

REGISTERED NUMBER: 03702545 (England and Wales)

**GROUP STRATEGIC REPORT, DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
THAMESWEY LIMITED**



**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Page
Company Information	1
Group Strategic Report	2
Directors' Report	6
Statement of Directors' Responsibilities	7
Independent Auditor's Report	8
Consolidated Income Statement	10
Consolidated Other Comprehensive Income	11
Consolidated Balance Sheet	12
Company Balance Sheet	14
Consolidated Statement of Changes in Equity	15
Company Statement of Changes in Equity	16
Consolidated Cash Flow Statement	17
Notes to the Consolidated Financial Statements	18

THAMESWEY LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS:	D J Spinks R N Morgan Dr B M Maunders Cllr R J Kingsbury S Barham T Price Cllr B Hunwicks W Prescott Cllr D J Bittleston Cllr G Cundy P N Bryant
SECRETARY:	Clyde Secretaries Limited
REGISTERED OFFICE:	The St Botolph Building 138 Houndsditch London London EC3A 7AR
REGISTERED NUMBER:	03702545 (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

THAMESWEY LIMITED (REGISTERED NUMBER: 03702545)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their strategic report of the company and the group for the year ended 31 December 2016.

REVIEW OF BUSINESS

Energy generation

There continues to be a significant interest in developer activity in both Woking and Milton Keynes in 2016. This has meant that both Thameswey Energy Limited and its subsidiary Thameswey Central Milton Keynes Limited have been involved in extended negotiations on new connections for the main heat networks in both locations. A number of new connections in Woking have been confirmed, and work is progressing with installations.

Thameswey Solar Ltd

This was the fourth full year of trading. Revenue was favourable against 2015, due to the Goldwater Lodge facility being operational for the full year following a fire in 2012 that impacted 2015 results. Sunshine hours in 2016 were 1.8% lower than in 2015 at 1,638 for the year. The PV Panels saved 492 tonnes of Carbon Dioxide in 2016 compared to 502 in 2015.

The business returned to operational profit in 2016, and no additional loans were drawn from Woking Borough Council (WBC) during the financial year.

Housing & Development

During the year the group continued with its plans to provide an economic stimulus to the Borough of Woking as well as to meet housing needs.

During the year the company purchased 77 properties at a total cost of £33m, including Greenwood House which comprised 33 accommodation units, above Woking fire station. WBC purchased 6 properties from Thameswey housing to support temporary accommodation needs in the Borough. The total number of completed houses at the end of 2016 was 425. Purchasing properties and construction continues into 2017.

The operation of Maybury Lodge Hotel completed its second year of operation. Occupancy exceeded 80% and provided over 4,300 nights of accommodation for homeless individuals and families.

Projects completed in 2016 relate to 2 new properties on Brookwood Farm development. Projects commenced in 2016 include a number of purchases of land to create future affordable homes across the borough.

Joint Venture (JV) developments

Through its joint venture arrangements with the Rutland Group the Westminster Court development completed the build of four new build homes.

During the year dividends of over £500,000 were paid by the JVs into the Thameswey group.

Finance

All assets and investments, apart from properties, are held at cost less accumulated depreciation. Residential properties were revalued in 2015 based on market value. The Directors believe that this is a true and fair representation of the assets and investments held by the Group.

The primary investment return to WBC from the Thameswey Group is via loan margins. In 2016 £7,438,389 (2015 £6,183,563) was paid to WBC in interest. In addition to this the Group pays business rates, rent and a licence fee to WBC.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of risks and uncertainties that can impact the performance of the Group, some of which are beyond the control of Thameswey and its Board. The Group's management closely monitor market trends and risks on an on-going basis. These trends and risks are discussed and considered in regular management and Board meetings where each business unit's performance is assessed against budget, forecast and prior year. An annual assessment of trends and risks is also an integral part of each business unit's annual review of its strategic plan and budget, which are submitted to the Group Board and Council for consideration and approval. A combination of activities, in what is a bottom up and a top down approach enables the Board to determine and assess the Group's risk environment.

The principal risks and uncertainties facing the Group are outlined below:

COMMERCIAL RISK

Market conditions

Thameswey's products and services are targeted at both the residential and non-residential (including retail, commercial, public sector and high-rise developments) sectors. As a result demand is dependent on activity levels within the local economy as well as changing weather trends. While construction markets are inherently cyclical, changing building and environmental regulations continue to act as an underlying positive structural trend for demand for the Group's products and services. The exposure to the cyclicity of any one market is partially mitigated by the Group's diversification and the Group's portfolio of products and services, which are oriented towards sustainability and energy efficiency and income generating energy solutions. There is a risk that new connections to the Group's combined heat and power (CHP) networks are not forthcoming and that the business may not generate all profits included in the business plans. The Directors keep this under review and are confident that sufficient new connections will be achieved to generate reasonable investment returns in the medium term.

Competitive pressures

There is little competitive pressure within the energy businesses because of the price matching policies with the major energy providers. However property development, in Woking, has been competitive during 2016, and the Group makes every effort to optimise its cost base with competitive tendering wherever possible and practical.

Customer credit risk

As part of the overall service package Thameswey provides credit to customers and as a result there is an associated risk that the customer may not be able to pay outstanding balances. Each business unit has established procedures and credit control policies around managing its receivables and takes action where necessary. All major outstanding and overdue balances together with significant potential exposures are reviewed regularly and concerns are discussed at Board meetings at which the Group's Executive Directors are present. Control systems are in place to ensure that authorisation requests are supported with appropriate and sufficient documentation and are approved at appropriate levels in the organisation.

Disaster Recovery

A key risk to Thameswey's business and its reputation is the potential for functional failure of an energy station. Alternative power sources are established at or near to all energy stations to ensure that service to the end user customers is not interrupted. Where solar power is generated all plant has an alternative power source for the customer in the event of failure and for night time requirements.

Acquisition & development

A key element of the Group's strategy is to grow the business through both broadening its product offering and increasing its housing portfolio. Such development has associated risks in terms of valuation, timing, integration / set-up and management resources. All investment proposals undergo a rigorous evaluation process incorporating due diligence and pay-back evaluation which targets medium and long term investment returns, in accordance with established criteria for approving investments. The housing model is predicated on the sustainability of annual rental increases. The Group's management team are confident that the housing rental market will on average continue to rise over time as it has done historically. The housing model makes no assumptions on the potential benefit of increasing property prices.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Information technology and business continuity

Thameswey uses a range of information technology and decision support systems across its business units for efficient processing of orders, control procedures and financial management. These systems are constantly reviewed and updated to meet the needs of the Group. Business continuity and disaster recovery planning is regularly assessed and tested to ensure the Group is adequately resourced and maintains an appropriately robust environment including preventative processes on cybercrime. This is further mitigated through consequential loss insurance and business continuity plans which are updated regularly.

Human Resources

People and teams and talent management are an integral part of Thameswey's business and are key to continuing progress at the Group. Competition for talent is significant both within the industry and beyond it. The Group attracts and retains its people through provision of on-going opportunity for career progress and training initiatives. Part of the Group's business is the generation of electricity and heat and some engineering staff operate and maintain high voltage energy stations and substations. Great care is taken to ensure that comprehensive Health and Safety procedures are followed by all staff and that plant is subject to regular inspections and certified by independent examiners.

Legal & Regulatory Risk

Thameswey has expanded significantly over the last 5 years and the Group closely monitors regulations across its markets to ensure any adverse impacts are minimised and managed. Certain changes are positive for the Group, in particular those pertaining to building and environment regulations which are becoming ever more stringent and harmonised across the world.

FINANCIAL & ECONOMIC RISKS

Funding and liquidity risks

The Group operates a prudent approach to liquidity management using a mixture of long-term and short-term debt secured via WBC from the Public Works Loans Board (PWLB), cash and cash equivalents, to meet its liabilities when due. In addition, the Group ensures it has sufficient diversity and maturity in its funding base. The loans are arms length and WBC charges an interest margin on them to cover risk. The Group relies on the ongoing support from WBC who continues to provide financing at no cost to the Council Tax payers.

Interest rate risk

Loans from the PWLB are at fixed rates of interest and this element is passed on to the Group which ensures that there is no exposure to changes in interest rates on borrowings. The Group pays varying interest margins on loans from WBC depending upon WBC's assessment of risk.

Taxation

The Group has accumulated tax losses so any subsidiary company owned 75% or higher which makes a taxable profit has been able to offset this against the losses brought forward. The 50% Joint Venture (JV) companies have been profitable and the Group's share of these profits has been relieved by way of consortium relief. Some corporation tax is payable because the JV partners do not always have sufficient tax losses to offset against their share of the tax liability.

THAMESWEY LIMITED (REGISTERED NUMBER: 03702545)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

SHARE CAPITAL

Thameswey Limited issued the following ordinary shares of £1 each to WBC for the purposes listed below:

February 2016 1,900,000 for investment in Thameswey Housing Limited

December 2016 2,000,000 for investment in Thameswey Housing Limited

ON BEHALF OF THE BOARD:

B. Maunders

.....
Dr B M Maunders - Director

Date: *31 July 2017*

THAMESWEY LIMITED (REGISTERED NUMBER: 03702545)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the furtherance of Woking Borough Council's energy and environmental objectives, to enable other Local Councils to participate in schemes which provide energy efficiency, its affordable housing objective through the provision of intermediate market rent properties and property development and investment.

DIVIDENDS

No dividends were distributed outside of the group for the year ended 31 December 2016 or 31 December 2015. Details of dividends paid between group companies can be found in the component company's financial statements.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

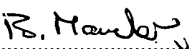
The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

D J Spinks
R N Morgan
Dr B M Maunders
Cllr R J Kingsbury
S Barham
T Price
Cllr B Hunwicks
W Prescott
Cllr D J Bittleston
Cllr G Cundy
P N Bryant

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

ON BEHALF OF THE BOARD:


.....
Dr B M Maunders - Director

Date: 31 July 2017.....

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors are responsible for preparing the Group Strategic Report, 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 the group and of the profit or loss of the group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 LIMITED

We have audited the financial statements of Thameswey Limited for the year ended 31 December 2016 on pages ten to thirty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page seven, 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 group's and the parent 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 Group Strategic Report and 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 group's and of the parent company's affairs as at 31 December 2016 and of the group's 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 Group Strategic Report and 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 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Hamlyn LLP

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

Date: *31 July 2017*

THAMESWEY LIMITED (REGISTERED NUMBER: 03702545)

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
TURNOVER		27,714,554	11,985,022
Cost of sales		18,885,194	5,406,728
GROSS PROFIT		8,829,360	6,578,294
Administrative expenses		4,205,965	3,883,343
		4,623,395	2,694,951
Other operating income	3	515,689	20,604,523
GROUP OPERATING PROFIT	5	5,139,084	23,299,474
Share of operating (loss)/profit in Joint ventures		(8,110)	7,186
Interest receivable and similar income		157,645	204,241
		5,288,619	23,510,901
Interest payable and similar expenses	6	7,439,993	6,567,484
(LOSS)/PROFIT BEFORE TAXATION		(2,151,374)	16,943,417
Tax on (loss)/profit	7	30,599	3,444,809
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(2,181,973)	13,498,608
(Loss)/profit attributable to:			
Owners of the parent		(2,396,271)	13,512,342
Non-controlling interests		214,298	(13,734)
		(2,181,973)	13,498,608

The notes form part of these financial statements

THAMESWEY LIMITED (REGISTERED NUMBER: 03702545)

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

Notes	2016 £	2015 £
(LOSS)/PROFIT FOR THE YEAR	(2,181,973)	13,498,608
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(2,181,973)</u>	<u>13,498,608</u>
Total comprehensive income attributable to:		
Owners of the parent	(1,918,837)	13,512,342
Non-controlling interests	<u>(263,136)</u>	<u>(13,734)</u>
	<u>(2,181,973)</u>	<u>13,498,608</u>

The notes form part of these financial statements

THAMESWEY LIMITED (REGISTERED NUMBER: 03702545)

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	10	250,670	303,074
Tangible assets	11	39,438,111	45,476,452
Investments	12		
Interest in joint venture			
Share of gross assets		670,003	4,311,185
Share of gross liabilities		(352,798)	(3,992,627)
Investment property	13	121,389,622	84,512,883
		<u>161,395,608</u>	<u>130,610,967</u>
CURRENT ASSETS			
Stocks	14	42,069,098	24,853,534
Debtors	15	7,650,348	5,413,014
Investments	16	148,352	148,206
Cash at bank and in hand		5,884,001	7,882,960
		<u>55,751,799</u>	<u>38,297,714</u>
CREDITORS			
Amounts falling due within one year	17	16,068,056	17,682,223
NET CURRENT ASSETS		<u>39,683,743</u>	<u>20,615,491</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>201,079,351</u>	<u>151,226,458</u>
CREDITORS			
Amounts falling due after more than one year	18	(159,024,899)	(111,694,072)
PROVISIONS FOR LIABILITIES	21	(5,725,906)	(5,706,239)
ACCRUALS AND DEFERRED INCOME	22	(13,506,307)	(12,400,840)
NET ASSETS		<u><u>22,822,239</u></u>	<u><u>21,425,307</u></u>


The notes form part of these financial statements

THAMESWEY LIMITED (REGISTERED NUMBER: 03702545)

CONSOLIDATED BALANCE SHEET - continued
31 DECEMBER 2016

	Notes	2016 £	2015 £
CAPITAL AND RESERVES			
Called up share capital	23	24,618,231	20,718,231
Revaluation reserve	24	3,092,143	3,092,143
Retained earnings	24	(4,888,757)	(2,648,825)
SHAREHOLDERS' FUNDS		<u>22,821,617</u>	<u>21,161,549</u>
NON-CONTROLLING INTERESTS	25	<u>622</u>	<u>263,758</u>
TOTAL EQUITY		<u><u>22,822,239</u></u>	<u><u>21,425,307</u></u>

The financial statements were approved by the Board of Directors on 31 Aug 2017 and were signed on its behalf by:

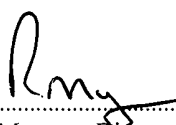

.....
R N Morgan - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 DECEMBER 2016

	Notes	2016	2015
		£	£
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	36,171	42,643
Investments	12	25,418,541	21,369,965
Investment property	13	-	-
		<u>25,454,712</u>	<u>21,412,608</u>
CURRENT ASSETS			
Debtors	15	318,048	333,258
Cash at bank		<u>182,324</u>	<u>2,489,610</u>
		500,372	2,822,868
CREDITORS			
Amounts falling due within one year	17	<u>92,848</u>	<u>2,072,657</u>
NET CURRENT ASSETS		<u>407,524</u>	<u>750,211</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>25,862,236</u></u>	<u><u>22,162,819</u></u>
CAPITAL AND RESERVES			
Called up share capital	23	24,618,231	20,718,231
Retained earnings	24	<u>1,244,005</u>	<u>1,444,588</u>
SHAREHOLDERS' FUNDS		<u><u>25,862,236</u></u>	<u><u>22,162,819</u></u>
Company's (loss)/profit for the financial year		<u><u>(200,583)</u></u>	<u><u>339,251</u></u>

The financial statements were approved by the Board of Directors on 31 July 2017 and were signed on its behalf by:



 R N Morgan - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Retained earnings £	Revaluation reserve £
Balance at 1 January 2015	18,718,231	(16,161,167)	3,092,143
Changes in equity			
Issue of share capital	2,000,000	-	-
Total comprehensive income	-	13,512,342	-
Balance at 31 December 2015	<u>20,718,231</u>	<u>(2,648,825)</u>	<u>3,092,143</u>
Changes in equity			
Issue of share capital	3,900,000	-	-
Increase in subsidiary investment	-	156,339	-
Total comprehensive income	-	(2,396,271)	-
Balance at 31 December 2016	<u>24,618,231</u>	<u>(4,888,757)</u>	<u>3,092,143</u>
	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2015	5,649,207	277,492	5,926,699
Changes in equity			
Issue of share capital	2,000,000	-	2,000,000
Total comprehensive income	13,512,342	(13,734)	13,498,608
Balance at 31 December 2015	<u>21,161,549</u>	<u>263,758</u>	<u>21,425,307</u>
Changes in equity			
Issue of share capital	3,900,000	-	3,900,000
Increase in subsidiary investment	156,339	-	156,339
Total comprehensive income	(2,396,271)	(263,136)	(2,659,407)
Balance at 31 December 2016	<u>22,821,617</u>	<u>622</u>	<u>22,822,239</u>

The notes form part of these financial statements

THAMESWEY LIMITED (REGISTERED NUMBER: 03702545)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	18,718,231	1,105,337	19,823,568
Changes in equity			
Issue of share capital	2,000,000	-	2,000,000
Total comprehensive income	-	339,251	339,251
Balance at 31 December 2015	<u>20,718,231</u>	<u>1,444,588</u>	<u>22,162,819</u>
Changes in equity			
Issue of share capital	3,900,000	-	3,900,000
Total comprehensive income	-	(200,583)	(200,583)
Balance at 31 December 2016	<u><u>24,618,231</u></u>	<u><u>1,244,005</u></u>	<u><u>25,862,236</u></u>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	29	(11,995,312)	19,794,298
Interest paid		(7,439,187)	(6,563,601)
Interest element of hire purchase payments paid		(806)	(3,883)
Tax paid		39,343	(7,098)
Net cash from operating activities		<u>(19,395,962)</u>	<u>13,219,716</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	238,506
Purchase of tangible fixed assets		(1,017,060)	(6,804,857)
Purchase of investment property		(33,372,917)	(25,424,344)
Sale of tangible fixed assets		113,379	126,735
Sale of investment property		1,505,108	3,092,090
Increase in subsidiary investment		(148,576)	-
Interest received		157,645	204,241
Net cash from investing activities		<u>(32,762,421)</u>	<u>(28,567,629)</u>
Cash flows from financing activities			
Share issue		3,900,000	2,000,002
Woking Borough Council loans advances		46,259,424	18,592,012
Woking Borough Council loan repayments		-	(2,147,661)
Net cash from financing activities		<u>50,159,424</u>	<u>18,444,353</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,998,959)</u>	<u>3,096,440</u>
Cash and cash equivalents at beginning of year	30	7,882,960	4,786,520
Cash and cash equivalents at end of year	30	<u><u>5,884,001</u></u>	<u><u>7,882,960</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. **STATUTORY INFORMATION**

Thameswey Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted where appropriate to conform to group accounting policies.

Acquisitions are accounted for under the acquisition method. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively.

Joint ventures

The group share of the profit or loss and group share of total assets less total liabilities of joint venture undertaking have been included in the consolidated financial statements.

Turnover

Turnover primarily represents net invoiced sales of goods and services, excluding VAT.

Income arising from long-term contracts is recognised 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.

Rent received in respect of residential letting of the investment properties, is recognised on a time basis based on the period of rental in accordance with the term of the lease exclusive of VAT.

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

Goodwill

Goodwill arising on consolidation is amortised evenly over 10 years. The directors carry out annual impairment reviews and adjust where necessary.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of nil years.

Intangible fixed assets

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

Computer software	- 12.5% on cost
-------------------	-----------------

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

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, Straight line over 50 years and not provided
Short leasehold	- over remaining term of lease
Long leasehold	- not provided
Motor Vehicles	- Straight line over 4 years and Straight line over 50 years
Plant and machinery	- 20% on reducing balance, 15% on reducing balance, Straight line over 24 years, Straight line over 60 years, Straight line over 30 years, Straight line over 20 years and Straight line over 40 years
Fixtures and fittings	- 33% on reducing balance, 25% on cost, 15% on reducing balance, 10% on cost, Straight line over 2 years, Straight line over 3 years and Straight line over 4 years
Computer equipment	- 25% on cost and 25% on reducing balance

Finance costs which are directly attributable to the construction of fixed assets are capitalised as part of the costs of those assets. The commencement of capitalisation 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.

Investment property

Investment property is shown at fair value. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

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.

Investments

Current asset investments are stated at the lower of cost and net realisable value.

3. OTHER OPERATING INCOME

	2016	2015
	£	£
Rents received	58,220	51,883
Sundry receipts	-	18,403
Value adjustments	-	20,076,775
Contribution amortised	273,147	273,141
Grants amortised	184,322	184,321
	<u>515,689</u>	<u>20,604,523</u>

4. EMPLOYEES AND DIRECTORS

	2016	2015
	£	£
Wages and salaries	1,302,568	1,302,448
Social security costs	110,619	115,961
Other pension costs	73,262	125,263
	<u>1,486,449</u>	<u>1,543,672</u>

The average monthly number of employees during the year was as follows:

	2016	2015
Cost of sales	26	25
Administration	7	5
	<u>33</u>	<u>30</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 4.

	2016	2015
	£	£
Directors' remuneration	47,180	189,250
Directors' pension contributions to money purchase schemes	-	40,914
	<u>-</u>	<u>40,914</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2016	2015
Money purchase schemes	-	1
	<u>-</u>	<u>1</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

5. OPERATING PROFIT

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

	2016	2015
	£	£
Hire of plant and machinery	38,269	24,242
Other operating leases	22,920	22,920
Depreciation - owned assets	1,961,516	1,946,821
Profit on disposal of fixed assets	(121,116)	(355,910)
Goodwill amortisation	52,404	103,459
Computer software amortisation	-	10,952
Auditors' remuneration	77,489	69,525
Auditors' remuneration for non audit work	2,700	2,455
	<u>2,700</u>	<u>2,455</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Bank interest	798	4,908
Other interest	7,254,073	6,392,937
Interest payable	184,316	165,756
Leasing	806	3,883
	<u>7,439,993</u>	<u>6,567,484</u>

7. TAXATION**Analysis of the tax charge**

The tax charge on the loss for the year was as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax	(8,745)	1,555
No description	-	(2,381)
Total current tax	<u>(8,745)</u>	<u>(826)</u>
Deferred tax	39,344	3,445,635
Tax on (loss)/profit	<u>30,599</u>	<u>3,444,809</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

9. INCREASE IN SUBSIDIARY INVESTMENT

During the year the remaining 25% share capital in Thameswey Solar Limited, a fully consolidated subsidiary, was acquired and the difference between the amount paid and the non controlling interest eliminated is recognised directly in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

10. INTANGIBLE FIXED ASSETS**Group**

	Goodwill £	Computer software £	Totals £
COST			
At 1 January 2016 and 31 December 2016	<u>1,650,350</u>	<u>141,368</u>	<u>1,791,718</u>
AMORTISATION			
At 1 January 2016	1,347,276	141,368	1,488,644
Amortisation for year	<u>52,404</u>	<u>-</u>	<u>52,404</u>
At 31 December 2016	<u>1,399,680</u>	<u>141,368</u>	<u>1,541,048</u>
NET BOOK VALUE			
At 31 December 2016	<u>250,670</u>	<u>-</u>	<u>250,670</u>
At 31 December 2015	<u>303,074</u>	<u>-</u>	<u>303,074</u>

11. TANGIBLE FIXED ASSETS**Group**

	Buildings £	Short leasehold £	Long leasehold £	Motor Vehicles £
COST				
At 1 January 2016	7,921,512	80,363	-	63,963
Additions	3,582	-	190,690	7,500
Disposals	<u>-</u>	<u>-</u>	<u>(87,491)</u>	<u>-</u>
At 31 December 2016	<u>7,925,094</u>	<u>80,363</u>	<u>103,199</u>	<u>71,463</u>
DEPRECIATION				
At 1 January 2016	419,224	25,014	-	49,167
Charge for year	57,648	7,977	-	6,882
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(3,068)</u>	<u>-</u>
At 31 December 2016	<u>476,872</u>	<u>32,991</u>	<u>(3,068)</u>	<u>56,049</u>
NET BOOK VALUE				
At 31 December 2016	<u>7,448,222</u>	<u>47,372</u>	<u>106,267</u>	<u>15,414</u>
At 31 December 2015	<u>7,502,288</u>	<u>55,349</u>	<u>-</u>	<u>14,796</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

11. TANGIBLE FIXED ASSETS - continued**Group**

	Plant and machinery £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2016	44,512,150	5,286,211	146,728	50,808	58,061,735
Additions	35,377	668,325	102,473	9,113	1,017,060
Disposals	(298,719)	(50,482)	-	-	(436,692)
Reclassification/transfer	29,996	(5,030,046)	-	-	(5,000,050)
At 31 December 2016	<u>44,278,804</u>	<u>874,008</u>	<u>249,201</u>	<u>59,921</u>	<u>53,642,053</u>
DEPRECIATION					
At 1 January 2016	11,878,962	134,264	47,272	31,380	12,585,283
Charge for year	1,792,951	6,218	42,832	5,938	1,920,446
Eliminated on disposal	(298,719)	-	-	-	(301,787)
At 31 December 2016	<u>13,373,194</u>	<u>140,482</u>	<u>90,104</u>	<u>37,318</u>	<u>14,203,942</u>
NET BOOK VALUE					
At 31 December 2016	<u>30,905,610</u>	<u>733,526</u>	<u>159,097</u>	<u>22,603</u>	<u>39,438,111</u>
At 31 December 2015	<u>32,633,188</u>	<u>5,151,947</u>	<u>99,456</u>	<u>19,428</u>	<u>45,476,452</u>

Company

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2016 and 31 December 2016	<u>56,380</u>	<u>32,563</u>	<u>12,349</u>	<u>101,292</u>
DEPRECIATION				
At 1 January 2016	23,492	23,675	11,482	58,649
Charge for year	<u>2,349</u>	<u>3,256</u>	<u>867</u>	<u>6,472</u>
At 31 December 2016	<u>25,841</u>	<u>26,931</u>	<u>12,349</u>	<u>65,121</u>
NET BOOK VALUE				
At 31 December 2016	<u>30,539</u>	<u>5,632</u>	<u>-</u>	<u>36,171</u>
At 31 December 2015	<u>32,888</u>	<u>8,888</u>	<u>867</u>	<u>42,643</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

12. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £
COST	
At 1 January 2016	318,558
Share of profit/(loss)	(1,353)
At 31 December 2016	317,205
NET BOOK VALUE	
At 31 December 2016	317,205
At 31 December 2015	318,558

Interest in joint venture

The group's aggregate share of joint ventures at the year end is as follows:

	2016 £	2015 £
Profit before tax	164,425	7,186
Taxation	(6,755)	(1,555)
Profit after tax	157,670	5,631
Share of assets		
Fixed assets	-	-
Current assets	670,003	4,331,184
Share of liabilities		
Share of liabilities due within one year	(352,798)	(192,787)
Share of liabilities due after one year or more	-	(3,800,000)
Share of net assets	317,205	338,397

Company

	Unlisted investments £
COST	
At 1 January 2016	21,369,965
Additions	4,048,576
At 31 December 2016	25,418,541
NET BOOK VALUE	
At 31 December 2016	25,418,541
At 31 December 2015	21,369,965

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

12. FIXED ASSET INVESTMENTS - continued

Company

The directors review and approve the business plans for each trading subsidiary company each year for the following 3 years with longer financial projections as appropriate which demonstrate that each company can repay its loans as they fall due and where appropriate give a return on the investment. The plans are then presented to the Executive of Woking Borough Council and the full Council for approval. The principal and earlier investment return to the Council is via loan margins. For these reasons the directors believe that it is appropriate to include these investments in the accounts at cost with no provision for impairment.

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Thameswey Energy Limited

Registered office: The St Botolph Building, 138 Houndsditch London EC3A 7AR

Nature of business: Production of electricity and heat.

	% holding	2016 £	2015 £
Class of shares:			
£1 Ordinary 'Class B' Shares	100.00		
Aggregate capital and reserves		1,176,417	1,370,467
Loss for the year		(194,050)	(298,917)

Thameswey Energy Limited owns 100% of the share capital of Thameswey Central Milton Keynes Limited a company which produces electricity and heat and is incorporated in England and Wales.

Thameswey Housing Limited

Registered office: The St Botolph Building, 138 Houndsditch London EC3A 7AR

Nature of business: Provision of affordable housing.

	% holding	2016 £	2015 £
Class of shares:			
£1 Ordinary Shares	100.00		
Aggregate capital and reserves		35,311,910	32,048,556
(Loss)/profit for the year		(636,646)	15,946,810

During the year ended 31 December 2016 the company subscribed to a new share issue of 3,900,000 ordinary shares of £1 in Thameswey Housing Limited.

Thameswey Maintenance Services Limited

Registered office: The St Botolph Building, 138 Houndsditch London EC3A 7AR

Nature of business: Maintenance of power installation.

	% holding	2016 £	2015 £
Class of shares:			
£1 Ordinary Shares	100.00		
Aggregate capital and reserves		544,907	386,357
Profit/(loss) for the year		158,550	(52,396)

THAMESWEY LIMITED (REGISTERED NUMBER: 03702545)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. FIXED ASSET INVESTMENTS - continued

Thameswey Sustainable Communities Limited

Registered office: The St Botolph Building, 138 Houndsditch London EC3A 7AR

Nature of business: Promoting energy efficiency.

	%		
Class of shares:	holding		
£1 Ordinary	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		269,731	273,615
Loss for the year		(3,884)	(11,408)

Thameswey Developments Limited

Registered office: The St Botolph Building, 138 Houndsditch London EC3A 7AR

Nature of business: Property Development

	%		
Class of shares:	holding		
£1 Ordinary	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		1,511,020	980,127
Profit for the year		530,893	315,103

Thameswey Developments Limited has a 50% joint venture in Rutland (Woking) Limited, a property development company incorporated in England and Wales.

Thameswey Developments Limited has a 50% joint venture in Rutland Woking (Carthouse Lane) Limited, a property development company incorporated in England and Wales.

Thameswey Guest Houses Limited

Registered office: The St Botolph Building, 138 Houndsditch London EC3A 7AR

Nature of business: Provision of bed and breakfast accommodation

	%		
Class of shares:	holding		
£1 Ordinary	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		574,121	442,448
Profit for the year		131,673	12,308

Thameswey Solar Limited

Registered office: The St Botolph Building, 138 Houndsditch London EC3A 7AR

Nature of business: Provision of solar photovoltaic panels.

	%		
Class of shares:	holding		
£1 Ordinary	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		1,206,559	1,219,662
Profit/(loss) for the year		13,103	(1,554)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

12. FIXED ASSET INVESTMENTS - continued

Woking Necropolis and Mausoleum Limited

Registered office: The St Botolph Building, 138 Houndsditch London EC3A 7AR

Nature of business: Holding Company

	% holding	2016 £	2015 £
Class of shares:			
£1 Ordinary	100.00		
Aggregate capital and reserves		(350,069)	(165,755)
Loss for the year		<u>(184,314)</u>	<u>(165,756)</u>

Woking Necropolis and Mausoleum Limited has a 99.98% interest in Brookwood Park Limited and Brookwood Cemetery Limited, companies incorporated in England and Wales.

The company's shares in Woking Necropolis and Mausoleum Limited were transferred to Woking Borough Council after the balance sheet date but before the approval of these financial statements.

Rutland Woking (Residential) Limited

Registered office: Dunsfold Park, Stovolds Hill, Cranleigh, Surrey GU6 8TB

Nature of business: Property development

	% holding	2016 £	2015 £
Class of shares:			
£1 Ordinary	75.00		
Aggregate capital and reserves		2,496	(176,903)
Profit/(loss) for the year		<u>869,470</u>	<u>(65,230)</u>

13. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 January 2016	84,512,883
Additions	33,372,917
Disposals	(1,505,108)
Reclassification/transfer	5,050,000
At 31 December 2016	<u>121,430,692</u>
DEPRECIATION	
Charge for year	41,070
At 31 December 2016	<u>41,070</u>
NET BOOK VALUE	
At 31 December 2016	<u>121,389,622</u>
At 31 December 2015	<u>84,512,883</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

13. INVESTMENT PROPERTY - continued

Group

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 by the directors and the carrying value adjusted to reflect the current market value. The directors consider this necessary in order to show a true and fair view.

Cost or valuation at 31 December 2016 is represented by:

	£
Valuation in 2014	6,847,412
Valuation in 2015	20,076,775
Cost	94,506,505
	<u>121,430,692</u>

If investment properties had not been revalued they would have been included at the following historical cost:

	2016 £	2015 £
Cost	<u>94,506,505</u>	<u>64,436,108</u>

Investment properties were valued on an open market basis on 31 December 2016 by the directors.

14. STOCKS

	Group	
	2016 £	2015 £
Stocks	15,985,168	12,868,995
Work-in-progress	<u>26,083,930</u>	<u>11,984,539</u>
	<u>42,069,098</u>	<u>24,853,534</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	1,993,743	787,641	65,393	41,927
Amounts owed by group undertakings	-	-	87,241	72,803
Amounts recoverable on contract	928,394	728,910	-	-
Other debtors	169,215	525,406	160,784	180,390
Deferred tax	-	37,364	-	-
VAT	3,556,859	-	-	1,038
Prepayments and accrued income	<u>1,002,137</u>	<u>3,333,693</u>	<u>4,630</u>	<u>37,100</u>
	<u>7,650,348</u>	<u>5,413,014</u>	<u>318,048</u>	<u>333,258</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

16. CURRENT ASSET INVESTMENTS

	Group	
	2016	2015
	£	£
Short-term deposits	<u>148,352</u>	<u>148,206</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Other loans (see note 19)	691,176	637,890	-	-
Hire purchase contracts (see note 20)	2,932	-	-	-
Trade creditors	1,450,628	1,114,853	17,537	21,364
Amounts owed to group undertakings	10,859,163	12,764,773	-	2,032,166
Social security and other taxes	41,616	34,977	-	-
VAT	-	471,196	10,580	-
Other creditors	285,524	161,879	-	-
Deferred income	1,997,079	1,957,336	64,731	19,127
Accrued expenses	739,938	539,319	-	-
	<u>16,068,056</u>	<u>17,682,223</u>	<u>92,848</u>	<u>2,072,657</u>

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

	Group	
	2016	2015
	£	£
Other loans (see note 19)	828,979	9,120,154
Hire purchase contracts (see note 20)	18,579	-
Amounts owed to group undertakings	158,177,341	102,573,918
	<u>159,024,899</u>	<u>111,694,072</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

19. LOANS

Other loans

	2015	2014
	£	£
Amounts falling due within one year	637,890	588,712
Amounts falling due between one and five years	8,291,174	8,237,890
Amounts falling due after more than five years	828,980	1,520,153
	<u>9,758,044</u>	<u>10,346,755</u>

Loan facilities not exceeding £2,000,000 made available to Thameswey Central Milton Keynes Limited by Lombard North Central Plc are secured by a charge dated 2 June 2008 over two of the bank accounts in the name of Thameswey Energy Limited.

Amounts owed to group undertaking

	2015	2014
	£	£
Amounts falling due within one year	12,764,773	16,330,081
Amounts falling due between one and five years	5,869,912	6,160,430
Amounts falling due after more than five years	96,704,006	75,610,918
	<u>115,338,691</u>	<u>98,101,429</u>

A debenture was created on 24 March 2006 by Thameswey Central Milton Keynes Limited for securing £2,500,000 due to Woking Borough Council.

A loan of £3,440,000 from Woking Borough Council to Thameswey Housing Limited in 2005 is secured by a debenture dated 18 April 2008 giving charge on all assets of that company.

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	2,932	-
Between one and five years	18,579	-
	<u>21,511</u>	<u>-</u>

Group

	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	22,920	22,920
Between one and five years	5,730	28,650
	<u>28,650</u>	<u>51,570</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

21. PROVISIONS FOR LIABILITIES

	Group	
	2016	2015
	£	£
Deferred tax	<u>5,605,231</u>	<u>5,605,231</u>
Other provisions	<u>120,675</u>	<u>101,008</u>
Aggregate amounts	<u>5,725,906</u>	<u>5,706,239</u>
Group		
		Deferred tax
		£
Balance at 1 January 2016		<u>5,605,231</u>
Accelerated capital allowances		
Balance at 31 December 2016		<u>5,605,231</u>

22. ACCRUALS AND DEFERRED INCOME

	Group	
	2016	2015
	£	£
Accruals and deferred income	6,727,441	6,840,801
Grants received from related undertakings	6,721,062	5,487,783
Grants from other bodies	57,804	72,256
	<u>13,506,307</u>	<u>12,400,840</u>

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:	£	£
24,618,231	Ordinary	£1	<u>24,618,231</u>	<u>20,718,231</u>

3,900,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

24. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2016	(2,648,825)	3,092,143	443,318
Deficit for the year	(2,396,271)		(2,396,271)
Increase in subsidiary investment	156,339		156,339
At 31 December 2016	<u>(4,888,757)</u>	<u>3,092,143</u>	<u>(1,796,614)</u>

Company

	Retained earnings £
At 1 January 2016	1,444,588
Deficit for the year	(200,583)
At 31 December 2016	<u>1,244,005</u>

25. NON-CONTROLLING INTERESTS

The minority interest represents the holding of 25% of Rutland Woking (Residential) Limited, held by Rutland Properties Limited and 0.0166% of Brookwood Park Limited and Brookwood Cemetery Limited held by private individuals.

26. RELATED PARTY DISCLOSURES

During the year the following transactions took place all of which were conducted on an arms length basis.

Group

Group companies paid interest to Woking Borough Council £7,438,389 (2015 - £6,392,937) on loans charged at rates ranging from 3% to 7%.

Company

The company paid Woking Borough Council £10,000 (2015 - £10,000) in respect of a Trade Mark licence for the use of the trademark "Thameswey".

27. POST BALANCE SHEET EVENTS

The company's shares in Woking Necropolis and Mausoleum Limited were transferred to Woking Borough Council after the balance sheet date but before the approval of these financial statements.

28. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Woking Borough Council.

THAMESWEY LIMITED (REGISTERED NUMBER: 03702545)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

29. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
(Loss)/profit before taxation	(2,151,374)	16,943,417
Depreciation charges	2,009,357	2,061,231
Profit on disposal of fixed assets	(121,116)	-
Finance costs	7,439,993	6,567,484
Finance income	(157,645)	(204,241)
	<u>7,019,215</u>	<u>25,367,891</u>
Increase in stocks	(17,215,564)	(5,044,740)
(Increase)/decrease in trade and other debtors	(2,226,012)	940,039
Increase/(decrease) in trade and other creditors	<u>427,049</u>	<u>(1,468,892)</u>
Cash generated from operations	<u><u>(11,995,312)</u></u>	<u><u>19,794,298</u></u>

30. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u><u>5,884,001</u></u>	<u><u>7,882,960</u></u>

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	<u><u>7,882,960</u></u>	<u><u>4,786,520</u></u>