

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

THAMESWEY ENERGY LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Financial Statements	9
Trading and Profit and Loss Account	17

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

DIRECTORS: D J Spinks
F U Rosager
C P Boyles
J P Thorp
W Prescott
S Bonsor
Cllr R J Kingsbury
Dr B M Maunders

SECRETARY: Clyde Secretaries Limited

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

REGISTERED NUMBER: 03772150 (England and Wales)

AUDITORS: Hamlyn's LLP
Chartered Accountants & Statutory Auditors
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

THAMESWEY ENERGY 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 building, financing and operating combined heat and power plant and photovoltaic plant for the production and supply of electricity, heat and chilled water.

REVIEW OF BUSINESS

During the year the company continued to explore additional customers for its Woking town centre Energy Station and secured financing for a retrofit programme on sites where equipment is nearing the end of its useful life.

DIVIDENDS

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

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report.

D J Spinks
J P Thorp
W Prescott
S Bonsor
Cllr R J Kingsbury
Dr B M Maunders

Other changes in directors holding office are as follows:

F U Rosager - resigned 31 December 2011
C P Boyles - resigned 31 December 2011

S Barham , R N Morgan and M Rolt 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 ENERGY 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:

B. Maunders

Dr B M Maunders - Director

9 May 2012

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

We have audited the financial statements of Thameswey Energy 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 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 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 ENERGY 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 Hamlyns LLP
Chartered Accountants & Statutory Auditors
Sundial House
High Street
Horsell
Woking
Surrey
GU21 4SU

9 May 2012

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

	Notes	2011 £	2010 £
TURNOVER	2	2,833,334	2,691,521
Cost of sales		<u>2,001,709</u>	<u>1,819,692</u>
GROSS PROFIT		831,625	871,829
Administrative expenses		<u>727,210</u>	<u>795,571</u>
		104,415	76,258
Other operating income		<u>30,908</u>	<u>24,090</u>
OPERATING PROFIT	4	135,323	100,348
Interest receivable and similar income		<u>11,632</u>	<u>16,257</u>
		146,955	116,605
Interest payable and similar charges	5	<u>671,766</u>	<u>688,674</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(524,811)	(572,069)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(524,811)</u>	<u>(572,069)</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

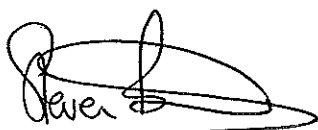
The company has no recognised gains or losses other than the losses for the current year or previous year.

THAMESWEY ENERGY LIMITED

BALANCE SHEET
31 DECEMBER 2011

	Notes	2011		2010	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		10,570,594		10,100,371
Investments	8		1,110,000		1,110,000
			<u>11,680,594</u>		<u>11,210,371</u>
CURRENT ASSETS					
Stocks	9	53,692		60,653	
Debtors	10	886,758		1,532,922	
Investments	11	147,303		146,999	
Cash at bank		660,561		719,077	
			<u>1,748,314</u>	<u>2,459,651</u>	
CREDITORS					
Amounts falling due within one year	12	1,469,561		1,398,710	
			<u>278,753</u>	<u>1,060,941</u>	
NET CURRENT ASSETS					
			<u>11,959,347</u>	<u>12,271,312</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	13		(10,233,477)		(10,534,723)
ACCRUALS AND DEFERRED INCOME					
	15		(579,526)		(565,434)
NET ASSETS					
			<u>1,146,344</u>	<u>1,171,155</u>	
CAPITAL AND RESERVES					
Called up share capital	16		4,050,450		3,550,450
Profit and loss account	17		(2,904,106)		(2,379,295)
SHAREHOLDERS' FUNDS					
	20		<u>1,146,344</u>	<u>1,171,155</u>	

The financial statements were approved by the Board of Directors on 9 May 2012 and were signed on its behalf by:



S Bonsor - Director

THAMESWEY ENERGY LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

		2011		2010	
	Notes	£	£	£	£
Net cash inflow from operating activities	21		800,675		852,984
Returns on investments and servicing of finance	22		(660,134)		(672,417)
Capital expenditure	22		(960,488)		(168,685)
			(819,947)		11,882
Financing	22		761,431		(747,525)
Decrease in cash in the period			(58,516)		(735,643)
Reconciliation of net cash flow to movement in net funds					
	23				
Decrease in cash in the period			(58,516)		(735,643)
Cash outflow from increase in liquid resources			304		255
Change in net funds resulting from cash flows			(58,212)		(735,388)
Movement in net funds in the period			(58,212)		(735,388)
Net funds at 1 January			866,076		1,601,464
Net funds at 31 December			807,864		866,076

The notes on pages 9 to 16 form part of these financial statements

THAMESWEY ENERGY 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.

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

As at 31st December 2011 the company's ultimate parent undertaking is Woking Borough Council. Assurances have been obtained from this parent undertaking that continued financial support will be made available, as required, to ensure that liabilities can be met as they fall due and also that the company has adequate funds to continue its activities.

Accordingly the directors believe it appropriate to prepare the financial statements on a going concern basis.

Preparation of consolidated financial statements

The financial statements contain information about Thameswey Energy 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 the net invoiced sales of services, excluding value added tax.

Income is broken down into its component parts and recognised in accordance with Financial Reporting Standard number 5, application note G.

Tangible fixed assets

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

Buildings	- Straight line over 60 years
Plant and machinery	- Straight line over 60 years, Straight line over 30 years and Straight line over 20 years

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.

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.

Interest capitalisation

Finance costs that are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement begins when both finance costs and expenditure for the assets are incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when the construction of the asset has reached the stage of practical completion.

THAMESWEY ENERGY LIMITED

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

1. ACCOUNTING POLICIES - continued

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 life of the asset concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

Investments

Current asset investments are stated at the lower of cost and net realisable value. Investments in subsidiaries are valued at cost less any provisions for any impairment.

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax loss, all of which arises in the United Kingdom, is attributable to the following segments:

	2011	2010
	£	£
Electricity, heat & cooling	1,968,055	1,871,119
Service charges	865,279	820,402
	2,833,334	2,691,521

3. 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.

4. OPERATING PROFIT

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

	2011	2010
	£	£
Depreciation - owned assets	495,139	502,906
Profit on disposal of fixed assets	(4,874)	(9,708)
Auditors' remuneration	10,150	9,950
	11,890	4,944

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Other interest	671,766	688,674
	671,766	688,674

6. 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.

THAMESWEY ENERGY LIMITED

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

6. TAXATION - continued

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:

	2011 £	2010 £
Loss on ordinary activities before tax	<u>(524,811)</u>	<u>(572,069)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.247% (2010 - 21%)	(106,258)	(120,134)
Effects of:		
Expenses not deductible for tax purposes	824	2,447
Depreciation in excess of capital allowances	92,754	97,190
Tax losses carried forward	<u>12,680</u>	<u>20,497</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 pre-trading expenses, 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 £551,106 (2010: £436,690). The asset would be recovered if there were sufficient suitable taxable profits against which this expense could be offset.

7. TANGIBLE FIXED ASSETS

	Buildings £	Plant and machinery £	Assets under construction £	Totals £
COST				
At 1 January 2011	505,192	13,294,494	185,440	13,985,126
Additions	-	377,249	627,517	1,004,766
Disposals	-	(59,963)	-	(59,963)
Reclassification/transfer	-	8,727	(8,727)	-
At 31 December 2011	<u>505,192</u>	<u>13,620,507</u>	<u>804,230</u>	<u>14,929,929</u>
DEPRECIATION				
At 1 January 2011	96,320	3,788,435	-	3,884,755
Charge for year	8,339	486,800	-	495,139
Eliminated on disposal	-	(20,559)	-	(20,559)
At 31 December 2011	<u>104,659</u>	<u>4,254,676</u>	<u>-</u>	<u>4,359,335</u>
NET BOOK VALUE				
At 31 December 2011	<u>400,533</u>	<u>9,365,831</u>	<u>804,230</u>	<u>10,570,594</u>
At 31 December 2010	<u>408,872</u>	<u>9,506,059</u>	<u>185,440</u>	<u>10,100,371</u>

Cumulative finance costs capitalised in the cost of tangible fixed assets amount to £229,800 (2010 - £229,800) for the company.

THAMESWEY ENERGY LIMITED

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

8. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2011 and 31 December 2011	<u>1,110,000</u>
NET BOOK VALUE	
At 31 December 2011	<u><u>1,110,000</u></u>
At 31 December 2010	<u><u>1,110,000</u></u>

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

Thameswey Central Milton Keynes Limited

Country of incorporation: England & Wales

Nature of business: Supply of electricity, heat and chilled water.

	% holding		
Class of shares:	100.00		
Ordinary	100.00		
		2011	2010
		£	£
Aggregate capital and reserves		(6,131,389)	(4,341,549)
Loss for the year		<u>(1,789,840)</u>	<u>(1,693,255)</u>

9. STOCKS

	2011	2010
	£	£
Stocks	<u>53,692</u>	<u>60,653</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade debtors	92,555	115,384
Amounts owed by group undertakings	-	500,000
VAT	40,632	41,130
Prepayments and accrued income	<u>753,571</u>	<u>876,408</u>
	<u><u>886,758</u></u>	<u><u>1,532,922</u></u>

11. CURRENT ASSET INVESTMENTS

	2011	2010
	£	£
Short term deposits	<u>147,303</u>	<u>146,999</u>

THAMESWEY ENERGY LIMITED

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

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade creditors	443,081	336,506
Amounts owed to group undertakings	301,245	283,264
Accruals and deferred income	725,235	778,940
	1,469,561	1,398,710

Included in accruals and deferred income is a Plant replacement charge received from Woking Borough Council of £48,138 (2010: £85,619).

This income has been received in respect of anticipated future renewal and replacement costs relating to the plant and equipment previously acquired from Woking Borough Council. The income will be released to the Profit and Loss as the renewal and replacement costs are incurred.

If at the end of the 20 year contract term (which commenced in February 2002) any of this deferred income has not been released to the Profit and Loss it will become repayable to Woking Borough Council.

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

	2011	2010
	£	£
Amounts owed to group undertakings	10,233,477	10,534,723

Borrowings are repayable as follows:

	2011	2010
	£	£
On demand or within one year	301,245	283,265
Between one and two years	320,367	301,245
Between two and five years	1,088,362	1,023,400
After five years	8,824,748	9,210,077
	10,534,722	10,817,987

Amounts owed to group undertaking comprise a loan from the ultimate parent undertaking Woking Borough Council. On 28 August 2008 the loan was restructured from repayment of equal instalment to an actuarial basis. The interest rate of 6.25% per annum and the length of the term remains unchanged.

14. SECURED DEBTS

Loan facilities not exceeding £2,000,000 made available by Lombard North Central Plc to the company's subsidiary Thameswey Central Milton Keynes Limited were secured by a charge dated 2 June 2008 over two of the company's bank accounts, the Operating Account and the Security Account.

15. ACCRUALS AND DEFERRED INCOME

	2011	2010
	£	£
Accruals and deferred income	418,742	388,582
Deferred government grants	160,784	176,852
	579,526	565,434

THAMESWEY ENERGY LIMITED

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

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2011	2010
Number:	Class:	Nominal value:	£	£
355,045	£1 Ordinary 'Class A' Shares	£1	355,045	355,045
3,695,405 (2010 - 3,195,405)	£1 Ordinary 'Class B' Shares	£1	3,695,405	3,195,405
			<u>4,050,450</u>	<u>3,550,450</u>

500,000 £1 Ordinary 'Class B' Shares shares of £1 each were allotted and fully paid for cash at par during the year.

The 'Class A' and 'Class B' shares rank pari passu in all respects but constitute separate classes of shares.

17. RESERVES

	Profit and loss account £
At 1 January 2011	(2,379,295)
Deficit for the year	<u>(524,811)</u>
At 31 December 2011	<u>(2,904,106)</u>

18. 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.

THAMESWEY ENERGY LIMITED

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

19. RELATED PARTY DISCLOSURES

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.

Until 31 December 2011 Xergi Limited held a 10% shareholding in Thameswey Energy Limited. Throughout the year purchases were made from Xergi Limited totalled £292,516 (2010: £1,167) being capital items included in tangible fixed assets (note 7).

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Loss for the financial year	(524,811)	(572,069)
Shares issued	500,000	-
Net reduction of shareholders' funds	(24,811)	(572,069)
Opening shareholders' funds	1,171,155	1,743,224
Closing shareholders' funds	1,146,344	1,171,155

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

	2011 £	2010 £
Operating profit	135,323	100,348
Depreciation charges	495,139	502,906
Profit on disposal of fixed assets	(4,874)	(9,708)
Grants amortised	(30,908)	(24,090)
Decrease/(increase) in stocks	6,961	(60,653)
Decrease in debtors	146,164	254,540
Increase in creditors	52,870	89,641
Net cash inflow from operating activities	800,675	852,984

THAMESWEY ENERGY LIMITED

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

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

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	11,632	16,257
Interest paid	<u>(671,766)</u>	<u>(688,674)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(660,134)</u></u>	<u><u>(672,417)</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(1,004,766)	(168,685)
Sale of tangible fixed assets	<u>44,278</u>	<u>-</u>
Net cash outflow for capital expenditure	<u><u>(960,488)</u></u>	<u><u>(168,685)</u></u>
Financing		
New loans in year	-	(750,000)
Loan repayments in year	216,735	(16,359)
Short term deposit invested	(304)	(255)
Share issue	500,000	-
Contribution from other bodies	<u>45,000</u>	<u>19,089</u>
Net cash inflow/(outflow) from financing	<u><u>761,431</u></u>	<u><u>(747,525)</u></u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.11 £	Cash flow £	At 31.12.11 £
Net cash:			
Cash at bank	<u>719,077</u>	<u>(58,516)</u>	<u>660,561</u>
	<u>719,077</u>	<u>(58,516)</u>	<u>660,561</u>
Liquid resources:			
Current asset investments	<u>146,999</u>	<u>304</u>	<u>147,303</u>
	<u>146,999</u>	<u>304</u>	<u>147,303</u>
Total	<u><u>866,076</u></u>	<u><u>(58,212)</u></u>	<u><u>807,864</u></u>

THAMESWEY ENERGY LIMITED

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

	2011		2010	
	£	£	£	£
Turnover				
Electricity	1,183,289		1,141,104	
Heat	582,821		590,998	
Cooling	73,803		53,995	
Standing charges	113,601		69,654	
Energy service charge	865,279		820,402	
ROC's	14,541		15,368	
		2,833,334		2,691,521
Cost of sales				
Gas purchased	867,316		867,751	
Electricity purchased	769,080		582,802	
Water	8,951		19,864	
Plant maintenance	313,580		272,253	
Climate change levy	42,480		39,059	
Distribution costs	-		37,001	
Telephone links	302		962	
		2,001,709		1,819,692
GROSS PROFIT		831,625		871,829
Other income				
Grants amortised	30,908		24,090	
Deposit account interest	1,136		144	
Interest on investments	10,496		16,113	
		42,540		40,347
		874,165		912,176
Expenditure				
Rent & rates	22,413		19,030	
Insurance	21,249		9,986	
Cleaning premises	337		337	
Directors' salaries	11,890		4,944	
Wages	1,330		9,647	
Travelling	1,487		-	
Trade mark licences fee	1,000		1,000	
Customer services	74,245		68,687	
Postage and stationery	-		450	
Administration costs	59,753		83,069	
Accountancy	730		300	
Legal and professional fees	6,219		45,218	
Consultants	24,172		42,650	
Auditors' remuneration	10,150		9,950	
Bad debts	(146)		4,253	
		234,829		299,521
Carried forward		639,336		612,655

This page does not form part of the statutory financial statements

THAMESWEY ENERGY LIMITED

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011		2010	
	£	£	£	£
Brought forward		639,336		612,655
Finance costs				
Bank charges	2,116		2,852	
Other interest	671,766		688,674	
		673,882		691,526
		(34,546)		(78,871)
Depreciation				
Buildings	8,339		8,344	
Plant and machinery	486,800		494,562	
		495,139		502,906
		(529,685)		(581,777)
Profit on disposal of fixed assets				
Plant and machinery		4,874		9,708
NET LOSS		(524,811)		(572,069)

This page does not form part of the statutory financial statements