

DIRECTORS' REPORT AND FINANCIAL
STATEMENTS

FOR THE PERIOD ENDED

31 MARCH 2023

THAMESWEY CENTRAL MILTON
KEYNES LIMITED

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THAMESWEY CENTRAL MILTON KEYNES LIMITED

COMPANY INFORMATION

Directors	P J Grimshare A K Walther (appointed 1 April 2023) C G Taylor (appointed 5 July 2023)
Registered number	05277300
Registered office	The St Botolph Building 138 Houndsditch London EC3A 7AR
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor 1st Floor Midas House 62 Goldsworth Road Woking Surrey GU21 6LQ

THAMESWEY CENTRAL MILTON KEYNES LIMITED

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THAMESWEY CENTRAL MILTON KEYNES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2023

The directors present their report and the financial statements for the period ended 31 March 2023.

Directors

The directors who served during the period were:

A Azad (resigned 14 July 2022)
G C Framalico (resigned 1 April 2023)
P J Grimshare
C S Kemp (resigned 14 July 2022)
G D McManus (resigned 20 May 2022)
W Prescott (resigned 30 April 2023)
J A Fisher (appointed 15 September 2022, resigned 4 July 2023)
K J Foster (appointed 15 September 2022, resigned 24 August 2023)

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Principal activity

The Company's principal activity during the period under review continued to be the generation and distribution of electricity and heating.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

THAMESWEY CENTRAL MILTON KEYNES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

Going concern

The Directors continue to adopt the going concern basis of accounting in preparing the financial statements. More details are given in note 2.2 of the financial statements.

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....
C G Taylor (appointed 5 July 2023)
Director

Date: 27 March 2024

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THAMESWEY CENTRAL
MILTON KEYNES LIMITED**

Opinion

We have audited the financial statements of ThamesWey Central Milton Keynes Limited (the 'Company') for the period ended 31 March 2023, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows and the related notes, 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 March 2023 and of its loss for the period 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the directors have concluded that there is a material uncertainty in relation to the Company's ability to continue in operational existence for the foreseeable future. This material uncertainty primarily arises from the ongoing reliance on the revolving loan facilities from a single funder, Woking Borough Council, who are currently under a section 114 notice. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included discussions with them with regard to the future plans for the business.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THAMESWEY CENTRAL MILTON KEYNES LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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.

Opinion 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 period 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.

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 in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 is 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 AUDITORS' REPORT TO THE MEMBERS OF THAMESWEY CENTRAL MILTON KEYNES LIMITED (CONTINUED)

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 Auditors' 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:

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including:

- The Companies Act 2006;
- Financial Reporting Standard 102;
- UK health and safety legislation; and
- General Data Protection Regulations.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We understood how the Company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Posting of journals to the accounting software which are of a non-routine nature in terms of timing and amount; and
- Timing of revenue recognition.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THAMESWEY CENTRAL
MILTON KEYNES LIMITED (CONTINUED)

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 Auditors' Report.

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 Auditors' 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.

Tom Woods FCA (Senior Statutory Auditor)

for and on behalf of

Menzies LLP

Chartered Accountants
Statutory Auditor

1st Floor
Midas House
62 Goldsworth Road
Woking
Surrey
GU21 6LQ

28 March 2024

THAMESWEY CENTRAL MILTON KEYNES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE PERIOD ENDED 31 MARCH 2023

	Note	15 months ended 31 March 2023 £	31 December 2021 £
Turnover	4	10,823,066	4,658,930
Cost of sales		(7,297,894)	(3,549,031)
Gross profit		3,525,172	1,109,899
Administrative expenses		(3,099,356)	(1,932,179)
Other operating income	5	356,726	281,175
Operating profit/(loss)	6	782,542	(541,105)
Interest receivable and similar income		6,597	94
Interest payable and similar expenses	8	(2,482,772)	(1,908,022)
Loss after tax		(1,693,633)	(2,449,033)
Retained earnings at the beginning of the period		(24,490,345)	(22,041,312)
		(24,490,345)	(22,041,312)
Loss for the period		(1,693,633)	(2,449,033)
Retained earnings at the end of the period		(26,183,978)	(24,490,345)

The notes on pages 12 to 22 form part of these financial statements.

THAMESWEY CENTRAL MILTON KEYNES LIMITED

REGISTERED NUMBER:05277300

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	31 March 2023 £	31 December 2021 £
Fixed assets			
Intangible assets	10	37,050	16,279
Tangible assets	11	14,544,564	16,161,994
		<u>14,581,614</u>	<u>16,178,273</u>
Current assets			
Stocks	12	104,241	114,970
Debtors: amounts falling due within one year	13	2,198,693	1,406,979
Cash at bank and in hand		2,675,546	357,748
		<u>4,978,480</u>	<u>1,879,697</u>
Creditors: amounts falling due within one year	14	(5,039,761)	(2,930,847)
Net current liabilities		<u>(61,281)</u>	<u>(1,051,150)</u>
Total assets less current liabilities		<u>14,520,333</u>	<u>15,127,123</u>
Creditors: amounts falling due after more than one year	15	(39,594,311)	(38,507,468)
Net liabilities		<u>(25,073,978)</u>	<u>(23,380,345)</u>
Capital and reserves			
Called up share capital	16	1,110,000	1,110,000
Profit and loss account	17	(26,183,978)	(24,490,345)
		<u>(25,073,978)</u>	<u>(23,380,345)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
C G Taylor (appointed 5 July 2023)
Director

Date: 27 March 2024

The notes on pages 12 to 22 form part of these financial statements.

THAMESWEY CENTRAL MILTON KEYNES LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2023

	15 months ended 31 March 2023 £	31 December 2021 £
Cash flows from operating activities		
Loss for the financial period	(1,693,633)	(2,449,033)
Adjustments for:		
Amortisation of intangible assets	7,265	3,546
Depreciation of tangible assets	1,652,770	866,027
Impairments of fixed assets	-	330,470
Loss on disposal of tangible assets	63,920	-
Interest paid	2,482,772	1,908,022
Interest received	(6,597)	(94)
Decrease/(increase) in stocks	10,729	(1,642)
(Increase) in debtors	(805,675)	(519,663)
Decrease/(increase) in amounts owed by groups	13,961	(13,961)
Increase in creditors	1,468,435	4,194,776
(Decrease) in amounts owed to groups	(374,130)	(1,141,863)
Grants amortised	(356,725)	(281,175)
Net cash generated from operating activities	2,463,092	2,895,410
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(9,422)
Sale of intangible assets	630	-
Purchase of tangible fixed assets	(127,926)	(402,445)
Interest received	6,597	94
Net cash from investing activities	(120,699)	(411,773)

THAMESWEY CENTRAL MILTON KEYNES LIMITED

STATEMENT OF CASH FLOWS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

	15 months ended 31 March 2023 £	31 December 2021 £
Cash flows from financing activities		
New loans due to group undertakings	3,308,000	750,000
Repayment of loans due to group undertakings	(1,382,205)	(1,232,799)
Interest paid	(1,950,390)	(1,908,022)
Net cash used in financing activities	(24,595)	(2,390,821)
Net increase in cash and cash equivalents	2,317,798	92,816
Cash and cash equivalents at beginning of period	357,748	264,932
Cash and cash equivalents at the end of period	2,675,546	357,748
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	2,675,546	357,748
	2,675,546	357,748

The notes on pages 12 to 22 form part of these financial statements.

THAMESWEY CENTRAL MILTON KEYNES LIMITED

ANALYSIS OF NET DEBT FOR THE PERIOD ENDED 31 MARCH 2023

	At 1 January 2022 £	Cash flows £	Movements in loan amounts due to group £	At 31 March 2023 £
Cash at bank and in hand	357,748	2,317,798	-	2,675,546
Debt due after 1 year	(33,435,691)	-	(1,443,568)	(34,879,259)
Debt due within 1 year	(1,437,528)	-	(640,479)	(2,078,007)
	<u>(34,515,471)</u>	<u>2,317,798</u>	<u>(2,084,047)</u>	<u>(34,281,720)</u>

The notes on pages 12 to 22 form part of these financial statements.

THAMESWEY CENTRAL MILTON KEYNES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

1. General information

ThamesWey Central Milton Keynes Limited is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006, and registered in England and Wales. The Company's registered address can be found on the Company Information page.

The Company's principal place of business is 323 Avebury Boulevard, CBX Service Road, Milton Keynes, MK9 2GA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company extended the year end from 31 December 2022 to 31 March 2023. The year end was extended to be coterminous with the year end of the ultimate shareholder, Woking Borough Council. Therefore, comparative amounts presented in the financial statements, including the related notes, are not entirely comparable.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. In determining that the going concern basis of accounting remains appropriate, the Directors have considered the latest guidance on going concern and financial reporting by the Financial Reporting Council.

The going concern basis adopted in preparing the financial statements is contingent upon the continued financial support of the Company's ultimate parent undertaking, Woking Borough Council.

The Company is financed by way of share capital and long-term loans from the ultimate parent undertaking, Woking Borough Council. The Company pays interest on the loans at a rate that reflects the cost of the Council's own borrowings plus an agreed margin. The interest charges and loan balance are due to be repaid from operating cashflows generated from the Company's energy generation activities over the next 20 or more years.

As part of the Directors' 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 the 2024/25 financial year.

The Directors and the ultimate parent undertaking are aware that in the coming years the entity will require support from the ultimate parent entity with additional cashflow funding to meet current liabilities and interest costs in excess of in-year profits generated by the company. In addition, the entity is reliant on the ultimate parent to not demand the repayment of loans and interest to the detriment of the company. As part of the Directors review they have assessed the ultimate parent entity's ability to provide the required funding and have ensured that the Government appointed Commissioners have endorsed the position.

Woking Borough Council have provided a letter granting the company a debt and interest payment suspension until 31 March 2025, contingent upon various solvency and EBITDA tests and as part of the Council's Government support package.

THAMESWEY CENTRAL MILTON KEYNES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.2 Going concern (continued)

The Company's ability to generate sufficient cashflows over the longer-term to repay the funding support received is dependent on a number of significant and uncertain future factors. These factors include the timing and scale of new customer connections, the profit margins achievable on energy supplied to customers and the cost of operations, the impact of future carbon reduction legislation on the Company's operations, and the availability and cost of future funding support.

The Company has also experienced fluctuating cashflows due to spiralling energy costs and has strengthened its credit control function to mitigate the impact. The Company continues to engage with government bodies in relation to short and long term issues in the UK energy sector.

The Directors continue to monitor the Company's profitability, cashflows and plans, and discuss them with the ultimate parent undertaking, and have concluded that at the date of signing the accounts that it is appropriate to prepare the financial statements on a going concern basis. However, they acknowledge that the challenges facing the Company given the future funding requirements and its significant net liability position, mean that there is uncertainty with regard to its going concern status.

2.3 Revenue

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

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

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

All turnover is stated net of VAT and discounts.

2.4 Hire purchase and leasing commitments

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.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

THAMESWEY CENTRAL MILTON KEYNES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Buildings	- Straight line over 60 years
Plant and machinery	- Straight line over a period between 2 and 60 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit, CGU, to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

THAMESWEY CENTRAL MILTON KEYNES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.11 Stocks

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

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

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Other than the matters disclosed in note 2.2 Going concern, the directors do not consider there to be any judgments or estimation uncertainty which materially impact these financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

	15 months ended 31 March 2023 £	31 December 2021 £
Provision of energy	10,823,066	4,658,930
	<u>10,823,066</u>	<u>4,658,930</u>

All turnover arose within the United Kingdom.

THAMESWEY CENTRAL MILTON KEYNES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

5. Other operating income

	15 months ended 31 March 2023 £	31 December 2021 £
Other operating income	356,726	281,175
	<u>356,726</u>	<u>281,175</u>

The other operating figure relates to the amortisation of grants.

6. Operating profit/(loss)

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

	15 months ended 31 March 2023 £	31 December 2021 £
Auditors' remuneration	24,500	23,002
Other operating lease rentals	105,000	90,000
Loss on sale of tangible assets	<u>63,920</u>	<u>-</u>

7. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL).

8. Interest payable and similar expenses

	15 months ended 31 March 2023 £	31 December 2021 £
Interest payable to group undertaking	2,482,772	1,908,022
	<u>2,482,772</u>	<u>1,908,022</u>

THAMESWEY CENTRAL MILTON KEYNES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

9. Taxation

	15 months ended 31 March 2023 £	31 December 2021 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	15 months ended 31 March 2023 £	31 December 2021 £
Loss on ordinary activities before tax	(1,693,633)	(2,449,033)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(321,790)	(465,316)
Effects of:		
Fixed asset differences	64,031	(63,327)
Income not taxable for tax purposes	(67,778)	-
Movement in deferred tax not recognised	325,537	528,643
Total tax charge for the period/year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

THAMESWEY CENTRAL MILTON KEYNES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

10. Intangible assets

	Computer software £
Cost	
At 1 January 2022	23,293
Additions - internal	28,036
At 31 March 2023	<u>51,329</u>
Amortisation	
At 1 January 2022	7,014
Charge for the period on owned assets	7,265
At 31 March 2023	<u>14,279</u>
Net book value	
At 31 March 2023	<u><u>37,050</u></u>
At 31 December 2021	<u><u>16,279</u></u>

THAMESWEY CENTRAL MILTON KEYNES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

11. Tangible fixed assets

	Buildings £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation					
At 1 January 2022	1,886,800	23,795,461	13,605	497,498	26,193,364
Additions	-	-	-	127,296	127,296
Disposals	-	(1,049,722)	-	(63,920)	(1,113,642)
Transfers between classes	-	479,142	-	(507,178)	(28,036)
			13,605		
At 31 March 2023	1,886,800	23,224,881		53,696	25,178,982
Depreciation					
At 1 January 2022	450,736	9,571,564	9,070	-	10,031,370
Charge for the period on owned assets	39,308	1,608,927	4,535	-	1,652,770
Disposals	-	(1,049,722)	-	-	(1,049,722)
			13,605		
At 31 March 2023	490,044	10,130,769		-	10,634,418
Net book value					
At 31 March 2023	1,396,756	13,094,112	-	53,696	14,544,564
			4,535		
At 31 December 2021	1,436,064	14,223,897		497,498	16,161,994

THAMESWEY CENTRAL MILTON KEYNES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

12. Stocks

	31 March 2023 £	31 December 2021 £
Raw materials and consumables	104,241	114,970
	<u>104,241</u>	<u>114,970</u>

13. Debtors

	31 March 2023 £	31 December 2021 £
Trade debtors	361,665	605,115
Amounts owed by group undertakings	200,947	214,908
Other debtors	-	9,549
Prepayments and accrued income	1,636,081	577,407
	<u>2,198,693</u>	<u>1,406,979</u>

14. Creditors: Amounts falling due within one year

	31 March 2023 £	31 December 2021 £
Trade creditors	1,509,836	601,156
Amounts owed to group undertakings	2,078,007	1,437,528
Other taxation and social security	191,745	-
Accruals and deferred income	1,260,173	892,163
	<u>5,039,761</u>	<u>2,930,847</u>

There were £351,562 of loans owed to group undertakings due by 31 March 2023 for which repayment was deferred and are included in the amounts falling due within one year.

THAMESWEY CENTRAL MILTON KEYNES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

15. Creditors: Amounts falling due after more than one year

	31 March 2023 £	31 December 2021 £
Amounts owed to group undertakings	34,879,259	33,435,691
Accruals and deferred income	4,715,052	5,071,777
	<u>39,594,311</u>	<u>38,507,468</u>

16. Share capital

	31 March 2023 £	31 December 2021 £
Allotted, called up and fully paid		
1,110,000 (2021 - 1,110,000) Ordinary shares of £1.00 each	<u>1,110,000</u>	<u>1,110,000</u>

Each ordinary share carries voting rights and there are no restrictions on distributions of dividends.

17. Reserves

Profit and loss account

This reserve includes all current and prior periods' profit and losses.

THAMESWEY CENTRAL MILTON KEYNES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

18. Related party transactions

The Company's immediate parent company ThamesWey Energy Limited is 100% (2021 - 100%) owned by ThamesWey Limited, which is itself owned by Woking Borough Council.

ThamesWey Limited owns the share capital of the following companies:

	31 March 2023 %	31 December 2021 %
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% (2021 - 100%) of ThamesWey Central Milton Keynes Limited. ThamesWey Housing Limited owns 100% (2021 - 100%) of ThamesWey Guest Houses Limited and 50% (2021 - 50%) of Rutland Woking (Residential) Limited. ThamesWey Developments Limited owns 50% (2021 - 50%) of Rutland (Woking) Limited and 50% (2021 - 50%) of Rutland Woking (Carthouse Lane) Limited. Rutland (Woking) Limited owns 50% (2021 - 50%) of Rutland Woking (Residential) Limited.

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

19. Controlling party

The Company's immediate parent company is ThamesWey Energy Limited, a company incorporated in England and Wales.

The Company's ultimate parent undertaking is considered to be Woking Borough Council.

The smallest group into which the Company is consolidated is ThamesWey Limited. The address of their registered office is: The St Botolph Building, 138 Houndsditch, London, EC3A 7AR.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.