

REGISTERED NUMBER: 06646380 (England and Wales)

**Directors' Report and
Financial Statements
for the Year Ended 31 December 2020
for
THAMESWEY DEVELOPMENTS LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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THAMESWEY DEVELOPMENTS LIMITED

**Company Information
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS:	T Price Mrs L K H Strongitharm Cllr A Azad Cllr C S Kemp MS J A Mcintosh
SECRETARY:	Clyde Secretaries Limited
REGISTERED OFFICE:	The St Botolph Building 138 Houndsditch London EC3A 7AR
REGISTERED NUMBER:	06646380 (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 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property development.

DIVIDENDS

The total distribution of dividends for the year ended 31st December 2019 will be £nil (2018: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

T Price
Mrs L K H Strongitharm
Cllr A Azad

Other changes in directors holding office are as follows:

Cllr C S Kemp, MS J A McIntosh were appointed as directors after 31 December 2020 but prior to the date of this report.

Cllr D J Bittleston, P N Bryant ceased to be directors after 31 December 2020 but prior to the date of this report.

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ON BEHALF OF THE BOARD:

T Price - Director

25 October 2021

**Statement of Directors' Responsibilities
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 Developments Limited

Opinion

We have audited the financial statements of Thameswey Developments Limited (the 'company') for the year ended 31 December 2020 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 2020 and of its profit 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 draw attention to the disclosure made in note 2 to the financial statements relating to the accounts being prepared on a going concern basis having acknowledged the uncertainties that have arisen from both the results of the financial year as well as the impact of the ongoing COVID-19 outbreak. As stated in the note, these events indicate that a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Developments 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.

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.

Independent Auditor's Report to the Members of Thameswey Developments Limited

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud:

The objectives of our audit in respect of fraud are to identify and assess the risks of material misstatement of the financial statements due to fraud, to obtain sufficient audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks, and to respond accordingly to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are the Companies Act 2006, the reporting framework of the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and UK taxation legislation.

We understood how the company is complying with those frameworks by discussions with management and those charged with governance. Where the risk was considered to be higher we performed audit procedures to address each identified fraud risk. These procedures included testing journals, reviewing large and/or unusual transactions and confirming group balances. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with all applicable requirements.

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 Developments 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

25 October 2021

Note:

The maintenance and integrity of the Thameswey Developments 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 DEVELOPMENTS LIMITED (REGISTERED NUMBER: 06646380)

**Income Statement
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
TURNOVER		87,735,886	44,716,979
Cost of sales		<u>85,455,719</u>	<u>45,844,385</u>
GROSS PROFIT/(LOSS)		2,280,167	(1,127,406)
Administrative expenses		<u>76,384</u>	<u>61,705</u>
		2,203,783	(1,189,111)
Other operating income		<u>501,586</u>	<u>466,595</u>
OPERATING PROFIT/(LOSS)	6	2,705,369	(722,516)
Interest receivable and similar income		<u>3,526</u>	<u>6,453</u>
		2,708,895	(716,063)
Interest payable and similar expenses	7	<u>357,964</u>	<u>363,771</u>
PROFIT/(LOSS) BEFORE TAXATION		2,350,931	(1,079,834)
Tax on profit/(loss)	8	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>2,350,931</u>	<u>(1,079,834)</u>

The notes on pages 13 to 22 form part of these financial statements

THAMESWEY DEVELOPMENTS LIMITED (REGISTERED NUMBER: 06646380)

**Other Comprehensive Income
FOR THE YEAR ENDED 31 DECEMBER 2020**

Notes	2020 £	2019 £
PROFIT/(LOSS) FOR THE YEAR	2,350,931	(1,079,834)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>2,350,931</u>	<u>(1,079,834)</u>

The notes on pages 13 to 22 form part of these financial statements

THAMESWEY DEVELOPMENTS LIMITED (REGISTERED NUMBER: 06646380)

**Balance Sheet
31 DECEMBER 2020**

		2020		2019	
Notes	£	£	£	£	
FIXED ASSETS					
Tangible assets	10	58,968		72,527	
Investments	11	99,727		99,727	
Investment property	12	12,691,403		11,433,013	
		12,850,098		11,605,267	
CURRENT ASSETS					
Stocks	13	13,684,862		28,983,156	
Debtors	14	76,841,373		29,204,207	
Cash at bank		4,074,256		1,149,888	
		94,600,491		59,337,251	
CREDITORS					
Amounts falling due within one year	15	43,287,764		13,175,747	
		51,312,727		46,161,504	
TOTAL ASSETS LESS CURRENT LIABILITIES					
		64,162,825		57,766,771	
CREDITORS					
Amounts falling due after more than one year	16	61,222,599		56,977,476	
		2,940,226		789,295	
NET ASSETS					
		2,940,226		789,295	
CAPITAL AND RESERVES					
Called up share capital	17	10,001		10,001	
Retained earnings	18	2,930,225		779,294	
		2,940,226		789,295	
SHAREHOLDERS' FUNDS					
		2,940,226		789,295	

The financial statements were approved by the Board of Directors and authorised for issue on 25 October 2021 and were signed on its behalf by:

T Price - Director

Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	10,001	1,859,128	1,869,129
Changes in equity			
Total comprehensive income	-	(1,079,834)	(1,079,834)
Balance at 31 December 2019	<u>10,001</u>	<u>779,294</u>	<u>789,295</u>
Changes in equity			
Dividends	-	(200,000)	(200,000)
Total comprehensive income	-	2,350,931	2,350,931
Balance at 31 December 2020	<u><u>10,001</u></u>	<u><u>2,930,225</u></u>	<u><u>2,940,226</u></u>

THAMESWEY DEVELOPMENTS LIMITED (REGISTERED NUMBER: 06646380)

**Cash Flow Statement
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	21	(25,983,742)	11,203,151
Interest paid		(357,964)	(363,771)
		<hr/>	<hr/>
Net cash from operating activities		(26,341,706)	10,839,380
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(70,019)
Purchase of investment property		(1,258,390)	-
Interest received		3,526	6,453
		<hr/>	<hr/>
Net cash from investing activities		(1,254,864)	(63,566)
		<hr/>	<hr/>
Cash flows from financing activities			
New loans in year		30,720,938	8,750,000
Interest repayments in year		-	(20,250,000)
Equity dividends paid		(200,000)	-
		<hr/>	<hr/>
Net cash from financing activities		30,520,938	(11,500,000)
		<hr/>	<hr/>
Increase/(decrease) in cash and cash equivalents		2,924,368	(724,186)
Cash and cash equivalents at beginning of year	22	1,149,888	1,874,074
		<hr/>	<hr/>
Cash and cash equivalents at end of year	22	4,074,256	1,149,888
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 13 to 22 form part of these financial statements

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. STATUTORY INFORMATION

Thameswey Developments 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 historical cost convention.

Going Concern

The company is financed by way of share capital and loans from the ultimate parent undertaking, Woking Borough Council (the Council). The council's return on its loan investment is achieved by way of a margin on the interest it receives from the company over the interest that it pays on the council's own borrowing.

As part of the Director's review of the going concern status of the company they have carried out a funding commitment review to identify the loans required for the balance of 2021 and 2022 financial year.

The funding identified is included within the parent entity's Medium Term Financial Strategy and all funding has been authorised by the parent entity. If, in the unforeseen event funding is withdrawn a review of projects that can slow down or cease will be required and the Directors are prepared to undertake such a review. The projects have been specifically set up so that they can be stopped or slowed down as and when required if funding becomes a problem. A process of due diligence and frequent refreshes of the model for the projects is carried out to ensure they remain financially viable. These are reviewed by the Directors as well as at board level within the parent entity.

The Directors and the parent entity are aware that in the coming years the entity needs to be supported by the parent entity in terms of cashflow funding requirement and that in order to meet current liabilities and interest costs this funding will exceed in-year profits generated by the company. The Directors have gained the necessary assurances from the parent entity that they will support the company and not demand the repayment of loans and interest to the detriment of the company and have assessed the parent entity's ability to provide the required funding.

For these reasons the directors believe that it is appropriate to prepare the accounts on a going concern basis.

The company has experienced the effect of COVID-19. The company has made adjustments to working practices in order to keep employees and contractors safe.

The directors continue to monitor the impact of the consequences of the virus on the business. At the time of approving the financial statements the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements contain information about Thameswey Developments 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, The St Botolph Building, 138 Houndsditch, London, EC3A 7AR.

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. **ACCOUNTING POLICIES - continued**

TURNOVER

Turnover represents income receivable in respect of the completion of property developments.

Turnover is measured at the fair value of consideration received or receivable and represents the amounts receivable for the property, net of discounts and VAT.

Turnover in respect of long-term construction contracts is recognised by reference to the stage of completion.

When the outcome of a construction contract sale can be estimated reliably in terms of its stage of completion, future costs to complete and recoverability of billings, the company recognises revenue and expenses on the contract sale by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is determined on the basis of the proportion of the contract costs incurred to date over the estimated total costs.

When the outcome of a contract cannot be estimated reliably the company only recognises revenue to the extent of the recoverable contract costs incurred.

Rental income derived from the company's investment properties is recognised in other income. Rental income is based on lease agreements and is accounted for on a straight line basis over the term of the lease.

TANGIBLE FIXED ASSETS AND FIXED ASSET INVESTMENTS

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

Plant and machinery	- 33% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 12.5% on cost

Fixed Asset Investments are shown at cost less any impairment.

INVESTMENT PROPERTY

Investment properties are properties held to earn rentals and capital appreciation.

Investment properties are measured at fair value.

The directors only consider a fair value adjustment to the value of investment properties when they deem it to be significant. The directors annually assess this by reviewing any changes in the rent yield per annum, movements in house price indices, changes in each properties rateable value and through their own knowledge of the local property market.

Gains and losses arising from changes in the fair value of investment properties are included in the income statement in the period in which they arise.

Investment properties are not depreciated.

STOCKS

Work in progress represents on-going developments and is valued at the lower of cost and estimated selling price less costs to complete and sell, which is equivalent to the the net realisable value. Work in progress comprises direct materials, sub-contractor fees, site overheads, associated professional fees, other attributable overheads and interest costs.

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. **ACCOUNTING POLICIES - continued**

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. The company only has basic financial instruments.

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.

LONG TERM CONSTRUCTION CONTRACTS

Long-term construction contracts are assessed on a contract by contract basis.

The amount by which recorded turnover is in excess of payments on account is classified as "amounts recoverable on contracts" and is included within debtors.

Long term construction contract costs are total costs incurred, net of amounts transferred to the profit and loss account in respect of work carried out to date, less foreseeable losses and applicable payments on account. This balance is classified as "long term contract balances" and is included within stock.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINT**

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. Estimates and associated assumptions affecting the financial statements are based on historical experience and various other factors that are believed to be reasonable under the circumstances. However, the nature of estimation means that actual outcomes could differ from those estimates. Management considers the key sources of estimation uncertainty pertinent to the company are included below:

Investment properties

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 surveyor values the properties on an open market value basis by reference to market evidence of transaction prices for similar properties and the directors base the valuation of the properties on this work. Whilst established methods of valuation have been used there is an element of estimation involved in determining the fair value of the investment properties.

Amounts recoverable under contract

Turnover related to long-term construction contracts is recognised when the final outcome can be assessed with reasonable certainty. The directors are required to estimate the amounts recoverable by comparing the current costs to date with total budgeted costs, this can be uncertain during the contract term as unforeseen costs can emerge throughout. The directors have used all sources of information available in arriving at the amounts estimated as recoverable under contract, but judgement has been used in arriving at the amount included in the accounts.

4. **EMPLOYEES AND DIRECTORS**

No employees are directly employed by the company. The independent director is remunerated by the parent undertaking in both the current and preceding year. The cost of which is reimbursed.

5. **DIRECTORS' EMOLUMENTS**

	2020	2019
	£	£
Directors' remuneration	<u>5,373</u>	<u>5,381</u>

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

6. **OPERATING PROFIT/(LOSS)**

The operating profit (2019 - operating loss) is stated after charging:

	2020	2019
	£	£
Depreciation - owned assets	<u>13,559</u>	9,988
Auditors' remuneration	<u>10,000</u>	<u>9,000</u>

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019
	£	£
Loan interest	<u>357,964</u>	<u>363,771</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

8. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2020 nor for the year ended 31 December 2019.

RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS

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

	2020 £	2019 £
Profit/(loss) before tax	<u>2,350,931</u>	<u>(1,079,834)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	446,677	(205,168)
Effects of:		
Capital allowances in excess of depreciation	-	(7,389)
Group relief	<u>(446,677)</u>	<u>212,557</u>
Total tax charge	<u>-</u>	<u>-</u>

9. DIVIDENDS

	2020 £	2019 £
Ordinary shares of £1 each		
Interim	<u>200,000</u>	<u>-</u>

10. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2020 and 31 December 2020	<u>9,059</u>	<u>70,399</u>	<u>6,155</u>	<u>85,613</u>
DEPRECIATION				
At 1 January 2020	6,118	6,776	192	13,086
Charge for year	<u>2,941</u>	<u>9,848</u>	<u>770</u>	<u>13,559</u>
At 31 December 2020	<u>9,059</u>	<u>16,624</u>	<u>962</u>	<u>26,645</u>
NET BOOK VALUE				
At 31 December 2020	<u>-</u>	<u>53,775</u>	<u>5,193</u>	<u>58,968</u>
At 31 December 2019	<u>2,941</u>	<u>63,623</u>	<u>5,963</u>	<u>72,527</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

11. FIXED ASSET INVESTMENTS

	Interest in joint venture £
COST	
At 1 January 2020 and 31 December 2020	<u>99,727</u>
NET BOOK VALUE	
At 31 December 2020	<u><u>99,727</u></u>
At 31 December 2019	<u><u>99,727</u></u>

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

JOINT VENTURES

Rutland (Woking) Limited

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

Nature of business: Property development

	%		
Class of shares:	holding	2020	2019
Ordinary	50.00	£	£
Aggregate capital and reserves		228,916	122,732
Profit/(loss) for the year		106,184	(6,064)
		<u><u> </u></u>	<u><u> </u></u>

Rutland Woking (Carthouse Lane) Limited

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

Nature of business: Property development

	%		
Class of shares:	holding	2020	2019
Ordinary	50.00	£	£
Aggregate capital and reserves		310,786	317,059
(Loss)/profit for the year		(6,273)	146
		<u><u> </u></u>	<u><u> </u></u>

12. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2020	11,433,013
Additions	<u>1,258,390</u>
At 31 December 2020	<u>12,691,403</u>
NET BOOK VALUE	
At 31 December 2020	<u><u>12,691,403</u></u>
At 31 December 2019	<u><u>11,433,013</u></u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

12. INVESTMENT PROPERTY - continued

As at 31st December 2020 the properties fair value was reviewed by the directors and it was determined that there was no movement in fair value in the year. A professional valuer was not used for the purpose of revaluing the investment properties.

Additions included in Investment Property were valued at cost.

13. STOCKS

	2020	2019
	£	£
Work-in-progress	<u>13,684,862</u>	<u>28,983,156</u>

During the year interest of £2,314,566 (2019: £2,311,594) was capitalised and included in work in progress.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	1,097,960	572,208
Amounts recoverable on contract	74,223,125	27,851,952
Other debtors	126,150	126,150
VAT	1,197,956	390,930
Prepayments and accrued income	196,182	262,967
	<u>76,841,373</u>	<u>29,204,207</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	1,007,045	1,141,219
Amounts owed to group undertakings	35,093,503	8,617,688
Social security and other taxes	-	142
Other creditors	86,476	38,435
Accruals and deferred income	94,324	130,065
Accrued expenses	7,006,416	3,248,198
	<u>43,287,764</u>	<u>13,175,747</u>

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

	2020	2019
	£	£
Amounts owed to group undertakings	<u>61,222,599</u>	<u>56,977,476</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

Amounts owed to group undertaking (Woking Borough Council)

	2020	2019
	£	£
Repayable within one year	35,093,503	7,272,524
Amounts falling due between one and five years	22,473,199	40,347,548
Amounts falling due after more than five years	37,404,236	16,629,928
	<u>94,970,938</u>	<u>64,250,00</u>

Amounts owed to group undertakings comprises loans from the ultimate parent undertaking Woking Borough Council. Interest is charged on the above loans at an annual interest rate of between 2% and 4%.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
10,001	Ordinary	£1	<u>10,001</u>	<u>10,001</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 2020	779,294
Profit for the year	2,350,931
Dividends	<u>(200,000)</u>
At 31 December 2020	<u>2,930,225</u>

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.

THAMESWEY DEVELOPMENTS LIMITED (REGISTERED NUMBER: 06646380)

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. RELATED PARTY DISCLOSURES

The company's immediate parent company Thameswey Limited is 100% (2019 - 100%) owned by Woking Borough Council. Thameswey Limited owns the share capital of the following companies:

	2020	2019
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% (2019 - 100%) of Thameswey Central Milton Keynes Limited. Thameswey Housing Limited owns 100% (2019 - 100%) of Thameswey Guest Houses Limited and 50% (2019 - 50%) of Rutland Woking (Residential) Limited. Thameswey Developments Limited owns 50% (2019 - 50%) of Rutland (Woking) Limited and 50% (2019 - 50%) of Rutland Woking (Carthouse Lane) Limited. Rutland (Woking) Limited owns 50% (2019: 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 PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Profit/(loss) before taxation	2,350,931	(1,079,834)
Depreciation charges	13,559	9,989
Finance costs	357,964	363,771
Finance income	(3,526)	(6,453)
	<u>2,718,928</u>	<u>(712,527)</u>
Decrease in stocks	15,298,294	14,177,568
(Increase)/decrease in trade and other debtors	(47,637,166)	6,048,586
Increase/(decrease) in trade and other creditors	3,636,202	(8,310,476)
Cash generated from operations	<u><u>(25,983,742)</u></u>	<u><u>11,203,151</u></u>

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 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u>4,074,256</u>	<u>1,149,888</u>

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>1,149,888</u>	<u>1,874,074</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

23. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank	1,149,888	2,924,368	4,074,256
	<u>1,149,888</u>	<u>2,924,368</u>	<u>4,074,256</u>
Total	<u>1,149,888</u>	<u>2,924,368</u>	<u>4,074,256</u>