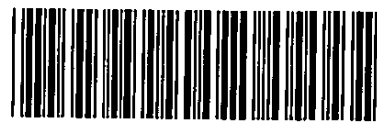

WILLMOTT DIXON CAPITAL WORKS LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 2011

Registered Number: 5922246

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WILLMOTT DIXON CAPITAL WORKS LIMITED

Registered Number: 5922246

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WILLMOTT DIXON CAPITAL WORKS LIMITED

Registered Number: 5922246

Company Information

Directors

John Frankiewicz FCIOB
(Chief Executive Officer)

Duncan Canney BSc (Hons), CEng, FCA
Colin Enticknap FCIOB, MRICS
Mike Hart FCIOB
Simon Leadbeater MCIQB
Rick Willmott MCIQB

Joint Company Secretaries

Wendy McWilliams LLB, ACIS
Robert Eyre ACIS
Laurence Holdcroft FCIS

Registered Office

Spirella 2
Icknield Way
Letchworth Garden City
Hertfordshire
SG6 4GY

WILLMOTT DIXON CAPITAL WORKS LIMITED

Registered Number: 5922246

Report of the directors
for the year ended 31 December 2011

The directors present their report together with the audited financial statements of the company for the year ended 31 December 2011

Principal activity, review of the business and future developments

The profit on ordinary activities before taxation increased to £22,855,957 (2010: £20,000,000).

The principal activity of the company in the period under review was management of major projects and support to trading companies.

The directors approved dividends totalling £20,750,000 for the year (2010: £19,500,000).

Auditor's remuneration is paid by Willmott Dixon Holdings Limited.

The directors do not expect any change in the activities of the company in the foreseeable future

Key Performance Indicators

The directors, who are the key management, use financial measures such as profitability and turnover to monitor performance. The results of these measures can be seen in the profit and loss account. The Company remains alert to the risk of reduced public infrastructure spending in the future.

In addition, non financial measures relating to employees, customers and other stakeholders are reviewed.

Directors

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

There have been no changes in directors since 1 January 2011

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 robust credit control procedures. Dedicated credit control teams operate in each trading subsidiary and the company carries out daily cashflow and working capital monitoring. The nature of the company's financial instruments means that the price risk or liquidity risk to which they are subject is minimal.

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

WILLMOTT DIXON CAPITAL WORKS LIMITED

Registered Number: 5922246

Report of the directors
for the year ended 31 December 2011

Employees

It is the policy of the Company to employ the most suitably qualified persons regardless of age, religion, gender, sexual orientation or ethnic origin or any other grounds not related to a person's ability to work safely and effectively for the Company. The Company encourages the employment and career development of disabled persons and the continued employment of employees who may be injured or disabled in the course of their employment.

The Company recognises the importance of ensuring that relevant business information is provided to employees. This is achieved through the regular operation of a communications programme.

Payment of suppliers

It is Company policy to agree the terms of payment as part of the commercial arrangements negotiated with suppliers and to then pay according to those terms. Trade creditor days based on creditors at 31 December 2011, was 38 days.

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

WILLMOTT DIXON CAPITAL WORKS LIMITED

Registered Number: 5922246

Report of the directors
for the year ended 31 December 2011

Statement as to disclosure of information to 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 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 auditor is aware of that information.

By Order of the Board



Laurence Holdcroft FCIS
Secretary

27 April 2012

WILLMOTT DIXON CAPITAL WORKS LIMITED

Registered Number: 5922246

Report of the independent auditor to the members of Willmott Dixon Capital Works Limited on the financial statements for the year ended 31 December 2011

We have audited the financial statements of Willmott Dixon Capital Works Limited for the year ended 31 December 2011 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 statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 2011 and of its profit 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 CAPITAL WORKS LIMITED

Registered Number: 5922246

**Report of the independent auditor to the members of
Willmott Dixon Capital Works Limited**
on the financial statements for the year ended 31 December 2011

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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

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: 27/4/12

WILLMOTT DIXON CAPITAL WORKS LIMITED**Registered Number: 5922246****Profit and loss account**
for the year ended 31 December 2011

	Notes	2011 £	2010 £
Turnover	2	25,417,975	1,919,985
Cost of Sales		(20,254,503)	-
Operating Profit	3	5,163,472	1,919,985
Distribution/Admin costs		(4,990,208)	(1,919,985)
Income from shares in group undertakings		22,750,000	20,000,000
Interest receivable and similar income		22,641	-
Profit on ordinary activities before taxation		22,945,905	20,000,000
Tax on profit on ordinary activities	6	(89,948)	-
Profit on ordinary activities after taxation		22,855,957	20,000,000

None of the company's activities were acquired or discontinued during the current year or previous year.

The company has no recognised gains and losses other than the profit on ordinary activities after taxation as shown above.

The notes on pages 10 to 18 form part of these financial statements.

WILLMOTT DIXON CAPITAL WORKS LIMITED**Registered Number: 5922246****Balance Sheet**
31 December 2011

	Notes	2011		2010	
		£	£	£	£
Fixed assets					
Tangible Fixed assets	7		274,014		32,579
Investments	8		<u>22,329,449</u>		<u>22,329,450</u>
			22,603,463		22,362,029
Current Assets					
Debtors	9	4,018,050		50,159	
Cash at bank and in hand		<u>8,701,100</u>		<u>8,575,750</u>	
		12,719,150		8,625,909	
Creditors					
Amounts falling due within one year	10	10,940,285		8,711,576	
Net Current Assets/(Liabilities)			<u>1,778,865</u>		<u>(85,658)</u>
Net assets			<u>24,382,328</u>		<u>22,276,371</u>
Capital and reserves					
Share capital	12	12,000,000		12,000,000	
Share premium	13	5,406,868		5,406,868	
Revenue reserve	13	<u>6,975,460</u>		<u>4,869,503</u>	
Equity shareholder's funds	14	24,382,328		22,276,371	

The notes on pages 10 to 18 form part of these financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 27 April 2012 and were signed on its behalf by



Duncan Canney
Director

WILLMOTT DIXON CAPITAL WORKS LIMITED

Registered Number: 5922246

Notes to the financial statements
for the year ended 31 December 2011

1 Principal accounting policies

Accounting convention

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable UK accounting standards.

Exemption from preparing consolidated financial statements

Consolidated accounts are not being prepared for this company as it is a wholly owned subsidiary undertaking and it is included within the consolidated financial statements of Willmott Dixon Holdings Limited, a company incorporated in the United Kingdom. As such these accounts are those of the parent company only.

Cash flow statement

The company qualifies under Financial Reporting Standard 1 for the 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.

Investments

Investments in subsidiary undertakings are carried at cost less provision for any impairment.

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

Fixed assets are stated at historical cost less depreciation

Depreciation is provided on all tangible fixed assets, other than land, at rates estimated to write off the cost of each asset over the term of its expected useful life as follows:

Short leasehold land and buildings	the earlier of 5 years or until the first breakpoint in the lease.
Plant and equipment	25% per annum.
Furniture and fittings	10% per annum.
Computer equipment	between 20% and 50% per annum.

WILLMOTT DIXON CAPITAL WORKS LIMITED

Registered Number: 5922246

Notes to the financial statements
for the year ended 31 December 2011

Long term contracts

Turnover and profit on long term contracts is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for profit earned when the outcome of work under the contract can be assessed with reasonable certainty. All foreseeable losses are provided in full.

Amounts recoverable on contracts are valued at cost with an appropriate addition or provision for estimated profits or losses and after deduction of amounts received and applications for payments receivable. Where amounts invoiced exceed the amount of work completed, the excess is included within payments on account.

Preconstruction costs are expensed and associated income deferred until such time as the related contract becomes virtually certain.

2 Turnover

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

3 Operating profit

The operating profit is stated after charging:

	<u>2011</u>	<u>2010</u>
	<u>£</u>	<u>£</u>
Directors' emoluments	426,306	470,253
Directors' pension contributions	35,508	35,196
Depreciation – owned assets	44,841	13,988
Operating lease rentals - other	<u>224,625</u>	<u>194,163</u>

Auditor's remuneration for audit and other services was paid by other Group companies.

WILLMOTT DIXON CAPITAL WORKS LIMITED**Registered Number: 5922246****Notes to the financial statements**
for the year ended 31 December 2011**4 Directors and employees**

	<u>2011</u>	<u>2010</u>
	<u>£</u>	<u>£</u>
Staff costs during the year were as follows		
Wages and salaries	2,345,775	532,004
Incentives	771,704	385,139
Pension contributions	75,887	44,123
Social security costs	379,713	69,450
	<u>3,573,079</u>	<u>1,030,716</u>

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

	<u>2011</u>	<u>2010</u>
	<u>39</u>	<u>8</u>
Office and administration		

Four directors (2010: Four directors) were remunerated by other group Companies for their services to the group as a whole

The emoluments of the highest paid director were £258,757 (2010: £505,449) including pension contributions of £35,508 (2010 £35,196).

5 Dividends paid

	<u>2011</u>	<u>2010</u>
	<u>£</u>	<u>£</u>
Ordinary dividends	20,750,000	19,500,000

A dividend of £1.73 per share was approved (2010 £1.63 per share).

WILLMOTT DIXON CAPITAL WORKS LIMITED**Registered Number: 5922246****Notes to the financial statements**
for the year ended 31 December 2011**6 Taxation on profit on ordinary activities**

a) Analysis of charge	2011	2010
	£	£
Current Tax		
UK Corporation Tax on profits for the year	74,307	-
Adjustments in respect of prior years	13,737	-
Total current tax	<u>88,044</u>	<u>-</u>
Deferred Tax		
Origination and reversal of timing differences	<u>1,904</u>	<u>-</u>
Total tax charge	<u>89,948</u>	<u>-</u>

b) Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2011	2010
	£	£
Profit on ordinary activities before tax	22,945,905	20,000,000
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010: 28%)	6,080,665	5,600,000
<i>Effects of:</i>		
Expenses not deductible for tax purposes	25,649	-
Capital allowances in the year in excess of depreciation	(3,257)	-
Non taxable income	(6,028,750)	(5,600,000)
Adjustments in respect of prior years	<u>13,737</u>	<u>-</u>
Current tax charge	<u>88,044</u>	<u>-</u>

c) Factors that may affect future tax charges

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

WILLMOTT DIXON CAPITAL WORKS LIMITED**Registered Number: 5922246****Notes to the financial statements**
for the year ended 31 December 2011**7 Tangible fixed assets**

	Short leasehold land and buildings	Plant and equipment	Furniture and fittings	Computer equipment	Totals
	£	£	£	£	£
Cost					
At 1 January 2011	-	-	-	54,740	54,740
Additions	115,533	33,556	71,800	61,794	282,683
Transfer	-	-	-	16,417	16,417
Disposals	-	-	-	(11,248)	(11,248)
At 31 December 2011	<u>115,533</u>	<u>33,556</u>	<u>71,800</u>	<u>121,703</u>	<u>342,592</u>
Depreciation					
As at 1 January 2011	-	-	-	22,161	22,161
Charge for the year	13,479	4,830	4,029	22,503	44,841
Transfer	-	-	-	12,824	12,824
Eliminated on disposals	-	-	-	(11,248)	(11,248)
At 31 December 2011	<u>13,479</u>	<u>4,830</u>	<u>4,029</u>	<u>46,240</u>	<u>68,578</u>
Net book value					
At 31 December 2011	<u>102,054</u>	<u>28,726</u>	<u>67,771</u>	<u>75,463</u>	<u>274,014</u>
At 31 December 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,579</u>	<u>32,579</u>

WILLMOTT DIXON CAPITAL WORKS LIMITED**Registered Number: 5922246****Notes to the financial statements
for the year ended 31 December 2011****8 Investments**

	<u>2011</u>
	<u>£</u>
Cost	
At 1 January 2011	22,329,450
Disposal	(1)
At 31 December 2011	<u>22,329,449</u>

During the year the company disposed of its investment in Willmott Dixon Re-Thinking Limited

The following principal subsidiary companies are registered in England, 100% of the ordinary share capital was owned by Willmott Dixon Capital Works Limited at 31 December 2011:

Name	Main Activity
Willmott Dixon Construction Limited	General design and build
Willmott Dixon Housing Limited	Housing design and build
Willmott Dixon Interiors Limited	Interiors and refurbishment

9 Debtors: Amounts falling due within one year

	<u>2011</u>	<u>2010</u>
	<u>£</u>	<u>£</u>
Amounts recoverable on contracts	2,352,502	-
Trade Debtors	1,628,775	-
Prepayments and accrued income	36,773	50,159
	<u>4,018,050</u>	<u>50,159</u>

**10 Creditors
Amounts falling due within one year**

	<u>2011</u>	<u>2010</u>
	<u>£</u>	<u>£</u>
Trade Creditors	3,172,218	29,914
Accruals and deferred income	944,420	590,964
Amounts due to group companies	6,823,647	8,090,689
	<u>10,940,285</u>	<u>8,711,567</u>

WILLMOTT DIXON CAPITAL WORKS LIMITED**Registered Number: 5922246****Notes to the financial statements**
for the year ended 31 December 2011**11 Operating lease commitments**

Annual commitments under non-cancellable operating leases at 31 December 2011 were as follows:

	Land and buildings 2011	Other 2011	Land and buildings 2010	Other 2010
	£	£	£	£
Expiring				
Within one year	-	37,630	38,403	17,284
Between one and five years	-	64,989	-	17,202
In more than five years	<u>78,901</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>78,901</u>	<u>102,619</u>	<u>38,403</u>	<u>34,486</u>

12 Called up share capital

	2011	2010
	£	£
Allotted, called up and fully paid		
12,000,000 ordinary shares of £1 each		
	<u>12,000,000</u>	<u>12,000,000</u>

13 Reserves

	Share premium account	Profit and loss account
	£	£
At 1 January 2011	5,406,868	4,869,503
Profit for the period	-	22,855,957
Dividends paid	-	(20,750,000)
At 31 December 2011	<u>5,406,868</u>	<u>6,975,460</u>

WILLMOTT DIXON CAPITAL WORKS LIMITED

Registered Number: 5922246

Notes to the financial statements
for the year ended 31 December 2011

14 Reconciliation of movements in shareholder's funds

	2011	2010
	£	£
Profit for the financial year	22,855,957	20,000,000
Dividends	(20,750,000)	(19,500,000)
	<u>2,105,957</u>	<u>500,000</u>
Opening equity shareholders' funds	<u>22,276,371</u>	<u>21,776,371</u>
Closing equity shareholders' funds	<u>24,382,328</u>	<u>22,276,371</u>

15 Ultimate parent undertaking

The Company's immediate parent company is 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.

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.

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 (2010 £4,500,000) 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.

The company has entered directly into certain financial guarantees concerning the performance of construction contracts entered into by subsidiary companies in the normal course of business.

WILLMOTT DIXON CAPITAL WORKS LIMITED

Registered Number: 5922246

Notes to the financial statements
for the year ended 31 December 2011

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 related party transactions.

