
WILLMOTT DIXON PUBLIC & COMMERCIAL LIMITED
(Formerly Willmott Dixon Capital Works Limited)

REPORT AND ACCOUNTS

31 DECEMBER 2014

Registered Number: 05922246

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WILLMOTT DIXON PUBLIC & COMMERCIAL LIMITED

Registered Number: 05922246

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WILLMOTT DIXON PUBLIC & COMMERCIAL LIMITED

Registered Number: 05922246

Company Information

Directors

Duncan Canney BSc (Hons), CEng, FCA
Colin Enticknap FRICS, FCIOB
Wendy McWilliams LLB, ACIS
Paul Smith
Andrew Telfer ACA, BSc (Eng)
Rick Willmott MCI OB

Joint Secretaries

Wendy McWilliams LLB, ACIS
Laurence Holdcroft FCIS

Registered Office

Spirella 2
Icknield Way
Letchworth Garden City
Hertfordshire
SG6 4GY

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

WILLMOTT DIXON PUBLIC & COMMERCIAL LIMITED

Registered Number: 05922246

Report of the Directors for the year ended 31 December 2014

The Directors submit their report together with the strategic report and audited accounts for the year ended 31 December 2014.

The Company changed its name from Willmott Dixon Capital Works Limited with effect from 31 December 2014.

Results

Profit for the year before taxation was £24,936,092. The tax credit in respect of this result is £19,114.

Dividends

The Directors have declared a dividend of 208 pence per share, totalling £25,000,000 (2013: 179 pence per share, totalling £21,500,000).

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 2014.

	Appointed	Resigned
Wendy McWilliams	24 February 2014	
Graham Dundas	5 September 2014	1 January 2015
John Frankiewicz		31 December 2014
Peter Owen	31 December 2014	1 January 2015
John Waterman	31 December 2014	1 January 2015
Mike Hart		1 January 2015
Charlie Scherer		1 January 2015
Paul Smith	1 January 2015	
Andrew Telfer	1 January 2015	

Taxation Policy

The Company believes that it has a duty to shareholders to seek to minimise its tax burden, but to do so in a manner which is consistent with its commercial objectives and meets its legal obligations and ethical standards. Every effort is made to maximise the tax efficiency of business transactions and this includes taking advantage of available tax incentives and exemptions. However, the Company has regard for the intention of the legislation concerned rather than just the wording itself.

The Company is committed to building open relationships with tax authorities and to following a policy of full disclosure in order to effect the timely settlement of its tax affairs and to remove uncertainty in its business transactions. Where appropriate, the Company enters into collaborative consultation with its Customer Relationship Management team appointed by tax authorities.

WILLMOTT DIXON PUBLIC & COMMERCIAL LIMITED

Registered Number: 05922246

Report of the Directors
for the year ended 31 December 2014

The Company monitors and reviews this policy on a regular basis to ensure that it remains appropriate for the changing environment within which the Company operates.

Financial Instruments

The Company does not actively use derivative financial instruments as part of its financial risk management. Furthermore the Company does not use derivative financial instruments for speculative purposes.

Disclosure of information to the auditor

So far as each of the Directors is 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 a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Statement of Directors' responsibilities

The Directors are responsible for preparing the report of the Directors, the strategic report 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.

By Order of the Board:



Laurence Holdcroft FCIS
Secretary

Date: 29 April 2015

Overview

As at 31 December 2014 Willmott Dixon Public & Commercial sits above the two trading companies in this division; Willmott Dixon Construction Limited and Willmott Dixon Interiors Limited.

On 31 December 2014 the Company transferred its investment in Willmott Dixon Housing Limited to another group company.

Financial Results

As major projects have now completed there is no turnover to report for 2014. Profit on ordinary activities before taxation is £20.1 million (2013: £21.4 million).

Risks and Uncertainties

Through its subsidiaries, the principal risk facing the business is the uncertainty in the UK economy. The Directors mitigate this risk by leveraging the strong relationship with an established customer base and by close monitoring of the performance of the business by implementing strong management procedures in conjunction with KPIs.

Key Performance Indicators

The Directors, who are the key management, use financial measures such as profitability, turnover and level of secured workload to monitor performance as these are considered to be the main drivers of the Company's continued success. Turnover and profitability are measured on the same basis as that seen in the profit and loss account. The Company remains alert to the risk of reduced public infrastructure spending in the future when considering its forward order book.

Future Prospects

The Directors do not expect any change in the activities of the Company in the foreseeable future. There have not been any material post balance sheet events.

By Order of the Board:



Laurence Holdcroft FCIS
Secretary

Date: 29 April 2015

WILLMOTT DIXON PUBLIC & COMMERCIAL LIMITED

Registered Number: 05922246

Report of the independent auditor to the members of Willmott Dixon Public & Commercial Limited on the financial statements for the year ended 31 December 2014

We have audited the financial statements of Willmott Dixon Public & Commercial Limited for the year ended 31 December 2014 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 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WILLMOTT DIXON PUBLIC & COMMERCIAL LIMITED

Registered Number: 05922246

**Report of the independent auditor to the members of
Willmott Dixon Public & Commercial Limited**
on the financial statements for the year ended 31 December 2014

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.

BDO LLP

Andrew Huddleston (Senior statutory auditor)
For and on behalf of BDO LLP, Statutory auditor
London, United Kingdom

Date: **6/5/15**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

WILLMOTT DIXON PUBLIC & COMMERCIAL LIMITED**Registered Number: 05922246****Profit and loss account**
for the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	1	-	18,057,123
Cost of sales		-	(17,738,661)
Gross profit		-	318,462
Administrative expenses		(101,334)	(456,465)
Operating loss		(101,334)	(138,003)
Income from shares in group undertakings		25,025,000	21,500,000
Interest receivable	2	12,426	65,766
Profit on ordinary activities before taxation	3	24,936,092	21,427,763
Tax on profit on ordinary activities	5	19,114	5,185
Profit on ordinary activities after taxation		24,955,206	21,432,948

All of the above derives from continuing activities.

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 16 form part of these financial statements.

WILLMOTT DIXON PUBLIC & COMMERCIAL LIMITED

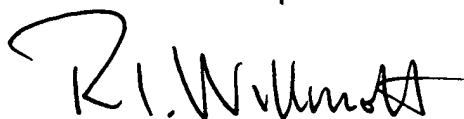
Registered Number: 05922246

Balance Sheet
as at 31 December 2014

	Notes	2014		2013	
		£	£	£	£
Fixed assets					
Goodwill	7		194,777		283,709
Investments	8		<u>13,840,144</u>		<u>22,329,449</u>
			14,034,921		22,613,158
Current assets					
Debtors	9	1,368,613		2,569,331	
Cash at bank and in hand		<u>8,950,750</u>		<u>8,900,750</u>	
		10,319,363		11,470,081	
Creditors					
Amounts falling due within one year	10	<u>-</u>		<u>9,684,161</u>	
Net current assets			<u>10,319,363</u>		<u>1,785,920</u>
Net assets			<u>24,354,284</u>		<u>24,399,078</u>
Capital and reserves					
Share capital	12		12,000,000		12,000,000
Share premium	13		5,406,868		5,406,868
Profit and loss account	13		<u>6,947,416</u>		<u>6,992,210</u>
Equity shareholder's funds	14		<u>24,354,284</u>		<u>24,399,078</u>

The notes on pages 10 to 16 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 29 April 2015 and were signed on its behalf by:



Rick Willmott
Director

1 Principal accounting policies

The following accounting policies have been consistently applied in dealing with items that are considered material in relation to the financial statements.

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards and are prepared on a going concern basis.

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 it is included within the group's 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.

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.

Pre-contract costs are expensed until such time as the related contract becomes virtually certain.

Deferred taxation

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.

1 Principal accounting policies (cont)

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.

Investments

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

Goodwill

Goodwill is recognised as the difference between consideration paid and the fair value of the identifiable assets and liabilities acquired. Goodwill is amortised over its useful economic life which is the period over which the value of the underlying business acquired is expected to exceed the values of its identifiable net assets up to a maximum of 20 years.

2 Interest receivable

	<u>2014</u>	<u>2013</u>
	£	£
Interest receivable from group companies	<u>12,426</u>	<u>65,766</u>

3 Operating profit

Operating profit on ordinary activities before taxation is stated after charging:

	<u>2014</u>	<u>2013</u>
	£	£
Amortisation of goodwill	<u>88,932</u>	<u>88,932</u>

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

4 Directors and employees

There are no employees (2013: nil) working for Willmott Dixon Public & Commercial Ltd.

Twelve directors (2013: seven directors) were remunerated by other Group companies for their services to the group as a whole.

WILLMOTT DIXON PUBLIC & COMMERCIAL LIMITED**Registered Number: 05922246****Notes to the financial statements**
for the year ended 31 December 2014**5 Taxation on profit on ordinary activities**

	2014	2013
	£	£
a) Analysis of the tax credit		
<i>Current Tax:</i>		
UK Corporation Tax at 21.49% (2013: 23.25%)	-	-
Payments made for group relief	(19,114)	(16,792)
Adjustments in respect of prior years	-	(121)
Total current tax	(19,114)	(16,913)
<i>Deferred Tax</i>		
Origination and reversal of timing differences	-	10,708
Effect of change in tax rate	-	1,020
Total tax credit	(19,114)	(5,185)

b) Factors affecting tax credit 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:

	2014	2013
	£	£
Profit on ordinary activities before tax	24,936,092	21,427,763
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.49 % (2013: 23.25%)	5,358,766	4,981,954
<i>Effects of:</i>		
Amortisation of goodwill	-	11,857
Expenses not deductible for tax purposes	148	-
Capital allowances in the year in excess of depreciation	-	(11,853)
Non taxable income	(5,378,028)	(4,998,750)
Adjustments in respect of prior years	-	(121)
Current tax credit	(19,114)	(16,913)

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 PUBLIC & COMMERCIAL LIMITED**Registered Number: 05922246****Notes to the financial statements**
for the year ended 31 December 2014**6 Dividends**

	<u>2014</u>	<u>2013</u>
	<u>£</u>	<u>£</u>
Final ordinary dividends paid at 208 pence per share (2013: 179 pence per share)	25,000,000	21,500,000

7 Goodwill

	<u>2014</u>
	<u>£</u>
Cost	
1 January 2014 and 31 December 2014	639,437
Amortisation	
1 January 2014	355,728
Charge for the year	88,932
31 December 2014	444,660
Net Book Value	
31 December 2014	194,777
31 December 2013	283,709

8 Investments

	<u>2014</u>
	<u>£</u>
Cost	
1 January 2014	22,329,449
Transfers to group companies	(8,489,305)
31 December 2014	13,840,144

The investment in 100% of the ordinary share capital of Willmott Dixon Housing Limited was transferred to other Group companies on 31 December 2014.

The following principal subsidiary companies are registered in England and Wales; 100% of the ordinary share capital was owned by Willmott Dixon Public & Commercial Limited at 31 December 2014:

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

WILLMOTT DIXON PUBLIC & COMMERCIAL LIMITED**Registered Number: 05922246****Notes to the financial statements**
for the year ended 31 December 2014**9 Debtors**

	2014	2013
	£	£
Trade debtors	364,735	-
Amounts recoverable on contracts	-	1,426,754
Amounts owed from group companies	492,888	-
Prepayments and accrued income	510,990	1,142,577
	<u>1,368,613</u>	<u>2,569,331</u>

10 Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	-	2,823,699
Accruals and deferred income	-	2,403,186
Amounts due to group companies	-	4,457,276
	<u>-</u>	<u>9,684,161</u>

11 Deferred Tax

	2014	2013
	£	£
1 January 2014	-	11,729
Charge for the year	-	(10,708)
Adjustments in respect of prior periods	-	(1,021)
31 December 2014	<u>-</u>	<u>-</u>

12 Called up share capital

	2014	2013
	£	£
Ordinary shares of £1 each		
Allotted, called up and fully paid:	<u>12,000,000</u>	<u>12,000,000</u>

13 Reserves

	Share premium account	Profit and loss account
	£	£
1 January 2014	5,406,868	6,992,210
Profit for the financial period	-	24,955,206
Ordinary dividends	-	(25,000,000)
31 December 2014	<u>5,406,868</u>	<u>6,947,416</u>

WILLMOTT DIXON PUBLIC & COMMERCIAL LIMITED

Registered Number: 05922246

Notes to the financial statements
for the year ended 31 December 2014

14 Reconciliation of movements in equity shareholder's funds

	2014	2013
	£	£
Profit for the financial year	24,955,206	21,432,948
Dividends declared	<u>(25,000,000)</u>	<u>(21,500,000)</u>
	(44,794)	(67,052)
Opening equity shareholder's funds	<u>24,399,078</u>	<u>24,466,130</u>
Closing equity shareholder's funds	<u>24,354,284</u>	<u>24,399,078</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

On 21 December 2012 the Ultimate Parent Company agreed a £50,000,000 revolving credit facility with Lloyds Bank plc for the five years ending 31 December 2017. As at 31 December 2014, £5,000,000 of the facility had been utilised.

The Company has, with other material subsidiaries of the Ultimate Parent Company entered into a cross- guarantee in favour of Lloyds Bank plc to guarantee the Ultimate Parent Company's indebtedness to the bank and granted a fixed and floating charge to Lloyds Bank plc to secure such liabilities.

The Company is a party to a multi-party indemnity 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 and certain guarantees concerning the payment of overage to vendors concerning agreements for the acquisition of various sites entered into by subsidiary companies 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 are no other transactions with related parties.