

SHAREHOLDER SUB-COMMITTEE

Tuesday 18 November 2025 at 6.30 pm

Place: Council Chamber, Epsom Town Hall

Online access to this meeting is available on YouTube: [Link to online broadcast](#)

The members listed below are summoned to attend the Shareholder Sub-Committee meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Councillor Neil Dallen (Chair)
Councillor John Beckett
Councillor Kate Chinn

Councillor Hannah Dalton
Councillor Humphrey Reynolds

Yours sincerely



Chief Executive

For further information, please contact democraticservices@epsom-ewell.gov.uk or tel: 01372 732000

EMERGENCY EVACUATION PROCEDURE

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- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building, but move to the assembly point at Dullshot Green and await further instructions; and
- Do not re-enter the building until told that it is safe to do so.

Public information

Please note that this meeting will be held at the Town Hall, Epsom and will be available to observe live using free YouTube software.

A link to the online address for this meeting is provided on the first page of this agenda. A limited number of seats will be available on a first-come first-served basis in the public gallery at the Town Hall. If you wish to observe the meeting from the public gallery, please arrive at the Town Hall reception before the start of the meeting. A member of staff will show you to the seating area. For further information please contact Democratic Services, email: democraticservices@epsom-ewell.gov.uk, telephone: 01372 732000.

Information about the terms of reference and membership of this Committee are available on the [Council's website](#). The website also provides copies of agendas, reports and minutes.

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Exclusion of the Press and the Public

There are no matters scheduled to be discussed at this meeting that would appear to disclose confidential or exempt information under the provisions Schedule 12A of the Local Government Act 1972 (as amended). Should any such matters arise during the course of discussion of the below items or should the Chair agree to discuss any other such matters on the grounds of urgency, the Committee may wish to resolve to exclude the press and public by virtue of the private nature of the business to be transacted.

Questions and statements from the Public

Up to 30 minutes will be set aside for questions and statements from members of the public at meetings of this Committee. Any member of the public who lives, works, attends an educational establishment or owns or leases land in the Borough may ask a question or make a statement on matters within the Terms of Reference of the Committee.

All questions must consist of one question only and cannot consist of multiple parts. Questions and statements cannot relate to planning or licensing committees matters, the personal affairs of an individual, or a matter which is exempt from disclosure or confidential under the Local Government Act 1972. Questions which in the view of the Chair are defamatory, offensive, vexatious or frivolous will not be accepted. Each question or statement will be limited to 3 minutes in length.

If you wish to ask a question or make a statement at a meeting of this Committee, please contact Democratic Services at: democraticservices@epsom-ewell.gov.uk

Questions must be received in writing by Democratic Services by noon on the fifth working day before the day of the meeting. For this meeting this is **Noon, Tuesday 11 November**.

A written copy of statements must be received by Democratic Services by noon on the working day before the day of the meeting. For this meeting this is **Noon, Monday 17 November**.

For more information on public speaking protocol at Committees, please see [Annex 4.2](#) of the Epsom & Ewell Borough Council Operating Framework.

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Filming or recording must be overt and persons filming should not move around the room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non-handheld devices, including tripods, will not be allowed.

AGENDA

1. QUESTIONS AND STATEMENTS FROM THE PUBLIC

To take any questions or statements from members of the Public.

2. DECLARATIONS OF INTEREST

To receive declarations of any Disclosable Pecuniary Interests or other registrable or non-registrable interests from Members in respect of any item to be considered at the meeting.

3. MINUTES OF THE PREVIOUS MEETING (Pages 5 - 6)

The Sub-Committee is asked to confirm as a true record the Minutes of the Meeting of the Sub-Committee held on the 19 November 2024 (attached) and to authorise the Chair to sign them.

4. ANNUAL REPORT (Pages 7 - 56)

Annual reporting on Epsom & Ewell Property Investment Company Ltd (EEPIC).

5. EXCLUSION OF PRESS AND PUBLIC (Pages 57 - 58)

The Sub-Committee is asked to consider whether it wishes to pass a resolution to exclude the Press and Public from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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Minutes of the Meeting of the SHAREHOLDER SUB-COMMITTEE held at the Council Chamber, Epsom Town Hall on 19 November 2024

PRESENT -

Councillor Neil Dallen (Chair); Councillors John Beckett (as nominated substitute for Councillor Hannah Dalton), Alex Coley and Alison Kelly

Absent: Councillor Hannah Dalton and Councillor Robert Leach

Officers present: Andrew Bircher (Interim Director of Corporate Services) (not present for consideration of recommendations 4-5 of the report), Mark Shephard (EEPIC Managing Director), Richard Appiah-Ampofo (EEPIC Company Secretary) and Tim Richardson (Democratic Services Manager)

1 QUESTIONS AND STATEMENTS FROM THE PUBLIC

No questions or statements were received from members of the public.

2 DECLARATIONS OF INTEREST

No declarations of interest were made by Councillors in items on this agenda.

3 MINUTES OF THE PREVIOUS MEETING

The Minutes and Restricted Minutes of the meeting of the Shareholder Sub-Committee held on 21 November 2023 were agreed as a true record and signed by the Chair.

4 ANNUAL REPORT

The Sub-Committee received the annual report of Epsom & Ewell Property Investment Company Ltd (EEPIC).

Following consideration, the Sub-Committee resolved to:

- (1) Note Epsom & Ewell Property Investment Company Ltd Report to Shareholder (Appendix 1 to the report);**
- (2) Note Epsom & Ewell Property Investment Company Ltd Shareholder Annual Review (Appendix 2 and 3 to the report);**

- (3) Note the resignation of the former Finance Director (Brendan Bradley) and approve the appointment of Sue Emmons, the Shareholder's Chief Accountant, to Finance Director for Epsom & Ewell Property Investment Company Ltd;**
- (4) Approve the appointment of Andrew Bircher, the Shareholder's acting Director of Corporate Services, to Corporate Director for Epsom & Ewell Property Investment Ltd;**
- (5) Approve the confidential Annual Business Plan 2025-2026 (Appendix 4 to the report);**
- (6) Note the confidential Report to Shareholder (Appendix 5 to the report).**

The meeting began at 6.30 pm and ended at 6.35 pm

COUNCILLOR NEIL DALLEN (CHAIR)

ANNUAL REPORT

| | |
|---|--|
| Head of Service: | Jackie King, Chief Executive |
| Report Author | Mark Shephard |
| Wards affected: | (All Wards); |
| Urgent Decision?(yes/no) | No |
| If yes, reason urgent decision required: | N/A |
| Appendices (attached): | <ul style="list-style-type: none">1: Report to Shareholder Sub Committee2: EEPIC Shareholder Annual Review 1 April 2024 - 31 March 20253: EEPIC Report of the Directors & Financial Statements for the year ended 31 March 20254: Exempt Annual Business Plan 2026-275: Exempt Report to Shareholder |

Summary

Annual reporting on Epsom & Ewell Property Investment Company Ltd (EEPIC).

Recommendation (s)

The Sub-Committee is asked to:

- (1) note Epsom & Ewell Property Investment Company Ltd Report to Shareholder (Appendix 1);**
- (2) note Epsom & Ewell Property Investment Company Ltd Shareholder Annual Review (Appendix 2 and 3);**
- (3) approve the Exempt Annual Business Plan 2026-2027 (Appendix 4);**
- (4) note the Exempt Report to Shareholder (Appendix 5).**

1 Reason for Recommendation

- 1.1 To meet the requirements of the Shareholder's Agreement dated 28 December 2018.

2 Background

- 2.1 The Shareholder's Agreement between the Council and Epsom & Ewell Property Investment Company Limited ('the Company') provides for a series of requirements where the Company must seek the Council's consent.
- 2.2 The Company has produced an Annual Report and Review for the Shareholder Sub-Committee and these are attached at Appendices 1, 2 and 3.
- 2.3 The Shareholder's Agreement requires the Company to circulate its revised Business Plan to the Shareholder by the end of November of each year. The Sub Committee is invited to comment or provide Shareholder Consent for the proposed Business Plan (Clause 2.3, 2.4, 2.5, Paragraph 16 of Schedule 1 of the Shareholder's Agreement).
- 2.4 The Exempt Annual Business Plan 2026-27 and Exempt Report to Shareholder are attached at Appendices 4 and 5 respectively (Exempt as they contain Company related commercially sensitive information).

3 Risk Assessment

Legal or other duties

- 3.1 Equality Impact Assessment
 - 3.1.1 Not applicable.
- 3.2 Crime & Disorder
 - 3.2.1 Not applicable.
- 3.3 Safeguarding
 - 3.3.1 Not applicable.
- 3.4 Dependencies
 - 3.4.1 None.
- 3.5 Other
 - 3.5.1 None.

4 Financial Implications

- 4.1 The proposed budget is included at section 6 of the Business Plan.
- 4.2 **Section 151 Officer's comments:** EEPIC's business plan and proposed budget would enable it to meet the Council's budgeted expectations.

5 Legal Implications

5.1 Contained in the body of this report.

5.1 **Legal Officer's comments:** The comments are not intended as, and should not be treated as, legal advice to the Committee on company law matters. Nor is this officer advising whether the Council should first obtain company law advice.

6 Policies, Plans & Partnerships:

6.1 **Council's Key Priorities:** The following Key Priorities are engaged: Opportunity & Prosperity, Effective Council.

6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** Not applicable.

6.4 **Sustainability Policy & Community Safety Implications:** Not applicable.

6.5 **Partnerships:** None.

6.6 **Local Government Reorganisation Implications:** The Company and any commercial land / property held indirectly by the Council through the Company will be transferred to the New Unitary Authority.

7 Background papers

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- EEPIC Shareholder Agreement, Shareholder Sub Committee, 27 November 2018

Other papers:

- Establishment of a Local Authority Property Investment Trading Company, Strategy & Resources Committee, 19 September 2017
- Establishment of a Local Authority Property Investment Trading Company, Council, 19 September 2017

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Report to Shareholder Sub Committee

18 November 2025

EEPIC Shareholder Sub Committee 18 November 2025

1. The Annual Review

The Company's Annual Review is attached for the latest accounting period 1 April 2024 to 31 March 2025.

EEPIC continued to remain financially stable and recorded a full year gross profit of £3.399m (£3.340m - 2024). The Company was able to pay a dividend of £620k (£615k – 2024) to the Shareholder in 2024/25. The audited, statutory accounts for 2024/25 have been filed with Companies House and are attached at Appendix 3.

2. EEPIC Annual Business Plan 2026-27

In accordance with Clause 2.3 and under Schedule 1 Shareholder Consent Matters (item 16) of the Shareholder's Agreement dated 28 December 2018, Shareholder consent is required to; "*adopt or amend its annual Business Plan*".

Accordingly, Shareholder consent is requested to approve the proposed Annual Business Plan 2026-27.

3. Shareholder consent required – appointment of Directors

Under Schedule 1 Shareholder Consent Matters (item 24) of the Shareholder's Agreement dated 28 December 2018, Shareholder consent is required to; "*appoint or dismiss any director or company secretary*".

There are no director / company secretary vacancies and accordingly, there are no appointments or resignations to report.

4. Report to Shareholder

To note the separate report.



Shareholder Annual Review

*Covering the accounting period
1 April 2024 - 31 March 2025*

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Shareholder Annual Review

1. Background

Epsom & Ewell Borough Council (the “Shareholder”) established EEPIC (the “Company”) on 19 September 2017 following an Extraordinary Council meeting of the same date.

Epsom & Ewell Borough Council is the sole shareholder of EEPIC and the Company is therefore a 100% wholly owned trading company of the Council.

The objectives and anticipated annual activities of EEPIC are defined in the Company’s Business Case and Annual Business Plan respectively.

At its Strategy & Resources Committee meeting held on 25 September 2018, the Shareholder suspended any further out-of-Borough commercial property investment acquisitions until further government guidance or case law was published. This is necessary to ensure the Shareholder can comply with the MHCLG’s Statutory Guidance on Local Government Investments introduced from April 2018.

The guidance aims to restrict the ability of Local Authorities to purchase out of Borough investment properties, through the following clause 46:-

“Authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed”.

The new guidance means that future out-of-Borough acquisitions that are funded by borrowing and where the intention is purely to profit from the investment, would not meet the requirements of the guidance in terms of borrowing.

However, there could be circumstances where out-of-Borough investments may be acceptable if, for example, the property was close to the Shareholder’s boundary and the main purpose for the investment was not for profit, but for regeneration.

The 2018 guidance does not affect EEPIC’s existing property acquisitions.

2. Property portfolio

The Company holds two high quality, well located commercial property investments, both purchased in 2017:-

- **The Chelton Centre, Globe Park, Fourth Avenue, Marlow SL7 1TF**



A high quality HQ office building let for 20 years from 29 September 2016 to Chelton Ltd – a world leader in the design and manufacture of aviation communication systems and navigation antennas. The current rent is £2,010,365 pa and subject to annual fixed uplifts of 2.5% pa (the rent will increase to £2,060,624 from 29 September 2025). The rent is guaranteed by Cobham PLC.

A Reversionary Lease between EEPIC and Chelton Ltd was approved by the Shareholder Sub-Committee on 22 November 2022 and completed on 26 July 2023. The 10 year reversionary lease takes effect from the expiry of the existing lease on 29 September 2036 in exchange for the reversionary lease adopting standard 5 yearly open market rent reviews. This provides Chelton Ltd with the long term certainty to invest in the property and benefits EEPIC by providing further long term secure income (guaranteed by Transdigm Inc).

The building is situated on the well-established Globe Park which is the premier office location in Marlow, situated in the heart of the Thames Valley on the border of Berkshire and Buckinghamshire.

It is a highly desirable and affluent commercial and residential location by virtue of its close proximity to Henley and the River Thames together with excellent communications to London and the wider South East area. This combination has attracted a wide range of major multi-national corporate occupiers to Marlow including TNT, Dun & Bradstreet, Veolia, Allergan, Data Select, Emerson Network Power and HPS Group.

The Chelton Centre provides high quality HQ office accommodation with an ancillary R&D facility providing a total area of 80,974 sq ft (7,523 sq m).

- **Venture House, 2 Arlington Square, Downshire Way, Bracknell RG12 1WA**



A high quality HQ office building let for 10 years to Bracknell Arlington Square Centre Ltd trading as the serviced office provider, Regus. The current rent is £1,770,300 pa and is guaranteed by Regus PLC for a period of 1 year following tenant default during the lease term.

2 Arlington Square provides high specification Grade A office accommodation over ground and three upper floors, totalling 88,537 sq ft.

A Deed of Variation between EEPIC and Regus was completed on 23 December 2020 (as reported to the Shareholder Sub-Committee on 24 November 2020) and varied the existing lease. The remaining length of the lease increased from 5 years to 10 years, in exchange for an initial 15 month rent free period (spread over 30 months at half rent).

A further Deed of Variation (approved at the Shareholder Sub-Committee on 13 April 2023) extended the length of the lease by an additional 5 years to expire on 14 January 2036. This provides EEPIC with further long-term income security in exchange for the tenant being granted an initial 12 month rent free period (spread over 24 months at half rent).

The rent reverted to the full rent of £1,770,300 pa from 29 March 2025 with an additional rent review on 15 January 2031 in line with the extended lease.

Developed between 1992 and 2008, Arlington Square is Bracknell's premier office location comprising four self-contained office buildings set within landscaped grounds.

IWG (International Work Group) PLC, formerly Regus, is a multinational corporation that provides a global serviced office workplace. IWG PLC includes the British serviced office brands MWB Business Exchange Plc, HQ and Regus.

Regus operate each of their serviced office locations as standalone businesses and their business model becomes profitable when a building in its portfolio reaches 50% occupancy level.

A good performing Regus building would be expected to maintain 60% - 70% occupancy level and where this occurs in their portfolio, they typically remain at the location long term. Regus has confirmed that since 2008, 2 Arlington Square has consistently maintained occupancy in the 55% - 75% range, making it their Thames Valley flagship office complex.

Both properties are located within the prosperous Thames Valley and offer the following income profiles:-

| | Purchase | Price | Rent | Income Yield |
|------------------|-----------------|-------------------|------------------------------------|---------------------|
| Marlow | 13/10/17 | £31,000,000 | £2,010,365 (2.5% pa uplift) | 6.08% |
| Bracknell | 20/11/17 | £25,500,000 | £1,770,300 (Jan 26 Rent Review) | 6.5% |
| Total | | <hr/> £56,500,000 | | |

3. Property and financial management

Day to day property management is currently provided by the Shareholder's Property Services Team and includes annual property inspections, service charge administration, general tenant liaison and asset management strategy.

The Company retains the option to appoint an external managing agent should Directors consider this to be in the best interests of the Company. Whilst no such appointment is currently being considered, the Directors will continue to monitor the existing arrangement at its quarterly board meetings.

2024/25 highlights:-

- Full year profit after tax is projected at £1.068m compared to the approved budget of £0.625m. Accounting standards (FRS102) require that the temporary 50% rental period at Arlington Square, must be spread evenly over the whole remaining lease term in the statutory accounts; as such reported income and consequently retained earnings for 2020/21 to 2024/25 are expected to be higher than actual rent collected in the year.
- Dividend of £0.620m paid to the Shareholder (prior year £0.615m).

- Retained earnings of £2.62m at 31 March 2025 (£1.82m at 31 March 2024).
- No capital expenditure or repairs incurred in the year.
- EEPIC's cash balance at 31 March 2025 was £1.31m (£1.25m prior year).
- The 2024/25 external audit was completed by William & Co within the agreed budget.
- The rent payable for Marlow (The Chelton Centre) increased from £1,961,331 pa to £2,010,365 with effect from 29 September 2024. This represents the annual 2.5% fixed rental increase as per the terms of the lease. The next rental increase to £2,060,624 is due from 29 September 2025.

Marlow

The Marlow tenant is Chelton Ltd and in 2022 achieved 75 years of trading, having been first established in 1947. Chelton defined the avionics industry with a number of world firsts; from novel static discharger designs, radio silent tuneable antennas through to the first airborne mission critical public safety radio.

A Reversionary Lease (taking effect after the existing lease) between EEPIC and Chelton Ltd was approved by the Shareholder Sub-Committee on 22 November 2022 and completed on 26 July 2023. The 10 year reversionary lease takes effect from the expiry of the existing lease on 29 September 2036 in exchange for the reversionary lease adopting standard 5 yearly open market rent reviews (guaranteed by Chelton's parent company, US based TransDigm). This provides Chelton Ltd with the long term certainty to invest in the property and benefits EEPIC by providing long term secure income until September 2046.

The Chelton Centre was inspected on 27 January 2025 by the Shareholder's Estate Manager and EEPIC's external appointed building surveyor. No issues were raised from the inspection.

Bracknell

The Bracknell tenant is Bracknell Arlington Square Centre Ltd trading as the serviced office provider, Regus.

The continuing pandemic has had a major short-term operational impact on the Regus serviced offices business model. Long-term, Regus remains well capitalised and is ideally placed to gain from the future flexibility occupiers will demand as the traditional office environment adjusts to increased remote working and different ways of connecting people.

A Deed of Variation between EEPIC and Regus was subsequently completed on 23 December 2020 (as reported to the Shareholder Sub-Committee on 24 November 2020). It increased the length of the lease from 5 years to 10 years, in exchange for an initial 15 month rent free period (spread over 30 months at half rent). The headline rent payable under the existing lease does not change; remaining at £1,770,300 per annum.

The current rent becomes £885,150 pa equating to a half rent quarterly payment of approximately £221,000 for 30 months from September 2020. The lease is now subject to an upwards only rent review on 15 January 2026.

The additional 5 year lease term doubles the unexpired term of the existing lease with no change to the level of rent. The rent generated by the additional 5 year term equates to £8,851,500 (annual rent of £1,770,300 x 5 years) and ignores any additional rent that might be generated by the rent review process. The 15 month rent free period proposed to be granted equates to £2,212,875 (£1,770,300 pa x 15 months). The net benefit to EEPIC is an additional income stream totalling £6,638,625. This provides the Shareholder with long-term assurance that the Company can meet its Shareholder objectives.

A further Deed of Variation between EEPIC and Regus was agreed by the Shareholder Sub-Committee on 28 March 2023. This increased the unexpired term of the lease by an additional 5 years to 14 January 2036, in exchange for 12 months rent free at half rent for 24 months until 29th March 2025.

The further 5 year lease term generates an additional £8,851,500 (annual rent of £1,770,300 x 5 years) in exchange for foregoing 1 year's annual rent (£1,770,300 pa spread over 24 months at half rent).

The rent reverted to the full rent of £1,770,300 pa from 29 March 2025 with an additional rent review on 15 January 2031 in line with the extended lease.

Arlington Square was inspected on 28 August 2024 by the Shareholder's Estate Manager and EEPIC's external appointed building surveyor. No issues were raised from the inspection.

4. Balance Sheet Asset Valuations

To comply with its financial reporting obligations, the Company is required to have its investment property portfolio valued on an annual basis. The basis of valuation for investment properties is fair value and is the same as market value.

At the request of the Shareholder (to provide consistency with their instruction to value the Shareholder's directly owned property), external valuations were undertaken by Wilks Head & Eve, a respected London firm of Chartered Surveyors.

Wilks Head & Eve were not involved in either of EEPIC's property acquisitions and can therefore provide an independent, external assessment of the two property assets.

| | Valuation @ 31/12/24 (last year's valuation) | Purchase Price / Date | Variance (since purchase) |
|------------------|---|----------------------------------|--------------------------------------|
| | £ | £ | £ |
| Marlow | 31,502,500 (30,926,300) | 31,000,000 13/10/17 | 502,500 |
| Bracknell | 17,850,100 (20,265,600) | 25,500,000 20/11/17 | -7,649,900 |
| Total | 49,352,600 (51,191,900) | 56,500,000 | -7,147,400 |

Whilst the Company's business case is specifically to hold property long term, Directors' attention is drawn to the modest £502,500 positive purchase price variance for Marlow. Regrettably, this is offset by the £7,649,900 negative purchase price variance for Bracknell (due to historic uncertainty surrounding the long-term occupation of Regus).

The annual valuations support commercial property media reports that valuations have reached their lowest levels and are now beginning to recover as prospects for the UK economy improve.

It is precisely for this reason the properties are held long term to smooth out gyrations in the UK property market and economy.

5. Company Accounts

The Company's accounts are externally prepared by Williams & Co, an Epsom based firm of Statutory Auditors, and annually filed at Companies House.

The accounts are attached at Appendix A for the year ended 31 March 2025.

Financial highlights include:-

- Property portfolio of £49.35m
- Gross profit of £3.398m
- Dividend paid of £0.620m

Williams & Co continue to provide the Company with a first class accounting service at a competitive price. It is therefore envisaged that Williams & Co will be retained by the Company to prepare 2024/25 accounts and future years approvals annually.

6. Shareholder Approval

At its Shareholder Sub-Committee meeting held on 19 November 2024, the Shareholder received and noted EEPIC's Report to Shareholder Sub-Committee and Annual Review.

In accordance with the Shareholder Agreement, the Shareholder approved the following:

- Annual Business Plan 2025-2026
- Appointment of Sue Emmons, the Shareholder's Chief Accountant, to Finance Director of EEPIC
- Appointment of Andrew Bircher, the Shareholder's Assistant Director of Corporate Services, to Corporate Director of EEPIC.
- Confidential Report to Shareholder

7. Tenant Corporate Activity (Marlow) – Chelton Ltd / TransDigm Group

- The takeover of Cobham plc (Chelton's former parent company) by Advent International was completed on 17 January 2020 with shares closing for the final time at 164.60p.
- It should be appreciated that EEPIC's tenant at Marlow is Chelton Ltd (t/a Cobham Aerospace Connectivity), a profitable world leader in the design and manufacture of aviation communication systems and navigation antennas. Cobham plc would only become involved as guarantor if EEPIC's tenant became insolvent.
- It was announced on 24 November 2020 that Cobham Aerospace Connectivity was under offer to US based TransDigm Group Incorporated and the deal completed on 5 January 2021.
- TransDigm Group, through its wholly-owned subsidiaries, is a leading global designer, producer and supplier of highly engineered aircraft components for use on nearly all commercial and military aircraft in service today.
- On 27 April 2021, Cobham Aerospace Connectivity rebranded to Chelton;

"More than 20 successful years have passed since Chelton joined the Cobham brand and now it is set to go full circle and return to its brand roots as Chelton."

First established in 1947, Chelton defined the avionics industry with a number of world firsts; from novel static discharger designs, radio silent tuneable antennas through to the first airborne LTE mission critical public

safety radio. Having achieved many more world firsts as part of the Cobham family, it is now set to go full circle and return to its brand roots as Chelton. Continuing its founders' principles to overcome immensely complex communication challenges and deliver failsafe, pioneering technology to some of the world's most formidable militaries and public safety agencies."

- On 29 November 2021, Chelton opened a new facility at Redhill Aerodrome to support its life saving research and development (R&D), including IED detection and radio for public safety applications.

The new facility does not affect EEPIC's property which remains the main HQ site for operations.

- On 6 March 2022, Chelton achieved 75 years of trading, having been first established in 1947. Chelton has; *"Spent the past seven decades defining and advancing the avionics and defence industry with a number of world firsts; from novel static dischargers and radio silent tuneable antennas through to the ground-breaking airborne 4G public safety radio, pioneering stand-off explosive ordnance detection systems using Ground Penetrating Radar and a trailblazing land-based Air Traffic Management System to be used at sea."*
- On 4 February 2025, TransDigm reported its 2025 Q1 financial results for the quarter ended 28 December 2024.
- Directors' attention is drawn to the following key highlights:-
 - *Net sales of \$2,006 million, up 12% from \$1,789 million in the prior year's quarter*
 - *Net income of \$493 million, up 29% from the prior year's quarter*
 - *Earnings per share of \$7.62, up 56% from the prior year's quarter*
 - *EBITDA of \$1,061 million, up 16% from \$912 million in the prior year's quarter*
 - *Adjusted earnings per share of \$7.83, up 9% from \$7.16 in the prior year's quarter*
- *"I am very pleased with our first quarter operating results and strong start to our fiscal 2025"; stated Kevin Stein, TransDigm Group's President and Chief Executive Officer.*

8. Tenant Corporate Activity (Bracknell) – IWG plc

- On 4 March 2025, International Workplace Group (IWG) announced its annual results for the year ended 31 December 2024 under the banner;

"Record system-wide revenue, record EBITDA, record centre openings: delivery driving \$50m share buyback programme"

- Directors' attention is drawn to the following key highlights:-
 - *Highest ever revenue of \$4.2bn (6% growth in open centres, 2% growth in all centres)*
 - *Highest ever EBITDA with growth of 11% to \$557m (2023: \$503m)*
 - *Highest ever network growth with 899 new centre signings and 624 openings*
 - *Net financial debt continuing to fall to \$712m (2023: \$775m)*
 - *Return to profitability with earnings per share of +2.0¢ (2023: -26.7¢)*
 - *Growth in new centres driving fee income growth of 30% to \$79m (2023: \$61m)*
 - *Record openings in 2024 with 73k rooms added to the network – almost 2x higher than in 2023 (37k)*
 - *Signings continued to increase in 2024, with 725 new locations signed (2023: 678), expecting higher signings in 2025*
 - *Profitability continuing to improve with margin increase from 22% in 2023 to 25% to \$790m (2023: \$711m)*
 - *Further reduction in centre-related net growth capex to \$51m (2023: \$70m) and maintenance capex continued to be controlled despite the inflationary backdrop*
 - *\$50m share buyback and increase in dividend*
- Mark Dixon, Chief Executive of IWG plc, commented;

“We are reaching an inflection point where the hard work from the last few years is coming to fruition. We have a supportive operating environment, structural industry tailwinds and a business which is both prepared for, and delivering, centre growth. We are by far the largest player in this industry and getting ahead of the competition even further as we deliver value to landlords and clients. I am confident that following last year's delivery of record revenue, record EBITDA and record centre growth, our share buyback programme announced today further underpins the position that IWG has as a global category leader whose offices you can find in almost every major city on the planet.”
- In contrast to EEPIC's traditional lease with Regus, IWG is promoting a new “capital-light contract” operating model with landlords where landlords share in the profit generated by Regus. Whilst this has the potential to provide the landlord with greater income returns, it is essentially a capital risk transfer exercise for IWG.
- Under the new model, the landlord carries the full or majority cost of the operation's capital expenditure i.e. fitting out the accommodation. Furthermore, as it is a service agreement and not a lease, Regus is not committed to the obligations contained in a lease, namely, the payment of a fixed rent. For the landlord, this means that its share of the profit

can fluctuate depending on the success of the centre and the prevailing economic conditions.

- IWG plc shares closed on 11 April 2025 at 166.30p (previously reported at 204.60p on 17 May 2024).

Appendix A

EEPIC Financial Statements

For the Year Ended 31 March 2025

Report of the Directors and
Financial Statements
for the Year Ended 31 March 2025
for
Epsom & Ewell Property Investment
Company Limited

Contents of the Financial Statements
for the Year Ended 31 March 2025

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DIRECTORS:

M D C Shephard
R Brown
S C Emmons
A D Bircher

SECRETARY:

R K O Appiah- Ampofo

REGISTERED OFFICE:

Town Hall
The Parade
Epsom
Surrey
KT18 5BY

REGISTERED NUMBER:

10922872 (England and Wales)

AUDITORS:

Williams & Co Epsom LLP
Statutory Auditors
8-10 South Street
Epsom
Surrey
KT18 7PF

Report of the Directors
for the Year Ended 31 March 2025

The directors present their report with the financial statements of the company for the year ended 31 March 2025.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property rental.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2024 to the date of this report.

M D C Shephard
R Brown

Other changes in directors holding office are as follows:

B J Bradley - resigned 25 October 2024
S C Emmons - appointed 19 November 2024
A D Bircher - appointed 19 November 2024

POLITICAL DONATIONS AND EXPENDITURE

None.

BUSINESS STRUCTURE

The company is wholly owned by Epsom & Ewell Borough Council.

COMPANY HIGHLIGHTS

- Property portfolio of £51.2m.
- Gross profit of £3.340m.
- Profit before tax (excluding property revaluations) of £1.366m.
- Dividend paid of £614,986

BUSINESS MODEL

Our strategy is to maintain a diversified, balanced and low risk property portfolio to provide income over the long term to our ultimate shareholder, Epsom & Ewell Borough Council.

Finance is secured through a balance of debt and equity obtained from Epsom and Ewell Borough Council.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors
for the Year Ended 31 March 2025

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Williams & Co Epsom LLP, will be proposed for re-appointment at a subsequent Board Meeting.

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

ON BEHALF OF THE BOARD:

M D C Shephard - Director

14 August 2025

Opinion

We have audited the financial statements of Epsom & Ewell Property Investment Company Limited (the 'company') for the year ended 31 March 2025 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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 the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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.

Auditors' responsibilities for the audit of 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 a Report of the Auditors 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. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud, the audit engagement team made enquiries of management, and those charged with governance, regarding the procedures relating to identifying, evaluating and complying with;

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and General Data Protection Regulations. We performed audit procedures to detect non-compliance, which may have a material impact on the financial statements. These included reviewing financial statement disclosures. There were no significant laws and regulations we deemed as having an indirect impact on the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the rationale in relation to any significant, unusual transactions and transactions entered into outside of the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Williams FCA (Senior Statutory Auditor)
for and on behalf of Williams & Co Epsom LLP
Statutory Auditors
8-10 South Street
Epsom
Surrey
KT18 7PF

14 August 2025

Income Statement
for the Year Ended 31 March 2025

| | Notes | 2025 £ | 2024 £ |
|---|-------|--------------------|------------------|
| TURNOVER | | 3,536,370 | 3,468,357 |
| Cost of sales | | <u>137,831</u> | <u>127,989</u> |
| GROSS PROFIT | | 3,398,539 | 3,340,368 |
| Administrative expenses | | <u>165,983</u> | <u>170,243</u> |
| OPERATING PROFIT | | 3,232,556 | 3,170,125 |
| Interest receivable and similar income | | <u>2,358</u> | <u>4,410</u> |
| | | 3,234,914 | 3,174,535 |
| Gain/loss on revaluation of investment property | | <u>(1,839,300)</u> | <u>290,600</u> |
| | | 1,395,614 | 3,465,135 |
| Interest payable and similar expenses | 4 | <u>1,808,783</u> | <u>1,808,783</u> |
| (LOSS)/PROFIT BEFORE TAXATION | | (413,169) | 1,656,352 |
| Tax on (loss)/profit | 5 | <u>357,308</u> | <u>341,437</u> |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | | <u>(770,477)</u> | <u>1,314,915</u> |

The notes form part of these financial statements

Balance Sheet
31 March 2025

| | Notes | 2025 £ | £ | 2024 £ | £ |
|--|-------|------------------|-------------------|------------------|-------------------|
| FIXED ASSETS | | | | | |
| Investment property | 6 | | 49,352,600 | | 51,191,900 |
| CURRENT ASSETS | | | | | |
| Debtors | 7 | 2,880,675 | | 2,204,902 | |
| Cash at bank | | <u>1,309,781</u> | | <u>1,251,375</u> | |
| | | 4,190,456 | | 3,456,277 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 8 | <u>1,396,278</u> | | <u>1,124,409</u> | |
| NET CURRENT ASSETS | | | <u>2,794,178</u> | | <u>2,331,868</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 52,146,778 | | 53,523,768 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 9 | | (36,175,650) | | (36,175,650) |
| PROVISIONS FOR LIABILITIES | 11 | | <u>(174,475)</u> | | <u>(160,696)</u> |
| NET ASSETS | | | <u>15,796,653</u> | | <u>17,187,422</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 12 | | 24,117,100 | | 24,117,100 |
| Fair value reserve | 13 | | (10,585,883) | | (8,746,583) |
| Retained earnings | 13 | | <u>2,265,436</u> | | <u>1,816,905</u> |
| SHAREHOLDERS' FUNDS | | | <u>15,796,653</u> | | <u>17,187,422</u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 14 August 2025 and were signed on its behalf by:

S C Emmons - Director

M D C Shephard - Director

Statement of Changes in Equity
for the Year Ended 31 March 2025

| | Called up share capital £ | Retained earnings £ | Fair value reserve £ | Total equity £ |
|---------------------------------|------------------------------------|---------------------------|-------------------------------|----------------------|
| Balance at 1 April 2023 | 24,117,100 | 1,407,576 | (9,037,183) | 16,487,493 |
| Changes in equity | | | | |
| Dividends | - | (614,986) | - | (614,986) |
| Total comprehensive income | - | 1,024,315 | 290,600 | 1,314,915 |
| Balance at 31 March 2024 | <u>24,117,100</u> | <u>1,816,905</u> | <u>(8,746,583)</u> | <u>17,187,422</u> |
| Changes in equity | | | | |
| Dividends | - | (620,292) | - | (620,292) |
| Total comprehensive income | - | 1,068,823 | (1,839,300) | (770,477) |
| Balance at 31 March 2025 | <u>24,117,100</u> | <u>2,265,436</u> | <u>(10,585,883)</u> | <u>15,796,653</u> |

1. **STATUTORY INFORMATION**

Epsom & Ewell Property Investment Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Judgements and estimation uncertainty

Investment properties are professionally valued using methodology outlined by the Royal Institute of Chartered Surveyors. Market values and market rents are taken into account when establishing the valuation. There is a degree of judgement involved in that each property is unique and value can only be reliably tested in the market itself.

The economic and societal disruption caused by Covid-19 has increased the level of valuation uncertainty. However, the valuations have been professionally undertaken to RICS standards and therefore represent the best estimate at the current time.

Turnover

Turnover represents rental income, service charge income and insurance income, exclusive of value added tax. Income is recognised in respect of the rental period.

Investment property

Investment property is measured initially at its cost at recognition, including transaction costs. The fair value shall be measured at each subsequent reporting date with changes in fair value recognised in profit or loss.

No depreciation is charged on investment property.

Movements in any deferred tax liability are recognised in profit or loss and transferred into the fair value reserve.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. **ACCOUNTING POLICIES - continued**

Recognition of income and expenditure

Income from rents, service charges and insurance is recognised over the period for which the service is provided.

Expenses are recognised as expenditure when the services are consumed.

Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet.

3. **EMPLOYEES AND DIRECTORS**

| | 2025 £ | 2024 £ |
|--------------------|----------------|----------------|
| Wages and salaries | <u>148,467</u> | <u>138,927</u> |

The average number of employees during the year was as follows:

| | 2025 | 2024 |
|-----------|----------|----------|
| Directors | <u>4</u> | <u>3</u> |

During the period, no staff were directly employed by Epsom & Ewell Property Investment Company Ltd, with staffing costs being recharged by the parent company.

4. **INTEREST PAYABLE AND SIMILAR EXPENSES**

| | 2025 £ | 2024 £ |
|---------------|------------------|------------------|
| Loan interest | <u>1,808,783</u> | <u>1,808,783</u> |

5. **TAXATION**

Analysis of the tax charge

The tax charge on the loss for the year was as follows:

| | 2025 £ | 2024 £ |
|----------------------|----------------|----------------|
| Current tax: | | |
| UK corporation tax | 343,529 | 326,383 |
| Deferred tax | 13,779 | 15,054 |
| Tax on (loss)/profit | <u>357,308</u> | <u>341,437</u> |

6. **INVESTMENT PROPERTY**

FAIR VALUE

| | Total £ |
|-----------------------|-------------------|
| At 1 April 2024 | 51,191,900 |
| Revaluations | (1,839,300) |
| At 31 March 2025 | <u>49,352,600</u> |
| NET BOOK VALUE | |
| At 31 March 2025 | <u>49,352,600</u> |
| At 31 March 2024 | <u>51,191,900</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

6. **INVESTMENT PROPERTY - continued**

The company's two investment properties were revalued on the 31st March 2025 by chartered surveyors, regulated by RICS.

The valuations were carried out in accordance with the RICS Valuation Professional Standards Global and UK 2017, with the CIPFA guidance incorporated.

If the two investment properties were not carried at fair value, they would be held at their cost of £59,938,483.

If either property became vacant, it's fair value would reduce accordingly.

7. **DEBTORS**

| | 2025 £ | 2024 £ |
|---|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 331,001 | 141,710 |
| Other debtors | - | 18,082 |
| Prepayments | - | 5,011 |
| | <u>331,001</u> | <u>164,803</u> |
| Amounts falling due after more than one year: | | |
| Accrued income | <u>2,549,674</u> | <u>2,040,099</u> |
| Aggregate amounts | <u>2,880,675</u> | <u>2,204,902</u> |

Accrued income due in more than one year represents rents payable by a tenant following a renegotiation of rents post Covid. A rent free period was agreed which is being clawed back over the remainder of the lease.

Should the tenant at either property go into liquidation or otherwise exit their lease, there is a risk that accrued income may not be recoverable in future years. Both property leases are protected by guarantors who, in the event of non-performance by the tenant, become liable for at least one year's rental income. However this may not fully cover the rent free period being amortised over the length of the lease.

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 2025 £ | 2024 £ |
|------------------------------|------------------|------------------|
| Tax | 343,529 | 326,382 |
| VAT | 174,590 | 119,063 |
| Accruals and deferred income | <u>878,159</u> | <u>678,964</u> |
| | <u>1,396,278</u> | <u>1,124,409</u> |

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| | 2025 £ | 2024 £ |
|------------------------------------|-------------------|-------------------|
| Amounts owed to group undertakings | <u>36,175,650</u> | <u>36,175,650</u> |

Intra-group loans totalling £36,175,650 have been provided by Epsom & Ewell Borough Council. The loans are interest only and the interest rate on each loan is 5%. All loans are due to be repaid in full fifty years from the original loan draw down.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

10. **SECURED DEBTS**

The following secured debts are included within creditors:

| | 2025 £ | 2024 £ |
|-------------|------------|------------|
| Other loans | 36,175,650 | 36,175,650 |

The loans from Epsom & Ewell Council are secured by way of a 1st charge over the properties and a debenture.

11. **PROVISIONS FOR LIABILITIES**

| | 2025 £ | 2024 £ |
|--------------------------------|-----------|-----------|
| Deferred tax | | |
| Accelerated capital allowances | 174,475 | 160,696 |

| | | |
|--------------------------|--|----------------------|
| | | Deferred tax £ |
| Balance at 1 April 2024 | | 160,696 |
| Provided during year | | 13,779 |
| Balance at 31 March 2025 | | 174,475 |

12. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: £1 | 2025 £ | 2024 £ |
|------------|----------|-------------------------|------------|------------|
| 24,117,100 | Ordinary | | 24,117,100 | 24,117,100 |

13. **RESERVES**

| | Retained earnings £ | Fair value reserve £ | Totals £ |
|--------------------------------------|---------------------------|-------------------------------|-------------|
| At 1 April 2024 | 1,816,905 | (8,746,583) | (6,929,678) |
| Deficit for the year | (770,477) | | (770,477) |
| Dividends | (620,292) | | (620,292) |
| Transfer gain/loss on revaluation | 1,839,300 | (1,839,300) | - |
| At 31 March 2025 | 2,265,436 | (10,585,883) | (8,320,447) |

14. **CONTINGENT LIABILITIES**

Current government regulations require that to enter into new commercial property leases or renewals from 2027, the property must have an Energy Performance Certificate (EPC) rating of C or above. One EEPIC property is currently EPC rated B, so meets the regulations. The second property is rated D. As it is already leased out until 2036, it is not expected to be impacted by the regulations until 2036, when work will be mandatory to bring it up to the necessary EPC rating. Should the tenant exit their lease early, to be re-let from 2027 the property would need to be upgraded to EPC C or above, at an estimated cost (based on current prices) of £10m (to level C). However if the tenant did leave then the directors would look at alternative options for the building including conversion to residential which would reduce any financial impact to the company.

15. **RELATED PARTY DISCLOSURES**

Costs totalling £148,467 (2024: £138,927) were paid to Epsom & Ewell Borough Council in respect of staff and support services.

Loan interest totalling £1,808,783 (2024: £1,808,783) was paid to Epsom & Ewell Borough Council.

16. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Epsom & Ewell Borough Council by virtue of its 100% shareholding.

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EXCLUSION OF THE PRESS AND PUBLIC

Under Section 100(A)(4) of the Local Government Act 1972, the Sub-Committee may pass a resolution to exclude the public from the Meeting for Part Two of the Agenda on the grounds that the business involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The following documents are included on Part Two of the agenda and have not been published:

| |
|--|
| Item 04 – Annual Report: Appendix 4 and Appendix 5 |
|--|

| |
|---|
| The report deals with information relating to the financial or business affairs of the Council and third parties. |
|---|

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