

REGISTERED NUMBER: 03702545 (England and Wales)

**GROUP STRATEGIC REPORT, DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
THAMESWEY LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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THAMESWEY LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS:	D J Spinks R N Morgan Dr B M Maunders T Price Cllr B Hunwicks W Prescott Cllr D J Bittleston 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 London EC3A 7AR

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

REVIEW OF BUSINESS

Energy generation

Thameswey Energy Ltd

During 2018, trading was comparable to 2017 with a stable customer base. Funds were focused with the aim of increasing the efficiency of assets both from a capital and operational perspective. In addition, a number of new assets at strategic locations within Woking Town Centre were commenced.

Thameswey Central Milton Keynes Ltd

Trading during 2018 continued to build on the successes of 2017. Direct costs were in line with expectation, and there continues to be interest in additional connections to the Milton Keynes Energy Station. As a result, negotiations are continuing.

Thameswey Solar Ltd

Now in its sixth year of trading, Thameswey Solar enjoyed a positive trading year. Sunshine hours were overall 11% higher than 2017, generating 970,000 KWh during 2018. The entity will merge with Thameswey Energy during 2019.

Housing & Development

During the year, Thameswey Housing Ltd purchased 103 investment properties at a total cost of £13M, including the redevelopment of land in Farnborough, delivering 22 flats. Additional properties were purchased for redevelopment of Sheerwater, subject to planning. The business currently holds 576 properties (December 2018). The construction and purchase of properties, through Thameswey Developments Ltd, continues with a number of current developments expected to be complete from 2019 onwards.

During 2017, Thameswey Developments Ltd was selected as the preferred developer for the Sheerwater Regeneration Scheme, which is expected to take circa nine years to complete. The team is continuing to develop the overall scheme in terms of housing mix, program and increasing scale and flexibility of public open space.

Now in its third year of operation, Maybury Lodge Guest House, occupancy exceeded 72% and provided over 3,600 nights of accommodation for homeless individuals and families, the majority on behalf of Woking Borough Council.

Joint Ventures

The Rutland Group joint venture continues to identify sites for future development within Woking Borough.

Strategic Direction

The focus of activity within each company is clearly aligned with those of Thameswey Ltd, and ultimately with Woking Borough Council's strategic objectives for the Thameswey Group.

Energy Business

Over the coming years, the potential growth of the energy supply part of the group is expected to present exciting opportunities to investigate a wider supply license arrangement.

Woking

The growth of new developments in Woking Town Centre presents many opportunities to connect new customers to Thameswey Energy Ltd's existing networks and develop new generating and supply capacity.

As each network grows the opportunity will arise to merge the two networks and provide additional operational resilience and capacity. The regeneration of Sheerwater presents an opportunity to provide low carbon energy to a major new community outside of the town centre.

The opportunity for Thameswey to assist Woking Borough Council in meeting its emerging statutory heat metering of council properties obligations, under the Heat Metering Regulations, is expected to materialise in the near future.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The group will also look to develop its involvement with waste reduction and environmental projects, in support of the Council's Woking 2050 strategy. There will be a particular focus on Thameswey Sustainable Communities Ltd, project work to assess the impact of new technologies and approaches to sustainable living.

Milton Keynes

Sustained investment in new development will continue to provide opportunities to expand Milton Keynes energy networks and supply capacity to service new commercial and residential customers. Whilst the scale and number of redevelopment schemes currently proposed in central Milton Keynes does not match that in Woking, the existence of a local authority-owned development vehicle (MKDP) demonstrates an ambition to promote redevelopment throughout the area, including central Milton Keynes.

Milton Keynes Council granted planning consent in 2017 for a major new commercial development and a mixed tenure residential scheme in central Milton Keynes. Both schemes are subject to planning conditions that connect to the district energy supplies, and Thameswey Central Milton Keynes Ltd is working with the respective developers to progress the scheme.

Housing and Development

Thameswey has been appointed by Woking Borough Council to help assist with the delivery of the Sheerwater Regeneration Scheme. Building and holding the new properties will be the main focus for Thameswey Housing and Developments over the medium term.

In addition, Thameswey Developments Ltd will identify additional development sites for the construction of further properties in support of Thameswey Housing Ltd. During 2019/20, a number of current developments will complete and increase the portfolio of homes available to rent within Woking and the surrounding areas.

Finance

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

The primary investment return from the Thameswey Group to Woking Borough Council is via loan margins. In 2018, over £10M was paid to the Council in interest of which in excess of £3M related to loan margin for the benefit of WBC. In addition, the Group pays business rates, rent and a licence fee to the Council.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of risks and uncertainties that can impact on the performance of the Group; some 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 the previous year's performance. 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 Risks

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. Whilst 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, 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 existing customer base for energy businesses because of the automatic price matching policies with the major energy providers.

Customer credit risk

As part of the overall service package, Thameswey provides credit to customers. 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 discussed at Board meetings where 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 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 services to the end user 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 offer and increasing its housing portfolio. Such development has associated risks in terms of valuation, timing, integration/set-up and management of resources.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 residential 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.

The energy model developed in-house, assists key decisions for new customer connections and the building of the new energy centre in Woking. The Directors are confident the evaluations will meet long-term investment returns.

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.

Investment in systems and software has continued in 2018 with the introduction of GDPR legislation, Office.365, Sage accounting software upgrade and the development of a tenant portal to self-deliver property management.

Human Resources

People, 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 career development opportunities and training initiatives.

Part of the Group's business is the generation of electricity and heat. 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.

Staff numbers have increased in 2018. Further growth is expected throughout 2019, driven by the expansion of the energy and housing sectors within Thameswey.

Legal & Regulatory Risk

Thameswey has expanded significantly over the previous five years. 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.

The Group is working closely with energy industry bodies to support decentralised energy. The programme will assist local energy plans alongside local authorities, and reduce the cost of energy bills, whilst supporting the development of the UK's low carbon heating projects.

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 Woking Borough Council 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 the Council charges an interest margin to cover any risks. The Group relies on the ongoing support from Woking Borough Council, which continues to provide financing at no cost to taxpayers.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 the Council depending upon its assessment of risk.

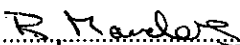
Taxation

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.

SHARE CAPITAL

There was no increase in the groups share capital during 2018.

ON BEHALF OF THE BOARD:


.....
Dr B M Maunders - Director

Date: 31 July 2019

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

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

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

Dividends of £50,000 were paid during the financial year ended 31 December 2018 (2017: £nil).

Details of dividends paid between group companies can be found in the component companies' financial statements.

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
R N Morgan
Dr B M Maunders
T Price
Cllr B Hunwicks
W Prescott
Cllr D J Bittleston
P N Bryant

Other changes in directors holding office are as follows:

R J Kingsbury - resigned 8 May 2018
S Barham - resigned 31 August 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 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 2019.....

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

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.

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

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

Opinion

We have audited the financial statements of Thameswey Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated 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 group's and of the parent company affairs as at 31 December 2018 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.

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 group 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 group'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 Group Strategic Report, 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THAMESWEY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or 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 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.

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 group's and the parent 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 group or the parent 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 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 Hamlyns LLP
Statutory Auditor and
Chartered Accountants
Sundial House
High Street
Horsell
Woking
Surrey
GU21 4SU

Date: *29 July 2019*

Note:

The maintenance and integrity of the Thameswey 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.

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

	Notes	2018 £	2017 £
TURNOVER		15,600,494	13,292,872
Cost of sales		<u>8,266,405</u>	<u>6,308,979</u>
GROSS PROFIT		7,334,089	6,983,893
Administrative expenses		<u>3,640,416</u>	<u>3,278,715</u>
		3,693,673	3,705,178
Other operating income	3	<u>1,002,890</u>	<u>680,033</u>
GROUP OPERATING PROFIT	5	4,696,563	4,385,211
Share of operating loss in Joint ventures		(6,504)	(32,686)
Profit/loss on sale of invest	6	<u>-</u>	<u>4,709,050</u>
		4,690,059	9,061,575
Interest receivable and similar income		<u>136,879</u>	<u>130,424</u>
		4,826,938	9,191,999
Contribution to Action Surrey projects		<u>-</u>	<u>(114,986)</u>
		4,826,938	9,077,013
Interest payable and similar expenses	7	<u>9,396,295</u>	<u>8,611,686</u>
(LOSS)/PROFIT BEFORE TAXATION		(4,569,357)	465,327
Tax on (loss)/profit	8	<u>-</u>	<u>(669,110)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(4,569,357)</u>	<u>1,134,437</u>
(Loss)/profit attributable to:			
Owners of the parent		(4,568,054)	1,133,813
Non-controlling interests		<u>(1,303)</u>	<u>624</u>
		<u>(4,569,357)</u>	<u>1,134,437</u>

The notes form part of these financial statements

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

Notes	2018 £	2017 £
(LOSS)/PROFIT FOR THE YEAR	(4,569,357)	1,134,437
OTHER COMPREHENSIVE INCOME		
Elimination of disposed reserve	-	(3,092,143)
Income tax relating to other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	-	(3,092,143)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(4,569,357)</u>	<u>(1,957,706)</u>
Total comprehensive income attributable to:		
Owners of the parent	(4,568,054)	(1,958,330)
Non-controlling interests	<u>(1,303)</u>	<u>624</u>
	<u>(4,569,357)</u>	<u>(1,957,706)</u>

The notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2018

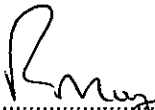
	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Intangible assets	11		85,749		128,134
Tangible assets	12		35,679,761		34,578,287
Investments	13				
Interest in joint venture					
Share of gross assets			1,254,584		465,786
Share of gross liabilities			(976,569)		(181,267)
Investment property	14		<u>173,349,490</u>		<u>143,676,329</u>
			209,393,015		178,667,269
CURRENT ASSETS					
Stocks	15	107,894,720		64,680,741	
Debtors	16	5,351,445		3,354,116	
Cash at bank and in hand		<u>8,606,076</u>		<u>10,620,591</u>	
		121,852,241		78,655,448	
CREDITORS					
Amounts falling due within one year	17	<u>31,498,727</u>		<u>10,312,733</u>	
NET CURRENT ASSETS			<u>90,353,514</u>		<u>68,342,715</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			299,746,529		247,009,984
CREDITORS					
Amounts falling due after more than one year	18		(259,906,902)		(202,272,588)
PROVISIONS FOR LIABILITIES	21		(4,246,510)		(4,246,510)
ACCRUALS AND DEFERRED INCOME	22		<u>(12,774,187)</u>		<u>(13,051,975)</u>
NET ASSETS			<u>22,818,930</u>		<u>27,438,911</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET - continued
31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	23		31,193,231		31,193,231
Retained earnings	24		<u>(8,372,998)</u>		<u>(3,754,944)</u>
SHAREHOLDERS' FUNDS					
			22,820,233		27,438,287
NON-CONTROLLING INTERESTS					
	25		<u>(1,303)</u>		<u>624</u>
TOTAL EQUITY					
			<u>22,818,930</u>		<u>27,438,911</u>

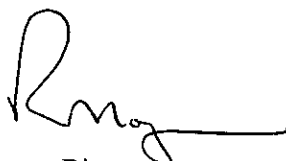
The financial statements were approved by the Board of Directors on 31 July 2019 and were signed on its behalf by:


.....
R N Morgan - Director

COMPANY BALANCE SHEET
31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		25,841		30,565
Investments	13		31,993,540		31,993,540
Investment property	14		-		-
			<u>32,019,381</u>		<u>32,024,105</u>
CURRENT ASSETS					
Debtors	16	284,756		281,811	
Cash at bank		<u>85,423</u>		<u>105,446</u>	
		370,179		387,257	
CREDITORS					
Amounts falling due within one year	17	<u>50,104</u>		<u>17,454</u>	
NET CURRENT ASSETS			<u>320,075</u>		<u>369,803</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>32,339,456</u>		<u>32,393,908</u>
CAPITAL AND RESERVES					
Called up share capital	23		31,193,231		31,193,231
Retained earnings	24		<u>1,146,225</u>		<u>1,200,677</u>
SHAREHOLDERS' FUNDS			<u>32,339,456</u>		<u>32,393,908</u>
Company's loss for the financial year			<u>(4,452)</u>		<u>(43,328)</u>

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



R N Morgan - Director

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

	Called up share capital £	Retained earnings £	Revaluation reserve £
Balance at 1 January 2017	24,618,231	(4,888,757)	3,092,143
Changes in equity			
Issue of share capital	6,575,000	-	-
Total comprehensive income	-	1,133,813	(3,092,143)
Balance at 31 December 2017	<u>31,193,231</u>	<u>(3,754,944)</u>	<u>-</u>
Changes in equity			
Dividends	-	(50,000)	-
Total comprehensive income	-	(4,568,054)	-
Balance at 31 December 2018	<u>31,193,231</u>	<u>(8,372,998)</u>	<u>-</u>
	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2017	22,821,617	-	22,821,617
Changes in equity			
Issue of share capital	6,575,000	-	6,575,000
Total comprehensive income	(1,958,330)	624	(1,957,706)
Balance at 31 December 2017	<u>27,438,287</u>	<u>624</u>	<u>27,438,911</u>
Changes in equity			
Dividends	(50,000)	-	(50,000)
Total comprehensive income	(4,568,054)	(1,303)	(4,569,357)
Balance at 31 December 2018	<u>22,820,233</u>	<u>(679)</u>	<u>22,819,554</u>

THAMESWEY LIMITED (REGISTERED NUMBER: 03702545)

COMPANY 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	24,618,231	1,244,005	25,862,236
Changes in equity			
Issue of share capital	6,575,000	-	6,575,000
Total comprehensive income	-	(43,328)	(43,328)
Balance at 31 December 2017	<u>31,193,231</u>	<u>1,200,677</u>	<u>32,393,908</u>
Changes in equity			
Dividends	-	(50,000)	(50,000)
Total comprehensive income	-	(4,452)	(4,452)
Balance at 31 December 2018	<u>31,193,231</u>	<u>1,146,225</u>	<u>32,339,456</u>

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	28	(33,668,983)	(1,655,589)
Interest paid		(9,396,295)	(8,611,686)
Tax paid		-	520
Net cash from operating activities		<u>(43,065,278)</u>	<u>(10,266,755)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,106,389)	(1,706,203)
Purchase of investment property		(30,977,806)	(22,273,124)
Sale of tangible fixed assets		17,868	16,145
Sale of investment property		320,000	359,250
Contribution to Action Surrey projects		-	(114,986)
Interest received		136,879	130,424
Net cash from investing activities		<u>(33,609,448)</u>	<u>(23,588,494)</u>
Cash flows from financing activities			
Share issue		-	6,575,000
Woking Borough Council loans advances		77,231,680	51,356,874
Woking Borough Council loan repayments		(2,521,469)	(19,340,035)
Equity dividends paid		(50,000)	-
Net cash from financing activities		<u>74,660,211</u>	<u>38,591,839</u>
(Decrease)/increase in cash and cash equivalents		(2,014,515)	4,736,590
Cash and cash equivalents at beginning of year	29	10,620,591	5,884,001
Cash and cash equivalents at end of year	29	<u>8,606,076</u>	<u>10,620,591</u>

The notes form part of these financial statements

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

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.

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 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 comprises rent received in respect of residential letting of the investment properties and the sales value of units of energy supplied to domestic and commercial customers.

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.

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.

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.

Goodwill

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

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

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 and Straight line over 50 years
Short leasehold	- over remaining term of lease
Motor Vehicles	- Straight line over 4 years
Plant and machinery	- 33% on cost, 20% 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
Assets under construction	- 25% on cost
Fixtures and fittings	- 25% on cost, 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 are valued at the lower of cost and estimated selling price less costs to complete and sell which is equivalent to the net realisable value. Costs comprise land and properties held for development and those overheads which have been incurred in bringing the stocks to their 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. An equity instrument is any contract that evidences a residual interest in the net assets of the company.

Basic financial instruments, which include trade and other debtors and creditors, cash and bank balances, amounts owed by and to group companies, are initially measured at transaction price and are subsequently carried at amortised cost.

Other financial instruments which includes shared equity mortgages and non-basic loans are only recognised when the entity becomes a party to the contractual provisions of the instrument. Such instruments are initially recognised at fair value, which is the transaction price. Subsequently at the end of each reporting period these financial instruments are measured at fair value and any changes in fair value are recognised in the profit and loss.

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.

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

2. ACCOUNTING POLICIES - continued

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.

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

	2018	2017
	£	£
Rents received	454,730	154,602
Sundry receipts	73,785	50,788
Feasibility study	-	4,800
Contribution amortised	273,147	273,147
Grants amortised	<u>201,228</u>	<u>196,696</u>
	<u>1,002,890</u>	<u>680,033</u>

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	1,459,090	1,213,741
Social security costs	156,673	129,760
Other pension costs	<u>180,619</u>	<u>122,083</u>
	<u>1,796,382</u>	<u>1,465,584</u>

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

4. EMPLOYEES AND DIRECTORS - continued

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

	2018	2017
Cost of sales	29	27
Administration	<u>6</u>	<u>6</u>
	<u>35</u>	<u>33</u>

	2018	2017
	£	£
Directors' remuneration	<u>47,076</u>	<u>47,165</u>

5. OPERATING PROFIT

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

	2018	2017
	£	£
Hire of plant and machinery	108,348	16,682
Other operating leases	22,920	22,920
Depreciation - owned assets	1,966,000	1,883,022
Loss/(profit) on disposal of fixed assets	90,434	(24,875)
Goodwill amortisation	42,385	42,385
Auditors' remuneration	76,334	72,317
Auditors remuneration for other services	-	3,000
	<u>-</u>	<u>3,000</u>

6. EXCEPTIONAL ITEMS

	2018	2017
	£	£
Profit/loss on sale of invest	<u>-</u>	<u>4,709,050</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank interest	-	143
Other interest	<u>9,396,295</u>	<u>8,611,543</u>
	<u>9,396,295</u>	<u>8,611,686</u>

8. TAXATION

Analysis of the tax credit

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

	2018	2017
	£	£
Deferred tax	<u>-</u>	<u>(669,110)</u>
Tax on (loss)/profit	<u>-</u>	<u>(669,110)</u>

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

8. TAXATION - continued

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2018.

	Gross £	2017 Tax £	Net £
Elimination of disposed reserve	<u>(3,092,143)</u>	<u>-</u>	<u>(3,092,143)</u>

9. 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.

10. DIVIDENDS

	2018 £	2017 £
Ordinary shares of £1 each		
Interim	<u>50,000</u>	<u>-</u>

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Computer software £	Totals £
COST			
At 1 January 2018 and 31 December 2018	<u>1,550,161</u>	<u>141,368</u>	<u>1,691,529</u>
AMORTISATION			
At 1 January 2018	1,422,027	141,368	1,563,395
Amortisation for year	<u>42,385</u>	<u>-</u>	<u>42,385</u>
At 31 December 2018	<u>1,464,412</u>	<u>141,368</u>	<u>1,605,780</u>
NET BOOK VALUE			
At 31 December 2018	<u>85,749</u>	<u>-</u>	<u>85,749</u>
At 31 December 2017	<u>128,134</u>	<u>-</u>	<u>128,134</u>

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

12. TANGIBLE FIXED ASSETS

Group	Buildings £	Short leasehold £	Long leasehold £	Motor Vehicles £	
COST					
At 1 January 2018	3,975,094	80,363	(87,491)	88,383	
Additions	-	2,043	-	-	
Disposals	-	(80,363)	-	(54,578)	
At 31 December 2018	<u>3,975,094</u>	<u>2,043</u>	<u>(87,491)</u>	<u>33,805</u>	
DEPRECIATION					
At 1 January 2018	534,568	40,968	(3,068)	64,125	
Charge for year	57,697	8,204	-	8,946	
Eliminated on disposal	-	(47,194)	-	(54,578)	
At 31 December 2018	<u>592,265</u>	<u>1,978</u>	<u>(3,068)</u>	<u>18,493</u>	
NET BOOK VALUE					
At 31 December 2018	<u>3,382,829</u>	<u>65</u>	<u>(84,423)</u>	<u>15,312</u>	
At 31 December 2017	<u>3,440,526</u>	<u>39,395</u>	<u>(84,423)</u>	<u>24,258</u>	
	Plant and machinery £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2018	44,908,458	931,941	371,892	69,362	50,338,002
Additions	664,333	428,320	1,998,907	12,786	3,106,389
Disposals	(84,156)	-	(137,028)	-	(356,125)
Transfer to ownership	31,262	(43,862)	-	12,600	-
At 31 December 2018	<u>45,519,897</u>	<u>1,316,399</u>	<u>2,233,771</u>	<u>94,748</u>	<u>53,088,266</u>
DEPRECIATION					
At 1 January 2018	14,934,130	-	147,037	41,955	15,759,715
Charge for year	1,733,414	-	122,548	9,803	1,940,612
Eliminated on disposal	(53,610)	-	(136,440)	-	(291,822)
At 31 December 2018	<u>16,613,934</u>	<u>-</u>	<u>133,145</u>	<u>51,758</u>	<u>17,408,505</u>
NET BOOK VALUE					
At 31 December 2018	<u>28,905,963</u>	<u>1,316,399</u>	<u>2,100,626</u>	<u>42,990</u>	<u>35,679,761</u>
At 31 December 2017	<u>29,974,328</u>	<u>931,941</u>	<u>224,855</u>	<u>27,407</u>	<u>34,578,287</u>

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

12. TANGIBLE FIXED ASSETS - continued

Company

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2018				
and 31 December 2018	<u>56,380</u>	<u>32,563</u>	<u>12,349</u>	<u>101,292</u>
DEPRECIATION				
At 1 January 2018	28,190	30,188	12,349	70,727
Charge for year	<u>2,349</u>	<u>2,375</u>	-	<u>4,724</u>
At 31 December 2018	<u>30,539</u>	<u>32,563</u>	<u>12,349</u>	<u>75,451</u>
NET BOOK VALUE				
At 31 December 2018	<u>25,841</u>	<u>-</u>	<u>-</u>	<u>25,841</u>
At 31 December 2017	<u>28,190</u>	<u>2,375</u>	<u>-</u>	<u>30,565</u>

13. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £
COST	
At 1 January 2018	284,519
Share of profit/(loss)	<u>(6,504)</u>
At 31 December 2018	<u>278,015</u>
NET BOOK VALUE	
At 31 December 2018	<u>278,015</u>
At 31 December 2017	<u>284,519</u>

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

Group

Interest in joint venture

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

	2018	2017
	£	£
Loss before tax	(6,504)	(32,686)
Taxation	-	-
Loss after tax	<u>(6,504)</u>	<u>(32,686)</u>
Share of assets		
Fixed assets	-	-
Current assets	1,254,584	465,587
Share of liabilities		
Share of liabilities due within one year	(194,023)	(181,228)
Share of liabilities due after one year or more	(782,705)	-
Share of net assets	<u>277,856</u>	<u>284,359</u>
Company		Unlisted investments £
COST		
At 1 January 2018 and 31 December 2018		<u>31,993,540</u>
NET BOOK VALUE		
At 31 December 2018		<u>31,993,540</u>
At 31 December 2017		<u>31,993,540</u>

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.

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

13. FIXED ASSET INVESTMENTS - continued

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.

Class of shares:	% holding	2018	2017
£1 Ordinary 'Class B' Shares	100.00	£	£
Aggregate capital and reserves		479,316	882,813
Loss for the year		<u>(403,497)</u>	<u>(293,604)</u>

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.

Class of shares:	% holding	2018	2017
£1 Ordinary Shares	100.00	£	£
Aggregate capital and reserves		37,452,738	40,380,530
Loss for the year		<u>(2,927,792)</u>	<u>(1,506,380)</u>

During the year ended 31 December 2017 the company subscribed to a new share issue of 6,575,000 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.

Class of shares:	% holding	2018	2017
£1 Ordinary Shares	100.00	£	£
Aggregate capital and reserves		650,042	608,387
Profit for the year		<u>41,655</u>	<u>63,480</u>

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

13. 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	2018	2017
£1 Ordinary	100.00	£	£
Aggregate capital and reserves		304,850	309,247
(Loss)/profit for the year		<u>(4,397)</u>	<u>39,516</u>

Thameswey Developments Limited

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

Nature of business: Property Development

Class of shares:	% holding	2018	2017
£1 Ordinary	100.00	£	£
Aggregate capital and reserves		1,869,129	1,405,726
Profit for the year		<u>463,403</u>	<u>144,706</u>

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 (Carhouse 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	2018	2017
£1 Ordinary	100.00	£	£
Aggregate capital and reserves		575,510	548,020
Profit for the year		<u>67,490</u>	<u>88,899</u>

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	2018	2017
£1 Ordinary	100.00	£	£
Aggregate capital and reserves		1,179,463	1,180,479
Loss for the year		<u>(1,016)</u>	<u>(26,080)</u>

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

13. FIXED ASSET INVESTMENTS - continued

Rutland Woking (Residential) Limited

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

Nature of business: Property development

Class of shares:	% holding	2018	2017
£1 Ordinary	75.00	£	£
Aggregate capital and reserves		(676)	4,535
(Loss)/profit for the year		<u>(5,211)</u>	<u>2,039</u>

14. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 January 2018	143,714,410
Additions	30,977,806
Disposals	<u>(1,279,257)</u>
At 31 December 2018	<u>173,412,959</u>
DEPRECIATION	
At 1 January 2018	38,081
Charge for year	<u>25,388</u>
At 31 December 2018	<u>63,469</u>
NET BOOK VALUE	
At 31 December 2018	<u>173,349,490</u>
At 31 December 2017	<u>143,676,329</u>

The directors assess the fair value of investment properties annually, using their knowledge of the local property market, taking into account the nature and location of specific properties. If the directors believe there has been a significant change in the fair value of investment properties they will utilise the services of an independent chartered surveyor. The last valuation by an independent chartered surveyor, which holds a recognised and professional qualification and has recent experience in the location and category of the investment property valued, was performed as at 31 December 2015.

Fair value at 31 December 2018 is represented by:

	£
Valuation in 2014	6,847,412
Valuation in 2015	20,076,775
Cost	<u>146,488,772</u>
	<u>173,412,959</u>

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

14. INVESTMENT PROPERTY - continued

Group

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

	2018 £	2017 £
Cost	<u>146,488,772</u>	<u>116,790,223</u>

Investment properties were valued on an open market basis on 31 December 2018 by the directors.

15. STOCKS

	Group	
	2018 £	2017 £
Stocks	15,943,027	16,300,527
Work-in-progress	<u>91,951,693</u>	<u>48,380,214</u>
	<u>107,894,720</u>	<u>64,680,741</u>

During the year interest of £1,670,403 (2017: £1,108,821) was capitalised and included in work-in-progress.

16. DEBTORS

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	2,519,570	1,788,708	40,927	35,844
Amounts owed by group undertakings	-	2,357	87,241	87,241
Amounts recoverable on contract	183,643	235,047	-	-
Other debtors	38,143	2,357	-	-
Other debtors	104,348	77,887	151,214	155,999
VAT	-	428,106	-	-
Prepayments and accrued income	<u>1,140,791</u>	<u>819,654</u>	<u>5,374</u>	<u>2,727</u>
	<u>3,986,495</u>	<u>3,354,116</u>	<u>284,756</u>	<u>281,811</u>
Amounts falling due after more than one year:				
Other debtors	<u>1,364,950</u>	-	-	-
Aggregate amounts	<u>5,351,445</u>	<u>3,354,116</u>	<u>284,756</u>	<u>281,811</u>

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

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Other loans (see note 19)	-	828,980	-	-
Trade creditors	4,409,222	2,389,886	26,279	12,060
Amounts owed to group undertakings	21,950,067	3,509,221	-	-
Tax	-	520	-	-
Social security and other taxes	61,064	52,684	-	-
VAT	37,823	-	3,377	2,396
Other creditors	214,309	48,275	-	-
Deferred income	3,145,931	2,352,638	20,448	2,998
Accrued expenses	1,680,311	1,130,529	-	-
	<u>31,498,727</u>	<u>10,312,733</u>	<u>50,104</u>	<u>17,454</u>

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

	Group	
	2018 £	2017 £
Amounts owed to group undertakings	258,541,952	202,272,588
Other creditors	1,364,950	-
	<u>259,906,902</u>	<u>202,272,588</u>

19. LOANS

Amounts owed to group undertaking

	2018 £	2017 £
Amounts falling due within one year	21,950,067	3,509,221
Amounts falling due between one and five years	77,665,740	55,230,020
Amounts falling due after more than five years	180,876,213	147,042,568
	<u>280,492,020</u>	<u>205,781,809</u>

The above amounts are owed to Woking Borough Council.

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:

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

Group

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	22,920	22,920
Between one and five years	73,990	91,680
In more than five years	-	5,230
	<u>96,910</u>	<u>119,830</u>

Operating lease payments recognised as an expense during the year totalled £22,920 (2017: £22,920).

21. PROVISIONS FOR LIABILITIES

	Group	
	2018	2017
	£	£
Deferred tax	<u>4,163,085</u>	<u>4,163,085</u>
Other provisions	<u>83,425</u>	<u>83,425</u>
Aggregate amounts	<u>4,246,510</u>	<u>4,246,510</u>

Group

	Deferred tax
	£
Balance at 1 January 2018	4,163,085
Change in tax rates	
Disposed of subsidiary	
Balance at 31 December 2018	<u>4,163,085</u>

22. ACCRUALS AND DEFERRED INCOME

	Group	
	2018	2017
	£	£
Accruals and deferred income	6,328,260	6,434,081
Grants received from related undertakings	6,417,025	6,574,541
Grants from other bodies	28,902	43,353
	<u>12,774,187</u>	<u>13,051,975</u>

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

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal	2018	2017
Number:	Class:	value:	£	£
31,193,231	Ordinary	£1	<u>31,193,231</u>	<u>31,193,231</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.

24. RESERVES

Group	Retained earnings £
At 1 January 2018	(3,754,944)
Deficit for the year	(4,568,054)
Dividends	<u>(50,000)</u>
At 31 December 2018	<u>(8,372,998)</u>
 Company	 Retained earnings £
At 1 January 2018	1,200,677
Deficit for the year	(4,452)
Dividends	<u>(50,000)</u>
At 31 December 2018	<u>1,146,225</u>

25. NON-CONTROLLING INTERESTS

The minority interest represents 25% of the ordinary share capital of Rutland Woking (Residential) Limited held by Rutland Properties Limited.

THAMESWEY LIMITED (REGISTERED NUMBER: 03702545)

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

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 £9,396,295 (2017 - £8,611,453) on loans charged at rates ranging from 3% to 7%.

Company

The company paid Woking Borough Council £10,000 (2017 - £10,000) in respect of a Trade Mark licence for the use of the trademark "Thameswey".

27. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Woking Borough Council.

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

	2018	2017
	£	£
(Loss)/profit before taxation	(4,569,357)	465,327
Depreciation charges	2,008,886	1,925,407
Loss/(profit) on disposal of fixed assets	90,434	(24,875)
Loss on revaluation of fixed assets	-	114,986
Finance costs	9,396,295	8,611,686
Finance income	<u>(136,879)</u>	<u>(130,424)</u>
	6,789,379	10,962,107
Increase in stocks	(42,244,722)	(22,611,643)
(Increase)/decrease in trade and other debtors	(2,046,470)	2,716,709
Increase in trade and other creditors	<u>3,832,830</u>	<u>7,277,238</u>
Cash generated from operations	<u>(33,668,983)</u>	<u>(1,655,589)</u>

29. 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	<u>8,606,076</u>	<u>10,620,591</u>

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>10,620,591</u>	<u>5,884,001</u>

