



Statement of Accounts 2015/16

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March 2016**

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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: Grant Thornton UK LLP
Auditor Address: Grant Thornton House, Melton Street, Euston Square,
London, NW1 2EP

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 period from 18 May 2015 to 31 March 2016. The company was incorporated on 9 March 2015, but was dormant until 17 May 2015.

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.

Ms 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 first period of trading and the company made a loss, therefore there is no dividend to be made.

Business Review

During this period the company began operations. It obtained operational leases for 8 dwellings from the Tunbridge Wells Borough Council and rented them via Kings Estate Agents under Assured Shorthold Tenancies. All properties are currently occupied.

The company is looking to expand its operations and has acquired leases for a further 2 refurbished dwellings and 5 new build dwellings since the end of the financial year. This is forecast to approximately double the turnover of the company in the next financial year.

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 2016 must be filed at Companies House by 9 December 2016.

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 22 November 2016 and

Signed on behalf of the Board by:

A handwritten signature in black ink, appearing to read 'D Candlin', written over a horizontal line.

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

We have audited the financial statements of Tunbridge Wells Property Holdings Limited for the period ended 31 March 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flow and the related notes. 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.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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

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

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 March 2016 and of its loss for the period 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.

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.

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.



Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: 29th November 2016

Statement of Comprehensive Income for the period ending 31 March 2016

	Note	31 March 2016 £'s
Continuing Operations		
Revenue	4	71,330
Cost of Sales	5	<u>(65,934)</u>
Gross Profit		<u>5,396</u>
Administrative Expenses	5	<u>(17,672)</u>
Profit before Tax		<u>(12,276)</u>
Loss for the period		<u><u>(12,276)</u></u>

Statement of Financial Position at 31 March 2016

Company Registration number: 09477122 (England and Wales)

	Note	31 March 2016 £'s
ASSETS		
Current Assets		
Trade and Other Receivables	9	14,683
Cash and Cash Equivalents	10	31,600
Total Current Assets		46,283
Total Assets		46,283
LIABILITIES		
Current Liabilities		
Trade and Other Payables	12	(58,459)
Total Current Liabilities		(58,459)
Net Liabilities		(12,176)
Equity		
Share Capital	11	100
Retained Earnings		(12,276)
Total Equity Deficit		(12,176)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 November 2016.

Directors Signature



David Candlin
Director

Statement of changes in equity for the period ended 31 March 2016

	Ordinary Shares £'s	Retained Earnings £'s	Total Equity £'s
Balance as at 18 May 2015	-	-	-
Changes in Equity for 2015/16			
Gain/(Loss) for the Period	-	(12,276)	(12,276)
Total Comprehensive Income for the Period Gain/(Loss)	-	(12,276)	(12,276)
Dividends	-	-	-
Issue of Share Capital	100	-	100
Balance as at 31 March 2016	100	(12,276)	(12,176)

Statement of Cash Flows for the period ended 31 March 2016

	Note	2015/16 £'s
Cash Flows from Operating Activities		
Loss before Taxation		(12,176)
Adjustments for:		
Increase in Trade Receivables		(14,583)
Increase in Other Receivables		(100)
Increase in Trade and Other Payables		58,459
Net Cash from Operating Activities		<u>31,600</u>
Net Increase in Cash and Cash Equivalents		<u>31,600</u>
Cash and Cash Equivalents at Beginning of Period		<u>0</u>
Cash and Cash Equivalents at End of Period		<u>31,600</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 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 Standard 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 the adoption of any other standards or interpretations which have been issued by International Accounting Standards Board but have not been adopted, will have a material impact on the financial statements.

This is the first period of trading for the company and therefore you will note that the accounts have no previous year comparison.

2.1 Events after the reporting period

Since the end of the reporting period the company has signed an additional 3 lease agreements for a total of 7 residential properties, from Tunbridge Wells Borough Council for a total of £52,142. They are 22 year leases and will therefore be treated as operational rather than finance leases. 6 of the 7 properties have already been let on Assured Shorthold Tenancies and the last property will be let on the same basis in the very near future.

It is anticipated that any future investment residential properties built or purchased by the Council, will be transferred to Tunbridge Wells Property Holdings Limited.

3 Accounting Policies

3.1 Trade Receivables

Trade receivables are initially measured at fair value and are subsequently carried at amortised costs 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 provides 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 agreement.

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.

	31 March 2016 £'s
Revenue from Rental Activities	71,330
Total Revenue from Rental Activities	<u>71,330</u>

5 Disclosure of Expenses

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

	31 March 2016 £'s
Cost of Sales	(65,934)
Other Expenses	(17,672)
Total Expenses	<u>(83,606)</u>

The accounting fees of £5,000 and taxation consultancy costs of £2,000, in respect of the year ended 31 March 2016 have not been accrued into the accounts as the audit was undertaken after the year end. The costs will be included in 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 covered the costs and the borrowing was not required during this period. This facility however, is ongoing.

7 Income Tax Expense

	31 March 2016 £'s
UK Corporation Tax	<u>-</u>

There is £1,356 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 2015/16. 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 three operating leases with its parent company, Tunbridge Wells Borough Council, for the lease of a total of 8 residential properties. The term of the leases is for a period of 22 years until 31 March 2037.

Tunbridge Wells Property Holdings Limited paid a sum of £44,659 in lease payments for 2015/16 to Tunbridge Wells Borough Council. The minimum future lease payments payable under the terms of these leases is £1,087,000. The £1,087,000 reflects leases which are all over 5 years in length.

9 Trade and Other Receivables

The majority of trade and other receivables outstanding at 31 March 2016 relate to the parent company and therefore no provision for bad and doubtful debt has been made.

	31 March 2016 £'s
Trade Receivables	232
Related Party Receivables	14,451
Total	<u>14,683</u>

10 Cash and Cash Equivalents

Cash and cash equivalents consist of the bank balance only.

	31 March 2016 £'s
Cash in bank balances	31,600
Total	<u>31,600</u>

11 Ordinary Shares

	31 March 2016 £'s
Authorised	100
100 Ordinary Shares of £1 each	100
Issued	100
100 Ordinary Shares of £1 each	100
Reconciliation of number of shares outstanding	
Opening Balance	-
Shares Issued	100
Closing Balance	<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 2016 £'s
Trade Creditors	1,042
Related Party Payables	57,417
Total Expenses	<u>58,459</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 ending 31 March 2016.

The following transactions reflect transactions made between Tunbridge Wells Property Holdings Ltd and Tunbridge Wells Borough Council.

	Amount Owed to Related Party 31 March 2016 £'s	Amount Owed by Related Party 31 March 2016 £'s
Parent - Trade Payables	(57,417)	-
Parent - Trade Receivables	-	14,351
Parent – Other Receivables	-	100
	<u>(57,417)</u>	<u>14,451</u>

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 2016 £
	Carrying Value	Fair Value
Financial Assets		
Trade and Other Receivables	14,683	14,683
Cash and Cash Equivalents	31,600	31,600
Total	<u>46,283</u>	<u>46,283</u>

	31 March 2016 £	31 March 2016 £
	Carrying Value	Fair Value
Financial Liabilities		
Trade and Other Payables	(58,459)	(58,459)
Total	<u>(58,459)</u>	<u>(58,459)</u>

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 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 Notes to the Financial Statements continued igit market conditions.

16 Reserves

Called up share capital of £100, represents the nominal value of shares that have been issued. Retained Earnings of £12,276, represents the total comprehensive loss for the period.