

REGISTERED NUMBER: 03772150 (England and Wales)

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
THAMESWEY ENERGY LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | Page |
|---|-------------|
| Company Information | 1 |
| Directors' Report | 2 |
| Statement of Directors' Responsibilities | 3 |
| Independent Auditor's Report | 4 |
| Income Statement | 7 |
| Other Comprehensive Income | 8 |
| Balance Sheet | 9 |
| Statement of Changes in Equity | 10 |
| Cash Flow Statement | 11 |
| Notes to the Financial Statements | 12 |

THAMESWEY ENERGY LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

| | |
|---------------------------|--|
| DIRECTORS: | D J Spinks W Prescott Dr B M Maunders P N Bryant |
| SECRETARY: | Clyde Secretaries Limited |
| REGISTERED OFFICE: | The St Botolph Building 138 Houndsditch London EC3A 7AR |
| REGISTERED NUMBER: | 03772150 (England and Wales) |
| AUDITOR: | Hamlyns LLP Statutory Auditor and Chartered Accountants Sundial House High Street Horsell Woking Surrey GU21 4SU |
| BANKERS: | National Westminster Bank Plc PO Box 358 1 High Street Woking Surrey GU21 1ZS |
| SOLICITORS: | Clyde & Co LLP The St Botolph Building 138 Houndsditch London EC3A 7AR |

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

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.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

D J Spinks
W Prescott
Dr B M Maunders
P N Bryant

Other changes in directors holding office are as follows:

R J Kingsbury - resigned 8 May 2018

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 company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

.....*B. Maunders*.....
Dr B M Maunders - Director

Date: *31 July 2019*.....

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THAMESWEY ENERGY LIMITED**

Opinion

We have audited the financial statements of Thameswey Energy Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report and the Statement of Directors' Responsibilities, but does not include the financial statements and our Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THAMESWEY ENERGY LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of directors

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THAMESWEY ENERGY LIMITED**

Use of our report

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.



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

Date: 21 July 2019

Note:

The maintenance and integrity of the Thameswey Energy Limited website is the responsibility of the directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

THAMESWEY ENERGY LIMITED (REGISTERED NUMBER: 03772150)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | Notes | 2018 £ | 2017 £ |
|--|-------|-------------------------|-------------------------|
| TURNOVER | | 4,440,833 | 3,845,753 |
| Cost of sales | | <u>2,899,222</u> | <u>2,083,703</u> |
| GROSS PROFIT | | 1,541,611 | 1,762,050 |
| Administrative expenses | | <u>1,226,730</u> | <u>1,316,893</u> |
| | | 314,881 | 445,157 |
| Other operating income | | <u>40,544</u> | <u>36,281</u> |
| OPERATING PROFIT | 6 | 355,425 | 481,438 |
| Interest receivable and similar income | | <u>13,622</u> | <u>6,381</u> |
| | | 369,047 | 487,819 |
| Interest payable and similar expenses | 7 | <u>769,956</u> | <u>780,195</u> |
| LOSS BEFORE TAXATION | | (400,909) | (292,376) |
| Tax on loss | 8 | <u>2,588</u> | <u>1,228</u> |
| LOSS FOR THE FINANCIAL YEAR | | <u>(403,497)</u> | <u>(293,604)</u> |

The notes on pages 12 to 20 form part of these financial statements

THAMESWEY ENERGY LIMITED (REGISTERED NUMBER: 03772150)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

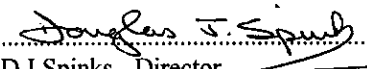
| | Notes | 2018 £ | 2017 £ |
|--|-------|-------------------------|-------------------------|
| LOSS FOR THE YEAR | | (403,497) | (293,604) |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>(403,497)</u> | <u>(293,604)</u> |

The notes on pages 12 to 20 form part of these financial statements

**BALANCE SHEET
31 DECEMBER 2018**

| | Notes | 2018 | | 2017 | |
|--|-------|-----------|-------------------|-----------|-------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | | 12,730,155 | | 13,049,351 |
| Investments | 10 | | 1,110,000 | | 1,110,000 |
| | | | <u>13,840,155</u> | | <u>14,159,351</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 11 | 35,926 | | 37,182 | |
| Debtors | 12 | 1,217,476 | | 1,828,051 | |
| Cash at bank | | 910,585 | | 1,092,563 | |
| | | | <u>2,163,987</u> | | <u>2,957,796</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 13 | 2,008,964 | | 1,201,274 | |
| | | | <u>155,023</u> | | <u>1,756,522</u> |
| NET CURRENT ASSETS | | | | | |
| | | | <u>13,995,178</u> | | <u>15,915,873</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 14 | | (12,681,387) | | (14,349,843) |
| | | | <u>(834,475)</u> | | <u>(683,217)</u> |
| ACCRUALS AND DEFERRED INCOME | | | | | |
| | 16 | | | | |
| | | | <u>479,316</u> | | <u>882,813</u> |
| NET ASSETS | | | | | |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 17 | | 5,050,450 | | 5,050,450 |
| Retained earnings | 18 | | (4,571,134) | | (4,167,637) |
| | | | <u>479,316</u> | | <u>882,813</u> |
| SHAREHOLDERS' FUNDS | | | | | |

The financial statements were approved by the Board of Directors on 31 July 2019 and were signed on its behalf by:


D J Spinks - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|------------------------------------|------------------------------------|---------------------------|-----------------------|
| Balance at 1 January 2017 | 5,050,450 | (3,874,033) | 1,176,417 |
| Changes in equity | | | |
| Total comprehensive income | - | (293,604) | (293,604) |
| Balance at 31 December 2017 | <u>5,050,450</u> | <u>(4,167,637)</u> | <u>882,813</u> |
| Changes in equity | | | |
| Total comprehensive income | - | (403,497) | (403,497) |
| Balance at 31 December 2018 | <u><u>5,050,450</u></u> | <u><u>(4,571,134)</u></u> | <u><u>479,316</u></u> |

THAMESWEY ENERGY LIMITED (REGISTERED NUMBER: 03772150)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

| | Notes | 2018 £ | 2017 £ |
|--|-------|-----------------------|-------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 21 | 1,462,131 | 287,483 |
| Interest paid | | (769,956) | (780,195) |
| Net cash from operating activities | | <u>692,175</u> | <u>(492,712)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (572,685) | (947,488) |
| Interest received | | 13,622 | 6,381 |
| Net cash from investing activities | | <u>(559,063)</u> | <u>(941,107)</u> |
| Cash flows from financing activities | | | |
| New loans in year | | - | 1,000,000 |
| Loan repayments in year | | (506,892) | (477,671) |
| Contribution from other bodies | | 191,802 | - |
| Net cash from financing activities | | <u>(315,090)</u> | <u>522,329</u> |
| Decrease in cash and cash equivalents | | (181,978) | (911,490) |
| Cash and cash equivalents at beginning of year | 22 | 1,092,563 | 2,004,053 |
| Cash and cash equivalents at end of year | 22 | <u><u>910,585</u></u> | <u><u>1,092,563</u></u> |

The notes on pages 12 to 20 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. STATUTORY INFORMATION

Thameswey Energy 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 Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

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.

Going concern

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

The directors agree and recommend for approval by Woking Borough Council a business plan each year with financial projections which demonstrate that the company can repay its loans and give a return on the investment. The plan is then presented to the Council's Executive and the full Council for approval. Woking Borough Council members adopted the business plan covering the period 2019 to 2022 with an estimated return to profit in 2025. The principal investment return to Woking Borough Council will be achieved via loan margins.

Assurances have been obtained from the ultimate parent undertaking that continued financial support will be made available, as required, to ensure that liabilities can be met as they fall due and that the company has adequate funds to continue trading.

For these reasons the directors believe that it is appropriate to prepare the accounts 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, .

Turnover

Turnover includes the sales value of units of energy supplied to domestic and commercial customers. Energy supplied includes sustainable electricity, gas, heating, cooling as well as surplus energy units supplied to the grid through the Feed in Tariff.

Turnover relating to the sales value of units of energy is recognised at the time at which energy is supplied, this is based on periodic meter readings and includes estimates of the value of units supplied to customers between the date of the last meter reading and the year end.

Turnover also includes the sales value of service charges relating to the maintenance and supply of energy meters. Turnover relating to the sales value of service charges is recognised at the point at which the service is performed.

All turnover is stated net of VAT and discounts.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

The company's tangible fixed assets are stated at cost and generally depreciated on a straight-line basis over the estimated operational lives of the assets. Borrowing costs directly attributable to the acquisition, construction or production of tangible fixed assets are added to the cost of those assets when incurred, until such time as the assets are substantially ready for their intended use at which time capitalisation ceases. Reviews are undertaken annually of the estimated remaining lives and residual values of property, plant and equipment.

The main depreciation periods used by the company are set out below:

Buildings - Straight line over 60 years

Plant and machinery - Straight line over 15 to 60 years

Assets under construction are not depreciated until ready for use.

Stocks

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

Cost is defined as the average cost of stock items, and includes all purchase, transport and handling costs in bringing stock to its present location and condition.

Financial instruments

Financial instruments are accounted for according to the substance of the contractual arrangements as either financial assets, financial liabilities or equity instruments, rather than their legal form.

The company only has basic financial instruments.

Financial assets are initially measured at transaction price and subsequently held at cost, less any impairment.

Financial liabilities are measured initially at transaction price and subsequently at amortised cost.

An equity instrument is any contract that evidences a residual interest in the net assets of the company.

Finance costs are charged to the profit and loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES - continued

Grants

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

Fixed asset investments consists wholly of investments in subsidiaries.

Investments in subsidiaries are valued at cost less any provisions for any impairment.

Impairment reviews of fixed asset investments are carried out annually by the board.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the accounts, the company is required to make estimates and assumptions that impact on the reported amounts of revenues, expenses, assets and liabilities of the company. Actual results may differ from these estimates. Estimates and judgements pertinent to the company are included below. This critical accounting judgement and key source of estimation uncertainty should be read in conjunction with the full statement of Accounting Policies at Note 2.

Revenue

The nature of the energy industry in which the company operates is such that the company's revenue recognition is subject to a degree of estimation. The assessment of energy sales to customers is based on meter readings, which are carried out on a systematic basis throughout the year. Whereby a meter reading is not undertaken before the year end an estimate of the value of units supplied to customers between the date of the last meter reading and the period end is recorded in revenue.

Unbilled revenue is included within accrued income in the balance sheet. At 31 December 2018 this amounted to £366,999 (2017: £167,685)

4. EMPLOYEES AND DIRECTORS

There were no staff or employees directly employed by the company for the year ended 31 December 2018 or for the year ended 31 December 2017. The independent directors are remunerated by parent undertakings for the current and preceding financial years. Staff costs are reallocated from parent undertakings.

5. DIRECTORS' EMOLUMENTS

| | 2018 | 2017 |
|-------------------------|--------------|--------------|
| | £ | £ |
| Directors' remuneration | <u>9,305</u> | <u>9,316</u> |

Directors remuneration relates to fees paid to the independent non-executive directors.

6. OPERATING PROFIT

The operating profit is stated after charging:

| | 2018 | 2017 |
|----------------------------------|--------------|--------------|
| | £ | £ |
| Depreciation - owned assets | 878,616 | 880,890 |
| Loss on disposal of fixed assets | 13,265 | - |
| Auditors' remuneration | <u>8,828</u> | <u>5,770</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

7. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2018 | 2017 |
|----------------|----------------|----------------|
| | £ | £ |
| Other interest | <u>769,956</u> | <u>780,195</u> |

8. TAXATION

Analysis of the tax charge

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

| | 2018 | 2017 |
|--------------------|--------------|--------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | <u>2,588</u> | <u>1,228</u> |
| Tax on loss | <u>2,588</u> | <u>1,228</u> |

Reconciliation of total tax charge included in profit and loss

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

| | 2018 | 2017 |
|---|------------------|------------------|
| | £ | £ |
| Loss before tax | <u>(400,909)</u> | <u>(292,376)</u> |
| Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%) | (76,173) | (56,282) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 2,520 | - |
| Income not taxable for tax purposes | (7,703) | (6,984) |
| Depreciation in excess of capital allowances | 166,937 | 169,571 |
| Utilisation of tax losses | (82,993) | (105,077) |
| Total tax charge | <u>2,588</u> | <u>1,228</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

9. TANGIBLE FIXED ASSETS

| | Buildings £ | Plant and machinery £ | Assets under construction £ | Totals £ |
|------------------------|----------------|-----------------------------|--------------------------------------|-------------------|
| COST | | | | |
| At 1 January 2018 | 505,192 | 19,997,654 | 780,666 | 21,283,512 |
| Additions | - | 276,427 | 296,258 | 572,685 |
| Disposals | - | (61,115) | - | (61,115) |
| Transfer to ownership | - | 31,262 | (31,262) | - |
| At 31 December 2018 | <u>505,192</u> | <u>20,244,228</u> | <u>1,045,662</u> | <u>21,795,082</u> |
| DEPRECIATION | | | | |
| At 1 January 2018 | 154,690 | 8,079,471 | - | 8,234,161 |
| Charge for year | 8,339 | 870,277 | - | 878,616 |
| Eliminated on disposal | - | (47,850) | - | (47,850) |
| At 31 December 2018 | <u>163,029</u> | <u>8,901,898</u> | <u>-</u> | <u>9,064,927</u> |
| NET BOOK VALUE | | | | |
| At 31 December 2018 | <u>342,163</u> | <u>11,342,330</u> | <u>1,045,662</u> | <u>12,730,155</u> |
| At 31 December 2017 | <u>350,502</u> | <u>11,918,183</u> | <u>780,666</u> | <u>13,049,351</u> |

10. FIXED ASSET INVESTMENTS

| | Unlisted investments £ |
|---|------------------------------|
| COST | |
| At 1 January 2018 and 31 December 2018 | <u>1,110,000</u> |
| NET BOOK VALUE | |
| At 31 December 2018 | <u>1,110,000</u> |
| At 31 December 2017 | <u>1,110,000</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

10. **FIXED ASSET INVESTMENTS - continued**

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

Thameswey Central Milton Keynes Limited

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

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

| Class of shares: | % holding | 2018 £ | 2017 £ |
|--------------------------------|--------------|--------------|--------------|
| Ordinary | 100.00 | | |
| Aggregate capital and reserves | | (17,314,576) | (15,598,328) |
| Loss for the year | | (1,716,248) | (1,744,722) |

The investment in Thameswey Central Milton Keynes Limited is reviewed for impairment annually by the board.

The business has significant opportunities in the medium and long term which are summarised in its business plan, which is prepared annually and reviewed by the ultimate controlling party.

It is therefore considered appropriate by the directors that the investment does not require impairment.

11. **STOCKS**

| | 2018 £ | 2017 £ |
|--------|-----------|-----------|
| Stocks | 35,926 | 37,182 |

12. **DEBTORS**

| | 2018 £ | 2017 £ |
|--------------------------------------|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 588,111 | 492,124 |
| Amounts owed by group undertakings | 255,177 | 1,159,177 |
| Prepayments and accrued income | 372,036 | 176,750 |
| | <u>1,215,324</u> | <u>1,828,051</u> |

Amounts falling due after more than one year:

| | | |
|------------------------------------|--------------|----------|
| Amounts owed by group undertakings | <u>2,152</u> | <u>-</u> |
|------------------------------------|--------------|----------|

| | | |
|-------------------|------------------|------------------|
| Aggregate amounts | <u>1,217,476</u> | <u>1,828,051</u> |
|-------------------|------------------|------------------|

13. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 2018 £ | 2017 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 768,483 | 175,547 |
| Amounts owed to group undertakings | 536,532 | 607,267 |
| VAT | 10,605 | 8,219 |
| Other creditors | 186,040 | - |
| Accruals and deferred income | 507,304 | 410,241 |
| | <u>2,008,964</u> | <u>1,201,274</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

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

| | 2018 | 2017 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Amounts owed to group undertakings | <u>12,681,387</u> | <u>14,349,843</u> |

15. SECURED DEBTS

Amounts owed to group undertakings comprise of loans from the ultimate parent undertaking Woking Borough Council. Interest is charged on the loans at an annual interest rate of between 2.23% and 5.5%.

Borrowings are repayable as follows:

| | 2018 | 2017 |
|------------------------------|-------------------|-------------------|
| | £ | £ |
| On demand or within one year | 1,532,422 | 504,304 |
| Between two and five years | 2,443,564 | 3,314,515 |
| After five years | 10,237,827 | 10,899,294 |
| | <u>14,213,809</u> | <u>14,718,112</u> |

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

16. ACCRUALS AND DEFERRED INCOME

| | 2018 | 2017 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Accruals and deferred income | 786,166 | 618,840 |
| Deferred government grants | 48,309 | 64,377 |
| | <u>834,475</u> | <u>683,217</u> |

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2018 | 2017 |
|-----------|------------------------------|----------------|------------------|------------------|
| | | | £ | £ |
| 5,050,450 | £1 Ordinary 'Class B' Shares | £1 | <u>5,050,450</u> | <u>5,050,450</u> |

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.

18. RESERVES

| | Retained earnings |
|----------------------|--------------------|
| | £ |
| At 1 January 2018 | (4,167,637) |
| Deficit for the year | (403,497) |
| At 31 December 2018 | <u>(4,571,134)</u> |

THAMESWEY ENERGY LIMITED (REGISTERED NUMBER: 03772150)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. 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.

20. RELATED PARTY DISCLOSURES

The company's immediate parent company Thameswey Limited is 100% (2017 - 100%) owned by Woking Borough Council. Thameswey Limited owns the share capital of the following companies:

| | 2018 | 2017 |
|---|------|------|
| Thameswey Energy Limited | 100% | 100% |
| Thameswey Housing Limited | 100% | 100% |
| Thameswey Sustainable Communities Limited | 100% | 100% |
| Thameswey Developments Limited | 100% | 100% |
| Thameswey Solar Limited | 100% | 100% |
| Thameswey Maintenance Services Limited | 100% | 100% |

Thameswey Energy Limited owns 100% (2017 - 100%) of Thameswey Central Milton Keynes Limited. Thameswey Housing Limited owns 100% (2017 - 100%) of Thameswey Guest Houses Limited and 50% (2017 - 50%) of Rutland Woking (Residential) Limited. Thameswey Developments Limited owns 50% (2017 - 50%) of Rutland (Woking) Limited and 50% (2017 - 50%) of Rutland Woking (Carthouse Lane) Limited. Rutland (Woking) Limited owns 50% (2017: 50%) of Rutland Woking (Residential) Limited.

Therefore, no transactions with these related parties are to be disclosed for either year under the provisions of section 33 of Financial Reporting Standard 102.

21. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 2018 | 2017 |
|--|------------------|----------------|
| | £ | £ |
| Loss before taxation | (400,909) | (292,376) |
| Depreciation charges | 878,616 | 880,891 |
| Loss on disposal of fixed assets | 13,265 | - |
| Grants amortised | (40,544) | (36,281) |
| Finance costs | 769,956 | 780,195 |
| Finance income | (13,622) | (6,381) |
| | 1,206,762 | 1,326,048 |
| Decrease in stocks | 1,256 | 20,597 |
| Increase in trade and other debtors | (398,167) | (1,050,847) |
| Increase/(decrease) in trade and other creditors | 652,280 | (8,315) |
| Cash generated from operations | 1,462,131 | 287,483 |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

22. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2018

| | 31.12.18 | 1.1.18 |
|---------------------------|----------|-----------|
| | £ | £ |
| Cash and cash equivalents | 910,585 | 1,092,563 |

Year ended 31 December 2017

| | 31.12.17 | 1.1.17 |
|---------------------------|-----------|-----------|
| | £ | £ |
| Cash and cash equivalents | 1,092,563 | 2,004,053 |