

SURREY COMBINED UTILITIES AND POWER LIMITED

Directors' report and financial statements

Year ended 31 July 2001

Registered number : 2825034



Directors' report and financial statements

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Directors' report

The directors present their annual report for the year ended 31 July 2001.

Results and dividends

The trading profit for the year, after taxation and gift aid payment, amounted to £nil (2000 : £9,275).

The directors do not recommend the payment of a dividend (2000 : nil).

Principal activity

The principal activity of the company is the supply of electricity and gas to the University of Surrey.

Business Review

During most of the year the company sold electricity and gas to its parent undertaking, the University of Surrey, which was the company's only customer. Profit margins remained at the levels of previous years. The introduction of the Climate Change Levy in April 2001 made it uneconomical for the company to continue to supply electricity and gas to the university. The company's contracts with its suppliers were terminated at the end of June 2001 and the university assumed the activities connected with purchasing these utilities for its own use. During the year the company has continued with the installation and testing of a combined heat and power scheme on the campus of the university. As the plant has effectively delivered electricity and heat to the university during the year in the course of the testing, the associated costs and revenues have been included in these accounts. Other energy saving initiatives are under consideration and the company is seeking to diversify its activities.

Directors and directors' interests

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

H W B Davies
D Caleb
A J Knapp
J Davis

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.

Political and charitable contributions

The company made no political contributions during the year (2000 : £ nil). Donations to UK charities amounted to £73,730 (covenanted to the University of Surrey) (2000: £144,346).

Auditors

During the year KMG resigned as auditors of the company and Ernst & Young LLP were appointed. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of Ernst & Young LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



S MacGregor
Company Secretary

Senate House
University of Surrey
Guildford
Surrey GU2 7XH

Date: 10 December 2001

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 judgements 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 keeping 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 general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to 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 2001 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 16. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 1985. 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 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Southampton

18 December, 2001

Profit and loss account
for the year ended 31 July 2001

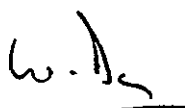
	<i>Note</i>	2001 £	2000 £
Turnover	2	1,176,768	1,140,072
Cost of sales		(1,104,608)	(1,045,953)
Gross profit		<u>72,160</u>	<u>94,119</u>
Administrative expenses		<u>(47,246)</u>	<u>(8,786)</u>
Operating profit	3	24,914	85,333
Other interest receivable and similar income	4	49,287	67,299
Interest payable and similar charges	5	-	(41)
Profit on ordinary activities before gift aid and taxation		<u>74,201</u>	<u>152,591</u>
Gift Aid payment	6	(73,730)	(144,346)
Profit on ordinary activities before taxation		<u>471</u>	<u>8,245</u>
Tax on profit on ordinary activities	7	(471)	1,030
Profit retained for the financial year		<u>0</u>	<u>9,275</u>

There were no recognised gains or losses other than the profit attributable to shareholders of £nil for the year ended 31 July 2001 and the profit of £9,275 for the year ended 31 July 2000.

Balance sheet
at 31 July 2001

	Notes	2001		2000	
		£	£	£	£
Fixed Assets	8		438,915		356,834
Tangible Assets					
Current assets					
Debtors	9	652,892		1,174,846	
Cash at bank and in hand		7,225		7,726	
		<u>660,117</u>		<u>1,182,572</u>	
Creditors: amounts falling due within one year	10	<u>(1,022,114)</u>		<u>(697,848)</u>	
Net current (liabilities) / assets			(361,997)		484,724
Creditors: amounts falling due after more than one year	11		<u>-</u>		<u>(757,140)</u>
Total assets less liabilities			76,918		84,418
Deferred capital grants			(67,500)		(75,000)
Net assets			<u>9,418</u>		<u>9,418</u>
Capital and reserves					
Called up share capital	12		50		50
Profit and loss account	13		9,368		9,368
Shareholders' funds			<u>9,418</u>		<u>9,418</u>

These financial statements were approved by the board of directors on 10/12/01 and were signed on its behalf by :



H W B Davies
Director

Notes to the Accounts at 31 July 2001

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

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

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

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

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

Turnover represents the amounts (excluding value added tax) derived from the supply of electricity and gas to the parent entity.

3 Operating profit

	2001 £	2000 £
(a) <i>This is stated after charging</i>		
Depreciation	49,259	4,425
Auditors' remuneration : for audit work	<u>1,000</u>	<u>1,300</u>

(b) Staff costs and remuneration of directors

The company had no employees during the year (2000 : nil).

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

Notes *(continued)*

4 Interest receivable

	2001 £	2000 £
Interest on loan to parent undertaking	<u>49,287</u>	<u>67,299</u>

5 Interest payable and similar charges

	2001 £	2000 £
Bank overdraft interest	<u>-</u>	<u>41</u>

6 Gift Aid payment

Surrey Combined Utilities and Power Limited is a wholly owned subsidiary of the University of Surrey. Under the Gift Aid scheme Surrey Combined Utilities and Power Limited is due to make a payment of £73,730 to the University of Surrey. In the previous year a payment of £144,346 was made under a variable deed of covenant.

7 Taxation

	2001 £	2000 £
UK Corporation Tax (Under)/overprovision in respect of prior years	<u>(471)</u>	<u>1,030</u>

8 Tangible fixed assets

	Plant & Equipment £
<i>Cost</i>	
At 1 August 2000	361,259
Additions	131,340
At 31 July 2001	<u>492,599</u>
<i>Depreciation</i>	
At 1 August 2000	4,425
Charge for year	49,259
At 31 July 2001	<u>53,684</u>
<i>Net book value</i>	
At 31 July 2001	<u>438,915</u>
At 31 July 2000	<u>356,834</u>

9 Debtors: amounts falling due within one year

	2001 £	2000 £
Trade debtors	19,975	14,100
Amounts owed by parent undertaking	551,192	854,167
Other debtors	8,891	5,252
Prepayments and accrued income	<u>72,834</u>	<u>301,327</u>
	<u>652,892</u>	<u>1,174,846</u>

Notes *(continued)*

10 Creditors: amounts falling due within one year

	2001 £	2000 £
Amount owed to parent parent undertaking	73,730	144,346
Other taxes and social security	-	6,294
Accruals and deferred income	948,384	547,208
	<u>1,022,114</u>	<u>697,848</u>

11 Creditors : amounts falling due after more than one year

	2001 £	2000 £
Accruals and deferred income	-	757,140
	<u>-</u>	<u>757,140</u>

12 Called up share capital

	2001 £	2000 £
<i>Authorised</i>		
1000 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>

13 Statement of movement on reserves and reconciliation of shareholders funds

	Share Capital £	Profit & Loss Account £	Total £
At 1 August 1999	50	93	143
Profit for the year	-	9,275	9,275
At 1 August 2000	<u>50</u>	<u>9,368</u>	<u>9,418</u>
Profit for the year	-	-	-
At 31 July 2001	<u>50</u>	<u>9,368</u>	<u>9,418</u>

14 Capital commitments

	2001 £	2000 £
Commitments contracted at 31 July	<u>-</u>	<u>131,340</u>

Notes *(continued)*

15 Ultimate parent undertaking

The company is controlled by the University of Surrey, England, as it is a wholly owned subsidiary. 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 group 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.

16 Related party transactions

As the company is a wholly owned subsidiary of the University of Surrey, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of the University of Surrey within which this company is included can be obtained from the address given in note 15.