

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

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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THAMESWEY HOUSING LIMITED
Company Information
FOR THE YEAR ENDED 31 DECEMBER 2020

DIRECTORS:	T Price Cllr C S Kemp Dr B M Maunders Cllr A Azad Cllr D Harlow Mrs L K H Strongitharm MS J A McIntosh
SECRETARY:	Clyde Secretaries Limited
REGISTERED OFFICE:	The St Botolph Building 138 Houndsditch London EC3A 7AR
REGISTERED NUMBER:	05437166 (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 the provision of affordable housing in the borough and the development of building projects.

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
Cllr C S Kemp
Dr B M Maunders
Cllr A Azad
Cllr D Harlow
Mrs L K H Strongitharm

Other changes in directors holding office are as follows:

MS J A McIntosh was appointed as a director 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.

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

ON BEHALF OF THE BOARD:

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 Housing Limited

Opinion

We have audited the financial statements of Thameswey Housing 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to Going Concern

We draw attention to the disclosure made in note 2 to the financial statements relating to the 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 a 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 Housing Limited

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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 Housing 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 Housing 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 HOUSING LIMITED (REGISTERED NUMBER: 05437166)

Income Statement
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
TURNOVER			8,165,103		6,515,382
Cost of sales			<u>2,091,005</u>		<u>1,345,932</u>
GROSS PROFIT			6,074,098		5,169,450
Administrative expenses			<u>2,027,396</u>		<u>1,583,858</u>
			4,046,702		3,585,592
Other operating income	4		<u>165,632</u>		<u>155,631</u>
OPERATING PROFIT	7		4,212,334		3,741,223
Income from shares in group undertakings		-		80,000	
Interest receivable and similar income		<u>111,387</u>		<u>119,587</u>	
			111,387		199,587
			4,323,721		3,940,810
Interest payable and similar expenses	8		<u>10,498,040</u>		<u>7,798,775</u>
LOSS BEFORE TAXATION			(6,174,319)		(3,857,965)
Tax on loss	9		<u>-</u>		<u>(2,853,667)</u>
LOSS FOR THE FINANCIAL YEAR			<u>(6,174,319)</u>		<u>(1,004,298)</u>

The notes on pages 12 to 25 form part of these financial statements

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

	Notes	2020 £	2019 £
LOSS FOR THE YEAR		(6,174,319)	(1,004,298)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(6,174,319)</u>	<u>(1,004,298)</u>

THAMESWEY HOUSING LIMITED (REGISTERED NUMBER: 05437166)

**Balance Sheet
31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Intangible assets	11		330,469		338,237
Tangible assets	12		36,992,388		73,041,636
Investments	13		360,464		360,464
Investment property	14		240,028,553		182,644,301
			<u>277,711,874</u>		<u>256,384,638</u>
CURRENT ASSETS					
Stocks	15	92,027,374		47,564,931	
Debtors	16	7,156,402		5,449,771	
Cash at bank		<u>3,249,053</u>		<u>2,368,938</u>	
		102,432,829		55,383,640	
CREDITORS					
Amounts falling due within one year	17	<u>35,073,699</u>		<u>20,666,830</u>	
NET CURRENT ASSETS			<u>67,359,130</u>		<u>34,716,810</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			345,071,004		291,101,448
CREDITORS					
Amounts falling due after more than one year	18		(306,962,686)		(246,641,354)
PROVISIONS FOR LIABILITIES	20		(1,446,229)		(1,460,054)
ACCRUALS AND DEFERRED INCOME	21		(6,467,968)		(6,631,600)
NET ASSETS			<u>30,194,121</u>		<u>36,368,440</u>
CAPITAL AND RESERVES					
Called up share capital	22		24,490,000		24,490,000
Retained earnings	23		<u>5,704,121</u>		<u>11,878,440</u>
SHAREHOLDERS' FUNDS			<u>30,194,121</u>		<u>36,368,440</u>

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

THAMESWEY HOUSING LIMITED (REGISTERED NUMBER: 05437166)

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	24,490,000	12,962,738	37,452,738
Changes in equity			
Dividends	-	(80,000)	(80,000)
Total comprehensive income	-	(1,004,298)	(1,004,298)
Balance at 31 December 2019	<u>24,490,000</u>	<u>11,878,440</u>	<u>36,368,440</u>
Changes in equity			
Total comprehensive income	-	(6,174,319)	(6,174,319)
Balance at 31 December 2020	<u>24,490,000</u>	<u>5,704,121</u>	<u>30,194,121</u>

The notes on pages 12 to 25 form part of these financial statements

Cash Flow Statement
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	27	(26,051,004)	8,409,913
Interest paid		<u>(10,498,040)</u>	<u>(7,798,775)</u>
Net cash from operating activities		<u>(36,549,044)</u>	<u>611,138</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(40,432)	(237,871)
Purchase of tangible fixed assets		(25,977,878)	(61,757,501)
Purchase of investment property		4,148,779	(33,275,824)
Sale of fixed asset investments		-	1,012
Sale of investment property		-	254,924
Interest received		111,387	119,587
Dividends received		<u>-</u>	<u>80,000</u>
Net cash from investing activities		<u>(21,758,144)</u>	<u>(94,815,673)</u>
Cash flows from financing activities			
New loans in year		60,088,766	84,989,523
Loans advanced		-	8,000,000
Loan repayments received in year		-	56,510
Loans to group company		(901,463)	(28,925)
Equity dividends paid		<u>-</u>	<u>(80,000)</u>
Net cash from financing activities		<u>59,187,303</u>	<u>92,937,108</u>
Increase/(decrease) in cash and cash equivalents		<u>880,115</u>	<u>(1,267,427)</u>
Cash and cash equivalents at beginning of year	28	<u>2,368,938</u>	<u>3,636,365</u>
Cash and cash equivalents at end of year	28	<u><u>3,249,053</u></u>	<u><u>2,368,938</u></u>

The notes on pages 12 to 25 form part of these financial statements

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

1. STATUTORY INFORMATION

Thameswey Housing 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.

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 on the historical cost convention as modified by the revaluation of certain assets and liabilities.

The financial statements are presented in Sterling (£).

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 within the Thameswey group 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 and that in order to meet current liabilities and interest costs this funding requirement 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.

COVID-19

During the under review, the rapid spread of the COVID-19 virus had clear consequences to both the UK and the global economy. The company made adjustments to working practices in order to keep employees 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 Housing 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 rent received in respect of residential letting of the investment properties, excluding value added tax.

Rental income is recognised on a straight line basis over the lease term on an accruals basis.

INTANGIBLE ASSETS

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of 8 years, on a straight line basis.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

TANGIBLE FIXED ASSETS

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

Fixtures & Fittings - 25% on cost or over 20 years

Computer equipment - 25% on cost

At each reporting date, tangible fixed assets are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount, which is the higher of the value in use and their fair value less cost to sell is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount is reduced to its recoverable amount and an impairment loss is recognised immediately in the profit and loss.

The company capitalists all directly attributable costs relating to the purchase of construction of fixed assets.

Assets under construction are carried at historical cost and are not depreciated until they come into use.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiary undertakings are included in the statement of financial position at cost less any provision for impairment.

INVESTMENT PROPERTY

Investment properties are properties held to earn rentals.

Investment property is included at fair value.

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

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.

**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.

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 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.

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.

PROVISIONS

Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the accounts, the company is required to make estimates and assumptions that impact on the reported amounts of revenues, expenses, assets and liabilities of the company. 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.

Shared Equity Mortgages

The directors assess the fair value of shared equity mortgages annually, using their knowledge of the local property market taking into account the nature and location of specific properties. The directors perform desk top valuation using available data from the Zoom property valuation website. There is an element of estimation involved in determining the fair value of the shared equity mortgages.

4. OTHER OPERATING INCOME

	2020	2019
	£	£
Sundry receipts	2,000	-
Grants amortised	<u>163,632</u>	<u>155,631</u>
	<u>165,632</u>	<u>155,631</u>

5. 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.

6. DIRECTORS' EMOLUMENTS

	2020	2019
	£	£
Directors' remuneration	<u>6,447</u>	<u>6,457</u>

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

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

7. OPERATING PROFIT

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

	2020	2019
	£	£
Depreciation - owned assets	420,258	263,983
Profit on disposal of fixed assets	-	(1,012)
Computer software amortisation	48,200	20,822
Auditors' remuneration	<u>13,500</u>	<u>17,747</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Other interest	<u>10,498,040</u>	<u>7,798,775</u>

9. TAXATION**Analysis of the tax credit**

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

	2020	2019
	£	£
Current tax:		
UK corporation tax	-	(67,211)
Deferred tax	<u>-</u>	<u>(2,786,456)</u>
Tax on loss	<u>-</u>	<u>(2,853,667)</u>

UK corporation tax has been charged at 19% (2019 - 19%).

RECONCILIATION OF TOTAL TAX CREDIT INCLUDED IN PROFIT AND LOSS

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

	2020	2019
	£	£
Loss before tax	<u>(6,174,319)</u>	<u>(3,857,965)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,173,121)	(733,013)
Effects of:		
Income not taxable for tax purposes	-	(15,200)
Depreciation in excess of capital allowances	-	49,964
Government grants amortised	-	(29,570)
Tax losses carried forward	1,173,121	660,608
Deferred tax	<u>-</u>	<u>(2,786,456)</u>
Total tax credit	<u>-</u>	<u>(2,853,667)</u>

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

9. TAXATION - continued**Factors that may affect future tax charges**

A deferred tax asset has not been recognised in respect of timing differences relating to accelerated capital allowances and trading losses as there is insufficient evidence that the asset will be recovered.

10. DIVIDENDS

	2020	2019
	£	£
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>80,000</u>

11. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 January 2020	359,059
Additions	<u>40,432</u>
At 31 December 2020	<u>399,491</u>
AMORTISATION	
At 1 January 2020	20,822
Amortisation for year	<u>48,200</u>
At 31 December 2020	<u>69,022</u>
NET BOOK VALUE	
At 31 December 2020	<u>330,469</u>
At 31 December 2019	<u>338,237</u>

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

12. TANGIBLE FIXED ASSETS

	Assets under construction £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2020	71,185,051	2,303,382	270	73,488,703
Additions	25,804,710	134,298	38,870	25,977,878
Transfer to ownership	(61,757,232)	-	-	(61,757,232)
Reclassification/transfer	-	(192,500)	-	(192,500)
At 31 December 2020	<u>35,232,529</u>	<u>2,245,180</u>	<u>39,140</u>	<u>37,516,849</u>
DEPRECIATION				
At 1 January 2020	-	447,067	-	447,067
Charge for year	-	203,897	9,851	213,748
Reclassification/transfer	-	(136,354)	-	(136,354)
At 31 December 2020	<u>-</u>	<u>514,610</u>	<u>9,851</u>	<u>524,461</u>
NET BOOK VALUE				
At 31 December 2020	<u>35,232,529</u>	<u>1,730,570</u>	<u>29,289</u>	<u>36,992,388</u>
At 31 December 2019	<u>71,185,051</u>	<u>1,856,315</u>	<u>270</u>	<u>73,041,636</u>

During the year £61,757,232 worth of construction contracts were reclassified from assets under construction to investment property additions.

The company has entered into a development agreement for the Regeneration of Sheerwater. At the year end, costs relating to the Sheerwater Regeneration Project remain in work in progress, stock, at the year end as the number of investments properties to be retained by the company and those going to be sold has not be agreed and will depend on market conditions at the time of project completion.

The company had contractual obligations with Thameswey Developments Limited for the following projects at 31 December 2020:

Sheerwater Regeneration Project, Middle Walk refurbishment, Brookwood Lye, 121 Chertsey Road & St John's Road, Cornerstone & Elizabeth House and Knaphill Library.

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2020 and 31 December 2020	<u>360,464</u>
NET BOOK VALUE	
At 31 December 2020	<u>360,464</u>
At 31 December 2019	<u>360,464</u>

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

13. FIXED ASSET INVESTMENTS - continued

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

Subsidiary**Thameswey Guest Houses Limited**

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

Nature of business: Provision of bed and breakfast accommodation

	%	2020	2019
Class of shares:	holding	£	£
Ordinary	100.00	750,173	616,860
Aggregate capital and reserves		133,313	121,350
Profit for the year			

JOINT VENTURE**Rutland Woking (Residential) Limited**

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

Nature of business: Property development

	%	2020	2019
Class of shares:	holding	£	£
Ordinary	50.00	(4,736)	1,116
Aggregate capital and reserves		(5,852)	1,791
(Loss)/profit for the year			

14. INVESTMENT PROPERTY**FAIR VALUE**

	Total
	£
At 1 January 2020	182,733,158
Additions	77,321,012
Reclassification/transfer	(19,730,250)
At 31 December 2020	240,323,920
DEPRECIATION	
At 1 January 2020	88,857
Charge for year	206,510
At 31 December 2020	295,367
NET BOOK VALUE	
At 31 December 2020	240,028,553
At 31 December 2019	182,644,301

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

14. INVESTMENT PROPERTY - continued

Fair value at 31 December 2020 is represented by:

	£
Valuation in 2014	6,847,412
Valuation in 2015	20,076,775
Cost	213,399,733
	<u>240,323,920</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. This year the directors instructed the independent firm of chartered surveyors, Frazers Surveyors Limited to perform a year-end valuation of a sample of "beacon properties" considered to be representative of the property portfolio as a whole. Frazers Surveyors Ltd hold recognised professional qualifications and have recent experience of valuing investment property in this location.

From December 2019 the property portfolio will continue to be assessed based on "beacon properties" to ensure experts are engaged to formally value properties held within the investment portfolio on a regular basis.

The valuations were performed by Frazers in the first half of 2020. The directors concluded that no fair value adjustment was required after extrapolating the change in property values over the property portfolio, excluding any property acquisitions made in 2019 (deemed too recent to require a valuation).

The valuation reports provided by Frazers highlight the basis of their reports was on a "comparative method of valuation, reliant upon market transactions of similar properties" however it was noted "coronavirus, political and economic factors may affect future market/values and therefore there is a heightened degree of future market uncertainty."

15. STOCKS

	2020 £	2019 £
Land bank	4,846,856	4,846,856
Work-in-progress	87,180,518	42,718,075
	<u>92,027,374</u>	<u>47,564,931</u>

During the year interest of £689,732 (2019: £580,304) was capitalised and included in work-in-progress.

16. DEBTORS

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	217,065	386,099
Amounts owed by group undertakings	650,545	580,392
Amounts recoverable on contract	176,618	139,241
Other debtors	411,300	176,599
Tax	-	67,211
Prepayments and accrued income	574,884	168,278
	<u>2,030,412</u>	<u>1,517,820</u>

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

16. **DEBTORS - continued**

	2020 £	2019 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	1,749,207	1,722,098
Other debtors	2,475,320	2,209,853
Other grant assets	901,463	-
	<u>5,125,990</u>	<u>3,931,951</u>
Aggregate amounts	<u>7,156,402</u>	<u>5,449,771</u>

Other grant assets relate to amounts advanced to Thameswey Energy Limited for the purchase of boilers at Harrington Place. The grant is being released over the useful economic life of the boilers, estimated to be 25 years.

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

	2020 £	2019 £
Trade creditors	385,124	425,640
Amounts owed to group undertakings	32,901	30,849
Social security and other taxes	3,667	3,440
Other creditors	487,726	202,877
Accruals and deferred income	34,164,281	20,004,024
	<u>35,073,699</u>	<u>20,666,830</u>

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

	2020 £	2019 £
Amounts owed to group undertakings	304,487,366	244,431,501
Other creditors	2,475,320	2,209,853
	<u>306,962,686</u>	<u>246,641,354</u>

Amounts owed to group undertaking

	2020 £	2019 £
Repayable within one year	32,901	30,849
Amounts falling due between one and five years	39,710,269	36,759,389
Amounts falling due after more than five years	264,777,097	207,672,112
	<u>304,520,267</u>	<u>244,462,350</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 1.8% and 7%.

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

19. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Woking Borough Council	<u>3,242,052</u>	<u>3,242,052</u>

A loan of £3,440,000 from Woking Borough Council in 2005 was secured by a debenture dated 18 April 2008 giving charge on all assets of the company.

20. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax	1,376,629	1,376,629
Other provisions	<u>69,600</u>	<u>83,425</u>
	<u>1,446,229</u>	<u>1,460,054</u>
	Deferred	Other
	tax	provisions
	£	£
Balance at 1 January 2020	1,376,629	83,425
Credit to Income Statement during year	-	(13,825)
Balance at 31 December 2020	<u>1,376,629</u>	<u>69,600</u>

Other provisions relate to the mortgage protection fund for shared ownership properties where there could be damage to shared ownership properties or defaults of rental income.

21. ACCRUALS AND DEFERRED INCOME

	2020	2019
	£	£
Deferred government grants	6,467,968	6,617,149
Deferred grants - other	<u>-</u>	<u>14,451</u>
	<u>6,467,968</u>	<u>6,631,600</u>

A Planning Benefit Grant of £5,565,250 was received from Woking Borough Council in 2005. Further capital grants of £1,600,000 were received during 2007, £275,000 in 2010 and £400,070 in 2019 from Woking Borough Council.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
24,490,000	Ordinary	£1	<u>24,490,000</u>	<u>24,490,000</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.

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

23. RESERVES

	Retained earnings £
At 1 January 2020	11,878,440
Deficit for the year	(6,174,319)
At 31 December 2020	<u>5,704,121</u>

24. 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.

25. CONTINGENT LIABILITIES - EARN YOUR DEPOSIT

The company established an "Earn Your Deposit Scheme" in 2018, whereby "Good Tenants" have the right to earn a contribution towards the deposit on the purchase of a home, with the first qualifying tenants being able to make a claim from April 2020.

There are various qualifying criteria to become eligible for the "Earn Your Deposit Scheme", and not all tenants who are eligible will take-up the scheme. As such, at the year-end date the company was unable to accurately quantify the take-up of the deposit scheme in the accounts, and therefore no provision has been made.

The company undertook a review of the maximum potential "Earn Your Deposit Scheme" liability on 22nd October 2021 and found that if all year ended 31 December 2020 tenants qualified for the scheme, and subsequently took up the offer, a potential maximum liability of £1,887,900 would be required as deposits towards a tenants new homes in the future. However, the directors believe that only a third of tenants are expected to meet the scheme criteria and the uptake is likely to be approximately 9%, but uncertainty exists over these estimates.

There is not expected to be any reimbursement for the scheme.

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

26. 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 Guest Houses 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.

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

	2020	2019
	£	£
Loss before taxation	(6,174,319)	(3,857,965)
Depreciation charges	468,460	284,805
Profit on disposal of fixed assets	-	(1,012)
Grants amortised	(163,632)	(155,631)
Finance costs	10,498,040	7,798,775
Finance income	(111,387)	(199,587)
	4,517,162	3,869,385
(Increase)/decrease in stocks	(44,462,443)	19,961,214
Increase in trade and other debtors	(512,592)	(1,134,257)
Increase/(decrease) in trade and other creditors	14,406,869	(14,286,429)
Cash generated from operations	(26,051,004)	8,409,913

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

28. 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>3,249,053</u>	<u>2,368,938</u>

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>2,368,938</u>	<u>3,636,365</u>

29. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank	<u>2,368,938</u>	<u>880,115</u>	<u>3,249,053</u>
	<u>2,368,938</u>	<u>880,115</u>	<u>3,249,053</u>
Total	<u>2,368,938</u>	<u>880,115</u>	<u>3,249,053</u>

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.