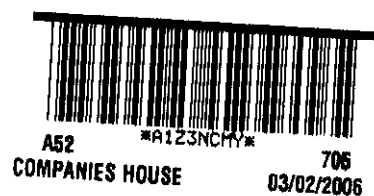


# **SURREY COMBINED UTILITIES AND POWER LIMITED**

## **Directors' report and financial statements**

**Year ended 31 July 2005**

Registered number : 2825034



## **Directors' report and financial statements**

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes	6 - 9

## **Directors' report**

The directors present their report and financial statements for the year ended 31 July 2005.

### **Results and dividends**

The trading loss for the year, after taxation and gift aid payment, amounted to £29,450 (2004: profit £1,686).

### **Principal activity and business review**

The principal activity of the company until 31 July 2005 was the provision of a combined heat and power plant for use by the parent entity, University of Surrey.

The directors reviewed the long term strategy of the company and as a result the trade and assets of the company were transferred to the parent entity on 31 July 2005. No gain or loss was made on this transfer. The Company has remained dormant since 1st August 2005.

### **Directors and directors' interests**

The directors who held office during the year were as follows :

D Caleb  
J Davis  
A J Knapp  
G K Melly

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company. According to the register of directors' interests, no rights to subscribe for shares in the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

### **Directors' liabilities**

The University of Surrey has indemnified the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision was in force during the year and remains in force at the date of approving the directors' report.

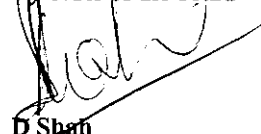
### **Political and charitable contributions**

The company made no political contributions during the year (2004: £nil). Donations to UK charities amounted to £nil (Gift Aid to the University of Surrey) (2004: £12,256).

### **Auditors**

The Auditors will not be reappointed at AGM on the basis that the company will adopt the provisions contained in the Companies Act to remain as dormant.

By order of the board



D Shan

Company Secretary

Senate House  
University of Surrey  
Guildford  
Surrey GU2 7XH

Date: 30<sup>th</sup> November 2005

## **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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 those 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;
- \* 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 maintaining proper accounting records which 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 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.

## **Independent Auditors Report to the members of Surrey Combined Utilities and Power Limited**

We have audited the company's financial statements for the year ended 31 July 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 15. These accounts have been prepared on the basis of the accounting policies set out therein. The financial statements have been prepared on a break-up basis.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom Law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

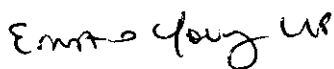
### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 July 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**ERNST & YOUNG LLP**  
Registered Auditor  
Southampton

Date : 19 December 2005

## **Profit and loss account**

*for the year ended 31 July 2005*

	<i>Note</i>	<b>2005</b> £	2004 £
<b>Turnover - discontinued operations</b>	2	103,179	111,775
Administrative expenses - discontinued operations		<u>(84,206)</u>	<u>(83,522)</u>
<b>Operating profit before exceptional items - discontinued operations</b>	3	18,973	28,253
Exceptional items	4	<u>(37,322)</u>	<u>-</u>
<b>Operating (loss) / profit after exceptional items - discontinued operations</b>		(18,349)	28,253
Interest payable and similar charges	5	<u>(11,101)</u>	<u>(14,311)</u>
<b>(Loss) / profit on ordinary activities before gift aid and taxation</b>		(29,450)	13,942
Gift Aid payment	6	<u>-</u>	<u>(12,256)</u>
<b>(Loss) / profit on ordinary activities before taxation</b>		(29,450)	1,686
Tax on (loss) / profit on ordinary activities	7	<u>-</u>	<u>-</u>
<b>(Loss) / profit retained for the financial year</b>		<u>(29,450)</u>	<u>1,686</u>

### **Statement of total recognised gains and losses**

There were no recognised gains or losses other than the loss attributable to shareholders of £29,450 for the year ended 31 July 2005 and the profit of £1,686 for the year ended 31 July 2004.

**Balance sheet**  
*at 31 July 2005*

	Notes	£	2005 £	£	2004 £
<b>Fixed assets</b>					
Tangible assets	8		-		239,698
<b>Current assets</b>					
Debtors	9	50		61,454	
Cash at bank and in hand		-		17,865	
		<u>50</u>		<u>79,319</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>-</u>		<u>(244,517)</u>	
Net current assets / (liabilities)			50		(165,198)
<b>Total assets less liabilities</b>			<u>50</u>		<u>74,500</u>
<b>Deferred capital grants</b>			-		(45,000)
<b>Net assets</b>			<u>50</u>		<u>29,500</u>
<b>Capital and reserves</b>					
Called up share capital	12		50		50
Profit and loss account	13		-		29,450
<b>Shareholders' funds - equity interests</b>			<u>50</u>		<u>29,500</u>



**Mr G Melly**  
Director

Date: 30<sup>th</sup> November 2005

## Notes to the financial statements at 31 July 2005

### 1 Accounting policies

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

#### *Basis of preparation*

Following the transfer of assets to the University of Surrey on 31 July 2005, this company will no longer be required, hence the accounts have been prepared on a break-up basis with adjustments made to the carrying value of assets to reflect their estimated recoverable amounts.

#### *Cash flow statement*

Under Financial Reporting Standard 1(revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

#### *Fixed assets and depreciation*

Fixed assets are initially recorded at cost. Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and equipment - 10% per annum

#### *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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Capital grants*

Capital based grants are included in the balance sheet and credited to operating profit over the estimated useful economic lives of the assets to which they relate.

### 2 Turnover

	2005 £	2004 £
Provision of combined heat and power plant for use by the parent entity based in the UK (exclusive of VAT)	103,179	111,775



**Notes** *(continued)*

**3 Operating (loss) / profit**

	<b>2005</b>	2004
	£	£
<i>(a) This is stated after charging</i>		
Depreciation	19,495	40,685
Auditors' remuneration : for audit work	<u>1,200</u>	<u>1,080</u>

*(b) Staff costs and remuneration of directors*

The company had no employees during the year (2004: nil).

None of the directors received any emoluments during the current or previous years.

**4 Exceptional items**

	<b>2005</b>	2004
	£	£
Fixed assets impairment	(143,917)	-
Loan write off by parent undertaking	<u>106,595</u>	<u>-</u>
	<u>(37,322)</u>	<u>-</u>

The fixed assets were valued at open market value as at September 2004 by Finning UK Ltd, the supplier of the plant.

As part of the asset purchase agreement, the parent undertaking agreed to write off the outstanding loan after the transfer of company's remaining assets and liabilities.

There is no tax liability arising from the exceptional items.

**5 Interest payable and similar charges**

	<b>2005</b>	2004
	£	£
Interest on loan from parent undertaking	<u>11,101</u>	<u>14,311</u>

**6 Gift Aid payment**

Surrey Combined Utilities and Power Limited is a wholly owned subsidiary of the University of Surrey. The Company made no Gift Aid payment to the University of Surrey for the year ended 31 July 2005 (2004: Gift Aid £12,256).

**7 Taxation**

	<b>2005</b>	2004
	£	£
Current tax		
UK corporation tax on (loss) / profit for the year	<u>-</u>	<u>-</u>
Factors affecting tax charge for the year		
(Loss) / profit on ordinary activities before tax	(29,450)	1,686
(Loss) / profit on ordinary activities multiplied by the standard rate of corporation tax for small companies of 19%. (2004: 10%)	(5,596)	169
Effects of:		
Expenses not deductible for tax purposes	7,091	-
Capital allowances more than depreciation	(2,334)	(169)
Group relief	<u>839</u>	<u>-</u>
	<u>-</u>	<u>-</u>

At the balance sheet date the company had £nil unrelieved tax losses. (2004: £nil)

**Notes** (continued)

**8 Tangible fixed assets**

	Plant & equipment £
<i>Cost</i>	
At 1 August 2004	415,437
Disposals	(415,437)
At 31 July 2005	<u>-</u>
<i>Depreciation</i>	
At 1 August 2004	175,739
Charge for year	19,495
Impairment loss	143,917
Disposals	(339,151)
At 31 July 2005	<u>-</u>
<i>Net book value</i>	
At 31 July 2005	<u>-</u>
At 31 July 2004	<u>239,698</u>

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

	2005 £	2004 £
Amounts owed by parent undertaking	<u>50</u>	<u>61,454</u>

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

	2005 £	2004 £
Amount owed to parent undertaking	-	224,452
Other taxes and social security	-	7,119
Accruals and deferred income	-	12,946
	<u>-</u>	<u>244,517</u>

**11 Deferred tax**

The company has an unprovided deferred tax liability relating to capital allowances in advance of depreciation of £nil (2004: £11,259).

**12 Called up share capital**

	2005 £	2004 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
50 ordinary shares of £1 each	<u>50</u>	<u>50</u>

**Notes** *(continued)*

**13 Statement of movement on reserves and reconciliation of shareholders' funds**

	Share Capital £	Profit & Loss Account £	Total £
At 1 August 2003	50	27,764	27,814
Profit for the year	-	1,686	1,686
At 1 August 2004	50	29,450	29,500
Loss for the year	-	(29,450)	(29,450)
At 31 July 2005	50	-	50

**14 Ultimate parent undertaking**

The company is a wholly owned subsidiary of the University of Surrey, incorporated in England. The ultimate controlling party is the University of Surrey.

The largest group in which the results of the company are consolidated is that headed by the University of Surrey. The consolidated accounts of the University are available to the public and may be obtained from the Finance Department, University of Surrey, Guildford, Surrey, GU2 7XH. No other group accounts include the results of the company.

**15 Related party transactions**

The company has taken advantage of the exemption under Financial Reporting Standard No 8 not to disclose transactions with other entities that are part of the University of Surrey.