REGISTERED NUMBER: 06646380 (England and Wales)

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

FOR

THAMESWEY DEVELOPMENTS LIMITED

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THAMESWEY DEVELOPMENTS LIMITED (REGISTERED NUMBER: 06646380)

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THAMESWEY DEVELOPMENTS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS:	M Rolt S Bonsor G Elson Cllr R J Kingsbury T Price
SECRETARY:	Clyde Secretaries Limited
REGISTERED OFFICE:	The St Botolph Building 138 Houndsditch London EC3A 7AR
REGISTERED NUMBER:	06646380 (England and Wales)
AUDITORS:	Hamlyns LLP Chartered Accountants & Statutory Auditors Sundial House High Street Horsell Woking Surrey GU21 4SU
SOLICITORS.	Clyde & Co LLP The St Botolph Building 138 Hounsditch London EC3A 7AR

THAMESWEY DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report with the financial statements of the company for the year ended 31 December 2011

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

REVIEW OF BUSINESS
During 2011 the Company completed just over half of the Hoe Valley Scheme bringing it to around 90% complete at the year end The Scheme is for the flood alleviation of approximately 183 homes in the Hoe Valley area of Woking, the rectification of contaminated land, landscaping works, and the building of approximately 200 new homes The company also commenced work on the St Johns Memorial Hall, Horsell Village Hall and the Link Leisure projects During 2011 work on the Carthouse Lane starter units and allotments was commenced via a joint venture with Rutland Properties Limited

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2011

DIRECTORS
M Rolt has held office during the whole of the period from 1 January 2011 to the date of this report

Other changes in directors holding office are as follows

S Bonsor - appointed 20 April 2011

G Elson , Cllr R J Kingsbury and T Price were appointed as directors after 31 December 2011 but prior to the date of this report

R N Morgan and D J Spinks ceased to be directors after 31 December 2011 but prior to the date of this report

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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

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

THAMESWEY DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD.



T Price - Director

24 May 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THAMESWEY DEVELOPMENTS LIMITED

We have audited the financial statements of Thameswey Developments Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 a Report of the Auditors 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

Respective responsibilities of directors and auditors
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 Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements
- give a true and fair view of the state of the company's affairs as at 31 December 2011 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

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THAMESWEY DEVELOPMENTS LIMITED

Matters on which we are required to report by exception

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

Hamlyns LLP

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

24 May 2012

THAMESWEY DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
TURNOVER		**6,800,811**	9,941,928
Cost of sales		**6,270,047**	9,742,178
GROSS PROFIT		**530,764**	199,750
Administrative expenses		**36,837**	52,858
OPERATING PROFIT	3	**493,927**	146,892
Interest receivable and similar income		**1,107**	2,365
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**495,034**	149,257
Tax on profit on ordinary activities	4	**-**	-
PROFIT FOR THE FINANCIAL YEAR		**495,034**	149,257

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current year or previous year

The notes on pages 9 to 14 form part of these financial statements

THAMESWEY DEVELOPMENTS LIMITED

BALANCE SHEET
31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
FIXED ASSETS					
Investments	5		**99,567**		49,566
CURRENT ASSETS					
Stocks	6	**17,862,617**		-	
Debtors	7	**1,283,678**		6,859,557	
Cash at bank		**428,906**		874,714	
		19,575,201		7,734,271	
CREDITORS					
Amounts falling due within one year	8	**2,141,960**		1,561,009	
NET CURRENT ASSETS			**17,433,241**		6,173,262
TOTAL ASSETS LESS CURRENT LIABILITIES			**17,532,808**		6,222,828
CREDITORS					
Amounts falling due after more than one year	9		**(16,750,000)**		(5,950,000)
ACCRUALS AND DEFERRED INCOME	10		**(14,946)**		-
NET ASSETS			**767,862**		272,828
CAPITAL AND RESERVES					
Called up share capital	11		**10,001**		10,001
Profit and loss account	12		**757,861**		262,827
SHAREHOLDERS' FUNDS	15		**767,862**		272,828

The financial statements were approved by the Board of Directors on 24 May 2012 and were signed on its behalf by

S Bonsor - Director

The notes on pages 9 to 14 form part of these financial statements

THAMESWEY DEVELOPMENTS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Net cash outflow from operating activities	16	**(11,211,860)**	(2,478,896)
Returns on investments and servicing of finance	17	**1,107**	2,365
Capital expenditure and financial investment	17	**(50,001)**	(49,566)
		(11,260,754)	(2,526,097)
Financing	17	**10,814,946**	2,960,000
(Decrease)/increase in cash in the period		**(445,808)**	433,903

	Notes		
Reconciliation of net cash flow to movement in net funds	18		
(Decrease)/increase in cash in the period		**(445,808)**	433,903
Change in net funds resulting from cash flows		**(445,808)**	433,903
Movement in net funds in the period		**(445,808)**	433,903
Net funds at 1 January		**874,714**	440,811
Net funds at 31 December		**428,906**	874,714

The notes on pages 9 to 14 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention

Turnover
Turnover represents the value of work done net of value-added-tax

Turnover is recognised on long-term contracts, only where the final outcome can be assessed with reasonable certainty, by including turnover and related costs in the profit and loss account as contract activity progresses Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract Where a loss is expected on the contract as a whole it will be recognised as soon as it is foreseen

Stocks
Stocks and work in progress (except long term contracts) are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

Long term contracts are stated at net cost less forseeable losses less any applicable payments on account The amount recorded as turnover in respect of long term contracts is ascertained by reference to the value of the work carried out to date Attributable profit is recognised as the difference between recorded turnover and related costs

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Long term contracts
Long-term 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

The balance of payments on account is classified as "payments on account" and is included within creditors

Long term 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

2 STAFF COSTS

There were no staff or employees directly employed by the company for the year ended 31 December 2011 or for the year ended 31 December 2010 The directors are remunerated by parent undertakings for the current and preceding financial years Staff costs are reallocated from parent undertakings

3 OPERATING PROFIT

The operating profit is stated after charging

	2011	2010
	£	£
Auditors' remuneration	5,500	12,270
Directors' remuneration	-	-

continued

4 TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2011 nor for the year ended 31 December 2010

Factors affecting the tax charge
The tax assessed for the year is lower than the standard rate of corporation tax in the UK The difference is explained below

	2011	2010
	£	£
Profit on ordinary activities before tax	495,034	149,257
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20 247% (2010 - 21%)	100,230	31,344
Effects of		
Group relief for nil consideration	(100,635)	(31,745)
Expenses not deductible for tax purposes	405	401
Current tax charge	-	-

5 FIXED ASSET INVESTMENTS

	Interest in joint venture
	£
COST	
At 1 January 2011	49,566
Additions	50,001
At 31 December 2011	99,567
NET BOOK VALUE	
At 31 December 2011	99,567
At 31 December 2010	49,566

The company's investments at the balance sheet date in the share capital of companies include the following

Joint Ventures

Rutland (Woking) Limited
Country of incorporation England & Wales
Nature of business Property development

Class of shares	% holding
Ordinary	50 00

	2011	2010
	£	£
Aggregate capital and reserves	100,929	10,000
Loss for the year	(9,071)	-

continued

5 **FIXED ASSET INVESTMENTS - continued**

Rutland Woking (Carthouse Lane) Limited
Country of incorporation England & Wales
Nature of business Property development

Class of shares	% holding
Ordinary	50 00

	2011 £
Aggregate capital and reserves	(4,367)
Loss for the year	(4,369)

6 **STOCKS**

	2011 £	2010 £
Work-in-progress	17,820,924	-
Long term contract net cost less foreseeable losses	41,693	-
	17,862,617	-

7 **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011 £	2010 £
Amounts recoverable on contract	27,618	6,428,185
VAT	1,256,060	431,372
	1,283,678	6,859,557

8 **CREDITORS· AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011 £	2010 £
Payments on account	205,008	258,868
Trade creditors	187,291	95,721
Accruals and deferred income	1,749,661	1,206,420
	2,141,960	1,561,009

9 **CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2011 £	2010 £
Amounts owed to group undertakings	16,750,000	5,950,000

10 **ACCRUALS AND DEFERRED INCOME**

	2011 £	2010 £
Grants from other bodies	14,946	-

continued

11 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2011 £	2010 £
10,001	Ordinary	£1	10,001	10,001

12 RESERVES

	Profit and loss account £
At 1 January 2011	262,827
Profit for the year	495,034
At 31 December 2011	757,861

13 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

14 RELATED PARTY DISCLOSURES

Throughout the current and preceding financial years the company was 100% owned by Thameswey Limited The company's immediate parent company Thameswey Limited is 100% (2010 100%) owned by Woking Borough Council Thameswey Limited owns the share capital of the following companies

	2011	2010
Thameswey Energy Limited	100%	90%
Woking Borough Homes Limited	100%	100%
Energy Centre for Sustainable Communities Limited	100%	100%
Thameswey Developments Limited	100%	100%
X2WP Limited	100%	100%
Thameswey Solar Limited	100%	n/a
Thameswey Maintenance Services Limited	100%	20%

Thameswey Energy Limited owns 100% (2010 100%) of Thameswey Central Milton Keynes Limited Woking Borough Homes Limited owns 98% (2010 98%) of Brunswick Road (Pirbright) Residents Company Limited Thameswey Developments Limited owns 50% (2010 50%) of Rutland (Woking) Limited and 50% (2010 n/a) of Rutland Woking (Carthouse Lane) Limited

Therefore, no transactions with these related parties are to be disclosed for either year under the provisions of Financial Reporting Standard number 8

continued

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Profit for the financial year	495,034	149,257
Ordinary shares issued	-	10,000
Net addition to shareholders' funds	495,034	159,257
Opening shareholders' funds	272,828	113,571
Closing shareholders' funds	767,862	272,828

16 RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating profit	493,927	146,892
Increase in stocks	(17,862,617)	-
Decrease/(increase) in debtors	5,575,879	(2,737,641)
Increase in creditors	580,951	111,853
Net cash outflow from operating activities	(11,211,860)	(2,478,896)

17 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011	2010
	£	£
Returns on investments and servicing of finance		
Interest received	1,107	2,365
Net cash inflow for returns on investments and servicing of finance	1,107	2,365
Capital expenditure and financial investment		
Purchase of fixed asset investments	(50,001)	(49,566)
Net cash outflow for capital expenditure and financial investment	(50,001)	(49,566)
Financing		
New loans in year	10,800,000	2,950,000
Share issue	-	10,000
Grants from other bodies	14,946	-
Net cash inflow from financing	10,814,946	2,960,000

continued

18 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 11	Cash flow	At 31 12 11
	£	£	£
Net cash			
Cash at bank	874,714	(445,808)	428,906
	874,714	(445,808)	428,906
Total	874,714	(445,808)	428,906