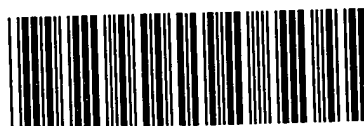


REGISTERED NUMBER: 05277300 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013
FOR
THAMESWEY CENTRAL MILTON KEYNES LIMITED**

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COMPANIES HOUSE

THAMESWEY CENTRAL MILTON KEYNES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2013**

DIRECTORS:

D J Spinks
J P Thorp
W Prescott
Cllr R J Kingsbury
Dr B M Maunders
M Rolt

SECRETARY:

Clyde Secretaries Limited

REGISTERED OFFICE:

The St Botolph Building
138 Houndsditch
London
EC3A 7AR

REGISTERED NUMBER:

05277300 (England and Wales)

AUDITORS:

Hamlyns LLP
Statutory Auditor
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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of building, financing and operating combined heat and power plant for the production and supply of electricity, heat and chilled water.

REVIEW OF BUSINESS

During the year the company continued to pursue the acquisition of new customers in the Central Milton Keynes area and further connections are expected in 2015 to 2017. Developer interest in the area is increasing and planning applications have been made during the year. Further new customers moving into part occupied offices have contributed towards increased sales and customer numbers. Sales in 2013 increased by 23% to £3.7m over 2012 and operating profit increased by 74% over 2012 to £123,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

D J Spinks
J P Thorp
W Prescott
Cllr R J Kingsbury
Dr B M Maunders

Other changes in directors holding office are as follows:

M Rolt was appointed as a director after 31 December 2013 but prior to the date of this report.

S Bonsor ceased to be a director after 31 December 2013 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.

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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

ON BEHALF OF THE BOARD:



.....
W Prescott - Director

Date: 15th MAY 2014.....

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

We have audited the financial statements of Thameswey Central Milton Keynes Limited for the year ended 31 December 2013 on pages six to sixteen. 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 set out on page two, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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.

Emphasis of matter - Going concern

In forming our opinion, we have also considered the adequacy of the disclosures made in the financial statements concerning the appropriateness of preparing the company's financial statements on a going concern basis. Reference in this regard should be made to the explanation provided in note 1. The financial statements have been prepared on a going concern basis, the validity of which depends on the continued support of the ultimate parent undertaking. The financial statements do not include any adjustments that may result from a failure to obtain such support.

Should this support not be forthcoming, adjustments may need to be made to reduce the carrying value of assets to their recoverable amount and to provide for any other liabilities that may arise there from.

Our opinion is not qualified in this respect.

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 CENTRAL MILTON KEYNES 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; 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' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Handwritten signature: Hamlyn LLP

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

Date: *15 May 2014*

THAMESWEY CENTRAL MILTON KEYNES LIMITED (REGISTERED NUMBER: 05277300)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

| | | 2013 | 2012 |
|--|----------|---------------------------|---------------------------|
| | | £ | as restated £ |
| | Notes | | |
| TURNOVER | | 3,660,773 | 2,982,452 |
| Cost of sales | | <u>2,550,218</u> | <u>1,993,697</u> |
| GROSS PROFIT | | 1,110,555 | 988,755 |
| Administrative expenses | | <u>1,332,646</u> | <u>1,188,463</u> |
| | | (222,091) | (199,708) |
| Other operating income | | <u>345,216</u> | <u>270,558</u> |
| OPERATING PROFIT | 2 | 123,125 | 70,850 |
| Interest receivable and similar income | | <u>3,106</u> | <u>5,794</u> |
| | | 126,231 | 76,644 |
| Interest payable and similar charges | | <u>1,584,602</u> | <u>1,560,236</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (1,458,371) | (1,483,592) |
| Tax on loss on ordinary activities | 3 | <u>-</u> | <u>-</u> |
| LOSS FOR THE FINANCIAL YEAR | | <u>(1,458,371)</u> | <u>(1,483,592)</u> |

CONTINUING OPERATIONS

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

THAMESWEY CENTRAL MILTON KEYNES LIMITED (REGISTERED NUMBER: 05277300)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

| | 2013 | 2012 |
|---|--------------------|--------------------------|
| | £ | as restated £ |
| LOSS FOR THE FINANCIAL YEAR | (1,458,371) | (1,483,592) |
| | <hr/> | <hr/> |
| TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR | (1,458,371) | (1,483,592) |
| | | <hr/> |
| Prior year adjustment | Note 4 | |
| | <hr/> | |
| TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT | (1,326,692) | |
| | <hr/> | |

The notes on pages 10 to 16 form part of these financial statements

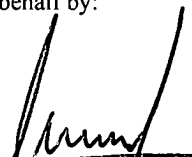
THAMESWEY CENTRAL MILTON KEYNES LIMITED (REGISTERED NUMBER: 05277300)

**BALANCE SHEET
31 DECEMBER 2013**

| | | 2013 | | 2012 as restated | |
|--|-------|------------------|---------------------------|---------------------|---------------------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 5 | | 20,875,183 | | 21,494,326 |
| CURRENT ASSETS | | | | | |
| Stocks | | 96,963 | | 76,699 | |
| Debtors | 6 | 1,211,042 | | 1,388,905 | |
| Cash at bank | | 337,455 | | 183,451 | |
| | | <u>1,645,460</u> | | <u>1,649,055</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 7 | 1,783,349 | | 1,578,600 | |
| NET CURRENT (LIABILITIES)/ASSETS | | | <u>(137,889)</u> | | <u>70,455</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 20,737,294 | | 21,564,781 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 8 | | (22,777,030) | | (21,801,971) |
| ACCRUALS AND DEFERRED INCOME | 11 | | <u>(6,901,937)</u> | | <u>(7,246,112)</u> |
| NET LIABILITIES | | | <u><u>(8,941,673)</u></u> | | <u><u>(7,483,302)</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 12 | | 1,110,000 | | 1,110,000 |
| Profit and loss account | 13 | | <u>(10,051,673)</u> | | <u>(8,593,302)</u> |
| SHAREHOLDERS' FUNDS | 16 | | <u><u>(8,941,673)</u></u> | | <u><u>(7,483,302)</u></u> |

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 15th MAY 2014 and were signed on its behalf by:


.....
M Rolt - Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

| | | 2013 | | 2012 as restated | |
|--|-------|---------|-------------|---------------------|-------------|
| | Notes | £ | £ | £ | £ |
| Net cash inflow from operating activities | 17 | | 787,798 | | 216,878 |
| Returns on investments and servicing of finance | 18 | | (1,581,496) | | (1,554,442) |
| Capital expenditure | 18 | | (134,752) | | (312,884) |
| | | | (928,450) | | (1,650,448) |
| Financing | 18 | | 1,082,454 | | 838,488 |
| Increase/(decrease) in cash in the period | | | 154,004 | | (811,960) |
| <hr/> | | | | | |
| Reconciliation of net cash flow to movement in net debt | 19 | | | | |
| Increase/(decrease) in cash in the period | | 154,004 | | (811,960) | |
| Cash outflow from decrease in debt | | 497,586 | | 463,952 | |
| Change in net debt resulting from cash flows | | | 651,590 | | (348,008) |
| Movement in net debt in the period | | | 651,590 | | (348,008) |
| Net debt at 1 January | | | (3,604,215) | | (3,256,207) |
| Net debt at 31 December | | | (2,952,625) | | (3,604,215) |

The notes on pages 10 to 16 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES

Accounting convention

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

The going concern basis adopted for preparing the financial statements is contingent upon the continued financial support of the company's ultimate parent undertaking.

The directors agree and recommend for approval by Woking Borough Council a business plan in July each year for the following three years with financial projections to 2041 which demonstrate that the company can repay its loans and give a return on the investment. The plan is then presented to the Council's Executive in September and the full Council in October for approval. Woking Borough Council members adopted the business plan covering the period 2014 to 2017 on 24th October 2013 which shows that loans will be repaid in 2040 and with a return on investment of 5.6% per annum over the period of the plan. The principal investment return to Woking Borough Council will be achieved via loan margins. For these reasons the directors believe that it is appropriate to prepare the accounts on a going concern basis.

As at 31st December 2013 the company's ultimate parent undertaking is Woking Borough Council. Assurances have been obtained from this parent undertaking that continued financial support will be made available, as required, to ensure that liabilities can be met as they fall due and also that the company has adequate funds to continue its activities.

Turnover

Turnover represents the net invoiced sales of services, excluding value added tax.

Income is broken down into its component parts and recognised in accordance with Financial Reporting Standard number 5, application note G.

Tangible fixed assets

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

| | |
|-------------------------|---|
| Land and buildings | - Straight line over 60 years |
| Plant and machinery etc | - Straight line over 30 years and Straight line over 60 years |

The company capitalises all directly attributable costs relating to the purchase or construction of a fixed asset.

The directors undertake an annual impairment review in order to consider whether any tangible fixed asset are impaired.

Stocks

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

Deferred tax

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they are based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Interest capitalisation

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditure for the asset are incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when the construction of the asset has reached the stage of practical completion.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

2. OPERATING PROFIT

The operating profit is stated after charging:

| | 2013 | 2012 as restated |
|--|---------------|---------------------|
| | £ | £ |
| Depreciation - owned assets | 753,895 | 744,172 |
| Auditors' remuneration | 9,000 | 6,528 |
| | <u>11,266</u> | <u>7,137</u> |
| Directors' remuneration and other benefits etc | <u>11,266</u> | <u>7,137</u> |

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2013 nor for the year ended 31 December 2012.

Factors that may affect future tax charges

A deferred tax asset has not been recognised in respect of timing differences relating to pre-trading expenses, accelerated capital allowances and trading losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £1,825,985 (2012: £1,530,502). The asset would be recovered if there were sufficient suitable taxable profits against which this expense could be offset.

4. PRIOR YEAR ADJUSTMENT

The prior year adjustment represents amounts due in respect of group relief for the year ended 31 December 2011 from Thameswey Developments Limited.

5. TANGIBLE FIXED ASSETS

| | Buildings £ | Plant and machinery £ | Assets under construction £ | Totals £ |
|-----------------------|------------------|-----------------------------|--------------------------------------|-------------------|
| COST | | | | |
| At 1 January 2013 | 1,886,800 | 22,261,611 | 347,315 | 24,495,726 |
| Additions | - | 67,918 | 66,834 | 134,752 |
| At 31 December 2013 | <u>1,886,800</u> | <u>22,329,529</u> | <u>414,149</u> | <u>24,630,478</u> |
| DEPRECIATION | | | | |
| At 1 January 2013 | 167,716 | 2,833,684 | - | 3,001,400 |
| Charge for year | 31,447 | 722,448 | - | 753,895 |
| At 31 December 2013 | <u>199,163</u> | <u>3,556,132</u> | <u>-</u> | <u>3,755,295</u> |
| NET BOOK VALUE | | | | |
| At 31 December 2013 | <u>1,687,637</u> | <u>18,773,397</u> | <u>414,149</u> | <u>20,875,183</u> |
| At 31 December 2012 | <u>1,719,084</u> | <u>19,427,927</u> | <u>347,315</u> | <u>21,494,326</u> |

Cumulative finance costs capitalised in the cost of tangible fixed assets amount to £921,353 (2012:£909,234) for the company.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

6. DEBTORS

| | 2013 | 2012 as restated |
|---|------------------|---------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 421,830 | 578,205 |
| Amounts owed by group undertakings | 132,356 | 131,679 |
| Other debtors | 503,436 | 679,021 |
| | <u>1,057,622</u> | <u>1,388,905</u> |
| Amounts falling due after more than one year: | | |
| Amounts owed by group undertakings | <u>153,420</u> | <u>-</u> |
| Aggregate amounts | <u>1,211,042</u> | <u>1,388,905</u> |

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2013 | 2012 as restated |
|------------------------------------|------------------|---------------------|
| | £ | £ |
| Other loans (see note 9) | 543,326 | 501,439 |
| Trade creditors | 284,126 | 158,641 |
| Amounts owed to group undertakings | 479,940 | 414,432 |
| Accruals and deferred income | 475,957 | 504,088 |
| | <u>1,783,349</u> | <u>1,578,600</u> |

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

| | 2013 | 2012 as restated |
|------------------------------------|-------------------|---------------------|
| | £ | £ |
| Other loans (see note 9) | 2,746,754 | 3,286,227 |
| Amounts owed to group undertakings | 20,030,276 | 18,515,744 |
| | <u>22,777,030</u> | <u>21,801,971</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

9. LOANS

Other loans

| | 2013 | 2012 |
|--|------------------|------------------|
| | £ | £ |
| Repayable within one year | 543,326 | 501,439 |
| Amounts falling due between one and two years | 588,712 | 543,326 |
| Amounts falling due between two and five years | 2,158,042 | 1,917,776 |
| Amounts falling due after more than five years | | 825,125 |
| | <u>3,290,080</u> | <u>3,787,666</u> |

Amounts owed to group undertaking

| | 2013 | 2012 |
|--|-------------------|-------------------|
| | £ | £ |
| Repayable within one year | 479,940 | 414,432 |
| Amounts falling due between one and two years | 515,228 | 445,044 |
| Amounts falling due between two and five years | 1,755,920 | 1,525,470 |
| Amounts falling due after more than five years | 17,759,128 | 16,545,230 |
| | <u>20,510,216</u> | <u>18,930,176</u> |

Amounts owed to group undertaking comprises loans from the ultimate parent undertaking Woking Borough Council. Interest is charged on the above loans at an annual interest rate of between 6% and 7%.

10. SECURED DEBTS

Loan facilities not exceeding £2,000,000 made available by Lombard North Central Plc to the company were secured by a charge dated 2 June 2008 over two of the bank accounts, the Operating Account and the Security Account owned by the company's parent company Thameswey Energy Limited.

A debenture was created on 24 March 2006 by Thameswey Central Milton Keynes Limited for securing £2,500,000 due to Woking Borough Council.

11. ACCRUALS AND DEFERRED INCOME

| | 2013 | 2012 |
|------------------------------|------------------|------------------|
| | £ | as restated £ |
| Accruals and deferred income | <u>6,901,937</u> | <u>7,246,112</u> |

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2013 | 2012 |
|-----------|----------|-------------------|------------------|------------------|
| | | | £ | as restated £ |
| 1,110,000 | Ordinary | £1 | <u>1,110,000</u> | <u>1,110,000</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

13. RESERVES

| | Profit and loss account £ |
|-----------------------|------------------------------------|
| At 1 January 2013 | (8,724,981) |
| Prior year adjustment | 131,679 |
| | <hr/> |
| Deficit for the year | (8,593,302) (1,458,371) |
| | <hr/> |
| At 31 December 2013 | <u>(10,051,673)</u> |

14. 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.

15. RELATED PARTY DISCLOSURES

The company's immediate parent company Thameswey Limited is 100% (2012 - 100%) owned by Woking Borough Council. Thameswey Limited owns the share capital of the following companies:

| | 2013 | 2012 |
|---|------|------|
| Thameswey Energy Limited | 100% | 100% |
| Thameswey Housing Limited | 100% | 100% |
| Thameswey Sustainable Communities Limited | 100% | 100% |
| Thameswey Developments Limited | 100% | 100% |
| Thameswey Solar Limited | 75% | 75% |
| Thameswey Maintenance Services Limited | 100% | 100% |

Thameswey Energy Limited owns 100% (2012 - 100%) of Thameswey Central Milton Keynes Limited. Thameswey Housing Limited owns 100% of Thameswey Guest Houses Limited (2012 - nil) and 98% (2012 - 98%) of Brunswick Road (Pirbright) Residents Company Limited. Thameswey Developments Limited owns 50% (2012 - 50%) of Rutland (Woking) Limited, 50% (2012 - 50%) of Rutland Woking (Carthouse Lane) Limited. Rutland Woking (Westminster Court) Limited is a wholly owned subsidiary of Rutland (Woking) Limited.

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2013 | 2012 as restated |
|--|--------------------|---------------------|
| | £ | £ |
| Loss for the financial year | (1,458,371) | (1,483,592) |
| Net reduction of shareholders' funds | (1,458,371) | (1,483,592) |
| Opening shareholders' funds (originally £(7,614,981) before prior year adjustment of £131,679) | (7,483,302) | (5,999,710) |
| Closing shareholders' funds | (8,941,673) | (7,483,302) |

17. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2013 | 2012 as restated |
|--|----------------|---------------------|
| | £ | £ |
| Operating profit | 123,125 | 70,850 |
| Depreciation charges | 753,895 | 744,173 |
| Contribution amortised | (344,175) | (270,558) |
| Increase in stocks | (20,264) | (19,199) |
| Decrease/(increase) in debtors | 177,864 | (280,950) |
| Increase/(decrease) in creditors | 97,353 | (27,438) |
| Net cash inflow from operating activities | 787,798 | 216,878 |

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

| | 2013 | 2012 as restated |
|---|--------------------|---------------------|
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest received | 3,106 | 5,794 |
| Interest paid | (1,584,602) | (1,560,236) |
| Net cash outflow for returns on investments and servicing of finance | (1,581,496) | (1,554,442) |
| Capital expenditure | | |
| Purchase of tangible fixed assets | (134,752) | (312,884) |
| Net cash outflow for capital expenditure | (134,752) | (312,884) |
| Financing | | |
| New loans in year | 2,000,000 | 1,650,000 |
| Loan repayments in year | (917,546) | (827,143) |
| Contribution from other bodies | - | 15,631 |
| Net cash inflow from financing | 1,082,454 | 838,488 |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

19. ANALYSIS OF CHANGES IN NET DEBT

| | At 1.1.13 £ | Cash flow £ | At 31.12.13 £ |
|--------------------------------------|--------------------|----------------|---------------------|
| Net cash: | | | |
| Cash at bank | 183,451 | 154,004 | 337,455 |
| | <u>183,451</u> | <u>154,004</u> | <u>337,455</u> |
| Debt: | | | |
| Debts falling due within one year | (501,439) | (41,887) | (543,326) |
| Debts falling due after one year | (3,286,227) | 539,473 | (2,746,754) |
| | <u>(3,787,666)</u> | <u>497,586</u> | <u>(3,290,080)</u> |
| Total | <u>(3,604,215)</u> | <u>651,590</u> | <u>(2,952,625)</u> |