,206,420
		<u>2,141,960</u>	<u>1,561,009</u>
9.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
		2011	2010
		£	£
	Amounts owed to group undertakings	16,750,000	5,950,000
10.	ACCRUALS AND DEFERRED INCOME		
		2011	2010
		£	£
	Grants from other bodies	14,946	-

THAMESWEY DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2011 £	2010 £
Number:	Class:			
10,001	Ordinary	£1	<u>10,001</u>	<u>10,001</u>

12. RESERVES

	Profit and loss account £
At 1 January 2011	262,827
Profit for the year	495,034
	<hr/>
At 31 December 2011	<u>757,861</u>

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

Throughout the current and preceding financial years the company was 100% owned by Thameswey Limited. The company's immediate parent company Thameswey Limited is 100% (2010: 100%) owned by Woking Borough Council. Thameswey Limited owns the share capital of the following companies:

	2011	2010
Thameswey Energy Limited	100%	90%
Woking Borough Homes Limited	100%	100%
Energy Centre for Sustainable Communities Limited	100%	100%
Thameswey Developments Limited	100%	100%
X2WP Limited	100%	100%
Thameswey Solar Limited	100%	n/a
Thameswey Maintenance Services Limited	100%	20%

Thameswey Energy Limited owns 100% (2010: 100%) of Thameswey Central Milton Keynes Limited. Woking Borough Homes Limited owns 98% (2010: 98%) of Brunswick Road (Pirbright) Residents Company Limited. Thameswey Developments Limited owns 50% (2010: 50%) of Rutland (Woking) Limited and 50% (2010: n/a) of Rutland Woking (Carthouse Lane) Limited.

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

THAMESWEY DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Profit for the financial year	495,034	149,257
Ordinary shares issued	-	10,000
	<u>495,034</u>	<u>159,257</u>
Net addition to shareholders' funds	495,034	159,257
Opening shareholders' funds	272,828	113,571
	<u>767,862</u>	<u>272,828</u>
Closing shareholders' funds	<u>767,862</u>	<u>272,828</u>

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

	2011	2010
	£	£
Operating profit	493,927	146,892
Increase in stocks	(17,862,617)	-
Decrease/(increase) in debtors	5,575,879	(2,737,641)
Increase in creditors	580,951	111,853
	<u>(11,211,860)</u>	<u>(2,478,896)</u>
Net cash outflow from operating activities	<u>(11,211,860)</u>	<u>(2,478,896)</u>

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

	2011	2010
	£	£
Returns on investments and servicing of finance		
Interest received	1,107	2,365
	<u>1,107</u>	<u>2,365</u>
Net cash inflow for returns on investments and servicing of finance	<u>1,107</u>	<u>2,365</u>
 Capital expenditure and financial investment		
Purchase of fixed asset investments	(50,001)	(49,566)
	<u>(50,001)</u>	<u>(49,566)</u>
Net cash outflow for capital expenditure and financial investment	<u>(50,001)</u>	<u>(49,566)</u>
 Financing		
New loans in year	10,800,000	2,950,000
Share issue	-	10,000
Grants from other bodies	14,946	-
	<u>10,814,946</u>	<u>2,960,000</u>
Net cash inflow from financing	<u>10,814,946</u>	<u>2,960,000</u>

THAMESWEY DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

18. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.11 £	Cash flow £	At 31.12.11 £
Net cash:			
Cash at bank	874,714	(445,808)	428,906
	<u>874,714</u>	<u>(445,808)</u>	<u>428,906</u>
	874,714	(445,808)	428,906
	<u>874,714</u>	<u>(445,808)</u>	<u>428,906</u>
 Total	 <u>874,714</u>	 <u>(445,808)</u>	 <u>428,906</u>

THAMESWEY DEVELOPMENTS LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011		2010
	£	£	£
Turnover			
Sales		6,800,811	9,941,928
Cost of sales			
Planning, consent and design	-		11,071
Project management	256,779		1,044,404
Main contractor fee	21,938,868		7,385,771
Ancillary project management	1,162,093		739,265
Legal fees	30,058		128,053
Other project costs	364,780		-
Interest	303,933		214,092
Management and administration	-		1,165
Land clearance	313		196,492
Insurance	34,147		21,865
	<u>24,090,971</u>		<u>9,742,178</u>
Closing work in progress	(17,820,924)		-
		<u>6,270,047</u>	<u>9,742,178</u>
GROSS PROFIT		530,764	199,750
Other income			
Deposit account interest		1,107	2,365
		<u>531,871</u>	<u>202,115</u>
Expenditure			
Insurance	1,085		945
Wages	2,536		2,432
Administrative expenses	21,757		29,579
Trade mark licence fee	1,000		1,000
Postage and stationery	-		900
Sundry expenses	2,000		375
Legal fees	2,778		5,021
Auditors' remuneration	5,500		12,270
	<u>36,656</u>		<u>52,522</u>
		<u>495,215</u>	<u>149,593</u>
Finance costs			
Bank charges		181	336
NET PROFIT		495,034	149,257

This page does not form part of the statutory financial statements

