

COMPANY REGISTRATION NUMBER 664770

C A BLACKWELL GROUP LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2004



SCRUTTON BLAND
Accountants & Registered Auditors
18 Sir Isaacs Walk
Colchester
Essex
CO1 1JL

C A BLACKWELL GROUP LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

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C A BLACKWELL GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	K D Gooday J V Hughes M P Blackwell S B Marston J Tuer
Company secretary	K D Gooday
Registered office	Coggeshall Road Earls Colne Essex CO6 2JX
Auditors	Scrutton Bland Accountants & Registered Auditors 18 Sir Isaacs Walk Colchester Essex CO1 1JL
Bankers	Barclays Bank plc 1 Bank Street Braintree Essex CM7 7UQ
Solicitors	Birkett Long Essex House 42 Crouch Street Colchester CO3 3HH

C A BLACKWELL GROUP LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2004

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the group in the year under review were that of civil engineering, earthmoving, land and environmental remediation, reinstatement for utilities operations, engineering services, stone quarry production, soil stabilisation, closed circuit soil washing and land surveying.

The group continues to look for opportunities to develop a broad based civil engineering business and specialist operations in the construction industry.

The outlook for 2005 is reasonable given the current level of work in hand and prospects for future work.

RESULTS AND DIVIDENDS

The trading results for the year and the group's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2004 £000	2003 £000
Proposed dividend on ordinary shares	<u>385</u>	<u>550</u>

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0.10 each	
	At 31 December 2004	At 1 January 2004
K D Gooday	—	—
J V Hughes	88,000	88,000
M P Blackwell	—	—
S B Marston	—	—
J Tuer	<u>—</u>	<u>—</u>

J Tuer owns 63,242 ordinary shares, S B Marston owns 63,241 ordinary shares and K D Gooday owns 41,354 ordinary shares in C A Blackwell (Contracts) Limited, the company's subsidiary company.

DIRECTORS' INTEREST IN CONTRACTS

None of the directors had a material interest in any contract of significance to which this company or a subsidiary was a party during the financial year, apart from their employment contracts.

C A BLACKWELL GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2004

FIXED ASSETS

In the opinion of the directors, the market value of the parent company's freehold land and buildings is in excess of their book value, but they do not feel that the expense of valuing them professionally is justifiable in view of the intention to continue to use them for the business.

FIXED ASSETS

In the opinion of the directors, the market value of the parent company's freehold land and buildings is in excess of their book value, but they do not feel that the expense of valuing them professionally is justifiable in view of the intention to continue to use them for the business.

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 group at the end of the year and of the group's profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 13 to 14, 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; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

POLITICAL AND CHARITABLE DONATIONS

During the year the company made the following contributions:

	2004	2003
	£	£
Charitable	<u>14,840</u>	<u>4,975</u>

EMPLOYMENT OF DISABLED PERSONS

It is the policy of the group to give full and fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Where possible, arrangements are made for the continued employment of persons who have become disabled during service.

C A BLACKWELL GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2004

EMPLOYMENT POLICIES

The group places considerable value on the involvement of its employees as their commitment is a vital part of the continuous development of the group. The group has continued its previous practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the group.

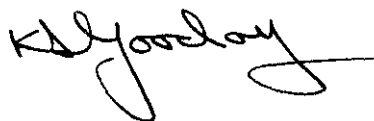
ENVIRONMENTAL AND HEALTH AND SAFETY POLICIES

Health and safety, quality assurance and environmental issues figure prominently at Board level to ensure, as far as possible, the continued development of good practice, protection of the environment, the prevention of injury, ill health and dangerous occurrences as a result of the group's activities. In their endeavours to encourage continued improvements, the operating companies of the group have achieved full certification to both BS.EN.ISO 9001:2000 and 14001, (international quality and environmental standards) of their management systems to ensure their work is carried out safely to the required quality and with due regard to protection of the environment by minimising the adverse effect that their activities have on the environment.

AUDITORS

A resolution to re-appoint Scrutton Bland as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



K D GOODDAY
Company Secretary

Approved by the directors on 20th June 2005

C A BLACKWELL GROUP LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
C A BLACKWELL GROUP LIMITED
YEAR ENDED 31 DECEMBER 2004

We have audited the financial statements of C A Blackwell Group Limited for the year ended 31 December 2004 on pages 7 to 29 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 13 to 14.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 law and United Kingdom 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 group 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 group'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.

C A BLACKWELL GROUP LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
C A BLACKWELL GROUP LIMITED *(continued)*
YEAR ENDED 31 DECEMBER 2004

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs and of the group as at 31 December 2004 and of the profit of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Scrutton Bland

18 Sir Isaacs Walk
Colchester
Essex
CO1 1JL

SCRUTTON BLAND
Accountants
& Registered Auditors

22 June 2005

C A BLACKWELL GROUP LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2004

	Note	2004 £000	2003 £000
GROUP TURNOVER (including share of joint venture)	2	58,950	68,286
Less: share of joint venture turnover		<u>(2,445)</u>	<u>(3,200)</u>
Group Turnover		56,505	65,086
Change in stocks of finished goods and work in progress		<u>(365)</u>	<u>589</u>
		56,140	65,675
OPERATING COSTS:			
Raw materials and consumables		8,976	7,690
Other external charges		14,417	21,898
Staff costs	3	20,990	22,629
Depreciation and other amounts written off tangible and intangible fixed assets	4	4,344	3,934
Other operating charges		<u>2,710</u>	<u>2,638</u>
OPERATING PROFIT	4	4,703	6,886
Share of joint venture operating profit		<u>187</u>	<u>478</u>
		4,890	7,364
Interest receivable	6	824	562
Share of joint venture interest receivable		22	19
Interest payable and similar charges	7	(473)	(509)
Share of joint venture interest payable		<u>(27)</u>	<u>(20)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,236	7,416
Tax on profit on ordinary activities	8	1,686	2,355
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,550	5,061
Minority interests		<u>1,073</u>	<u>1,352</u>
PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY	9	2,477	3,709
Dividends	10	385	550
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>2,092</u>	<u>3,159</u>

All of the activities of the group are classed as continuing.

The notes on pages 13 to 29 form part of these financial statements.

C A BLACKWELL GROUP LIMITED

PROFIT AND LOSS ACCOUNT *(continued)*

YEAR ENDED 31 DECEMBER 2004

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 13 to 29 form part of these financial statements.

C A BLACKWELL GROUP LIMITED

GROUP BALANCE SHEET

31 DECEMBER 2004

	Note	2004 £000	2003 £000
FIXED ASSETS			
Intangible assets	11	2,250	2,552
Tangible assets	12	20,227	20,978
		<u>22,477</u>	<u>23,530</u>
Investments in joint ventures:			
Share of gross assets		1,557	2,220
Share of gross liabilities		<u>(1,419)</u>	<u>(2,184)</u>
	13	138	36
		<u>22,615</u>	<u>23,566</u>
CURRENT ASSETS			
Stocks and work in progress	14	1,160	1,463
Debtors	15	7,991	10,068
Investments	16	265	240
Cash at bank and in hand		21,600	21,088
		<u>31,016</u>	<u>32,859</u>
CREDITORS: Amounts falling due within one year	17	<u>18,744</u>	<u>21,037</u>
NET CURRENT ASSETS		<u>12,272</u>	<u>11,822</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>34,887</u>	<u>35,388</u>
CREDITORS: Amounts falling due after more than one year	18	4,508	7,669
		<u>30,379</u>	<u>27,719</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	21	1,704	1,755
Other provisions	22	123	30
		<u>28,552</u>	<u>25,934</u>

The Balance sheet continues on the following page.

The notes on pages 13 to 29 form part of these financial statements.

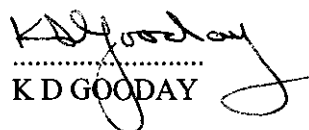
C A BLACKWELL GROUP LIMITED

GROUP BALANCE SHEET *(continued)*

31 DECEMBER 2004

	Note	2004 £000	2003 £000
CAPITAL AND RESERVES			
Called-up equity share capital	26	110	110
Share premium account		89	89
Revaluation reserve		26	26
Other reserves	27	246	246
Profit and loss account	27	21,940	19,848
SHAREHOLDERS' FUNDS	28	22,411	20,319
MINORITY INTERESTS		6,141	5,615
		<u>28,552</u>	<u>25,934</u>

These financial statements were approved by the directors on the 20th June 2005 and are signed on their behalf by:


K D GOODDAY


S B MARSTON

The notes on pages 13 to 29 form part of these financial statements.

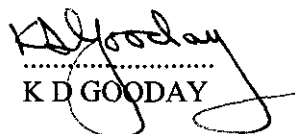
C A BLACKWELL GROUP LIMITED

BALANCE SHEET

31 DECEMBER 2004

	Note	2004 £000	2003 £000
FIXED ASSETS			
Investments	13	1,687	1,822
CURRENT ASSETS			
Debtors	15	4,347	3,897
Cash at bank		1	—
		<u>4,348</u>	<u>3,897</u>
CREDITORS: Amounts falling due within one year	17	<u>410</u>	<u>572</u>
NET CURRENT ASSETS		<u>3,938</u>	<u>3,325</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,625</u>	<u>5,147</u>
CAPITAL AND RESERVES			
Called-up equity share capital	26	110	110
Share premium account		89	89
Other reserves	27	88	88
Profit and loss account	27	5,338	4,860
SHAREHOLDERS' FUNDS		<u>5,625</u>	<u>5,147</u>

These financial statements were approved by the directors on the 20th June 2005 and are signed on their behalf by:


K D GOODDAY


S B MARSTON

The notes on pages 13 to 29 form part of these financial statements.

C A BLACKWELL GROUP LIMITED

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2004

	Note	2004 £000	2003 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	29	9,261	13,046
DIVIDENDS RECEIVED FROM JOINT VENTURES		—	435
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	29	(235)	(564)
TAXATION	29	(1,897)	(2,179)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	29	(1,985)	2,088
ACQUISITIONS AND DISPOSALS			
Cash paid to acquire subsidiaries		(660)	(660)
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS		(660)	(660)
EQUITY DIVIDENDS PAID		(550)	(659)
CASH INFLOW BEFORE FINANCING		3,934	11,507
FINANCING	29	(3,422)	(3,138)
INCREASE IN CASH	29	512	8,369

The notes on pages 13 to 29 form part of these financial statements.

C A BLACKWELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of C A Blackwell Group Limited, its subsidiary undertakings and the group's share of profits and reserves of joint venture companies for the year ended 31 December 2004.

Turnover

Turnover is calculated on the basis of construction work performed during the year in respect of long term contracts together with the invoiced value of the sales and services of other trading activities, net of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Goodwill - 10 years

Fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Freehold land

No depreciation is provided on freehold land.

Freehold buildings

On a straight line basis over their estimated remaining economic lives with a maximum of 50 years.

Leasehold land and buildings

On a straight line basis over the remaining leasehold tenure with a maximum of 50 years.

Plant and machinery

Using the reducing balance or straight line methods at rates varying from 10% to 50% so as to write off the assets over their anticipated useful lives with regard to hours of utilisation.

C A BLACKWELL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES *(continued)*

Investments

Investments in subsidiary undertakings and the joint venture companies are included at the lower of cost and net realisable value in the individual company's financial statements.

Investments in the joint venture companies are included as the group's share of profits, capital and reserves in the consolidated financial statements.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value in the course of normal trading. Long term contract work in progress is valued at cost plus profit estimated to have been earned at the balance sheet date, less foreseeable losses up to completion of the contracts and applicable payments on account. Cost includes appropriate overheads. Retentions are included in work in progress and part of these may be due after more than one year.

Finance leases and hire purchase

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet with an equivalent liability included under creditors. An asset held under a finance lease is depreciated over the shorter of the lease term and its useful life, whilst an asset acquired under a hire purchase contract is depreciated over its useful life. The interest element of the amount payable is charged to the profit and loss account on a basis in relation to the capital outstanding and the capital element reduces the liability in the balance sheet.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

Contributions in respect of the group's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

Taxation

The charge for taxation is based on the result for the year. The charge also takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made for deferred taxation on all timing differences. The rate of tax used is that which is expected to be applied when the liability is expected to crystallise, based on tax rates that have been enacted by the balance sheet date.

C A BLACKWELL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

2. TURNOVER

The turnover and profit before tax are attributable to the principal activities of the group.

An analysis of turnover is given below:

	2004	2003
	£000	£000
United Kingdom	<u>56,505</u>	<u>65,086</u>

An analysis of profit before tax is given below:

United Kingdom	<u>5,236</u>	<u>7,416</u>
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3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2004	2003
	No	No
Sales and contract staff	404	464
Office and management staff	<u>127</u>	<u>129</u>
	<u>531</u>	<u>593</u>

The aggregate payroll costs of the above were:

	2004	2003
	£000	£000
Wages and salaries	18,544	20,175
Social security costs	1,790	1,936
Other pension costs	<u>656</u>	<u>518</u>
	<u>20,990</u>	<u>22,629</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2004	2003
	£000	£000
Amortisation	302	302
Depreciation of owned fixed assets	2,464	2,239
Depreciation of assets held under hire purchase agreements	1,773	1,834
Profit on disposal of fixed assets	(195)	(441)
Auditors' remuneration		
- as auditors	47	38
- for other services	18	9
Directors' emoluments	<u>852</u>	<u>1,029</u>

C A BLACKWELL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2004 £000	2003 £000
Emoluments receivable	810	989
Value of company pension contributions to money purchase schemes	42	40
	<u>852</u>	<u>1,029</u>

Emoluments of highest paid director:

	2004 £000	2003 £000
Total emoluments (excluding pension contributions)	250	310
Value of company pension contributions to money purchase schemes	14	13
	<u>264</u>	<u>323</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2004 No	2003 No
Money purchase schemes	<u>3</u>	<u>3</u>

6. INTEREST RECEIVABLE

	2004 £000	2003 £000
Bank interest receivable	791	547
Other interest	14	5
Joint venture interest	19	10
	<u>824</u>	<u>562</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £000	2003 £000
Interest payable on bank borrowing	1	1
Finance charges	409	409
Interest on other loans	63	99
	<u>473</u>	<u>509</u>

Interest paid to group undertakings amounted to £Nil (2003 - £2,000).

C A BLACKWELL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2004	2003
	£000	£000
<i>Current tax:</i>		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% and 19% (2003 - 30% and 19%)	1,682	1,915
(Over)/under provision in prior year	2	(20)
	1,684	1,895
Share of joint venture taxation charge	52	151
Total current tax	1,736	2,046
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(50)	309
Tax on profit on ordinary activities	1,686	2,355

C A BLACKWELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

8. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2003 - 30%).

	2004 £000	2003 £000
Profit on ordinary activities before taxation	<u>5,236</u>	<u>7,416</u>
Profit on ordinary activities by rate of tax	1,571	2,225
Capital allowances in excess of depreciation	45	(309)
Marginal relief	(6)	—
Taxed at 19%	10	3
Expenses not deductible for tax purposes	135	135
Adjustment to previous year	2	(20)
Joint venture deferred tax movement	(21)	(2)
Losses carried forward	(2)	—
Joint venture consortium relief	2	14
Total current tax (note 8(a))	<u>1,736</u>	<u>2,046</u>

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit for the year includes a profit of £863,000 (2003: £1,369,000) which is dealt with in the financial statements of the parent company.

10. DIVIDENDS

The following dividends have been proposed in respect of the year:

	2004 £000	2003 £000
Proposed dividend on ordinary shares	<u>385</u>	<u>550</u>

C A BLACKWELL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

11. INTANGIBLE FIXED ASSETS

Group	Goodwill £000
COST	
At 1 January 2004 and 31 December 2004	<u>3,030</u>
AMORTISATION	
At 1 January 2004	478
Charge for the year	<u>302</u>
At 31 December 2004	<u>780</u>
NET BOOK VALUE	
At 31 December 2004	<u>2,250</u>
At 31 December 2003	<u>2,552</u>

12. TANGIBLE FIXED ASSETS

Group	Freehold Property £000	Leasehold Property £000	Plant & Machinery £000	Total £000
COST OR VALUATION				
At 1 January 2004	1,449	59	33,488	34,996
Additions	33	35	4,397	4,465
Disposals	—	—	(4,245)	(4,245)
At 31 December 2004	<u>1,482</u>	<u>94</u>	<u>33,640</u>	<u>35,216</u>
DEPRECIATION				
At 1 January 2004	305	7	13,707	14,019
Charge for the year	29	1	4,163	4,193
On disposals	—	—	(3,266)	(3,266)
Impairment provision	—	—	43	43
At 31 December 2004	<u>334</u>	<u>8</u>	<u>14,647</u>	<u>14,989</u>
NET BOOK VALUE				
At 31 December 2004	<u>1,148</u>	<u>86</u>	<u>18,993</u>	<u>20,227</u>
At 31 December 2003	<u>1,144</u>	<u>52</u>	<u>19,781</u>	<u>20,977</u>

C A BLACKWELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

12. TANGIBLE FIXED ASSETS *(continued)*

Buildings that had been revalued in earlier years are now fully depreciated. The revaluation reserve of £26,000 therefore all relates to land, and land and buildings would be stated at £26,000 less than book value if an historical cost basis had been used.

The freehold land and buildings were revalued in 1973. The directors have adopted the transitional arrangements set out for the implementation of Financial Reporting Standard No 15 and do not, in the future, intend to update this valuation. The valuation in 1973 was £54,000.

Hire purchase agreements

Included within the net book value of £20,227,000 is £9,580,000 (2003 - £10,913,000) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £1,773,000 (2003 - £1,834,000).

Capital commitments

	2004 £000	2003 £000
Contracted but not provided for in the financial statements	<u>1,123</u>	<u>1,382</u>

13. FIXED ASSET INVESTMENTS

		Group		Company	
		2004 £000	2003 £000	2004 £000	2003 £000
Subsidiary undertakings	(a)	-	-	1,687	1,822
Joint ventures	(b)	<u>138</u>	<u>36</u>	-	-
At 31 December 2003		<u>138</u>	<u>36</u>	<u>1,687</u>	<u>1,822</u>

(a) Shares in subsidiary undertakings

	Company	
	2004 £000	2003 £000
Cost at 1 January 2004	1,822	1,822
Acquired in year	-	-
Written off in year	<u>(135)</u>	<u>-</u>
Cost at 31 December 2004	<u>1,687</u>	<u>1,822</u>

Investments in subsidiary undertakings comprise the following:

Name of subsidiary	Proportion held	Nature of business
C A Blackwell (Contracts) Limited	2,760,656 ordinary 25p shares representing 77.0% of share capital	Civil engineering and earth moving contractors
Premier Lime & Stone Company Limited	100%	Quarrying company

C A BLACKWELL GROUP LIMITED
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13. FIXED ASSET INVESTMENTS *(continued)*

C A Blackwell (Construction) Limited	100%	Dormant
C A Blackwell Contracts (Northern Ireland) Limited	100%	Dormant
C A Blackwell (Plant) Limited	100%	Dormant

(b) Joint ventures

	Share capital £000	Retained profit £000	Total (group) £000
Cost as at 1 January 2004	32	4	36
Additions	-	102	102
Cost as at 31 December 2004	<u>32</u>	<u>106</u>	<u>138</u>

The investment in joint venture companies is as follows:

Name of joint venture	Proportion held	Nature of business
Geofirma Soils Engineering Limited	6,500 ordinary £1 shares representing 33.3% of share capital	Soil stabilisation
Heijmans Blackwell Remediation Limited	25,000 'A' ordinary £1 shares representing 50% of share capital	Soil remediation

14. STOCKS

	Group 2004 £000	2003 £000	Company 2004 £000	2003 £000
Long term contract balances:				
Net cost plus attributable profit less foreseeable losses	27,056	26,089	-	-
Less: Payments on account	<u>26,372</u>	<u>25,054</u>	<u>-</u>	<u>-</u>
Contract work in progress	684	1,035	-	-
Raw materials and consumables	<u>476</u>	<u>428</u>	<u>-</u>	<u>-</u>
	<u>1,160</u>	<u>1,463</u>	<u>-</u>	<u>-</u>

There is no material difference between the book value of stocks and replacement cost.

C A BLACKWELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

15. DEBTORS

	Group		Company	
	2004	2003	2004	2003
	£000	£000	£000	£000
Trade debtors	2,922	4,130	—	—
Amounts owed by subsidiary undertakings	—	—	966	1,380
Amounts owed by joint ventures	516	452	—	—
Contract debtors	3,738	4,326	—	—
Dividend receivable from joint venture/subsidiary undertaking	377	350	3,381	2,512
Other debtors	10	40	—	5
Prepayments and accrued income	428	770	—	—
	<u>7,991</u>	<u>10,068</u>	<u>4,347</u>	<u>3,897</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2004	2003	2004	2003
	£000	£000	£000	£000
Trade debtors	14	—	—	—
Amounts owed by subsidiary undertakings	—	—	800	800
Amounts owed by joint ventures	273	—	—	—
	<u>287</u>	<u>—</u>	<u>800</u>	<u>800</u>

16. CURRENT ASSET INVESTMENTS

	Group		Company	
	2004	2003	2004	2003
	£000	£000	£000	£000
Land				
Development land:				
At 1 January 2004	240	239	—	—
Net additions	25	1	—	—
Cost at 31 December 2004	<u>265</u>	<u>240</u>	<u>—</u>	<u>—</u>

C A BLACKWELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

17. CREDITORS: Amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£000	£000	£000	£000
Loan Stock	660	660	—	—
Payments received on account	6,963	7,538	—	—
Trade creditors	2,936	3,346	—	—
Amounts owed to subsidiaries	—	—	4	5
Hire purchase agreements	3,469	3,060	—	—
Dividends payable	385	550	385	550
Corporation tax	772	985	7	—
Other taxation and social security	1,449	1,934	1	1
Other creditors	58	8	—	—
Proposed subsidiary dividend	378	416	—	—
Amounts owed to joint venture	14	769	—	—
Accruals and deferred income	1,660	1,771	13	16
	<u>18,744</u>	<u>21,037</u>	<u>410</u>	<u>572</u>

18. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2004	2003	2004	2003
	£000	£000	£000	£000
Hire purchase agreements	4,508	7,009	—	—
Other creditors including:				
Loan Stock	—	660	—	—
	<u>4,508</u>	<u>7,669</u>	<u>—</u>	<u>—</u>

19. CREDITORS - CAPITAL INSTRUMENTS

Creditors include loan stock which is due for repayment as follows:

	Group		Company	
	2004	2003	2004	2003
	£000	£000	£000	£000
Amounts repayable:				
In one year or less or on demand	660	660	—	—
In more than one year but not more than two years	—	660	—	—
	<u>660</u>	<u>1,320</u>	<u>—</u>	<u>—</u>

C A BLACKWELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

20. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	2004	2003	2004	2003
	£000	£000	£000	£000
Amounts payable within 1 year	3,469	3,060	-	-
Amounts payable between 1 and 2 years	2,009	3,091	-	-
Amounts payable between 3 and 5 years	2,368	3,474	-	-
Amounts payable after more than 5 years	131	444	-	-
	<u>7,977</u>	<u>10,069</u>	<u>-</u>	<u>-</u>

21. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2004	2003	2004	2003
	£000	£000	£000	£000
Provision brought forward	1,755	1,446	-	-
(Decrease)/Increase in provision	(51)	309	-	-
Provision carried forward	<u>1,704</u>	<u>1,755</u>	<u>-</u>	<u>-</u>

22. OTHER PROVISIONS

	Group		Company	
	2004	2003	2004	2003
	£000	£000	£000	£000
Other provisions	<u>123</u>	<u>30</u>	<u>-</u>	<u>-</u>

C A BLACKWELL GROUP LIMITED
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23. COMMITMENTS

PENSION COMMITMENTS

The group operates defined contribution pension schemes. The assets of the schemes are held separately in independently administered funds. The pension cost charge for the year was £654,000 (2003:£514,000). The amount outstanding at 31 December 2003 was £25,000 (2003:£77,000).

24. CONTINGENT LIABILITIES

The group

The group has given insured performance bonds in the normal course of business. In the opinion of the directors no loss will arise in connection with these undertakings.

The company

The company has provided guarantees in respect of contracts undertaken by a subsidiary company, and in respect of finance facilities.

25. RELATED PARTY TRANSACTIONS

The ultimate controlling party of C A Blackwell Group Limited are the Trustees of the C A R Blackwell deceased will trust.

During the year the company entered into transactions with its subsidiaries, C A Blackwell (Contracts) Limited and Premier Lime & Stone Company Limited.

All related party transactions between the company and other group companies have been eliminated in these consolidated financial statements.

Balances outstanding between group companies at 31 December 2004 are shown in notes 15 and 17 to the financial statements.

26. SHARE CAPITAL

Authorised share capital:

	2004 £000	2003 £000
5,000,000 Ordinary shares of £0.10 each	<u>500</u>	<u>500</u>

Allotted, called up and fully paid:

	2004 No £000	2003 No £000
Ordinary shares of £0.10 each	<u>1,099,000</u> <u>110</u>	<u>1,099,000</u> <u>110</u>

C A BLACKWELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

27. RESERVES

Group	Share premium account £000	Revaluation reserve £000	Capital reserve £000	Profit and loss account £000
Balance brought forward	89	26	246	19,848
Retained profit for the year	—	—	—	2,092
Balance carried forward	<u>89</u>	<u>26</u>	<u>246</u>	<u>21,940</u>

Company	Share premium account £000	Capital reserve £000	Profit and loss account £000
Balance brought forward	89	88	4,860
Retained profit for the year	—	—	478
Balance carried forward	<u>89</u>	<u>88</u>	<u>5,338</u>

C A BLACKWELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

28. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £000	2003 £000
Profit for the financial year	2,477	3,709
Dividends	(385)	(550)
	<u>2,092</u>	<u>3,159</u>
Opening shareholders' equity funds	20,319	17,160
Closing shareholders' equity funds	<u>22,411</u>	<u>20,319</u>

29. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2004 £000	2003 £000
Operating profit	4,703	6,886
Amortisation	302	302
Depreciation	4,238	4,073
Profit on disposal of fixed assets	(195)	(441)
Decrease/(increase) in stocks	303	(443)
Decrease in debtors	2,104	146
(Decrease)/increase in creditors	(2,287)	2,517
Increase in provisions	93	6
Net cash inflow from operating activities	<u>9,261</u>	<u>13,046</u>

C A BLACKWELL GROUP LIMITED
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29. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2004 £000	2003 £000
Interest received	846	562
Interest paid	(89)	(99)
Interest element of hire purchase	(409)	(409)
Dividends paid to minority interest	(583)	(618)
Net cash (outflow) from returns on investments and servicing of finance	<u>(235)</u>	<u>(564)</u>

TAXATION

	2004 £000	2003 £000
TAXATION	<u>(1,897)</u>	<u>(2,179)</u>

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2004 £000	2003 £000
Payments to acquire tangible fixed assets	(3,134)	(826)
Receipts from sale of fixed assets	1,174	2,915
Payment to acquire other current asset investments	(25)	(1)
Net cash (outflow)/inflow for capital expenditure and financial investment	<u>(1,985)</u>	<u>2,088</u>

FINANCING

	2004 £000	2003 £000
Capital element of hire purchase	(3,422)	(3,138)
Net cash outflow from financing	<u>(3,422)</u>	<u>(3,138)</u>

C A BLACKWELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

29. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2004	2003
	£000	£000
Increase in cash in the period	512	8,369
Cash outflow in respect of hire purchase	3,422	3,138
Change in net funds resulting from cash flows	3,934	11,507
New hire purchase agreements	(1,330)	(8,750)
Loan stock	660	660
Movement in net funds in the period	3,264	3,417
Net funds at 1 January 2004	9,699	6,282
Net funds at 31 December 2004	12,963	9,699

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2004 £000	Cash flows £000	Other changes £000	At 31 Dec 2004 £000
Net cash:				
Cash in hand and at bank	21,088	512	—	21,600
Debt:				
Debt due within 1 year	(660)	660	(660)	(660)
Debt due after 1 year	(660)	—	660	—
Hire purchase agreements	(10,069)	3,422	(1,330)	(7,977)
	(11,389)	4,082	(1,330)	(8,637)
Net funds	9,699	4,594	(1,330)	12,963