



## Statement of Accounts 2016/17

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March 2017**

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## **Company Information**

Company Name: Tunbridge Wells Property Holdings Ltd

Registered Office: Town Hall, Civic Way, Royal Tunbridge Wells, Kent, UK.  
TN1 1RS

Company Registration Number: 09477122

Directors: Mr David Candlin  
Mrs Tracy Moore  
Ms Beverley Palmer

Auditor: RSM UK Audit LLP

Auditor Address: Hanover House, 18 Mount Ephraim Road,  
Tunbridge Wells, Kent. TN1 1ED

Banker: Lloyds Bank

Banker Address: PO Box 1000, Andover, BX1 1LT

## **Directors Report**

The Directors present their report with the financial statements of the company for the year ended 31 March 2017.

### **Directors**

Mr David Candlin became a Director on 9 March 2015 when the company was incorporated.

The following Directors have held office for the period 20 July 2015 to the current date.

Mrs Tracy Moore  
Ms Beverley Palmer

### **Principal Activity**

The principal activity of the company in the period under review was:

Letting of property in the private rented sector.

**Dividend**

This is the second period of trading and the company has made a cumulative loss, therefore there is no dividend to be made.

**Business Review**

In the second period of operation the company has increased its portfolio. It obtained operational leases for a further 7 dwellings from the Tunbridge Wells Borough Council and rented them via Kings Estate Agents under Assured Shorthold Tenancies. This brings the total number of properties leased to 15 and all, except 1 which is under offer, are currently occupied.

The company is looking to expand its operations and is in discussions with the Tunbridge Wells Borough Council about further properties to add to its portfolio.

**Going Concern Review**

The Directors have considered all available information about the events after the reporting period and future development plans when considering going concern, some of which are expanded upon below. The Directors have also reviewed cash flows for the 12 months following the date of these accounts and have concluded that Tunbridge Wells Property Holdings Ltd remains able to meet its obligations as they fall due for the foreseeable future.

All compliance returns required to date, have been filed on time. The accounts for the year to 31 March 2017 must be filed at Companies House by 31 December 2017.

This report has been prepared in accordance with the provisions in part 15 of the Companies Act 2006, relating to the Small Companies regime for reporting.

This report was approved by the Board of Directors on 28 November 2017 and

Signed on behalf of the Board by:

David Candlin  
Director

## **Directors' Responsibilities Statement**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including International Financial Reporting Standards (IFRS's) as adopted by the European Union. 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- make 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 confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of Tunbridge Wells Property Holdings Limited**

### **Opinion on financial statements**

We have audited the financial statements on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the provisions of the Companies Act 2006.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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, based on the work undertaken in the course of our audit, the Directors' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any 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.

### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 4, 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 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 opinions we have formed.

Gary Purdy (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Hanover House  
18 Mount Ephraim Road  
Tunbridge Wells  
TN1 1ED

## Statement of Comprehensive Income for the period ended 31 March 2017

2015/16 £		Note	2016/17 £
	<b>Continuing Operations</b>		
71,330	Revenue	4	127,757
(65,934)	Cost of Sales	5	(122,023)
<u>5,396</u>	<b>Gross Profit</b>		<u>5,734</u>
(17,672)	Administrative Expenses	5	(6,861)
-	Audit and Taxation Fees	5	(18,265)
<u>(12,276)</u>	<b>Loss before Tax</b>		<u>(19,392)</u>
-	Income Tax Expense		-
<u>(12,276)</u>	<b>Loss for the period</b>		<u>(19,392)</u>



## Statement of Financial Position at 31 March 2017

Company Registration number: 09477122 (England and Wales)

31 March 2016 £		Note	31 March 2017 £
<b>ASSETS</b>			
<b>Current Assets</b>			
14,683	Trade and Other Receivables	9	582
31,600	Cash and Cash Equivalents	10	86,407
<b>46,283</b>	<b>Total Current Assets</b>		<b>86,989</b>
<b>46,283</b>	<b>Total Assets</b>		<b>86,989</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
(58,459)	Trade and Other Payables	12	(108,957)
-	Audit and Taxation Fees		(9,600)
-	Current Tax Liability		-
<b>(58,459)</b>	<b>Total Current Liabilities</b>		<b>(118,557)</b>
<b>(12,176)</b>	<b>Net Liabilities</b>		<b>(31,568)</b>
<b>Equity</b>			
100	Share Capital	11	100
(12,276)	Retained Earnings		(31,668)
<b>(12,176)</b>	<b>Total Equity Deficit</b>		<b>(31,568)</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 November 2017.

Directors Signature

David Candlin  
Director

## Statement of changes in equity for the period ended 31 March 2017

	Ordinary Shares £	Retained Earnings £	Total Equity £
<b>Balance as at 18 May 2015</b>	-	-	-
<b>Changes in Equity for 2015/16</b>			
Loss for the period	-	(12,276)	(12,276)
<b>Total Comprehensive Income for the Period Loss</b>	-	(12,276)	(12,276)
Dividends	-	-	-
Issue of Share Capital	100	-	100
<b>Balance as at 31 March 2016</b>	<b>100</b>	<b>(12,276)</b>	<b>(12,176)</b>
<b>Balance as at 1 April 2016</b>	100	(12,276)	(12,176)
<b>Changes in Equity for 2016/17</b>			
Loss for the period	-	(19,392)	(19,392)
<b>Total Comprehensive Income for the Period Loss</b>	-	(19,392)	(19,392)
Dividends	-	-	-
Issue of Share Capital	-	-	-
<b>Balance as at 31 March 2017</b>	<b>100</b>	<b>(31,668)</b>	<b>(31,568)</b>

## Statement of Cash Flows for the period ended 31 March 2017

2015/16 £		2016/17 £
	<b>Cash flows from operating activities</b>	
(12,176)	Loss before taxation	(19,392)
	<b>Adjustments for:</b>	
(14,683)	Increase/decrease in trade receivables	14,101
58,459	Increase/decrease in trade and other payables	60,098
<u>31,600</u>	<b>Net Cash from operating activities</b>	<u>54,807</u>
	<b>Cash flows from financing activities</b>	
-	Issue of share capital	-
-	<b>Net Cash from financing activities</b>	-
<u>31,600</u>	<b>Net increase in cash and cash equivalents</b>	<u>54,807</u>
-	<b>Cash and cash equivalents at beginning of period</b>	<u>31,600</u>
<u><u>31,600</u></u>	<b>Cash and cash equivalents at end of period</b>	<u><u>86,407</u></u>

## **Notes to the Financial Statements**

The principal accounting policies applied in the preparation of these financial statements are set out below:

### **1 General Information**

Tunbridge Wells Property Holdings Limited is a limited company incorporated in the United Kingdom. The address of its registered office and principal place of business is Town Hall, Civic Way, Royal Tunbridge Wells, Kent, UK. TN1 1RS. The principal activity of the company is the letting of property in the private rented sector.

Tunbridge Wells Property Holdings Ltd is a wholly owned subsidiary of Tunbridge Wells Borough Council which is a Local Government organisation.

### **2 Basis of Preparation**

These financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and the Companies Act 2006.

The financial statements have been prepared on the basis that the company is a going concern and will continue in operation for the foreseeable future.

Tunbridge Wells Property Holdings Ltd has not adopted any standards or interpretations in advance of the required implementation dates. It is not expected that any other standards or interpretations which have been issued by the International Accounting Standards Board but have not been adopted, will have a material impact on the financial statements.

This is the second period of trading for the company with the first year being a part year and therefore comparisons between financial years should be considered accordingly.

#### **2.1 Events after the reporting period**

No events have arisen after 31 March 2017 that would impact on the accounting statements or on the company's overall financial position.

### **3 Accounting Policies**

#### **3.1 Trade Receivables**

Trade receivables are initially measured at fair value and are subsequently carried at amortised cost in the Financial Statements. Consideration will be given to balances throughout the period to determine if any amounts are deemed irrecoverable. Where irrecoverable amounts are identified, the impairment is recognised immediately through the Statement of Comprehensive Income.

### **3.2 Cash and Cash Equivalents**

Cash equivalents comprise of short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Short term is defined as having a maturity within 3 months.

### **3.3 Trade and Other Payables**

Trade payables are initially measured at fair value and are subsequently carried at amortised cost in the Financial Statements at year end.

### **3.4 Revenue**

Revenue comprises of rental income from tenanted properties. Tunbridge Wells Property Holdings Limited's parent manages the contract with Kings Estate Agent, who manage the billings, collection and recovery of rental income and provide statements to the company on a regular basis.

Rental revenues are recognised on an accruals basis for the period in accordance with the individual tenancy agreements.

### **3.5 Taxation**

Income tax for the period is based on taxable income for the period. Taxable income differs from profit as reported in the Statement of Comprehensive Income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods. Income tax for the period is calculated using the current ruling tax rate.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of the deferred tax assets will be reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

### **3.6 Fair Value Measurement and Valuation Process**

Tunbridge Wells Property Holding Ltd measures payables and receivables at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### **3.7 Leases**

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or a number of payments, the right to use an asset for an agreed period of time. An operating lease is a lease whose term is short compared to the useful life of the asset being leased.

#### 4 Revenue

The revenue for Tunbridge Wells Property Holdings Ltd is comprised of income from rental activities only.

2015/16		2016/17
£		£
71,330	Revenue from Rental Activities	127,757
<b>71,330</b>	<b>Total Revenue from Rental Activities</b>	<b>127,757</b>

#### 5 Disclosure of Expenses

The following items have been recognised as expenses in determining loss before tax:

2015/16		2016/17
£		£
(65,934)	Cost of Sales	(122,023)
(17,672)	Other Expenses	(6,861)
-	Audit Fee	(16,465)
-	Taxation Fees	(1,800)
<b>(83,606)</b>	<b>Total Expenses</b>	<b>(147,149)</b>

The audit fees include £8,665 in respect of Grant Thornton UK LLP who were appointed as the company's external auditor in order to audit the 2015/16 accounts and £7,800 in respect of RSM UK Audit LLP who were appointed as the company's external auditor in order to audit the 2016/17 accounts.

#### 6 Finance Costs

Tunbridge Wells Property Holding Ltd was given approval to borrow up to the sum of £10,000 from Tunbridge Wells Borough Council for cash flow purposes at the start of trading. However the cash received from rental income has been sufficient to fund the cashflow required for costs and the borrowing has not been required. This facility however, is ongoing.

## 7 Income Tax Expense

2015/16		2016/17
£		£
-	UK Corporation Tax	-
-	<b>Total</b>	-

There is £4,577 of deferred tax assets available but there is doubt as to whether it will be possible to utilise them in the near future. Therefore these assets have not been recognised in the Statement of Comprehensive Income for 2016/17. If a tax liability does become due in the future, this asset can still be used to offset it.

## 8 Leases

Tunbridge Wells Property Holdings Limited currently has six operating leases with its parent company, Tunbridge Wells Borough Council, for the lease of a total of 15 residential properties. The term of the leases is for a period of 22 years.

Tunbridge Wells Property Holdings Limited paid a sum of £89,877 in lease payments for 2016/17 to Tunbridge Wells Borough Council.

At 31 March 2017 the total of the company's future minimum lease payments under non-cancellable operating leases was:

2015/16		2016/17
£		£
111,826	Not later than 1 year	120,772
362,316	Later than 1 year and not later than 5 years	362,316
2,134,681	Later than 5 years	2,013,909
<b>2,608,823</b>	<b>Total</b>	<b>2,496,997</b>

At 31 March 2017 the total of the company's future minimum lease receivables under non-cancellable operating leases was:

2015/16		2016/17
£		£
25,340	Not later than 1 year	78,972
<b>25,340</b>	<b>Total</b>	<b>78,972</b>

## 9 Trade and Other Receivables

The trade debtors relate to Kings Estate Agent, who manage the billings, collection and recovery of rental income and therefore no provision for bad and doubtful debt has been made.

<b>31 March 2016</b>		<b>31 March 2017</b>
<b>£</b>		<b>£</b>
232	Trade Receivables	582
14,451	Related Party Receivables	-
<b>14,683</b>	<b>Total</b>	<b>582</b>

## 10 Cash and Cash Equivalents

Cash and cash equivalents consist of the bank balance only.

<b>31 March 2016</b>		<b>31 March 2017</b>
<b>£</b>		<b>£</b>
31,600	Cash in hand and balances with banks	86,407
<b>31,600</b>	<b>Total</b>	<b>86,407</b>

## 11 Ordinary Shares

<b>31 March 2016</b>		<b>31 March 2017</b>
<b>£</b>		<b>£</b>
<b>100</b>	Authorised 100 Ordinary Shares of £1 each	<b>100</b>
<b>100</b>	Issued and fully paid for 100 Ordinary Shares of £1 each	<b>100</b>

All fully paid up shares have a par value of £1 and entitle the holder to one vote and equal rights to dividends declared.



## 12 Trade and Other Payables

31 March 2016			31 March 2017	
£			£	
1,042	Trade Creditors		6,041	
57,417	Related party payables		102,916	
-	Audit and Taxation Fee Accrual		9,600	
<b>58,459</b>	<b>Total</b>		<b>118,557</b>	

## 13 Related Parties

Tunbridge Wells Property Holdings Ltd is a wholly owned and controlled subsidiary of Tunbridge Wells Borough Council which is the ultimate parent of the company.

All Directors of the company are either Officers or Members of Tunbridge Wells Borough Council and do not receive any remuneration from the Company. The Company also had no employees for the financial period ended 31 March 2017.

The following amounts reflect balances between Tunbridge Wells Property Holdings Ltd and Tunbridge Wells Borough Council.

Amount Owed to Related Party	Amount Owed by Related Party		Amount Owed to Related Party	Amount Owed by Related Party
31 March 2016			31 March 2017	
£	£		£	£
(57,417)	-	Parent - Trade Payables	(102,916)	-
-	14,351	Parent - Trade Receivables	-	-
-	100	Parent - Other Receivables	-	-
<b>(57,417)</b>	<b>14,451</b>		<b>(102,916)</b>	<b>-</b>

During the year the company made purchases from Tunbridge Wells Borough Council of £105,275 (2015/16 £57,442). Amounts owed to and by the parent are unsecured, interest free and have fixed repayment terms. The balances will be settled in cash.

## 14 Financial Instruments and Financial Risk Management

### 14.1 Categories of Financial Instruments

Below is a comparison of the carrying value and the fair value of the company's financial instruments.

It is the Directors' opinion that the carrying value of financial assets and liabilities is the same as their fair value due to the short term maturities of these instruments.

31 March 2016			31 March 2017	
£	£		£	£
Carrying Value	Fair Value		Carrying Value	Fair Value
		<b>Financial Assets</b>		
14,683	14,683	Trade and other receivables	582	582
31,600	31,600	Cash and cash equivalents	86,407	86,407
<b>46,283</b>	<b>46,283</b>	<b>Total</b>	<b>86,989</b>	<b>86,989</b>
		<b>Financial Liabilities</b>		
(58,459)	(58,459)	Trade and other payables	(118,557)	(118,557)
<b>(58,459)</b>	<b>(58,459)</b>	<b>Total</b>	<b>(118,557)</b>	<b>(118,557)</b>

### 14.2 Financial Instruments Risk Management

The company's operations expose it to a number of financial risks. The company is mindful of possible risks and they are considered on an ongoing basis for relevance and materiality. Where risks are relevant then the company shall ensure it has full understanding of the risks and manage them accordingly within the risk appetite of the company.

#### Market Risk

Market risk is the risk that the fair value of future cash flows of our financial instruments will fluctuate because of changes in market prices. The company had no financial instruments susceptible to market risk at year end.

The company could be exposed to fluctuations arising from movements in average rents chargeable for rented property but does not anticipate any reduction in the rental incomes.

## **Credit Risk**

Credit Risk is the risk of default by one of the company's counterparties. For Tunbridge Wells Property Holdings Limited this is limited to its trade receivables and cash equivalents. The amounts exposed to credit risk are shown as financial assets under the classes of financial instruments.

The majority of the receivables were with the company's parent at the year end.

Cash and cash equivalents relate to the Company's bank balance and these are held by a reputable bank, Lloyds, to minimise counter party risk.

## **Liquidity Risk**

Liquidity risk arises where the Company does not have sufficient cash reserves to meet future working capital requirements and take advantage of business opportunities.

Liquidity risk is not a current risk for Tunbridge Wells Property Holdings Limited as cash equivalents are solely deposits placed in a bank deposit account which provides instant access. If the Company starts to make termed investments or use other financial instruments then liquidity risk will be considered through cash flow forecasting.

There is also the option to borrow £10,000 from the Council should that be necessary.

## **15 Capital Management**

Tunbridge Wells Property Holdings Limited's objectives are:

- to safeguard the company's ability to continue as a going concern, so that it can provide a return for the shareholder
- to provide an adequate return to shareholders commensurate with the level of risk

The company is currently in its infancy and, going forward, before any returns are provided to stakeholders, an effective level of working capital will be determined to ensure that the company can manage and respond to changing market conditions.

## **16 Reserves**

Called up share capital of £100, represents the nominal value of shares that have been issued. Retained Earnings of (£31,668), represents the total comprehensive loss since the incorporation of the company.