

UW CONSTRUCTION LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 July 2010

Registered number 4036774



UW Construction Limited

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for the year ended 31 July 2010

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UW Construction Limited – Registered number 4036774

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2010

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

Principal activities

The Company's principal activity is the supply of energy

During the year ended 31 July 2010, the Company made a profit of £151,963 before taxation (year ended 31 July 2009 - £171,789 before taxation) which, after Deed of Covenant payments resulted in £nil retained profit (year ended 31 July 2009 - £nil)

DEED OF COVENANT

By Deed of Covenant dated 18 July 2005, the Company covenanted to pay the University of Warwick Foundation a sum equal to the taxable profit for corporation tax purposes

Dividend

The directors do not recommend the payment of a dividend

Fixed assets

The Company held no fixed assets during the years ended 31 July 2010 and 31 July 2009

Directors and their interests

The directors of the Company during the period were as follows

J P Leighfield
N Thrift
R Williams
J Baldwin
R Drinkwater

None of the directors of the Company held any beneficial interest in the Company's share capital at 31 July 2010 or at any time during the year then ended

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

UW Construction Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2010 (continued)

Statement of directors' responsibilities in respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing the Directors' 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 UK Accounting Standards.

The financial statements are required by law to 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

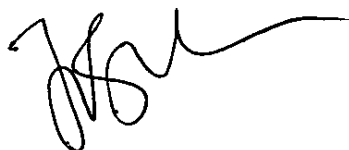
- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

Auditors

A resolution for the re-appointment of KPMG LLP as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

By order of the Board



J Baldwin
Secretary

University House
University of Warwick
Coventry
CV4 8UW

Date 10 November 2010

KPMG LLP

Independent auditors' report to the members of UW Construction Limited

We have audited the financial statements of UW Construction Limited for the year ended 31st July 2010 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 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 explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP

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 31st July 2010 and of its result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

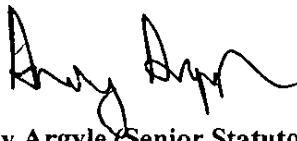
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of UW Construction Limited

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



Andy Argyle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Number One Snowhill
Snow Hill Queensway
Birmingham B4 6GH

10 November 2010

UW Construction Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 July 2010

	<i>Notes</i>	2010 £	2009 £
Turnover	<i>2</i>	3,253,442	3,671,004
Cost of sales		(3,099,021)	(3,501,135)
Gross profit		154,421	169,869
Administrative expenses		(2,512)	(1,133)
Operating profit	<i>3</i>	151,909	168,736
Interest receivable		1,295	3,053
Interest payable		(1,241)	-
Profit on ordinary activities before taxation		151,963	171,789
Taxation	<i>5</i>	-	-
Profit on ordinary activities after taxation		151,963	171,789
Deed of Covenant		(151,963)	(171,789)
Result for the financial year	<i>10</i>	-	-

The results for the year include all recognised gains and losses

There is no material difference between the results as disclosed and results on an unmodified historical cost basis

All activities during the year are continuing

Notes to the financial statements are shown on pages 10 to 14

UW Construction Limited

BALANCE SHEET as at 31 July 2010

	Notes	2010	2009
		£	£
Current assets			
Debtors	6	1,352,951	845,847
Cash at bank		5,237	3,194
		<u>1,358,188</u>	<u>849,041</u>
Creditors (amounts falling due within one year)	7	<u>(1,288,188)</u>	<u>(779,041)</u>
Net current assets		70,000	70,000
Debtors (amounts falling due after more than one year)		<u>-</u>	<u>-</u>
Total assets less current liabilities		70,000	70,000
Creditors (amounts falling due after more than one year)		<u>-</u>	<u>-</u>
Net assets		<u>70,000</u>	<u>70,000</u>
Capital & reserves			
Called up share capital	9	70,000	70,000
Profit and loss account	10	-	-
Shareholder's Funds		<u>70,000</u>	<u>70,000</u>

These financial statements were approved by the board of directors on 10 November 2010 and were signed on its behalf by

Director - JP Leighfield

Notes to the financial statements are shown on pages 10 to 14

UW Construction Limited

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS for the year ended 31 July 2010

	2010 £	2009 £
Profit for the financial year	-	-
	<hr/>	<hr/>
Net addition to shareholder's funds	-	-
Opening shareholder's funds	70,000	70,000
	<hr/>	<hr/>
Closing shareholder's funds	70,000	70,000
	<hr/>	<hr/>

UW Construction Limited

CASH FLOW STATEMENT for the year ended 31 July 2010

	<i>Note</i>	2010 £	2009 £
Net cash inflow from operating activities	(i)	173,778	118,249
Returns on investments and servicing of finance	(ii)	(171,735)	(115,382)
Financing	(iii)	-	-
		<hr/>	<hr/>
Increase in cash in the period	(iv)	2,043	2,867
		<hr/>	<hr/>

Reconciliation of net cash flow to movement in net funds (note iv)

	<i>Note</i>	2010 £	2009 £
Increase in cash in the period		2,043	2,867
Changes in net debt	(iii)	-	-
		<hr/>	<hr/>
Movement in net funds in period		2,043	2,867
Net funds at 1 August	(iv)	3,194	327
		<hr/>	<hr/>
Net funds at 31 July	(iv)	5,237	3,194
		<hr/>	<hr/>

UW Construction Limited

NOTES TO THE CASH FLOW STATEMENT – 31 JULY 2010

i. Reconciliation of operating profit to net cash inflow from operating activities

	2010 £	2009 £
Operating profit	151,909	168,736
(Increase)/Decrease in debtors	(507,104)	638,892
Increase/(Decrease) in creditors	528,973	(689,379)
	<hr/>	<hr/>
Net Cash Inflow from Operating Activities	173,778	118,249
	<hr/>	<hr/>

ii. Returns on investments and servicing of finance

	2010 £	2009 £
Interest received	1,295	3,053
Gift aid payment	(171,789)	(118,435)
Interest paid	(1,241)	-
	<hr/>	<hr/>
	(171,735)	(115,382)
	<hr/>	<hr/>

iii. Financing

	2010 £	2009 £
Loan repayments	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

iv. Analysis of changes in net funds

	At 1 August 2009 £	Cash flows £	At 31 July 2010 £
Cash in bank and in hand	3,194	2,043	5,237
	<hr/>	<hr/>	<hr/>
	3,194	2,043	5,237
	<hr/>	<hr/>	<hr/>

UW Construction Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2010

1. ACCOUNTING POLICIES

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

Basis of preparation

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

Recognition of income

Income from services rendered is included to the extent of completion of the contract or services concerned and is measured at the fair value of the consideration receivable

Leased assets

Payments in respect of operating leases are charged directly to the profit and loss account as incurred

Deferred Tax

No provision has been made for deferred tax on the grounds that the Company transfers its taxable profits by deed of covenant to the University of Warwick Foundation and therefore no deferred tax asset or liability will be realised in the Company

2. TURNOVER

Turnover arises from continuing activities in the United Kingdom and is attributable to the supply of energy

UW Construction Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2010

3. OPERATING PROFIT

This has been arrived at after charging

	2010 £	2009 £
Auditor's remuneration - audit	1,700	1,450
- tax and other services	400	400
Operating lease charges - land and buildings	23,500	23,500
- plant and machinery	330,000	330,000

4. STAFF COSTS

Employees' remuneration and related costs during the year amounted to

	2010 £	2009 £
Wages and salaries	36,224	38,124
Social security costs	2,496	2,741
Other pension costs	6,401	6,986
	45,121	47,851

The average number of persons (including directors) employed during the year was 6 (2009 – 6)

No directors have received any fee or remuneration for their services during the year (2009 - £nil)

Directors and officers' liability insurance amounting to £1,260 (2009 - £1,470) has been paid by the University of Warwick on behalf of the directors. Under company law, the remuneration of all of the directors falls to be disclosed within the band £nil - £5000

5. TAXATION

The taxation charge for the period is £nil (2009 - £nil)

6. DEBTORS (amounts falling due within one year)

	2010 £	2009 £
Amounts due from the University of Warwick	621,418	839,142
VAT receivable	731,533	6,705
	1,352,951	845,847

UW Construction Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2010

7. CREDITORS (amounts falling due within one year)

	2010 £	2009 £
Trade creditors	86,119	22,470
VAT payable	-	-
Amounts owed to the University of Warwick	1,110,106	644,782
Amounts owed to the University of Warwick Foundation	91,963	111,789
	<u>1,288,188</u>	<u>779,041</u>

8. DEFERRED TAXATION

As explained in the accounting policies note, no provision has been made for deferred tax on the grounds that the company transfers its taxable profits by deed of covenant to the University of Warwick Foundation and therefore no deferred tax asset or liability will be realised in the Company

The tax assessed for the period is lower than the average standard rate of corporation tax in the UK 28% (2009 28%) The differences are explained below.

	2010 £	2009 £
Profit on ordinary activities before tax	<u>151,963</u>	<u>171,789</u>
Profit on ordinary activities multiplied by an average standard rate of corporation tax in the UK of 28%	42,550	48,101
<i>Effects of</i> Covenant	<u>(42,550)</u>	<u>(48,101)</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

UW Construction Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2010

9. SHARE CAPITAL

	2010 £	2009 £
Authorised 100,000 Ordinary shares of £1 each	100,000	100,000
Issued and fully paid 70,000 Ordinary shares of £1 each	70,000	70,000

10. PROFIT AND LOSS ACCOUNT

	2010 £	2009 £
At 31 July	-	-
Result for the year	-	-
At 31 July	-	-

11. PENSIONS

The company belongs to the defined benefit pension schemes operated by The University of Warwick

The pension costs charged to the profit and loss account during the year under review were £6,401 (2009 - £6,986) and represent amounts recharged by The University of Warwick

Details of the latest actuarial valuations and disclosures required by FRS17 are included in the report and accounts of the University of Warwick

12. FINANCIAL COMMITMENTS

At 31 July 2010, the company had annual commitments under non-cancellable operating leases which expire between one and five years, as set out below -

	2010 £	2009 £
Land and buildings	23,500	23,500
Plant & machinery	330,000	330,000

UW Construction Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2010

13. ULTIMATE PARENT ENTITY AND RELATED PARTY DISCLOSURES

The Company is a wholly owned subsidiary of the University of Warwick Foundation, and is included in the consolidated accounts of the University of Warwick. These are publicly available from the principal place of business at the University of Warwick, Coventry, CV4 8UW. As such, the Company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions (but not balances) with entities that are part of the University of Warwick group.

The University of Warwick is the controlling party of UW Construction Limited. The total value of sales to the University of Warwick during the period was £3,253,442 (2009 - £3,671,004) of which £621,418 was outstanding as at 31 July 2010 (2009 - £839,142). The total value of purchases from the University of Warwick was £2,439,225 (2009 - £2,865,009) in respect of utilities charges.