Collier and Catley Limited

Report and Financial Statements

Year Ended

31 March 2007

71836

BDO Stoy Hayward
Chartered Accountants

Collier and Catley Limited

Annual report and financial statements for the year ended 31 March 2007

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Director

DK Newcombe

Secretary and registered office

DK Newcombe, Lombard House, Worcester Road, Stourport on Severn, Worcestershire, DY13 9BZ

Company number

711836

Auditors

BDO Stoy Hayward LLP, 125 Colmore Row, Birmingham, B3 3SD

Bankers

National Westminster Bank Plc, 13 Market Place, Reading, Berkshire, RG1 2EG

Collier and Catley Limited

Report of the director for the year ended 31 March 2007

The director presents his report together with the audited financial statements for the year ended 31 March 2007

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the year.

Principal activities, review of business and future developments

On 31 March 2006, the company's trade, assets and liabilities were transferred to its fellow subsidiary undertaking, Thomas Vale Construction plc, and the business will operate as a separate division of that company Consequently, there has been no trade in the company in the year

Financial instruments

The company holds financial instruments to finance its operations and manages risks arising from these operations and its sources of finance in accordance with its accounting policies

In addition, various financial instruments such as trade debtors, amounts recoverable on contracts and trade creditors arise directly from the company's operations The company performs credit checks for all significant customers to minimise bad debt risk.

Operations and working capital requirements are funded principally out of short term banking facilities, inter-group loans and retained profits

Principal risks and uncertainties

As in any trading organisation, the directors acknowledge that as well as rewards, there are risks and uncertainties which are constantly monitored. The company is dependent upon the efficiency of its employees in satisfying its customers needs and in the identification and consequent reduction of contract risks in the work undertaken Systems are in place to ensure effective monitoring of these issues

Directors

The directors of the company during the year were

RF Atkinson	(Resigned 31 May 2007)
CJ Briley	(Resigned 1 July 2007)
SJB Parker	(Resigned 14 July 2006)

On 19 September 2007, DK Newcombe was appointed as a director

DK Newcombe is also a director of Thomas Vale Holdings Limited, the ultimate parent undertaking.

Director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985 He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information The directors are not aware of any relevant audit information of which the auditors are unaware

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting

On behalf of the board

DK Newcombe

Director

Date 8 October 2007

To the shareholders of Collier and Catley Limited

We have audited the financial statements of Collier and Catley Limited for the year ended 31 March 2007 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's responsibilities

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the director's report is consistent with those financial statements We also report to you if, in our opinion, 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 director's remuneration and other transactions is not disclosed

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

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 director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its loss for the year then ended,

- the financial statements have been properly prepared in accordance with the Companies Act 1985, and

- the information given in the director's report is consistent with the financial statements.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
Birmingham

Date 22 October 2007

Collier and Catley Limited

Profit and loss account for the year ended 31 March 2007

	Note	2007 £	2006 £
Turnover		-	16,927,064
Cost of sales		-	17,850,328
Gross loss		-	(923,264)
Administrative expenses		-	1,148,430
		-	(2,071,694)
Other operating income - including exceptional income of £NIL (2006 - £371,226)	2	-	371,226
Operating loss	3	-	(1,700,468)
Interest payable and similar charges	6	-	(700)
Other finance charges	7	-	(36,000)
Loss on ordinary activities before taxation		-	(1,737,168)
Taxation on loss on ordinary activities	8	**(12,420)**	616,053
Loss on ordinary activities after taxation		**(12,420)**	(1,121,115)

All amounts relate to activities ceasing in the prior year

The notes on pages 8 to 17 form part of these financial statements

Collier and Catley Limited

Statement of total recognised gains and losses for the year ended 31 March 2007

	Note	2007 £	2006 £
Loss for the financial year		**(12,420)**	(1,121,115)
Actuarial loss on pension scheme		-	(241,000)
Taxation in respect of loss on pension scheme		-	72,000
Preference share liability converted to ordinary shares during the year		-	700,000
Total recognised gains and losses for the financial year		**(12,420)**	(590,115)

The notes on pages 8 to 17 form part of these financial statements

Collier and Catley Limited

Balance sheet at 31 March 2007

	Note	2007 £	2007 £	2006 £	2006 £
Current assets					
Debtors	9	3,674,370		2,037,780	
Cash at bank and in hand		36		6,507	
		3,674,406		2,044,287	
Creditors: amounts falling due within one year	10	3,676,949		2,034,410	
Total assets less current liabilities			(2,543)		9,877
Capital and reserves					
Called up share capital	11		1,672,000		1,672,000
Profit and loss account	12		(1,674,543)		(1,662,123)
Shareholders' funds	13		(2,543)		9,877

The financial statements were approved by the director and authorised for issue on 8 October 2007.

DK Newcombe
Director

The notes on pages 8 to 17 form part of these financial statements

1 Accounting policies

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

The following principal accounting policies have been applied

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Thomas Vale Holdings Limited and the company is included in consolidated financial statements

Turnover

Turnover represents the fair value of consideration receivable, excluding value added tax, for goods and services supplied to external customers In respect of long term contracting activities, turnover reflects the fair value of work executed during the year

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives It is calculated at the following rates

Plant and machinery	-	3 - 4 years
Motor vehicles	-	4 years
Fixtures and fittings	-	10 years
Office equipment	-	3 years

Stocks

Stocks are valued at the lower of cost and net realisable value Cost is arrived at as follows

Raw materials and consumables - cost of purchase on a first in, first out basis.

Short term work in progress - cost of direct materials and labour plus attributable overheads less provision for foreseeable losses in accordance with Statement of Standard Accounting Practice No 9 (revised) Progress payments are deducted and where they are in excess of contract values, the excess is included in creditors as payments received on account.

Net realisable value is based on estimated selling price less additional costs to completion and disposal

Financial Instruments

Details of the financial risk management objectives and policies and details of the use of financial instruments by the company are provided in note 14 to the financial statements

1 Accounting policies ***(continued)***

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor Depreciation on the relevant assets is charged to the profit and loss account

Lease payments are analysed between capital and interest components The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor

All other leases are treated as operating leases Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

Pension costs

Contributions to defined contribution schemes are charged to the profit and loss account in the year in which they become payable

In respect of the company's defined benefit scheme, the difference between the fair values of the assets held in the scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the company's balance sheet as a pension scheme asset or liability as appropriate The carrying value of any resulting pension scheme asset is restricted to the extent that the company is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the company are charged to the profit and loss account or the statement of total recognised gains and losses in accordance with Financial Reporting Standard 17 (Retirement Benefits)

Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at cost plus attributable profit less provision for foreseeable losses Payments received on account are deducted from amounts recoverable on contracts. Excess progress payments are included in creditors as payments received on account.

2 Exceptional item

	2007	2006
	£	£
Waiver of group debt	-	(371,226)

3 Operating loss

	2007	2006
	£	£
This is arrived at after charging		
Depreciation of tangible fixed assets	-	54,588
Hire of other assets - operating leases	-	40,726
Audit services	-	8,000

4 Employees

Staff costs (including directors) consist of

	2007	2006
	£	£
Wages and salaries	-	2,072,199
Social security costs	-	225,820
Other pension costs	-	160,956
	-	2,458,975

The average number of employees (including directors) during the year was as follows

	2007	2006
	Number	Number
Management, technical and administration	-	32
Site based personnel	-	32
	-	64

5 Director's remuneration

	2007 £	2006 £
Director's emoluments	-	254,624
Company contributions to money purchase pension schemes	-	19,797

There were no directors in the company's defined contribution pension scheme during the year (2006 - 4)

The total amount payable to the highest paid director in respect of emoluments was £NIL (2006 - £67,200) Company pension contributions of £NIL (2006 - £6,600) were made to a money purchase scheme on his behalf

6 Interest payable and similar charges

	2007 £	2006 £
Finance leases and hire purchase contracts	-	700

7 Other finance charges

	2007 £	2006 £
Expected return on pension scheme assets	-	(34,000)
Interest on pension scheme liabilities	-	70,000
	-	36,000

8 Taxation on loss on ordinary activities

	2007 £	2006 £
UK Corporation tax		
Adjustment in respect of previous periods	**12,420**	22,947
Group relief	-	(623,000)
Total current tax	**12,420**	(600,053)
Deferred tax		
Origination and reversal of timing differences	-	16,000
Adjustment in respect of previous periods	-	(32,000)
Movement in deferred tax provision	-	(16,000)
Taxation on loss on ordinary activities	**12,420**	(616,053)

The tax assessed for the period is different to the standard rate of corporation tax in the UK The differences are explained below

	2007 £	2006 £
Loss on ordinary activities before tax	-	(1,737,168)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2006 - 30%)	-	(521,150)
Effect of		
Expenses not deductible for tax purposes	-	18,583
Depreciation for the period in excess of capital allowances	-	8,907
Pension liability timing differences	-	16,000
Tax free income	-	(111,368)
Group relief	-	(20,000)
Adjustment in respect of previous periods	**12,420**	22,947
Other	-	(13,972)
Current tax charge for period	**12,420**	(600,053)

9 Debtors

	2007 £	2006 £
Amounts receivable within one year		
Amounts owed by group undertakings	2,867,985	500,000
Other debtors	376,504	484,899
Group relief	-	623,000
	3,244,489	1,607,899
Amounts receivable after more than one year		
Amounts owed by group undertakings	429,881	429,881
Total debtors	3,674,370	2,037,780

10 Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	-	6,020
Amounts owed to group undertakings	3,648,939	1,964,586
Taxation and social security	23,148	21,241
Obligations under finance lease and hire purchase contracts	-	17,187
Other creditors	-	25,376
Accruals and deferred income	4,862	-
	3,676,949	2,034,410

11 Share capital

		Authorised		Allotted, called up and fully paid
	2007 £	2006 £	2007 £	2006 £
1,900,000 Ordinary shares of £1 each	1,900,000	1,900,000	1,672,000	1,672,000

12 Reserves

	Profit and loss account £
At 1 April 2006	(1,662,123)
Loss for the year	(12,420)
At 31 March 2007	**(1,674,543)**

13 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Loss for the year	**(12,420)**	(1,121,115)
Other net recognised gains and losses relating to the year		
Actuarial loss on pension scheme, less taxation	-	(169,000)
Issue of ordinary shares	-	962,000
Preference share liability converted to ordinary shares during the year	-	700,000
Net (deductions from)/additions to shareholders' funds	**(12,420)**	371,885
Opening shareholders' funds	**9,877**	(362,008)
Closing shareholders' funds	**(2,543)**	9,877

14 Financial instruments

The company holds financial instruments to finance its operations and manages risks arising from these operations and its sources of finance in accordance with its accounting policies

In addition, various financial instruments such as trade debtors, amounts recoverable on contracts and trade creditors arise directly from the company's operations. The company performs credit checks for all significant customers to minimise bad debt risk

Operations and working capital requirements are funded principally out of short term banking facilities, inter-group loans and retained profits

15 Contingent liabilities

The company has entered into performance bonds amounting to £Nil (2006 - £1,080,392) in the normal course of business

16 Pensions

The company makes payments on behalf of employees into individual defined contribution pension arrangements The pension charge amounted to £NIL (2006 - £160,956). Contributions amounting to £NIL (2006 - £9,110) were payable to the arrangements and are included in creditors

As part of the transfer of the company's trade to Thomas Vale Construction PLC at 31 March 2007 the pension scheme defecit as at that date was also transferred The actuarial valuation of the defined benefit scheme as at 31 March 2007 is therefore recorded in the financial statements of Thomas Vale Construction PLC The major assumptions used in prior years by the actuary were as follows

	2007	2006	2005
Rate of increase in pensions in payment	n/a%	3 10%	3 00%
Discount rate	n/a%	5 00%	5 40%
Inflation assumption	n/a%	3.10%	3 00%
Loading for mortality improvements	n/a%	5 00%	5 00%

The assets in the scheme and the expected rate of return at 31 March 2007 were

	Long-term rate of return expected at 31 March 2007	Value at 31 March 2007 £	Long-term rate of return expected at 31 December 2006	Value at 31 December 2006 £	Long-term rate of return expected at 31 December 2005	Value at 31 December 2005 £
With profit	n/a%	n/a	3.50%	999,000	3 50%	983,000
Present value of scheme liabilities		n/a		(1,609,000)		(1,300,000)
Deficit in scheme		n/a		(610,000)		(317,000)
Related deferred tax liability		n/a		183,000		95,000
Net pension liability on a FRS17 basis		n/a		(427,000)		(222,000)

16 Pensions *(continued)*

Movement in deficit during the period	2007 £	2006 £
Deficit in scheme at beginning of period	-	(317,000)
Operating cost	-	(16,000)
Other finance costs	-	(36,000)
Actuarial gains and losses	-	(241,000)
Transfer to Thomas Vale Construction plc	-	610,000
Deficit in scheme at end of period	-	-

Analysis of the amount charged to operating loss	2007 £	2006 £
Current service cost	-	(16,000)

Analysis of the amount credited to other finance income	2007 £	2006 £
Expected return on pension scheme assets	-	34,000
Interest on pension scheme liabilities	-	(70,000)
	-	(36,000)

Analysis of amount recognised in statement of total recognised gains and losses	2007 £	2006 £
Actual return less expected return on pension scheme assets	-	(2,000)
Experience gains and losses arising on the scheme liabilities	-	(48,000)
Changes in assumptions underlying the present value of the scheme liabilities	-	(191,000)
Actuarial loss recognised in statement of total recognised gains and losses	-	(241,000)

16 Pensions *(continued)*

History of experience gains and losses	2007	2006	2005	2004	2003
Difference between the expected and actual return on scheme assets					
Amount £'000	n/a	(2,000)	(6,000)	(12,000)	(16,000)
Percentage of scheme assets	n/a%	-%	-1 00%	-1 00%	-2 00%
Experience gains and losses on scheme liabilities					
Amount £'000	n/a	(48,000)	12,000	(4,000)	190,000
Percentage of the present value of the scheme liabilities	n/a%	-3 00%	1.00%	-%	18 00%
Total amount recognised in statement of total recognised gains and losses					
Amount £'000	n/a	(241,000)	(74,000)	(113,000)	140,000
Percentage of the present value of the scheme liabilities	n/a%	-15 00%	-6 00%	-9 00%	13 00%

17 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Thomas Vale Holdings Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

18 Ultimate parent company and parent undertaking of larger group

The company's immediate parent company is Thomas Vale Group PLC and its ultimate parent company is Thomas Vale Holdings Limited Each company is registered in England and Wales

The largest group in which the results of the company are consolidated is that headed by Thomas Vale Holdings Limited The smallest group in which they are consolidated is that headed by Thomas Vale Group PLC. The consolidated accounts are available to the public and may be obtained from the Company Secretary at Lombard House, Worcester Road, Stourport-on-Severn, Worcestershire, DY13 9BZ