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**WILLMOTT DIXON SUSTAIN LIMITED**

**REPORT AND ACCOUNTS**

**31 DECEMBER 2010**

**Registered Number: 4638952**

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**WILLMOTT DIXON SUSTAIN LIMITED**

**Registered Number: 4638952**

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**WILLMOTT DIXON SUSTAIN LIMITED**

**Registered Number: 4638952**

**Company Information**

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**Directors**

John Frankiewicz FCIOB  
(Chairman)

Duncan Canney FCA, BSc (Hons)  
Colin Enticknap FCIOB, MRICS  
Wendy McWilliams LLB, ACIS  
Rick Willmott MCIOB

**Joint Secretaries**

Wendy McWilliams LLB, ACIS  
Robert Eyre ACIS

**Registered Office**

Spirella 2  
Icknield Way  
Letchworth Garden City  
Hertfordshire  
SG6 4GY

**Auditor**

PKF (UK) LLP  
Farringdon Place  
20 Farringdon Road  
London  
EC1M 3AP

## **WILLMOTT DIXON SUSTAIN LIMITED**

**Registered Number: 4638952**

### **Report of the directors** for the year ended 31 December 2010

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The directors present their report with the audited financial statements of the Company for the year ended 31 December 2010

#### **Review of business**

The principal activity of the Company was the provision of improvement and maintenance of non-housing real estate. On 1 January 2010 the directors transferred part of the Company's trade to other Group companies. The remaining trade of the company ceased on 1 April 2010.

#### **Dividends**

The directors did not recommend payment of a dividend in relation to year ended 31 December 2010 (2009 £nil)

#### **Directors**

The names of the current directors of the company are shown on page 2

The following changes in directors have occurred since 1 January 2010

Matthew Raybould	Resigned 31 December 2010
Jayne Watkins	31 July 2010

#### **Financial instruments**

The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. A dedicated credit control team operates in the Company and management carries out daily cash flow and working capital monitoring. The nature of its financial instruments means that the price risk or liquidity risk to which it is subject is minimal.

The Company does not use derivative financial instruments for speculative purposes.

#### **Key performance indicators**

The directors, who are key management, use financial measures such as profitability and turnover to monitor performance.

In addition, non financial measures relating to employees, customers and other stakeholders are reviewed. The Willmott Dixon group has once again been named in the Sunday Times Best 100 list.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

**WILLMOTT DIXON SUSTAIN LIMITED**

**Registered Number: 4638952**

**Report of the directors**  
for the year ended 31 December 2010

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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:

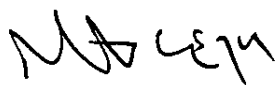
- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**The disclosure of information to the auditor**

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 auditor is unaware, and they 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.

**By Order of the Board:**



Robert Eyre ACIS  
Secretary

Date: 30 March 2011

## **WILLMOTT DIXON SUSTAIN LIMITED**

**Registered Number: 4638952**

### **Report of the independent auditor to the members of Willmott Dixon Sustain Limited** on the financial statements for the year ended 31 December 2010

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We have audited the financial statements of Willmott Dixon Sustain Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3, part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2010 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

**WILLMOTT DIXON SUSTAIN LIMITED**

**Registered Number: 4638952**

**Report of the independent auditor to the members of Willmott Dixon Sustain  
Limited**  
on the financial statements for the year ended 31 December 2010

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

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

PKF(UK)LLP

**Andrew Huddleston** (Senior statutory auditor)  
for and on behalf of PKF (UK) LLP, Statutory auditor

London, UK

Date 31/3/11

**WILLMOTT DIXON SUSTAIN LIMITED****Registered Number: 4638952****Profit and loss account**  
for the year ended 31 December 2010

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	<b>Notes</b>	<b>2010 £</b>	<b>2009 £</b>
<b>Turnover</b>		40,100	23,915,744
Cost of sales		<u>(397,800)</u>	<u>(28,088,034)</u>
<b>Gross loss</b>		(357,700)	(4,172,290)
Administrative expenses		<u>(240,475)</u>	<u>(4,171,102)</u>
<b>Operating loss</b>	3	(598,175)	(8,343,392)
Interest payable and similar charges	4	<u>-</u>	<u>355,542</u>
<b>Loss on ordinary activities before taxation</b>		(598,175)	(8,698,934)
Tax credit on loss on ordinary activities	5	<u>235,178</u>	<u>2,432,662</u>
<b>Loss for the financial year after taxation</b>		<u>(362,997)</u>	<u>(6,266,272)</u>

All of the above derives from discontinued activities

The company has no recognised gains or losses other than the losses for the current year or previous year

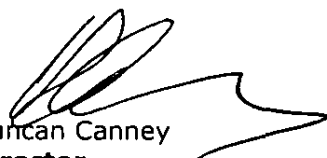


**WILLMOTT DIXON SUSTAIN LIMITED****Registered Number: 4638952****Balance Sheet**  
31 December 2010

	<b>Notes</b>	<b>2010 £</b>	<b>2009 £</b>
<b>Fixed assets</b>			
Tangible assets	6	-	45,540
<b>Current assets</b>			
Stocks	7	-	20,000
Debtors	8	-	5,279,440
Cash at bank and in hand		-	182,844
		<u>-</u>	<u>5,482,284</u>
<b>Creditors</b>			
Amounts falling due within one year	9	<u>3,970,801</u>	<u>8,785,628</u>
<b>Net current liabilities</b>		(3,970,801)	(3,303,344)
<b>Total assets less current liabilities</b>		(3,970,801)	(3,257,804)
Provisions for liabilities and charges	10	<u>-</u>	<u>350,000</u>
<b>Net liabilities</b>		<u>(3,970,801)</u>	<u>(3,607,804)</u>
<b>Capital and reserves</b>			
Called up share capital	12	4,000,000	4,000,000
Profit and loss account	13	<u>(7,970,801)</u>	<u>(7,607,804)</u>
<b>Shareholders' deficit</b>	14	<u>(3,970,801)</u>	<u>(3,607,804)</u>

The notes on pages 9 to 15 form part of these financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 30 March 2011 and were signed on its behalf by

  
Duncan Canney  
Director

## **1 Accounting policies**

### **Basis of accounting**

The company has suffered significant losses as a result of the increasingly tough economic climate. For this reason the directors do not consider the company to be a going concern as all operations have ceased during the year and all the assets disposed of.

### **Cash flow statement**

The company qualifies under Financial reporting Standard 1 for exemption from preparing a cash flow statement as it is a subsidiary undertaking where 90% or more of the voting rights are controlled within the group and that it is included within the groups consolidated financial statements which are publicly available.

### **Turnover**

Turnover represents revenue recognised in respect of services provided during the period, stated net of value added tax.

### **Leased assets**

The total payments made under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

### **Tangible Fixed Assets**

Tangible fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets so as to write each asset down to its estimated residual value over its expected useful economic life.

### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based upon estimated selling price. Provision is made for obsolete and slow-moving items.

### **Retirement benefits**

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year to which they relate.

### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more; or a right to pay less, tax in the future have occurred. Deferred tax is not discounted.

Deferred tax assets are recognised to the extent that the Directors consider it more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

**WILLMOTT DIXON SUSTAIN LIMITED****Registered Number: 4638952****Notes to the financial statements  
for the year ended 31 December 2010****2 Directors and employees**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Wages and salaries	620,256	9,492,448
Social security costs	88,065	1,048,195
Pension contributions	7,235	72,504
	<b>715,556</b>	<b>10,613,147</b>

The average number of employees, including directors, during the year was as follows

	<b>2010</b>	<b>2009</b>
Office and administration	23	147
Site and production	10	165
	<b>33</b>	<b>312</b>

Five directors (2009 Five) were remunerated by other group companies for their services to the group as a whole

**3 Operating loss**

The operating loss is stated after charging

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	121,859	594,092
Depreciation – owned assets	-	572,646
Loss on disposal of fixed assets	2,552	36,527
Operating lease rentals – plant and machinery	-	608,061
Operating lease rentals – other	-	894,507

Auditor's remuneration for audit and other services is paid by Willmott Dixon Holdings Limited

**4 Interest payable and similar charges**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Group interest paid	-	355,542

**WILLMOTT DIXON SUSTAIN LIMITED****Registered Number: 4638952****Notes to the financial statements  
for the year ended 31 December 2010****5 Taxation****a) Analysis of the tax charge:**

The tax credit on the loss on ordinary activities for the year was as follows

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Current tax		
Receipt in respect of group relief	(292,875)	(2,405,547)
Total current tax	(292,875)	(2,405,547)
Deferred tax		
Origination and reversal of timing differences	55,637	(27,115)
Effect of change in tax rate	2,060	-
Tax credit on loss ordinary activities	(235,178)	(2,432,662)

The movement in the deferred tax asset of £57,697 (2009 liability of £27,115) was transferred to the Ultimate Parent Company

**b) Factors affecting tax charge for year**

The tax assessed for the year is lower/ higher than the standard rate of corporation tax in the UK 28% (2009 28%) The differences are explained below

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	(598,175)	(8,698,934)
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28%	(167,489)	(2,435,702)
Effects of		
Expenses not deductible for tax purposes	1,003	26,614
Capital allowances in the year in excess of depreciation	(126,389)	17,839
Profit on disposal of intra-group investment	-	(14,298)
Current tax (credit)	(292,875)	(2,405,547)

**WILLMOTT DIXON SUSTAIN LIMITED****Registered Number: 4638952****Notes to the financial statements**  
for the year ended 31 December 2010**5 Taxation continued****c) Factors that may affect future tax charges**

The company is not aware of any significant factors that may affect future tax charges

**6 Tangible fixed assets**

	<b>Short leasehold land and buildings £</b>	<b>Furniture and equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2010	947	743,654	744,601
Disposals	-	(647,944)	(647,944)
Transfers to group companies	(947)	(95,710)	(96,657)
At 31 December 2010	-	-	-
<b>Depreciation</b>			
At 1 January 2010	947	698,114	699,061
Eliminated on disposal	-	(645,392)	(645,392)
Transfer to group companies	(947)	(52,722)	(53,669)
At 31 December 2010	-	-	-
<b>Net book value</b>			
At 31 December 2010	-	-	-
At 31 December 2009	-	45,540	45,540

**7 Stocks**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Stocks - consumables	-	20,000

**WILLMOTT DIXON SUSTAIN LIMITED****Registered Number: 4638952****Notes to the financial statements**  
for the year ended 31 December 2010**8 Debtors: amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	2,030,028
Amounts recoverable on contracts	-	3,223,355
Prepayments	-	26,057
	-	5,279,440

**9 Creditors: amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Payments on account	-	107,184
Trade creditors	49,140	1,878,578
Amounts owed to group undertakings	3,136,318	4,813,887
Accruals and deferred income	785,343	1,985,979
	3,970,801	8,785,628

**10 Provisions for liabilities and charges**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
1 January 2010	350,000	-
Arising in the year	-	350,000
Utilised in the year	(350,000)	-
	-	350,000

The provision utilised in the year related to a provision made for redundant premises.

**WILLMOTT DIXON SUSTAIN LIMITED****Registered Number: 4638952****Notes to the financial statements**  
for the year ended 31 December 2010**11 Operating lease commitments**

Obligations under operating leases at 31 December 2010 were as follows

	<b>Land and buildings 2010</b>	<b>Other 2010</b>	<b>Land and buildings 2009</b>	<b>Other 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expiring				
Within one year	-	-	-	115,886
Between one and five years	-	-	56,332	159,045
In more than five years	-	-	120,000	-
	<b>-</b>	<b>-</b>	<b>176,332</b>	<b>274,931</b>

**12 Called up share capital**

Allotted, issued and fully paid.

			<b>2010</b>	<b>2009</b>
			<b>£</b>	<b>£</b>
Number	Class	Nominal		
4,000,000	Ordinary	£1	<b>4,000,000</b>	<b>4,000,000</b>

**13 Reserves**

	<b>Profit and loss account £</b>
At 1 January 2010	(7,607,804)
Loss for the year	(362,997)
At 31 December 2010	<b>(7,970,801)</b>

## WILLMOTT DIXON SUSTAIN LIMITED

Registered Number: 4638952

Notes to the financial statements  
for the year ended 31 December 2010

### 14 Reconciliation of movements in shareholder's funds

	2010	2009
	£	£
Loss for the financial year	(362,997)	(6,266,272)
<b>Net reduction to shareholders' funds</b>	<b>(362,997)</b>	<b>(6,266,272)</b>
Opening equity shareholders' (liabilities) / funds	(3,607,804)	2,658,468
<b>Closing equity shareholders' liabilities</b>	<b>(3,970,801)</b>	<b>(3,607,804)</b>

### 15 Ultimate parent undertaking

The Company's immediate parent company is Willmott Dixon Capital Works Limited

Willmott Dixon Capital Works Limited is a wholly owned subsidiary of Willmott Dixon Holdings Limited, this is the smallest group for which consolidated financial statements are prepared.

The Group Annual Report and Accounts of Willmott Dixon Holdings Limited can be found at [www.WillmottDixonGroup.co.uk](http://www.WillmottDixonGroup.co.uk)

Willmott Dixon Holdings Limited is jointly owned by Walsworth Limited and Hardwicke Investments Limited

The Company's ultimate parent and controlling party is Hardwicke Investments Limited, this is the largest group for which consolidated financial statements are prepared. The consolidated financial statements of Hardwicke Investments Limited can be found at Companies House. The Company's immediate Parent Company is Willmott Dixon Limited

### 16 Group Guarantees

The Company has, with the Ultimate Parent Company and certain fellow subsidiaries, entered into multi-lateral financial guarantees of £4,500,000 (2009: £19,900,000) in favour of The Royal Bank of Scotland plc as agent for National Westminster Bank plc to guarantee the Ultimate Parent Company's indebtedness to the bank.

The Company is a party to multi-lateral cross guarantees given to various sureties that have issued performance bonds in favour of clients of fellow subsidiaries in respect of contracts entered into in the normal course of business

### 17 Related party transactions

The Company is entitled to the exemption from disclosing related party transactions with entities within the group in accordance with Financial Reporting Standard 8. There were no other transactions with related parties.