

Tunbridge Wells Property Holdings Ltd

# Statement of Accounts for 2021/22

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Tunbridge  
Wells   
Property  
Holdings Ltd.

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## Company Information

Company Name: Tunbridge Wells Property Holdings Limited

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

Company: Registration Number: 09477122

Directors: Mr David Candlin  
Ms Beverley Palmer  
Mr Godfrey Bland

Auditor: Perrys Audit Limited

Auditor Address: 10 Upper Grosvenor Road, Tunbridge Wells, Kent., TN1 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 year ended 31 March 2022.

## Directors

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

Ms Beverley Palmer has held office for the period 9 April 2015 to the current date.

Mr Godfrey Bland has held office from 8 August 2019 to the current date.

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

## Business Review

In the seventh period of operation the company has surrendered one lease and obtained a lease for one further dwelling from Tunbridge Wells Borough Council, therefore maintaining its portfolio of 19 properties. The properties are rented out via Bracketts 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 two years 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. The accounts for the year to 31 March 2022 must be filed at Companies House by 31 December 2022.

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 13 December 2022 and

Signed on behalf of the Board by:

A handwritten signature in black ink, appearing to read 'D Candlin', enclosed within a thin black rectangular border.

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
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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 Limited (the 'company') for the year ended 31 March 2022 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 2022 and of its profit 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and review of health and safety and various accreditations records.

We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## Use of our 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 (Senior Statutory Auditor)  
for and on behalf of Perrys Audit Limited Chartered Accountants  
Statutory Auditor  
10 Upper Grosvenor Road  
Tunbridge Wells  
Kent  
TN1 2EP

Date:

## Statement of Comprehensive Income for the period ended 31 March 2022

2020/21	Note		2021/22
£			£
		<b>Continuing Operations</b>	
239,103	6	Revenue	247,724
(90,664)	7	Cost of Sales	(77,409)
<b>148,439</b>		<b>Gross Profit</b>	<b>170,315</b>
14	6	Other Income	80
(75)	7	Administrative Expenses	(66)
(8,034)	7	Audit Fee	(8,034)
(58,993)	11	Depreciation	(54,271)
<b>81,351</b>		<b>Profit from Operations</b>	<b>108,024</b>
(84,900)	10	Finance Expenses	(79,823)
<b>(3,549)</b>		<b>Profit before Tax</b>	<b>28,201</b>
0	9	Income Tax Expense	0
<b>(3,549)</b>		<b>Profit/(Loss) for the Period</b>	<b>28,201</b>

# Statement of Financial Position at 31 March 2022

Company Registration number: 09477122 (England and Wales)

31 March 2021			31 March 2022
£			£
		<b>Assets</b>	
		<b>Non-Current Assets</b>	
954,167	10	Right-of-use Assets	967,966
<b>954,167</b>		<b>Total Non-Current Assets</b>	<b>967,966</b>
		<b>Current Assets</b>	
8,804	12	Trade and Other Receivables	8,857
132,460	13	Cash and Cash Equivalents	163,158
<b>141,264</b>		<b>Total Current Assets</b>	<b>172,015</b>
<b>1,095,431</b>		<b>Total Assets</b>	<b>1,139,981</b>
		<b>Liabilities</b>	
		<b>Current Liabilities</b>	
(162,215)	15	Trade and Other Payables	(136,431)
(8,034)	15	Audit Fee	(8,034)
(29,569)	10	Current Lease Liability	(30,981)
<b>(199,818)</b>		<b>Total Current Liabilities</b>	<b>(175,446)</b>
		<b>Non-Current Liabilities</b>	
(984,696)	10	Non-Current Lease Liability	(1,025,417)
<b>(984,696)</b>		<b>Total Non-Current Liabilities</b>	<b>(1,025,417)</b>
<b>(1,184,514)</b>		<b>Total Liabilities</b>	<b>(1,200,863)</b>
<b>(89,083)</b>		<b>Net Liabilities</b>	<b>(60,882)</b>

31 March 2021			31 March 2022
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£			£
		<b>Equity</b>	
100	14	Share Capital	100
(89,183)		Retained Earnings	(60,982)
<b>(89,083)</b>		<b>Total Equity Deficit</b>	<b>(60,882)</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 December 2022.



David Candlin (Director)

## Statement of Changes in Equity for the period ended 31 March 2022

	Ordinary Shares	Retained Earnings	Total Equity
	£	£	£
<b>Balance as at 1 April 2020</b>	<b>100</b>	<b>(85,634)</b>	<b>(85,534)</b>
<b>Changes in Equity for 2020/21</b>			
Gain/(Loss) for the period	0	25,327	25,327
IFRS16 Leases	0	(28,876)	(28,876)
<b>Total Comprehensive Income for the Period Gain/(Loss)</b>	<b>0</b>	<b>(3,549)</b>	<b>(3,549)</b>
Dividends	0	0	0
Issue of Share Capital	0	0	0
<b>Balance as at 31 March 2021</b>	<b>100</b>	<b>(89,183)</b>	<b>(89,083)</b>

	Ordinary Shares	Retained Earnings	Total Equity
	£	£	£
<b>Balance as at 1 April 2021</b>	<b>100</b>	<b>(89,183)</b>	<b>(89,083)</b>
<b>Changes in Equity for 2021/22</b>			
Gain/(Loss) for the period	0	56,535	56,535
IFRS16 Leases	0	(28,334)	(28,334)
<b>Total Comprehensive Income for the Period Gain/(Loss)</b>	<b>0</b>	<b>28,201</b>	<b>28,201</b>
Dividends	0	0	0
Issue of Share Capital	0	0	0
<b>Balance as at 31 March 2022</b>	<b>100</b>	<b>(60,982)</b>	<b>(60,882)</b>

# Statement of Cash Flows for the period ended 31 March 2022

2020/21		2021/22
£		£
	<b>Cash flows from operating activities</b>	
(3,549)	Profit/(Loss) before taxation	28,201
	<b>Adjustments for:</b>	
(7,442)	Increase/decrease in trade receivables	(53)
(23,939)	Increase/decrease in trade and other payables	(25,784)
58,993	Add Depreciation Expense	54,271
<b>24,063</b>	<b>Net Cash from Operating Activities</b>	<b>56,635</b>
	<b>Cash flows from financing activities</b>	
(115,017)	Repayment of borrowings and leasing liabilities	(105,760)
84,900	Interest charges	79,823
<b>(30,117)</b>	<b>Net cashflows from financing activities</b>	<b>(25,937)</b>
<b>(6,054)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>30,698</b>
<b>138,514</b>	<b>Cash and cash equivalents at beginning of period</b>	<b>132,460</b>
<b>132,460</b>	<b>Cash and cash equivalents at end of period</b>	<b>163,158</b>
<b>(6,054)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>30,698</b>

# 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 private company limited by shares, incorporated in England and Wales. 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.

## 3 Events after the Reporting Period

There have been no events to report since the end of the reporting period, that would materially affect the accounts.



## **4 Accounting Policies**

### **4.1 Changes in Accounting Policies**

There have been no changes in Accounting Policies for this period. The company has applied International Financial Reporting Standard (IFRS) 16 Leases from 1 April 2019.

### **4.2 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.

### **4.3 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.

### **4.4 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.

### **4.5 Revenue**

Revenue comprises of rental income from tenanted properties. Tunbridge Wells Property Holdings Limited's parent manages the contract with Bracketts 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 accrual basis for the period in accordance with the individual tenancy agreements.

### **4.6 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.

#### **4.7 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.

#### **4.8 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.

##### **Company as Lessor**

As a lessor the company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

##### **Company as Lessee**

IFRS 16 which relates to leases, was introduced for the financial year commencing 1 April 2019 and requires that a Lessee should recognise all leases on their Balance Sheet unless they are of very low value or for less than 12 months in duration.

The Company has chosen to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. It has been implemented using the "modified retrospective approach", where a company applies the new standard from the beginning of the current period and is not required to restate its prior period.

The "right-of-use" asset values are calculated as the present value of the remaining, non-cancellable, property lease payments. There is significant demand for Housing in the Borough and historically the vacant periods for the properties have been very short.

Whilst the Company could borrow from the Tunbridge Wells Borough Council as it is a wholly owned subsidiary, in order to comply with State Aid regulations, the interest rate must be set on substantially commercial terms. The discount rate adopted at transition was 8%, which was a market interest rate as at 1st April 2019, the Company's initial application date. The same rate has been used for all leases as they all relate to residential housing properties, of reasonably similar value, with 22 year leases and similar remaining lease terms, in the Borough of Tunbridge Wells. This rate will continue to be used, unless there is a lease modification or reassessment that requires the company to determine a new rate. If there are further leases added to the portfolio in the future, the incremental borrowing rate at that point in time will be applied.

## **4.9 Depreciation**

The only assets held are the property leases brought onto the Balance Sheet as “Right of Use Assets”. Depreciation is based on the net present value of each of the leases, including any additions or deletions, over the remaining life of the lease on a straight line basis.

Depreciation is charged to the Statement of Comprehensive Income.

## **5 Critical Judgements**

The critical judgements made in preparing the Company’s 2021/2022 accounts are as follows:

### **5.1 Going Concern**

It is assumed that the Council will continue in operational existence for the foreseeable future and accordingly the Accounts have been prepared on a going concern basis. The Covid-19 pandemic did not have a significant effect and it is not anticipated to have any significant impact on the company going forward. The key negative impact on the accounts has been the implementation of IFRS 16 on Leases, but Tunbridge Wells Borough Council and the company has negotiated terms to ensure that the company is not unduly impacted going forward. It is considered that the current economic conditions are unlikely to adversely impact the company’s financial position, as demand for housing remains high and rents are remaining stable.

### **5.2 Leases**

IFRS 16 which relates to leases, was introduced for the financial year commencing 1 April 2019. The Company has chosen to apply the practical expedient to ‘grandfather’ the assessment of which transactions are leases. It has been implemented using the “modified retrospective approach”, where a company applies the new standard from the beginning of the current period and is not required to restate its prior period. This is the most cost efficient way of implementing the new standard and is not thought to be detrimental to the comprehension of the accounts.

### **5.3 Group Accounts**

The Tunbridge Wells Property Holdings Ltd Company began trading on 18 May 2015 and is a wholly owned subsidiary of the Tunbridge Wells Borough Council. The revenue has only been £248,000 during the year and is considered immaterial to the Council’s accounts. The Council has determined that it is not yet necessary to provide Group Accounts. This will be monitored in the future and should the revenue become material, Group Accounts will be provided.

## 5.4 Key Estimates

### Leases

The discount rate adopted at transition to estimate the Right-Of-Use Asset Value of the leases was 8%, which was a market interest rate obtained from Link Asset Services, an investment management advisory company. The same rate has been used for the reassessment of the leases, carried out in 2021/22, following changes to the future lease payments.

## 6 Revenue

The revenue for Tunbridge Wells Property Holdings Ltd is comprised of income from rental activities and interest from its bank account.

2020/21		2021/22
£		£
	<b>Revenue</b>	
239,103	Revenue from Rental Activities	247,724
14	Other Income	80
<b>239,117</b>	<b>Total</b>	<b>247,804</b>

## 7 Disclosure of Expenses

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

2020/21		2021/22
£		£
	<b>Expenses</b>	
(90,664)	Cost of Sales	(77,409)
(75)	Other Expenses	(66)
(7,200)	Audit Fee	(7,200)
(834)	Taxation Fees	(834)
<b>(98,773)</b>	<b>Total</b>	<b>(85,509)</b>

The audit fees of £7,200 are in respect of Perrys Audit Limited who are the company's external auditor for the audit of the 2021/22 accounts.

## 8 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. The cash received from rental income has been sufficient to fund the cashflow required for costs and the borrowing has not been required. The facility, however, is ongoing.

## 9 Income Tax Expenses

There is £10,686 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 2021/22. If a tax liability does become due in the future, this asset can still be used to offset it.

2020/21		2021/22
£		£
	<b>Income Tax</b>	
0	UK Corporation Tax	0
<b>0</b>	<b>Total</b>	<b>0</b>

## 10 Leases

### 10.1 The Company as Lessee

Tunbridge Wells Property Holdings Limited has 10 leases with its parent company, Tunbridge Wells Borough Council, for the lease of a total of 19 residential properties. The term of the leases is for a period of 22 years. None have an option to extend. All leases have been recognised as a liability.

#### Right-of Use Assets

Right-of-Use Assets are presented in the Statement of Financial Position as follows:

31 March 2021		31 March 2022
£		£

	<b>Right-of-Use Asset</b>	
954,167	Right-of-Use Asset	967,966
<b>954,167</b>	<b>Total</b>	<b>967,966</b>

## Lease Liabilities

Lease liabilities are presented in the Statement of Financial Position as follows:

<b>31 March 2021</b>		<b>31 March 2022</b>
<b>£</b>		<b>£</b>
(29,569)	Current Lease Liability	(30,981)
(984,696)	Non-current Lease Liability	(1,025,417)
<b>(1,014,265)</b>	<b>Total</b>	<b>(1,056,398)</b>

As at 31 March 2022 the total of the company's future minimum lease payments is broken down as follow:

	<b>31 March 2022</b>	<b>31 March 2022</b>	<b>31 March 2022</b>
	<b>Lease Payments</b>	<b>Finance Charges</b>	<b>Net Present Value</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Within 1 year	115,493	84,512	30,981
1 to 2 years	117,501	82,033	35,468
2 to 5 years	353,661	228,054	125,607
5 to 10 years	589,435	303,499	285,936
10 to 25 years	780,512	202,106	578,406
<b>Total</b>	<b>1,956,602</b>	<b>900,204</b>	<b>1,056,398</b>

As at 31 March 2021 the total of the company's future minimum lease payments is broken down as follows:

	<b>31 March 2021</b>	<b>31 March 2021</b>	<b>31 March 2021</b>
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	<b>Lease Payments</b>	<b>Finance Charges</b>	<b>Net Present Value</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Within 1 year	110,710	81,141	29,569
1 to 2 years	111,042	78,776	32,266
2 to 5 years	333,123	219,997	113,126
5 to 10 years	555,206	297,681	257,525
10 to 25 years	790,742	208,963	581,779
<b>Total</b>	<b>1,900,823</b>	<b>886,558</b>	<b>1,014,265</b>

## 10.2 The Company as Lessor

The company has 19 Assured Shorthold Tenancy (AST) agreements with the residents of the properties they let. They are all treated as operating leases.

At 31 March 2022 the total of the company's future minimum lease receivables under non-cancellable operating leases was:

<b>31 March 2021</b>		<b>31 March 2022</b>
<b>£</b>		<b>£</b>
	<b>Minimum Lease Receivables</b>	
102,191	Not later than 1 year	116,759
<b>102,191</b>	<b>Total</b>	<b>116,759</b>

## 11 Depreciation

Depreciation is chargeable on the Right-of Use Assets as shown in the table below:

<b>2020/21</b>		<b>2021/22</b>
<b>£</b>		<b>£</b>
	<b>Depreciation Right of Use Asset</b>	
58,933	Depreciation	54,271
<b>58,933</b>	<b>Total</b>	<b>54,271</b>

## 12 Trade and Other Receivables

The trade debtors relate to Bracketts 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 2021		31 March 2021
£		£
	<b>Trade and Other Receivables</b>	
8,804	Trade Receivables	8,857
<b>8,804</b>	<b>Total</b>	<b>8,857</b>

## 13 Cash and Cash Equivalents

Cash and cash equivalents consist of the bank balance only.

31 March 2021		31 March 2022
£		£
	<b>Cash and Cash Equivalents</b>	
132,460	Bank Account	163,158
<b>132,460</b>	<b>Total</b>	<b>163,158</b>

## 14 Ordinary Shares

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

31 March 2021		31 March 2022
£		£
	<b>Authorised</b>	



100	100 Ordinary Shares of £1 each	100
<b>100</b>	<b>Total</b>	<b>100</b>
	<b>Issued and fully paid for</b>	
100	100 Ordinary Shares of £1 each	100
<b>100</b>	<b>Total</b>	<b>100</b>

## 15 Trade and Other Payables

31 March 2021		31 March 2022
£		£
	<b>Trade and Other Payable</b>	
7,821	Trade Creditors	9,404
154,394	Related Party Payables	127,027
8,034	Audit & Taxation Fees	8,034
<b>170,249</b>	<b>Total</b>	<b>144,465</b>

## 16 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 2022.

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

31 March 2021		31 March 2022
£		£
	<b>Amount Owed to Related Party</b>	
154,394	Trade Creditors	127,027

<b>154,394</b>	<b>Total</b>	<b>127,027</b>
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During the year the company made purchases from Tunbridge Wells Borough Council of £127,027 (2020/21 £154,394). Amounts owed to and by the parent are unsecured, interest free and have fixed repayment terms. The balances will be settled in cash.

## 17 Financial Instruments and Financial Risk Management

### 17.1 Categories of Financial Instrument

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

<b>31 March 2021</b>		<b>31 March 2022</b>
<b>£</b>		<b>£</b>
	<b>Financial Assets</b>	
8,804	Trade and other receivables	8,857
132,460	Cash and Cash Equivalents	163,158
<b>141,264</b>	<b>Total</b>	<b>172,015</b>
	<b>Financial Liabilities</b>	
(170,249)	Trade and other payables	(144,465)
<b>(170,249)</b>	<b>Total</b>	<b>(144,465)</b>

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.

### 17.2 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.

## **18 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 still 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.

## **19 Reserves**

Called up share capital of £100, represents the nominal value of shares that have been issued. Retained Earnings of (£60,982), represents the total comprehensive loss since the incorporation of the company.