C.A. Blackwell Group Limited

Annual Report and Financial Statements

Registered number 00664770

31 May 2017

Contents

Strategic Report

The directors present their Strategic Report for the year ended 31 May 2017.

Principal activities and business review

The principal activity of the company during the year was that of a holding company.

The results for the Company show turnover of £nil for the year to 31 May 2017 *(17 months to 31 May 2016: £nil)* and a profit before tax for the year of £nil (*17 months to 31 May 2016: loss of £59,000*).

Business model

The Company is part of a group that delivers key projects and services in the infrastructure, energy and property sectors throughout the UK and overseas. The Company is an intermediate holding company.

Key financial performance indicators

As the Company does not trade or have any employees the directors do not consider it appropriate to review the performance of the Company using key performance indicators.

Risks and uncertainties

The risks and uncertainties facing the Company are inherently linked to those of the Hargreaves Services plc group. The principal risks and uncertainties of the group which includes those of this company are discussed in detail in the 'Statement of risks relating to the group's business' in the financial review in the group financial statements.

Current trading and outlook

The Company does not trade and will continue to be a holding company for the foreseeable future.

By order of the board

SL Anson
Director

West Terrace
Esh Winning
Co Durham
DH7 9PT

30 November 2017

Directors' Report

The directors present their Directors' Report for the year ended 31 May 2017.

Principal activities and business review

The principal activity of the company during the year was that of a holding company.

The profit for the financial year was £11,000 *(17 months ended 31 May 2016: loss of £59,000).*

Directors

The directors who held office during the year, and to the date of this report were:

GW Pugh
ID Saville (resigned 28 October 2016)
S Johnson (resigned 28 April 2017)
NK Fraser
M Gorse (resigned 10 February 2017)
G Hindmarsh
KJS Dougan
GFC Banham (appointed 31 August 2017)
R Brotherston
SL Anson (appointed 12 December 2016)
PJ Smith (appointed 12 December 2016)

Disclosure of information to auditor

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 auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The Audit Committee of Hargreaves Services plc reviews and makes recommendations with regard to the appointment of the external auditors. In making this recommendation the Committee considers auditor effectiveness, independence and partner rotation.

Following a formal tender process, the Committee has reappointed KPMG LLP as auditor. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

SL Anson
Director

West Terrace
Esh Winning
Co Durham
DH7 9PT

30 November 2017

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

Under Company law the directors must not approve the financial statements unless they are satisfied that they 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 year.

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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Independent Auditor's Report to the Members of C.A. Blackwell Group Limited

We have audited the financial statements of C.A. Blackwell Group Limited for the year ended 31 May 2017 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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, and express an opinion on, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 31 May 2017 and of its profit 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.

Independent Auditor's Report to the Members of C.A. Blackwell Group Limited
(continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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.

Johnathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

30 November 2017

Profit and Loss Account and Other Comprehensive Income

for the year ended 31 May 2017

	Note	**Year ended 31 May 2017 £000**	17 months ended 31 May 2016 £000
Administrative expenses	*2-4*	**-**	(59)
Profit/(loss) before taxation		**-**	(59)
Tax on profit/(loss)	*5*	**11**	-
Profit/(loss) for the financial year/period		**11**	(59)

All results are derived from continuing operations.

There was no other comprehensive income in either the current year or previous period in addition to the result for the year/period shown above.

Balance Sheet
at 31 May 2017

	Note	**2017 £000**	**£000**	2016 £000	£000
Fixed assets					
Investments	*6*		**3,944**		3,944
Current assets					
Debtors	*7*	**11**		-	
Cash at bank and in hand		**-**		25	
		11		25	
Creditors: amounts falling due within one year	*8*	**(84)**		(109)	
Net current liabilities			**(73)**		(84)
Total assets less current liabilities			**3,871**		3,860
Capital and reserves					
Called up share capital	*11*		**141**		141
Share premium account	*11*		**354**		354
Capital redemption reserve	*11*		**18**		18
Capital reserve	*11*		**88**		88
Profit and loss account			**3,270**		3,259
Shareholders' funds			**3,871**		3,860

These financial statements were approved by the board of directors on 30 November 2017 and were signed on its behalf by:

SL Anson
Director

Registered number: 00664770

Statement of Changes in Equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Capital redemption reserve £000	Capital reserve £000	Total equity £000
Balance at 1 January 2015	112	383	3,318	18	88	3,919
Total comprehensive expense for the period						
Loss	-	-	(59)	-	-	(59)
Total comprehensive expense for the period	-	-	(59)	-	-	(59)
Transactions recorded directly in equity						
Issue of shares	29	(29)	-	-	-	-
Total transactions recorded in equity	29	(29)	-	-	-	-
Balance at 31 May 2016	141	354	3,259	18	88	3,860
Balance at 1 June 2016	**141**	**354**	**3,259**	**18**	**88**	**3,860**
Total comprehensive income for the year						
Profit	-	-	**11**	-	-	**11**
Total comprehensive income for the year	-	-	**11**	-	-	**11**
Balance at 31 May 2017	**141**	**354**	**3,270**	**18**	**88**	**3,871**

Notes
(forming part of the financial statements)

1 Accounting policies

C.A. Blackwell Group Limited (the "Company") is incorporated, domiciled and registered in the UK.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101").* The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Hargreaves Services plc includes the Company in its consolidated financial statements. The consolidated financial statements of Hargreaves Services plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures in respect of transactions with wholly owned subsidiaries; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Hargreaves Services plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets; and
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures.*

Notes *(continued)*

1 Accounting policies *(continued)*

Basis of preparation (continued)

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years/periods presented in these financial statements.

There are no material judgements made by the directors, in the application of these accounting policies that are expected to have a significant effect on the financial statements or any estimates with a significant risk of material adjustment in the next year.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Measurement basis

The financial statements are prepared on the historical cost basis.

Going concern

The company has net current liabilities at 31 May 2017 of £73,000. The company meets its day to day working capital requirements through support from related companies and the company's parent undertaking, Hargreaves Services plc, has indicated that it will continue to provide support to enable the company to trade for at least 12 months from the date of approval of these accounts. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

Investments

Investments are stated at cost, less impairment.

Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors. These are initially recognised at fair value and subsequently measured at amortised cost.

Notes *(continued)*

1 Accounting policies *(continued)*

Classification of financial instruments issued by the Company *(continued)*

Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is reversed if and only if the reasons for the impairment have ceased to apply.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

Tax on the profit or loss for the year comprises both current and deferred tax. Tax is recognised in the profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

2 Expenses and auditor's remuneration

	Year ended 31 May 2017 £000	17 months ended 31 May 2016 £000
Included in profit/loss are the following:		
Impairment of investments in subsidiary undertakings (note 6)	-	3
Auditor's remuneration:		
Audit of these financial statements	**2**	2

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Hargreaves Services plc.

3 Staff costs

Staff costs, including directors' remuneration, were as follows:

	Year ended 31 May 2017 £000	17 months ended 31 May 2016 £000
Wages and salaries	-	54
	-	54

The average monthly number of employees, including the directors, during the year/period was as follows:

	Year ended 31 May 2017 Number	17 months ended 31 May 2016 Number
Directors	**7**	4

Notes *(continued)*

4 Directors' remuneration

	Year ended 31 May 2017 £000	17 months ended 31 May 2016 £000
Remuneration	**-**	54

During the year no directors were accruing any retirement benefits *(17 months to 31 May 2016: 1)* in respect of defined contribution pension schemes, no payments have been made in the current year or prior period.

5 Taxation

Recognised in the profit and loss account

	2017 £000	**£000**	2016 £000	£000
UK corporation tax				
Adjustment to Group Relief in respect of prior years	**(11)**		-	
Total current tax		**(11)**		-
Tax on loss		**(11)**		-

Reconciliation of effective tax rate:

	Year ended 31 May 2017 £000	17 months ended 31 May 2016 £000
Profit/(loss) for the year/period	**11**	(59)
Total tax (credit)/expense	**(11)**	-
Profit/(loss) excluding taxation	**-**	(59)
Tax using the UK corporation tax rate of 19.83% *(2016: 20%)*	**-**	(12)
Group relief	**-**	12
Adjustments in respect of prior periods	**(11)**	-
Total tax credit	**(11)**	-

Factors that may affect future tax expenses

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) with a further reduction to 18% on 1 April 2020 were substantively enacted on 26 October 2015. On 16 March 2016 it was announced that the main rate of UK Corporation Tax would reduce to 17% on 1 April 2020. This change was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax balances at 31 May 2017 have been calculated based on the rate substantively enacted at the balance sheet date of 17% *(2016: 18%)*.

Notes *(continued)*

6 Investments

	Investments in subsidiary undertakings £000
Cost	
At 1 June 2016 and 31 May 2017	**4,082**
Impairment	
At 1 June 2016 and 31 May 2017	**138**
Net book value	
At 31 May 2017	**3,944**
At 31 May 2016	3,944

The investments of the company relate to the following:

Company name	Principal activity	Country of incorporation	Class of shares held	Ownership 2017	Ownership 2016
Subsidiary undertakings					
C A Blackwell (Contracts) Limited	Civil engineering and earth moving contractors	UK*	Ordinary	**100%**	100%
Premier Lime & Stone Company Limited	Dormant	UK*	Ordinary	**100%**	100%
C A Blackwell (Plant) Limited	Dormant	UK*	Ordinary	**100%**	100%
HBR Limited**	Land remediation and civil engineering and building works	UK*	Ordinary	**100%**	100%
Geofirma Soils Engineering Limited**	Soil stabilisation	UK*	Ordinary	**100%**	100%
Renaissance Land Regeneration Limited**	Land purchase for remediation and resale	UK*	Ordinary	**95%**	95%
Renaissance Land (D20) Limited**	Land acquisition and residential development	UK*	Ordinary	**95%**	95%
Renaissance (Padiham) Limited**	Land acquisition and residential development	UK*	Ordinary	**95%**	95%
Renaissance Land Management Limited**	Land ownership	UK*	Ordinary	**95%**	95%
Norton Wind Energy Limited**	Dormant	UK*	Ordinary	**51%**	51%

* The above companies have Registered offices at West Terrace, Esh Winning, Durham, DH7 9PT.

** Indirectly owned.

In the opinion of the directors the investments are worth at least the amounts stated in the balance sheet.

Notes *(continued)*

7 Debtors

	`2017	2016
	£000	£000
Group relief receivable	**11**	-

8 Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Bank overdraft	**38**	-
Trade creditors	**-**	40
Amounts owed to group undertakings	**40**	62
Accruals and deferred income	**6**	7
	84	109

The bank overdraft is part of the group's banking facility which is secured by a debenture over the group's assets.

9 Contingent liabilities

The Company is party to a group composite debenture arrangement with certain of the companies in the Hargreaves Services plc group. This is in respect of the banking arrangements of Hargreaves Services plc (as outlined further in the Hargreaves Services plc group accounts) which are secured by means of both fixed and floating charges over all assets and undertakings of the Company. The total amount drawn on the group banking facility at 31 May 2017 was £32,500,000.

10 Related party transactions

The Hargreaves Services plc group has three joint venture undertakings; Tower Regeneration Limited, Tower Regeneration Leasing Limited, and MIR Trade Services Limited. This group also has interests in the following associates; Hargreaves Services Europe Limited, Hargreaves Raw Material Services GmbH and Hargreaves Carbon Products Polska Sp Z.o.o. The group had three subsidiaries not wholly owned; Rocfuel Limited, Rocpower Limited and Maxibrite Limited. On 11 January 2016 the group acquired an interest in the following subsidiaries which are not wholly owned; Renaissance Land Regeneration Limited, Renaissance Land (D20) Limited, Renaissance Land Management Limited, Renaissance (Padiham) Limited and Norton Wind Energy Limited.

There were no transactions between the Company and these undertakings during the year and no balances outstanding at the end of the year *(2016: none)*.

Notes *(continued)*

11 Capital and reserves

Share capital	**2017**	2016
	£000	£000
Allotted, called up and fully paid		
1,414,264 (2016: 1,414,264) Ordinary shares of £0.10 each	**141**	141

Share premium account
The share premium reserve represents the difference between share nominal value and consideration paid.

Capital reserve
The capital reserve is a historical reserve for which no movements are expected.

Capital redemption reserve
The capital redemption reserve is a historical reserve which holds increased capital investment from the parent company.

12 Ultimate parent company and parent undertaking of larger group

The Company is a subsidiary undertaking of Hargreaves Services plc. Hargreaves Services plc is the Company's ultimate controlling party.

The Company's immediate controlling party is also Hargreaves Services plc.

The only group in which the results of the Company are consolidated is that headed by Hargreaves Services plc. The consolidated financial statements of this company are available to the public and may be obtained from their registered address West Terrace, Esh Winning, Durham, DH7 9PT.