

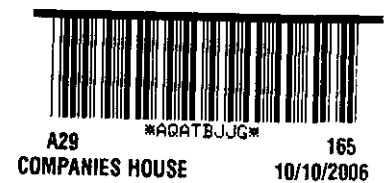
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COMPANY REGISTRATION NUMBER 664770

**C A BLACKWELL GROUP LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2005**

**SCRUTTON BLAND**

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



# **C A BLACKWELL GROUP LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2005**

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**C A BLACKWELL GROUP LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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

# **C A BLACKWELL GROUP LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2005**

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2005.

### **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, land purchase for remediation and resale 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 2006 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 not recommended a dividend.

### **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:

	<b>Ordinary Shares of £0.10 each</b>	
	<b>At 31 December 2005</b>	<b>At 1 January 2005</b>
K D Gooday	-	-
J V Hughes	<b>88,000</b>	<b>88,000</b>
M P Blackwell	-	-
S B Marston	-	-
J Tuer	-	-

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.

M P Blackwell resigned as a director on 27 February 2006.

### **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 2005

### 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

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 13 to 15, 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:

	2005	2004
	£	£
Charitable	<u>4,295</u>	<u>7,420</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 2005

### 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.

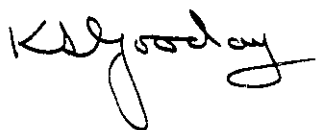
### ENVIRONMENTAL AND HEALTH AND SAFETY POLICIES

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 9000/2000 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.

### AUDITOR

A resolution to re-appoint Scrutton Bland as auditor 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 GOODAY  
Company Secretary

Approved by the directors on 18<sup>th</sup> May 2006

**C A BLACKWELL GROUP LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**C A BLACKWELL GROUP LIMITED**  
**YEAR ENDED 31 DECEMBER 2005**

We have audited the financial statements of C A Blackwell Group Limited for the year ended 31 December 2005 on pages 7 to 31 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 15.

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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 and 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.

**C A BLACKWELL GROUP LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**C A BLACKWELL GROUP LIMITED** *(continued)*  
**YEAR ENDED 31 DECEMBER 2005**

**OPINION**

In our opinion:

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2005 and of the profit of the group for the year then ended; and

the financial statements 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

*29 June 2006*  
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# C A BLACKWELL GROUP LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2005

		2005	2004
		£000	(restated) £000
<b>GROUP TURNOVER (including share of joint venture)</b>	<b>2</b>	<b>58,222</b>	<b>58,950</b>
Less: share of joint venture turnover		<b>(5,638)</b>	<b>(2,445)</b>
<b>Group Turnover</b>		<b>52,584</b>	<b>56,505</b>
Change in stocks of finished goods and work in progress		<b>895</b>	<b>(365)</b>
		<b>53,479</b>	<b>56,140</b>
<b>OPERATING COSTS:</b>			
Raw materials and consumables		<b>8,339</b>	<b>8,976</b>
Other external charges		<b>13,466</b>	<b>14,417</b>
Staff costs	<b>3</b>	<b>21,428</b>	<b>20,990</b>
Depreciation written off fixed assets	<b>4</b>	<b>3,554</b>	<b>4,344</b>
Other operating charges		<b>2,806</b>	<b>2,710</b>
<b>OPERATING PROFIT</b>	<b>4</b>	<b>3,886</b>	<b>4,703</b>
Share of joint venture operating profit		<b>997</b>	<b>187</b>
		<b>4,883</b>	<b>4,890</b>
Interest receivable	<b>6</b>	<b>1,000</b>	<b>824</b>
Share of joint venture interest receivable		<b>56</b>	<b>22</b>
Interest payable and similar charges	<b>7</b>	<b>(318)</b>	<b>(473)</b>
Share of joint venture interest payable		<b>(36)</b>	<b>(27)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>5,585</b>	<b>5,236</b>
Tax on profit on ordinary activities	<b>8</b>	<b>1,704</b>	<b>1,686</b>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>3,881</b>	<b>3,550</b>
Minority interests		<b>847</b>	<b>1,073</b>
<b>PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY</b>	<b>9</b>	<b>3,034</b>	<b>2,477</b>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>3,034</b>	<b>2,477</b>

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

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 31 form part of these financial statements.

**C A BLACKWELL GROUP LIMITED**  
**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 31 DECEMBER 2005**

	2005	2004 <i>(restated)</i>
	£000	£000
Group profit for the year attributable to the shareholders	2,319	2,347
Share of joint venture profit for the year attributable to the shareholders	715	130
	<u>3,034</u>	<u>2,477</u>
Total recognised gains and losses relating to the year	3,034	2,477
Prior year adjustment (see note 11)	385	
Total gains and losses recognised since the last annual report	<u>3,419</u>	

The notes on pages 13 to 31 form part of these financial statements.

# C A BLACKWELL GROUP LIMITED

## GROUP BALANCE SHEET

31 DECEMBER 2005

		2005		2004 (restated)
	Note	£000	£000	£000
<b>FIXED ASSETS</b>				
Intangible assets	12		1,948	2,250
Tangible assets	13		16,295	20,227
			<u>18,243</u>	<u>22,477</u>
Investments in joint ventures:				
Share of gross assets		7,780		1,557
Share of gross liabilities		(6,930)		(1,392)
	14		<u>850</u>	<u>165</u>
			<u>19,093</u>	<u>22,642</u>
<b>CURRENT ASSETS</b>				
Stocks	15	1,986		1,160
Debtors due within one year	16	8,774		7,677
Debtors due after one year	16	2,541		287
Investments	17	286		265
Cash at bank and in hand		21,741		21,600
		<u>35,328</u>		<u>30,989</u>
<b>CREDITORS: Amounts falling due within one year</b>	18	<u>17,755</u>		<u>17,981</u>
<b>NET CURRENT ASSETS</b>			<u>17,573</u>	<u>13,008</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>36,666</u>	<u>35,650</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	19		<u>2,674</u>	<u>4,508</u>
			<u>33,992</u>	<u>31,142</u>
<b>PROVISIONS FOR LIABILITIES</b>				
Deferred taxation	22		1,522	1,704
Other provisions	23		29	123
			<u>32,441</u>	<u>29,315</u>

The notes on pages 13 to 31 form part of these financial statements.

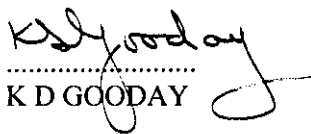
# C A BLACKWELL GROUP LIMITED

## GROUP BALANCE SHEET

31 DECEMBER 2005

		2005	2004 (restated)
	Note	£000	£000
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	27	110	110
Share premium account	28	89	89
Revaluation reserve	28	26	26
Other reserves	28	246	246
Profit and loss account	28	24,975	22,326
<b>SHAREHOLDERS' FUNDS</b>	28	25,446	22,797
<b>MINORITY INTERESTS</b>		6,995	6,518
		<u>32,441</u>	<u>29,315</u>

These financial statements were approved by the directors on the 18th May 2006 and are signed on their behalf by:

  
K D GOODAY

  
S B MARSTON

The notes on pages 13 to 31 form part of these financial statements.

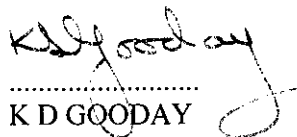
# C A BLACKWELL GROUP LIMITED


## BALANCE SHEET

31 DECEMBER 2005

	Note	2005 £000	2004 £000
<b>FIXED ASSETS</b>			
Investments	14	1,822	1,687
<b>CURRENT ASSETS</b>			
Debtors	16	100	3,381
Cash at bank		3,911	1
		<u>4,011</u>	<u>3,382</u>
<b>CREDITORS: Amounts falling due within one year</b>	18	<u>28</u>	<u>26</u>
<b>NET CURRENT ASSETS</b>		<u>3,983</u>	<u>3,356</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,805</u>	<u>5,043</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	27	110	110
Share premium account	28	89	89
Other reserves	28	88	88
Profit and loss account	28	5,518	4,756
<b>SHAREHOLDERS' FUNDS</b>		<u>5,805</u>	<u>5,043</u>

These financial statements were approved by the directors on the 18th May 2006 and are signed on their behalf by:

  
K D GOODAY

  
S B MARSTON

The notes on pages 13 to 31 form part of these financial statements.

# C A BLACKWELL GROUP LIMITED

## GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2005

		2005	2004
	Note	£000	(restated) £000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	30	4,817	9,261
<b>DIVIDENDS RECEIVED FROM JOINT VENTURES</b>		380	–
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	30	322	(235)
<b>TAXATION</b>	30	(1,570)	(1,897)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	30	660	(1,985)
<b>ACQUISITIONS AND DISPOSALS</b>			
Cash paid to acquire subsidiaries		(660)	(660)
<b>EQUITY DIVIDENDS PAID</b>		(385)	(550)
<b>CASH INFLOW BEFORE FINANCING</b>		3,564	3,934
<b>FINANCING</b>	30	(3,423)	(3,422)
<b>INCREASE IN CASH</b>	30	141	512

The notes on pages 13 to 31 form part of these financial statements.

**C A BLACKWELL GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**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.

**Changes in accounting policies**

In preparing the financial statements for the current year, the group has adopted the following Financial Reporting Standards:

-FRS 21 Events after the Balance Sheet date (IAS 10); and

-the presentation requirements of 'FRS 25 Financial Instruments: Disclosure and Presentation (IAS 32)'.

FRS 21 Events after the Balance Sheet date (IAS 10)

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the group declares dividends to the holders of equity instruments after the balance sheet date, the group does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has resulted in a prior year adjustment for the group. For year ended 31 December 2004, the change in accounting policy has resulted in a net increase in retained profit for the year of £384,650. The balance sheet at 31 December 2004 has been restated to reflect the de-recognition of a liability for proposed equity dividends of £384,650.

FRS 25 Financial Instruments: Disclosure and Presentation (IAS 32)

The adoption of FRS25 has resulted in a change in the presentation of equity dividends paid. The comparative figures also reflect this change. Equity dividends paid are now shown in the reserves notes to the accounts and not on the face of the Profit and Loss Account.

**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 2005.

**C A BLACKWELL GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**1. ACCOUNTING POLICIES** *(continued)*

**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.

**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.



# **C A BLACKWELL GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2005**

### **1. ACCOUNTING POLICIES** *(continued)*

#### **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.

#### **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.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

**C A BLACKWELL GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**2. TURNOVER**

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

An analysis of turnover is given below:

	<b>2005</b>	2004 <i>(restated)</i>
	<b>£000</b>	£000
United Kingdom	<b>52,584</b>	56,505

An analysis of profit before tax is given below:

United Kingdom	<b>5,585</b>	5,236
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**3. PARTICULARS OF EMPLOYEES**

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

	<b>2005</b>	2004 <i>(restated)</i>
	<b>No</b>	No
Sales and contract staff	<b>374</b>	404
Office and management staff	<b>138</b>	127
	<b>512</b>	531

The aggregate payroll costs of the above were:

	<b>2005</b>	2004 <i>(restated)</i>
	<b>£000</b>	£000
Wages and salaries	<b>18,816</b>	18,526
Social security costs	<b>1,871</b>	1,789
Other pension costs	<b>741</b>	675
	<b>21,428</b>	20,990

**C A BLACKWELL GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**4. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	<b>2005</b>	2004 <i>(restated)</i>
	<b>£000</b>	£000
Amortisation	<b>302</b>	302
Depreciation of owned fixed assets	<b>3,071</b>	2,464
Depreciation of assets held under hire purchase agreements	<b>1,020</b>	1,773
Profit on disposal of fixed assets	<b>(839)</b>	(195)
	<b>3,554</b>	4,344
Auditor's remuneration		
- as auditor	<b>42</b>	47
- for other services	<b>4</b>	18
Directors' emoluments	<b>881</b>	852

**5. DIRECTORS' EMOLUMENTS**

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

	<b>2005</b>	2004 <i>(restated)</i>
	<b>£000</b>	£000
Emoluments receivable	<b>827</b>	810
Value of company pension contributions to money purchase schemes	<b>54</b>	42
	<b>881</b>	852

**Emoluments of highest paid director:**

	<b>2005</b>	2004 <i>(restated)</i>
	<b>£000</b>	£000
Total emoluments (excluding pension contributions)	<b>257</b>	250
Value of company pension contributions to money purchase schemes	<b>18</b>	14
	<b>275</b>	264

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

	<b>2005</b>	2004 <i>(restated)</i>
	<b>No</b>	No
Money purchase schemes	<b>3</b>	3

**C A BLACKWELL GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**6. INTEREST RECEIVABLE**

	2005	2004 <i>(restated)</i>
	£000	£000
Bank interest receivable	944	791
Other interest	19	14
Joint venture interest	37	19
	<u>1,000</u>	<u>824</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2005	2004 <i>(restated)</i>
	£000	£000
Interest payable on bank borrowing	2	1
Finance charges	298	409
Interest on other loans	18	63
	<u>318</u>	<u>473</u>

**C A BLACKWELL GROUP LIMITED**  
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**8. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2005 £000	2004 (restated) £000
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2004 - 30% and 19%)	1,599	1,682
(Over)/under provision in prior year	(13)	2
	<u>1,586</u>	<u>1,684</u>
Share of joint venture taxation charge	301	52
Total current tax	<u>1,887</u>	<u>1,736</u>
Deferred tax:		
Origination and reversal of timing differences	(183)	(50)
Tax on profit on ordinary activities	<u>1,704</u>	<u>1,686</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2004 - 30% and 19%).

	2005 £000	2004 (restated) £000
Profit on ordinary activities before taxation	<u>5,585</u>	<u>5,236</u>
Profit on ordinary activities by rate of tax	1,676	1,571
Capital allowances in excess of depreciation	174	45
Marginal relief	(15)	(6)
Taxed at 19%	15	10
Joint venture deferred tax movement	23	(21)
Losses carried forward	—	(2)
Joint venture consortium relief	—	2
Expenses not deductible for tax purposes	121	135
Adjustment to previous year	(15)	2
Chargeable disposals	(92)	—
Total current tax (note 9(a))	<u>1,887</u>	<u>1,736</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 £1,147,000 (2004: £1,277,000) which is dealt with in the financial statements of the parent company.

**C A BLACKWELL GROUP LIMITED**  
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**10. DIVIDENDS**

No dividend has been recommended for the year ended 31 December 2005.

**11. PRIOR YEAR ADJUSTMENT**

The prior year adjustment has arisen as a result of the adoption of FRS21. This standard requires that dividends on equity shares are normally only recognised in the financial statements at the time of their declaration by the directors or approval by the members at the general meeting.

**12. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Goodwill £000</b>
<b>COST</b>	
At 1 January 2005 and 31 December 2005	<u>3,030</u>
<b>AMORTISATION</b>	
At 1 January 2005	780
Charge for the year	<u>302</u>
At 31 December 2005	<u>1,082</u>
<b>NET BOOK VALUE</b>	
At 31 December 2005	<u>1,948</u>
At 31 December 2004	<u>2,250</u>

**C A BLACKWELL GROUP LIMITED**  
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**13. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold Property £000</b>	<b>Leasehold Property £000</b>	<b>Plant &amp; Machinery £000</b>	<b>Total £000</b>
<b>COST OR VALUATION</b>				
At 1 January 2005	1,482	94	33,640	35,216
Additions	–	327	4,170	4,497
Disposals	(303)	–	(9,864)	(10,167)
<b>At 31 December 2005</b>	<b>1,179</b>	<b>421</b>	<b>27,946</b>	<b>29,546</b>
<b>DEPRECIATION</b>				
At 1 January 2005	334	8	14,647	14,989
Charge for the year	23	8	4,059	4,090
On disposals	(119)	–	(5,709)	(5,828)
<b>At 31 December 2005</b>	<b>238</b>	<b>16</b>	<b>12,997</b>	<b>13,251</b>
<b>NET BOOK VALUE</b>				
<b>At 31 December 2005</b>	<b>941</b>	<b>405</b>	<b>14,949</b>	<b>16,295</b>
At 31 December 2004	1,148	86	18,993	20,227

Buildings that had been revalued in earlier years are now fully depreciated. The revaluation reserve of £32,000 therefore all relates to land, and land and buildings would be stated at £32,000 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 £16,295,000 is £5,127,000 (2004 - £9,580,000) 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 £1,020,000 (2004 - £1,773,000).

**Capital commitments**

	<b>2005</b>	<b>2004 (restated)</b>
	<b>£000</b>	<b>£000</b>
Contracted but not provided for in the financial statements	<b>2,978</b>	<b>1,123</b>

**C A BLACKWELL GROUP LIMITED**  
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**14. FIXED ASSET INVESTMENTS**

		<b>Group</b>		<b>Company</b>	
		<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
			<i>(restated)</i>		<i>(restated)</i>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Subsidiary undertakings	(a)	-	-	<b>1,822</b>	1,687
Joint ventures	(b)	<b>850</b>	165	-	-
At 31 December 2005		<u><b>850</b></u>	<u>165</u>	<u><b>1,822</b></u>	<u>1,687</u>

**(a) Shares in subsidiary undertakings**

	<b>Company</b>	
	<b>2005</b>	<b>2004</b>
		<i>(restated)</i>
	<b>£000</b>	<b>£000</b>
Cost at 1 January 2005	<b>1,687</b>	1,822
Written off in year	-	(135)
Written off in prior years written back	<b>135</b>	-
Cost at 31 December 2005	<u><b>1,822</b></u>	<u>1,687</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 (Construction) Limited	100%	Dormant
C A Blackwell Contracts (Northern Ireland) Limited	100%	Dormant
C A Blackwell (Plant) Limited	100%	Dormant



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

**(b) Joint ventures**

	Share capital £000	Retained profit £000	Total (group) £000
Restated cost as at 1 January 2005	32	133	165
Additions	-	685	685
Cost as at 31 December 2005	<u>32</u>	<u>818</u>	<u>850</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
Renaissance Land (D20) Limited	95 ordinary £1 shares representing 47.5% of share capital	Land purchase for remediation and resale

**15. STOCKS**

	Group 2005 £000	2004 (restated) £000	Company 2005 £000	2004 (restated) £000
<b>Long term contract balances:</b>				
Net cost plus attributable profit less foreseeable losses	31,242	27,056		
Less: Payments on account	<u>29,663</u>	<u>26,372</u>		
Contract work in progress	1,579	684		
Raw materials and consumables	<u>407</u>	<u>476</u>	-	-
	<u>1,986</u>	<u>1,160</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 2005

### 16. DEBTORS

	Group		Company	
	2005	2004 (restated)	2005	2004 (restated)
	£000	£000	£000	£000
Trade debtors	5,204	2,922	—	—
Amounts owed by subsidiary undertakings	—	—	100	3,381
Amounts owed by joint ventures	3,125	516	—	—
Contract debtors	2,240	3,738	—	—
Dividend receivable from joint venture/subsidiary undertaking	—	350	—	—
Other debtors	104	10	—	—
Prepayments and accrued income	642	428	—	—
	<u>11,315</u>	<u>7,964</u>	<u>100</u>	<u>3,381</u>

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

	Group		Company	
	2005	2004 (restated)	2005	2004 (restated)
	£000	£000	£000	£000
Trade debtors	—	14	—	—
Amounts owed by subsidiary undertakings	—	—	—	800
Amounts owed by joint ventures	2,541	273	—	—
	<u>2,541</u>	<u>287</u>	<u>—</u>	<u>800</u>

### 17. CURRENT ASSET INVESTMENTS

	Group		Company	
	2005	2004 (restated)	2005	2004 (restated)
	£000	£000	£000	£000
<b>Land</b>				
Development land:				
At 1 January 2005	265	240	—	—
Net additions	21	25	—	—
Cost at 31 December 2005	<u>286</u>	<u>265</u>	<u>—</u>	<u>—</u>

# C A BLACKWELL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

### 18. CREDITORS: Amounts falling due within one year

	Group		Company	
	2005	2004 (restated)	2005	2004 (restated)
	£000	£000	£000	£000
Loan Stock	—	660	—	—
Payments received on account	7,120	6,963	—	—
Trade creditors	3,974	2,936	—	—
Amounts owed to subsidiaries	—	—	5	5
Hire purchase agreements	1,879	3,469	—	—
Other creditors including taxation and social security:				
Corporation tax	788	772	12	7
Other taxation and social security	1,674	1,449	1	1
Other creditors	93	58	—	—
Amounts owed to joint venture	26	14	—	—
Accruals and deferred income	2,201	1,660	10	13
	<u>17,755</u>	<u>17,981</u>	<u>28</u>	<u>26</u>

### 19. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2005	2004 (restated)	2005	2004 (restated)
	£000	£000	£000	£000
Hire purchase agreements	<u>2,674</u>	<u>4,508</u>	<u>—</u>	<u>—</u>

### 20. CREDITORS - CAPITAL INSTRUMENTS

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

	Group		Company	
	2005	2004 (restated)	2005	2004 (restated)
	£000	£000	£000	£000
Amounts repayable:				
In one year or less or on demand	<u>—</u>	<u>660</u>	<u>—</u>	<u>—</u>

### 21. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	2005	2004 (restated)	2005	2004 (restated)
	£000	£000	£000	£000
Amounts payable within 1 year	1,879	3,469	—	—
Amounts payable between 1 and 2 years	1,699	2,009	—	—
Amounts payable between 3 and 5 years	975	2,368	—	—
Amounts payable after more than 5 years	—	131	—	—
	<u>4,553</u>	<u>7,977</u>	<u>—</u>	<u>—</u>

**C A BLACKWELL GROUP LIMITED**  
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**22. DEFERRED TAXATION**

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

	<b>Group</b>		<b>Company</b>	
	<b>2005</b>	<b>2004</b> <i>(restated)</i>	<b>2005</b>	<b>2004</b> <i>(restated)</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Provision brought forward	<b>1,705</b>	1,755	-	-
Decrease in provision	<b>(183)</b>	(51)	-	-
Provision carried forward	<b><u>1,522</u></b>	<u>1,704</u>	<u>-</u>	<u>-</u>

**23. OTHER PROVISIONS**

	<b>Group</b>		<b>Company</b>	
	<b>2005</b>	<b>2004</b> <i>(restated)</i>	<b>2005</b>	<b>2004</b> <i>(restated)</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Other provisions	<b><u>29</u></b>	<u>123</u>	<u>-</u>	<u>-</u>

Other provisions represent an amount of £29,000 in respect of future insurance of works already carried out.

**24. 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 £741,000 (2004: £654,000). The amount outstanding at 31 December 2005 was £262,000 (2004: £125,000).

**25. 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.

# C A BLACKWELL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

### 26. 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.

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

The total value of transactions in the year and the balances at 31 December 2005 which have not been eliminated upon consolidation were as follows:

	Geofirma Soils Engineering Limited (joint venture company)		Heijmans Blackwell Remediation Limited (joint venture company)	
	2005	2004	2005	2004
	£000	£000	£000	£000
Sales	—	324	1,850	10
Management charge	111	144	100	2
Purchases	14	608	13	10
Rent receivable	20	17	—	—
Inter group interest (payable)/ receivable	—	—	18	20
Debtor	73	196	781	320
Creditor	13	3	13	11

	Renaissance Land (D20) Limited (joint venture company)	
	2005	2004
	£000	£000
Sales	—	—
Management charge	—	—
Purchases	—	—
Rent receivable	—	—
Inter group interest (payable)/ receivable	—	—
Debtor	2,271	—
Creditor	—	—

**C A BLACKWELL GROUP LIMITED**  
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**27. SHARE CAPITAL**

**Authorised share capital:**

	2005 £000	2004 £000
5,000,000 Ordinary shares of £0.10 each	<u>500</u>	<u>500</u>

**Allotted, called up and fully paid:**

	2005 No	£000	2004 No	£000
Ordinary shares of £0.10 each	<u>1,099,000</u>	<u>110</u>	<u>1,099,000</u>	<u>110</u>
<b>Equity shares</b>				
Ordinary shares of £0.10 each	<u>1,099,000</u>	<u>110</u>	<u>1,099,000</u>	<u>110</u>

**28. RESERVES**

**Group**

	Share capital £000	Share premium account £000	Revaluation reserve £000	Capital reserve £000	Profit and loss account (restated) £000	Total share- holders' funds (restated) £000
Balance brought forward	110	89	26	246	21,941	22,412
Prior year adjustment	—	—	—	—	385	385
Restated balance as at 1 January 2005	110	89	26	246	22,326	22,797
Retained profit for the year	—	—	—	—	3,034	3,034
Equity dividends	—	—	—	—	(385)	(385)
Balance carried forward	<u>110</u>	<u>89</u>	<u>26</u>	<u>246</u>	<u>24,975</u>	<u>25,446</u>

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**28. RESERVES** *(continued)*

Company	Share capital £000	Share premium account £000	Capital reserve £000	Profit and loss account (restated) £000	Total share- holders' funds £000
Balance brought forward	110	89	88	5,338	5,625
Prior year adjustment	—	—	—	(582)	(582)
Restated balance as at 1 January 2005	110	89	88	4,756	5,043
Retained profit for the year	—	—	—	1,147	1,147
Equity dividends	—	—	—	(385)	(385)
Balance carried forward	110	89	88	5,518	5,805

**29. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

Group	2005 £000	2004 (restated) £000
Profit for the financial year	3,034	2,477
Equity dividends paid (FRS 25)	(385)	(550)
Net addition to shareholders' funds	2,649	1,927
Opening shareholders' funds	22,412	20,320
Prior year adjustment (see note 11)	385	550
	22,797	20,870
Closing shareholders' funds	25,446	22,797

**30. NOTES TO THE STATEMENT OF CASH FLOWS**

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2005 £000	2004 (restated) £000
Operating profit	3,886	4,703
Amortisation	302	302
Depreciation	4,091	4,238
Profit on disposal of fixed assets	(839)	(195)
(Increase)/decrease in stocks	(826)	303
(Increase)/decrease in debtors	(3,702)	2,104
Increase/(decrease) in creditors	1,999	(2,287)
(Decrease)/increase in provisions	(94)	93
Net cash inflow from operating activities	4,817	9,261

# C A BLACKWELL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

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

#### RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2005	2004 <i>(restated)</i>
	£000	£000
Interest received	1,056	846
Interest paid	(56)	(89)
Interest element of hire purchase	(298)	(409)
Dividends paid to minority interest	(380)	(583)
	<hr/>	<hr/>
Net cash inflow/(outflow) from returns on investments and servicing of finance	322	(235)
	<hr/>	<hr/>

#### TAXATION

	2005	2004 <i>(restated)</i>
	£000	£000
TAXATION	(1,570)	(1,897)
	<hr/>	<hr/>

#### CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2005	2004 <i>(restated)</i>
	£000	£000
Payments to acquire tangible fixed assets	(4,497)	(3,134)
Receipts from sale of fixed assets	5,178	1,174
Payment to acquire other current asset investments	(21)	(25)
	<hr/>	<hr/>
Net cash inflow/(outflow) for capital expenditure and financial investment	660	(1,985)
	<hr/>	<hr/>

#### FINANCING

	2005	2004 <i>(restated)</i>
	£000	£000
Capital element of hire purchase	(3,423)	(3,422)
	<hr/>	<hr/>
Net cash outflow from financing	(3,423)	(3,422)
	<hr/>	<hr/>



# C A BLACKWELL GROUP LIMITED

## MANAGEMENT INFORMATION

YEAR ENDED 31 DECEMBER 2005

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2005		2004
	£000	£000	(restated) £000
Increase in cash in the period	141		512
Cash outflow in respect of hire purchase	3,423		3,422
<b>Change in net funds resulting from cash flows</b>		<b>3,564</b>	<b>3,934</b>
New hire purchase agreements		—	(1,330)
Loan stock		660	660
Movement in net funds in the period		<b>4,224</b>	<b>3,264</b>
Net funds at 1 January 2005		<b>12,963</b>	<b>9,699</b>
Net funds at 31 December 2005		<b>17,187</b>	<b>12,963</b>

### ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2005 £000	Cash flows £000	At 31 Dec 2005 £000
Net cash:			
Cash in hand and at bank	21,600	141	21,741
Debt:			
Debt due within 1 year	(660)	660	—
Hire purchase agreements	(7,977)	3,423	(4,554)
	<b>(8,637)</b>	<b>4,083</b>	<b>(4,554)</b>
Net funds	<b>12,963</b>	<b>4,224</b>	<b>17,187</b>

### 31. POST BALANCE SHEET EVENTS

Since the year-end, the company has bought back 153,859 ordinary £0.10 shares for a consideration of £4.2million.