

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011
FOR
WOKING BOROUGH HOMES LIMITED**

WOKING BOROUGH HOMES LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2011**

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WOKING BOROUGH HOMES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS: M Rolt
S Barham
R Wilson
T Price
R J Kingsbury

SECRETARY: Clyde Secretaries Limited

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

REGISTERED NUMBER: 05437166 (England and Wales)

AUDITORS: Hamlyns 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

WOKING BOROUGH HOMES 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 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. The 10 semi detached eco homes at Brookwood Farm were let on a shared ownership basis. The shared ownership scheme has proven to be extremely popular and the company will consider extending this in the future.

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.

M Rolt
S Barham
R Wilson
T Price

Other changes in directors holding office are as follows:

R J Kingsbury was appointed as a director after 31 December 2011 but prior to the date of this report.

S J Belford , S Bonsor , 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.

WOKING BOROUGH HOMES 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 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 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 style with a large initial 'T' and 'P'.

T Price - Director

10 May 2012

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WOKING BOROUGH HOMES LIMITED**

We have audited the financial statements of Woking Borough Homes 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.

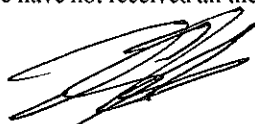
Opinion on other matter prescribed by the Companies Act 2006

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.

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

10 May 2012

WOKING BOROUGH HOMES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

| | Notes | 2011 £ | 2010 £ |
|--|-------|-------------------------|-------------------------|
| TURNOVER | | 2,080,015 | 1,430,494 |
| Cost of sales | | <u>234,425</u> | <u>203,216</u> |
| GROSS PROFIT | | 1,845,590 | 1,227,278 |
| Administrative expenses | | <u>363,258</u> | <u>268,997</u> |
| | | 1,482,332 | 958,281 |
| Other operating income | | <u>143,256</u> | <u>43,305</u> |
| OPERATING PROFIT | 3 | 1,625,588 | 1,001,586 |
| Interest receivable and similar income | | <u>631</u> | <u>-</u> |
| | | 1,626,219 | 1,001,586 |
| Interest payable and similar charges | 4 | <u>2,164,342</u> | <u>1,680,747</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (538,123) | (679,161) |
| Tax on loss on ordinary activities | 5 | <u>-</u> | <u>-</u> |
| LOSS FOR THE FINANCIAL YEAR | | <u><u>(538,123)</u></u> | <u><u>(679,161)</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

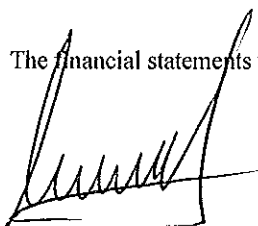
The company has no recognised gains or losses other than the losses for the current year or previous year.

WOKING BOROUGH HOMES LIMITED

**BALANCE SHEET
31 DECEMBER 2011**

| | Notes | 2011 | | 2010 | |
|--|-------|---------|-------------------------|------------------|-------------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 6 | | 3,459,331 | | 1,754,475 |
| Investment property | 7 | | 41,938,240 | | 43,373,053 |
| | | | <u>45,397,571</u> | | <u>45,127,528</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 8 | 511,076 | | 426,194 | |
| Cash at bank | | 347,425 | | 872,007 | |
| | | | <u>858,501</u> | <u>1,298,201</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 9 | 618,172 | | 1,088,017 | |
| NET CURRENT ASSETS | | | <u>240,329</u> | | <u>210,184</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>45,637,900</u> | | <u>45,337,712</u> |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 10 | | (32,142,060) | | (31,160,493) |
| ACCRUALS AND DEFERRED INCOME | 12 | | (5,870,980) | | (6,014,236) |
| NET ASSETS | | | <u><u>7,624,860</u></u> | | <u><u>8,162,983</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 13 | | 9,015,000 | | 9,015,000 |
| Profit and loss account | 14 | | (1,390,140) | | (852,017) |
| SHAREHOLDERS' FUNDS | 17 | | <u><u>7,624,860</u></u> | | <u><u>8,162,983</u></u> |

The financial statements were approved by the Board of Directors on 10 May 2012 and were signed on its behalf by:



M Rolt - Director

WOKING BOROUGH HOMES LIMITED

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

| | Notes | 2011 £ | 2010 £ |
|--|-------|--------------------|---------------------|
| Net cash inflow from operating activities | 18 | 833,593 | 254,822 |
| Returns on investments and servicing of finance | 19 | (2,163,711) | (1,680,747) |
| Capital expenditure and financial investment | 19 | (177,180) | (13,779,341) |
| | | <u>(1,507,298)</u> | <u>(15,205,266)</u> |
| Financing | 19 | 982,716 | 14,755,441 |
| Decrease in cash in the period | | <u>(524,582)</u> | <u>(449,825)</u> |

Reconciliation of net cash flow to movement in net funds

| | | | |
|---|----|-----------------------|-----------------------|
| | 20 | | |
| Decrease in cash in the period | | <u>(524,582)</u> | <u>(449,825)</u> |
| Change in net funds resulting from cash flows | | <u>(524,582)</u> | <u>(449,825)</u> |
| Movement in net funds in the period | | <u>(524,582)</u> | <u>(449,825)</u> |
| Net funds at 1 January | | <u>872,007</u> | <u>1,321,832</u> |
| Net funds at 31 December | | <u><u>347,425</u></u> | <u><u>872,007</u></u> |

WOKING BOROUGH HOMES 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 31 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.

Turnover

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

Tangible fixed assets

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

Fixtures and fittings - 33% on reducing balance

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

Investment property

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

Investment properties are not depreciated.

Deferred tax

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Government Grants

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

2. 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. In the current year staff costs have been reallocated from parent undertakings.

WOKING BOROUGH HOMES LIMITED

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

3. OPERATING PROFIT

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

| | 2011 | 2010 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Hire of plant and machinery | 7,726 | - |
| Profit on disposal of fixed assets | (92,863) | - |
| Auditors' remuneration | <u>11,200</u> | <u>5,826</u> |
| Directors' remuneration | <u>5,602</u> | <u>5,192</u> |

4. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2011 | 2010 |
|----------------|------------------|------------------|
| | £ | £ |
| Other interest | <u>2,164,342</u> | <u>1,680,747</u> |

5. 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 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>(538,123)</u> | <u>(679,161)</u> |
| Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.247% (2010 - 21%) | (108,954) | (142,624) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 20,438 | - |
| Capital allowances in excess of depreciation | (20,243) | - |
| Utilisation of tax losses | (18,933) | - |
| Government grants amortised | (29,009) | (9,094) |
| Group relief for nil consideration | - | 53,010 |
| Tax losses carried forward | <u>156,701</u> | <u>98,708</u> |
| Current tax charge | <u>-</u> | <u>-</u> |

Factors that may affect future tax charges

A deferred tax asset has not been recognised in respect of timing differences relating to accelerated capital allowances and trading losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £358,059 (2010 - £228,707). The asset would be recovered if there were sufficient suitable taxable profits against which this expense could be offset.

WOKING BOROUGH HOMES LIMITED

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

6. TANGIBLE FIXED ASSETS

| | Assets under construction £ | Fixtures and fittings £ | Totals £ |
|-----------------------|--------------------------------------|----------------------------------|-------------|
| COST | | | |
| At 1 January 2011 | 1,754,475 | - | 1,754,475 |
| Additions | 1,669,266 | 35,590 | 1,704,856 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2011 | 3,423,741 | 35,590 | 3,459,331 |
| | <hr/> | <hr/> | <hr/> |
| NET BOOK VALUE | | | |
| At 31 December 2011 | 3,423,741 | 35,590 | 3,459,331 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2010 | 1,754,475 | - | 1,754,475 |
| | <hr/> | <hr/> | <hr/> |

Assets under construction relates to the development of 42 residential units, together with associated highways improvements, open space provision, car parking and landscaping on land at Rydens Way, Old Woking.

7. INVESTMENT PROPERTY

| | Total £ |
|-----------------------|-------------|
| COST | |
| At 1 January 2011 | 43,373,053 |
| Additions | 532,518 |
| Disposals | (1,967,331) |
| | <hr/> |
| At 31 December 2011 | 41,938,240 |
| | <hr/> |
| NET BOOK VALUE | |
| At 31 December 2011 | 41,938,240 |
| | <hr/> |
| At 31 December 2010 | 43,373,053 |
| | <hr/> |

The cost of investment property includes property purchased from Woking Borough Council to the value of £13,671,631 (2010: £13,622,309.)

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

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2011 £ | 2010 £ |
|---------------------------------|-----------|-----------|
| Trade debtors | 56,549 | - |
| Amounts recoverable on contract | 443,131 | 400,835 |
| Other debtors | - | 12,000 |
| Prepayments and accrued income | 11,396 | 13,359 |
| | <hr/> | <hr/> |
| | 511,076 | 426,194 |
| | <hr/> | <hr/> |

WOKING BOROUGH HOMES LIMITED

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

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2011 | 2010 |
|------------------------------------|----------------|------------------|
| | £ | £ |
| Trade creditors | 24,737 | 554,838 |
| Amounts owed to group undertakings | 18,434 | 17,285 |
| Other creditors | 104,936 | - |
| Accruals and deferred income | 470,065 | 515,894 |
| | <u>618,172</u> | <u>1,088,017</u> |

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

| | 2011 | 2010 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Amounts owed to group undertakings | <u>32,142,060</u> | <u>31,160,493</u> |

Amounts owed to group undertaking

| | 2011 | 2010 |
|--|-------------------|-------------------|
| | £ | £ |
| Repayable within one year | 18,434 | 17,285 |
| Amounts falling due between one and two years | 19,658 | 18,434 |
| Amounts falling due between two and five years | 67,168 | 62,981 |
| Amounts falling due after more than five years | 32,055,234 | 31,079,078 |
| | <u>32,160,494</u> | <u>31,177,778</u> |

Amounts owed to group undertaking comprises loans from the ultimate parent undertaking Woking Borough Council. The interest rates vary between 6% and 7% per annum and the loans are repayable over 50 years.

11. SECURED DEBTS

The following secured debts are included within creditors:

| | 2011 | 2010 |
|------------------------|------------------|------------------|
| | £ | £ |
| Woking Borough Council | <u>3,376,818</u> | <u>3,389,170</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.

12. ACCRUALS AND DEFERRED INCOME

| | 2011 | 2010 |
|----------------------------|------------------|------------------|
| | £ | £ |
| Deferred government grants | 5,740,920 | 5,869,725 |
| Deferred grants - other | 130,060 | 144,511 |
| | <u>5,870,980</u> | <u>6,014,236</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.

WOKING BOROUGH HOMES LIMITED

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

13. CALLED UP SHARE CAPITAL

| | | | | |
|----------------------------------|----------|----------------|------------------|------------------|
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 2011 | 2010 |
| | | | £ | £ |
| 9,015,000 | Ordinary | £1 | <u>9,015,000</u> | <u>9,015,000</u> |

14. RESERVES

| | |
|----------------------|--------------------------------|
| | Profit and loss account |
| | £ |
| At 1 January 2011 | <u>(852,017)</u> |
| Deficit for the year | <u>(538,123)</u> |
| At 31 December 2011 | <u><u>(1,390,140)</u></u> |

15. 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.

16. 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.

WOKING BOROUGH HOMES LIMITED

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

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2011 | 2010 |
|--|------------------|------------------|
| | £ | £ |
| Loss for the financial year | (538,123) | (679,161) |
| Shares issued | - | 7,855,000 |
| | <hr/> | <hr/> |
| Net (reduction)/addition to shareholders' funds | (538,123) | 7,175,839 |
| Opening shareholders' funds | 8,162,983 | 987,144 |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 7,624,860 | 8,162,983 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

| | 2011 | 2010 |
|--|----------------|----------------|
| | £ | £ |
| Operating profit | 1,625,588 | 1,001,586 |
| Profit on disposal of fixed assets | (92,863) | - |
| Grants amortised | (143,256) | (43,305) |
| Increase in debtors | (84,882) | (90,293) |
| Decrease in creditors | (470,994) | (613,166) |
| | <hr/> | <hr/> |
| Net cash inflow from operating activities | 833,593 | 254,822 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

| | 2011 | 2010 |
|---|--------------------|---------------------|
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest received | 631 | - |
| Interest paid | (2,164,342) | (1,680,747) |
| | <hr/> | <hr/> |
| Net cash outflow for returns on investments and servicing of finance | (2,163,711) | (1,680,747) |
| | <hr/> <hr/> | <hr/> <hr/> |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (1,704,856) | (3,320,991) |
| Purchase of investment property | (532,518) | (10,458,350) |
| Sale of tangible fixed assets | 92,863 | - |
| Sale of investment property | 1,967,331 | - |
| | <hr/> | <hr/> |
| Net cash outflow for capital expenditure and financial investment | (177,180) | (13,779,341) |
| | <hr/> <hr/> | <hr/> <hr/> |
| Financing | | |
| New loans in year | 1,000,000 | 7,503,750 |
| Loans repayments in year | (17,284) | (16,209) |
| Grants received | - | 412,900 |
| Share issue | - | 6,855,000 |
| | <hr/> | <hr/> |
| Net cash inflow from financing | 982,716 | 14,755,441 |
| | <hr/> <hr/> | <hr/> <hr/> |

WOKING BOROUGH HOMES LIMITED

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

20. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.1.11 | Cash flow | At |
|--------------|----------------|------------------|----------------|
| | £ | £ | 31.12.11 |
| | | | £ |
| Net cash: | | | |
| Cash at bank | 872,007 | (524,582) | 347,425 |
| | <u>872,007</u> | <u>(524,582)</u> | <u>347,425</u> |
| | 872,007 | (524,582) | 347,425 |
| | <u>872,007</u> | <u>(524,582)</u> | <u>347,425</u> |
| Total | <u>872,007</u> | <u>(524,582)</u> | <u>347,425</u> |

WOKING BOROUGH HOMES LIMITED

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

| | 2011 | | 2010 | |
|-------------------------------|-----------|------------------|-----------|------------------|
| | £ | £ | £ | £ |
| Turnover | | | | |
| Rent received | | 2,080,015 | | 1,430,494 |
| Cost of sales | | | | |
| Gas purchased | 126 | | 413 | |
| Electricity purchased | 6,637 | | 4,476 | |
| Water rates | 82 | | 1,036 | |
| Telephone | 1,646 | | 210 | |
| General maintenance | 156,810 | | 170,140 | |
| Maintenance of grounds | 23,577 | | 23,767 | |
| Council tax | 5,164 | | 3,174 | |
| Rent and rates | 40,383 | | - | |
| | | <u>234,425</u> | | <u>203,216</u> |
| GROSS PROFIT | | 1,845,590 | | 1,227,278 |
| Other income | | | | |
| Grants amortised | 143,256 | | 43,305 | |
| Deposit account interest | 631 | | - | |
| | | <u>143,887</u> | | <u>43,305</u> |
| | | 1,989,477 | | 1,270,583 |
| Expenditure | | | | |
| Insurance | 23,199 | | 12,010 | |
| Directors' salaries | 5,602 | | 5,192 | |
| Wages | 2,536 | | 2,526 | |
| Hire of plant and machinery | 7,726 | | - | |
| Administrative expenses | 49,671 | | 58,896 | |
| Travelling | 570 | | 47 | |
| Management fee | 164,100 | | 113,095 | |
| Trade mark licence fee | 1,200 | | 1,175 | |
| Security costs | 27,067 | | 22,346 | |
| Subscriptions | 35 | | - | |
| Sundry expenses | 1 | | - | |
| Consultancy fees | 41,890 | | 29,854 | |
| Legal and professional fees | 20,385 | | 16,788 | |
| Auditors' remuneration | 11,200 | | 5,826 | |
| Mortgage protection provision | 101,008 | | - | |
| Donations | (250) | | 250 | |
| | | <u>455,940</u> | | <u>268,005</u> |
| | | 1,533,537 | | 1,002,578 |
| Finance costs | | | | |
| Bank charges | 181 | | 992 | |
| Other interest | 2,164,342 | | 1,680,747 | |
| | | <u>2,164,523</u> | | <u>1,681,739</u> |
| Carried forward | | (630,986) | | (679,161) |

This page does not form part of the statutory financial statements

WOKING BOROUGH HOMES LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

| | 2011 | | 2010 | |
|------------------------------------|------|-------------------------|------|-------------------------|
| | £ | £ | £ | £ |
| Brought forward | | (630,986) | | (679,161) |
| Profit on disposal of fixed assets | | | | |
| Freehold property | | <u>92,863</u> | | <u>-</u> |
| NET LOSS | | <u><u>(538,123)</u></u> | | <u><u>(679,161)</u></u> |

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