



Statement of Accounts 2017/18

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March 2018**

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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: Perrys Accountants Limited

Auditor Address: 32-34 St John's Road, Tunbridge Wells, Kent. TN4 9NT

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 2018.

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

Business Review

In the third period of operation the company has maintained the same portfolio of 15 dwellings which are rented via Kings Estate Agents under Assured Shorthold Tenancies.

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 2018 must be filed at Companies House by 31 December 2018.

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 3 September 2018 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

We have audited the financial statements for Tunbridge Wells Property Holdings (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 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 company's affairs at 31 March 2018 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 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's 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our audit:

- the information given in the director's 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.

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 director's 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.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors

either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit for 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website: <http://www.frc.org.uk/auditorsresponsibilities>
This description forms part of our auditor's 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.



Stephen Hale
for and on behalf of Perrys Accountants Limited
Chartered Accountants
Statutory Auditor
32-34 St John's Road
Tunbridge Wells
Kent
TN4 9NT

Date: 4/16/18

Statement of Comprehensive Income for the period ended 31 March 2018

2016/17		Note	2017/18
£			£
	Continuing Operations		
127,757	Revenue	4	153,329
(122,023)	Cost of Sales	5	(149,049)
<u>5,734</u>	Gross Profit		<u>4,280</u>
(6,861)	Administrative Expenses	5	(36)
(18,265)	Audit Fee	5	(7,350)
<u>(19,392)</u>	Profit before Tax		<u>(3,106)</u>
-	Income Tax Expense		-
<u>(19,392)</u>	Loss for the period		<u>(3,106)</u>

Statement of Financial Position at 31 March 2018

Company Registration number: 09477122 (England and Wales)

31 March 2017		Note	31 March 2018
ASSETS			
Current Assets			
582	Trade and Other Receivables	9	1,252
86,407	Cash and Cash Equivalents	10	98,340
86,989	Total Current Assets		99,592
86,989	Total Assets		99,592
LIABILITIES			
Current Liabilities			
(108,957)	Trade and Other Payables	12	(126,916)
(9,600)	Audit Fee		(7,350)
-	Current Tax Liability		-
(118,557)	Total Current Liabilities		(134,266)
(31,568)	Net Liabilities		(34,674)
Equity			
100	Share Capital	11	100
(31,668)	Retained Earnings		(34,774)
(31,568)	Total Equity Deficit		(34,674)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 September 2018.

Directors Signature



David Candlin
Director

Statement of changes in equity for the period ended 31 March 2018

	Ordinary Shares	Retained Earnings	Total Equity
Balance as at 1 April 2016	100	(12,276)	(12,176)
Changes in Equity for 2016/17			
Gain/Loss for the period	-	(19,392)	(19,392)
Total Comprehensive Income for the Period Gain/(Loss)	-	(19,392)	(19,392)
Dividends	-	-	-
Issue of Share Capital	-	-	-
Balance as at 31 March 2017	100	(31,668)	(31,568)
Balance as at 1 April 2017	100	(31,668)	(31,568)
Changes in Equity for 2017/18			
Gain/Loss for the period	-	(3,106)	(3,106)
Total Comprehensive Income for the Period Gain/(Loss)	-	(3,106)	(3,106)
Dividends	-	-	-
Issue of Share Capital	-	-	-
Balance as at 31 March 2018	100	(34,774)	(34,674)

Statement of Cash Flows for the period ended 31 March 2018

2016/17 £		2017/18 £
	Cash flows from operating activities	
(19,392)	Loss before taxation	(3,106)
	Adjustments for:	
14,101	Increase/decrease in trade receivables	(670)
60,098	Increase/decrease in trade and other payables	15,709
<u>54,807</u>	Net Cash from operating activities	<u>11,933</u>
	Cash flows from financing activities	
-	Issue of share capital	-
<u>-</u>	Net Cash from financing activities	<u>-</u>
<u>54,807</u>	Net increase in cash and cash equivalents	<u>11,933</u>
<u>31,600</u>	Cash and cash equivalents at beginning of period	<u>86,407</u>
<u><u>86,407</u></u>	Cash and cash equivalents at end of period	<u><u>98,340</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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

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.

2.1 Events after the reporting period

Since the end of the reporting period the company has signed an additional 2 lease agreements for 2 residential properties, from Tunbridge Wells Borough Council. They are 22 year leases and will therefore be treated as operational rather than finance leases.

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.

2016/17 £		2017/18 £
127,757	Revenue from Rental Activities	153,329
<u>127,757</u>	Total Revenue from Rental Activities	<u>153,329</u>

5 Disclosure of Expenses

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

2016/17 £		2017/18 £
(122,023)	Cost of Sales	(149,049)
(6,861)	Other Expenses	(36)
(16,465)	Audit Fee	(6,660)
(1,800)	Taxation Fees	(690)
<u>(147,149)</u>	Total Expenses	<u>(156,435)</u>

The audit fees of £6,660 are in respect of Perrys Accountants Limited who were appointed as the company's external auditor in order to audit the 2017/18 accounts. The 2016/17 figure included £7,800 in respect of RSM UK Audit LLP who audited the 2016/17 accounts and £8,665 in respect of Grant Thornton UK LLP who audited the 2015/16 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

2016/17 £		2017/18 £
-	UK Corporation Tax	-
-	Total	-

There is £5,706 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 2017/18. 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 £114,845 in lease payments for 2017/18 to Tunbridge Wells Borough Council (£89,877 in 2016/17).

At 31 March 2018 the total of the company's future minimum lease payments under non-cancellable operating leases was:

2016/17 £		2017/18 £
114,845	Not later than 1 year	104,730
344,534	Later than 1 year and not later than 5 years	314,188
1,803,949	Later than 5 years	1,551,508
2,263,328	Total	1,970,426

At 31 March 2018 the total of the company's future minimum lease receivables under non-cancellable operating leases was:

2016/17 £		2017/18 £
78,972	Not later than 1 year	80,991
78,972	Total	80,991

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.

31 March 2017		31 March 2018
£		£
<u>582</u>	Trade Receivables	<u>1,252</u>
<u>582</u>	Total	<u>1,252</u>

10 Cash and Cash Equivalents

Cash and cash equivalents consist of the bank balance only.

31 March 2017		31 March 2018
£		£
<u>86,407</u>	Cash in hand and balances with banks	<u>98,340</u>
<u>86,407</u>	Total	<u>98,340</u>

11 Ordinary Shares

31 March 2017		31 March 2018
£'s		£'s
<u>100</u>	Authorised 100 Ordinary Shares of £1 each	<u>100</u>
<u>100</u>	Issued and fully paid for 100 Ordinary Shares of £1 each	<u>100</u>

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 2017 £		31 March 2018 £
6,041	Trade Creditors	5,299
102,916	Related party payables	121,617
9,600	Audit and Taxation Fees	7,350
<u>118,557</u>	Total Expenses	<u>134,266</u>

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 2018.

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 2017 £	£		31 March 2018 £	£
(102,916)	-	Parent - Trade Payables	(121,617)	-
-	-	Parent - Trade Receivables	-	-
-	-	Parent - Other Receivables	-	-
<u>(102,916)</u>	-		<u>(121,617)</u>	-

During the year the company made purchases from Tunbridge Wells Borough Council of £121,617 (2016/17 £105,275). 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 2017			31 March 2018	
£	£		£	£
Carrying Value	Fair Value		Carrying Value	Fair Value
Financial Assets				
582	582	Trade and other receivables	1,252	1,252
86,407	86,407	Cash and cash equivalents	98,340	98,340
<hr/>			<hr/>	
86,989	86,989	Total	99,592	99,592
<hr/>				
Financial Liabilities				
(118,557)	(118,557)	Trade and other payables	(134,266)	(134,266)
<hr/>			<hr/>	
(118,557)	(118,557)	Total	(134,266)	(134,266)
<hr/>				

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.

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 (£34,774), represents the total comprehensive loss since the incorporation of the company.