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Amending

**REPORT OF THE DIRECTOR AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2006**  
**FOR**  
**BLACKTON CONSTRUCTION LIMITED**



**BLACKTON CONSTRUCTION LIMITED**

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**For The Year Ended 31st December 2006**

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**BLACKTON CONSTRUCTION LIMITED**

**COMPANY INFORMATION**  
**For The Year Ended 31st December 2006**

**DIRECTOR:** S Winspear

**SECRETARY:** Mrs K M Storey

**REGISTERED OFFICE:** Frederick House  
Dean Group Business Park  
Brenda Road  
Hartlepool  
TS25 2BW

**REGISTERED NUMBER:** 4948628 (England and Wales)

**AUDITORS:** M D Auditors Ltd  
Frederick House  
Dean Group Business Park  
Brenda Road  
Hartlepool  
TS25 2BW

## **BLACKTON CONSTRUCTION LIMITED**

### **REPORT OF THE DIRECTOR** **For The Year Ended 31st December 2006**

The director presents his report with the financial statements of the company for the year ended 31st December 2006.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of provision of labour to companies within the Dean Group Plc.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31st December 2006.

#### **DIRECTOR**

S Winspear held office during the whole of the period from 1st January 2006 to the date of this report.

#### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the 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;
- 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

The auditors, M D Auditors Ltd, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

#### **ON BEHALF OF THE BOARD:**

Director



30th July 2008

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF**  
**BLACKTON CONSTRUCTION LIMITED**

We have audited the financial statements of Blackton Construction Limited for the year ended 31st December 2006 on pages four to eleven. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of director 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 on page two.

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 whether in our opinion the information given in the Report of the Director is consistent with the financial statements.

In addition, we 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 Report of the Director 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 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 31st December 2006 and of its profit 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 Report of the Director is consistent with the financial statements.

*MD Auditors Ltd*

M D Auditors Ltd  
Frederick House  
Dean Group Business Park  
Brenda Road  
Hartlepool  
TS25 2BW

30th July 2008

**BLACKTON CONSTRUCTION LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**For The Year Ended 31st December 2006**

		Year Ended 31.12.06 £	Period 1.11.04 to 31.12.05 £
Notes			
TURNOVER		949,839	435,509
Cost of sales		883,582	384,164
GROSS PROFIT		66,257	51,345
Administrative expenses		58,047	58,044
OPERATING PROFIT/(LOSS)	3	8,210	(6,699)
Interest receivable and similar income		-	41
		8,210	(6,658)
Interest payable and similar charges	4	28	13
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		8,182	(6,671)
Tax on profit/(loss) on ordinary activities	5	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		8,182	(6,671)

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous period.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous period.


**BLACKTON CONSTRUCTION LIMITED**

**BALANCE SHEET**  
**31st December 2006**

	Notes	2006 £	2005 £
<b>CURRENT ASSETS</b>			
Stocks	6	-	97,000
Debtors	7	347,103	3,132
Cash in hand		-	17
		<u>347,103</u>	<u>100,149</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	345,591	106,819
		<u>345,591</u>	<u>106,819</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>1,512</u>	<u>(6,670)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,512</u>	<u>(6,670)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1	1
Profit and loss account	11	1,511	(6,671)
		<u>1,512</u>	<u>(6,670)</u>
<b>SHAREHOLDERS' FUNDS</b>	14	<u>1,512</u>	<u>(6,670)</u>

The financial statements were approved by the director on 30th July 2008 and were signed by:

Director



The notes form part of these financial statements

**BLACKTON CONSTRUCTION LIMITED****CASH FLOW STATEMENT**  
**For The Year Ended 31st December 2006**

		<b>Year Ended</b> <b>31.12.06</b> <b>£</b>	<b>Period</b> <b>1.11.04</b> <b>to</b> <b>31.12.05</b> <b>£</b>
	<b>Notes</b>		
Net cash inflow/(outflow) from operating activities	1	106,395	(14,060)
Returns on investments and servicing of finance	2	(28)	28
		<u>106,367</u>	<u>(14,032)</u>
Financing	2	(98,917)	5,000
Increase/(Decrease) in cash in the period		<u>7,450</u>	<u>(9,032)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		<u>7,450</u>	<u>(9,032)</u>
Change in net debt resulting from cash flows		<u>7,450</u>	<u>(9,032)</u>
Movement in net debt in the period		<u>7,450</u>	<u>(9,032)</u>
Net debt at 1st January		<u>(9,032)</u>	<u>-</u>
Net debt at 31st December		<u>(1,582)</u>	<u>(9,032)</u>

The notes form part of these financial statements



**BLACKTON CONSTRUCTION LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**

**For The Year Ended 31st December 2006**

**1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	Year Ended 31.12.06 £	Period 1.11.04 to 31.12.05 £
Operating profit/(loss)	8,210	(6,699)
Decrease/(Increase) in stocks	97,000	(97,000)
Increase in debtors	(4,856)	(3,131)
Increase in creditors	6,041	92,770
<b>Net cash inflow/(outflow) from operating activities</b>	<b>106,395</b>	<b>(14,060)</b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	Year Ended 31.12.06 £	Period 1.11.04 to 31.12.05 £
<b>Returns on investments and servicing of finance</b>		
Interest received	-	41
Interest paid	(28)	(13)
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>	<b>(28)</b>	<b>28</b>
<b>Financing</b>		
Inter-group loans	(99,938)	5,000
Amount introduced by directors	1,021	-
<b>Net cash (outflow)/inflow from financing</b>	<b>(98,917)</b>	<b>5,000</b>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.06 £	Cash flow £	At 31.12.06 £
Net cash:			
Cash at bank and in hand	17	(17)	-
Bank overdraft	(9,049)	7,467	(1,582)
	<u>(9,032)</u>	<u>7,450</u>	<u>(1,582)</u>
<b>Total</b>	<b><u>(9,032)</u></b>	<b><u>7,450</u></b>	<b><u>(1,582)</u></b>

The notes form part of these financial statements

**BLACKTON CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For The Year Ended 31st December 2006**

**1. ACCOUNTING POLICIES**

**Accounting convention**

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

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Stocks**

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**2. STAFF COSTS**

	Year Ended 31.12.06 £	Period 1.11.04 to 31.12.05 £
Wages and salaries	839,756	48,088
Social security costs	3,818	4,484
	<u>843,574</u>	<u>52,572</u>

The average monthly number of employees during the year was as follows:

Year Ended 31.12.06	Period 1.11.04 to 31.12.05
<u>          </u>	<u>          </u>

**3. OPERATING PROFIT/(LOSS)**

The operating profit (2005 - operating loss) is stated after charging:

	Year Ended 31.12.06 £	Period 1.11.04 to 31.12.05 £
Director's emoluments	<u>-</u>	<u>-</u>

**BLACKTON CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**For The Year Ended 31st December 2006**

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year Ended 31.12.06 £	Period 1.11.04 to 31.12.05 £
Bank interest	28	13
	<u>28</u>	<u>13</u>

**5. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2006 nor for the period ended 31st December 2005.

**6. STOCKS**

	2006 £	2005 £
Work-in-progress	-	97,000
	<u>-</u>	<u>97,000</u>

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006 £	2005 £
Trade debtors	-	1,006
Amounts owed by group undertakings	339,115	-
Other debtors	7,988	2,126
	<u>347,103</u>	<u>3,132</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006 £	2005 £
Bank loans and overdrafts (see note 9)	1,582	9,049
Trade creditors	772	-
Amounts owed to group undertakings	244,177	5,000
Social security and other taxes	57,057	36,936
VAT	39,982	54,984
Directors' current accounts	1,021	-
Accrued expenses	1,000	850
	<u>345,591</u>	<u>106,819</u>

**9. LOANS**

An analysis of the maturity of loans is given below:

	2006 £	2005 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,582</u>	<u>9,049</u>

# **BLACKTON CONSTRUCTION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued**

**For The Year Ended 31st December 2006**

### **10. CALLED UP SHARE CAPITAL**

Authorised:		Nominal value:	2006	2005
Number:	Class:		£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>
Allotted, issued and fully paid:		Nominal value:	2006	2005
Number:	Class:		£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

### **11. RESERVES**

	Profit and loss account £
At 1st January 2006	(6,671)
Profit for the year	<u>8,182</u>
At 31st December 2006	<u>1,511</u>

### **12. ULTIMATE PARENT COMPANY**

The ultimate parent company is the Dean Group Plc who owns 100% of the issued share capital of the company. The director Mr S Winspear has a beneficial interest in 100% of the issued share capital of the parent company.

### **13. RELATED PARTY DISCLOSURES**

Inter company balances in Dean Construction Ltd as at the year end date 31 December 2006 are as follows:

Dean Group Plc:- £ (244,177) (2005 - £ nil)  
Dean Construction Limited:- £226,711 (2005 - £ nil)  
Thompson Roofing Services Limited:- £63,233 (2005 - £ nil)  
PJK Scaffolding Limited :- £49,171 (2005 - £ nil)

Sales were raised during the year from Blackton Construction Limited to the following group companies:

Dean Group Plc:- £6,687 (2005 - £ nil)  
Dean Construction Limited:- £721,262 (2005 - £ nil)  
Thompson Roofing Services Limited:- £53,370 (2005 - £ nil)  
PJK Scaffolding Limited :- £41,848 (2005 - £ nil)

**BLACKTON CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31st December 2006**

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

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit/(Loss) for the financial year	<b>8,182</b>	<b>(6,671)</b>
Net addition/(reduction) to shareholders' funds	<b>8,182</b>	<b>(6,671)</b>
Opening shareholders' funds	<b>(6,670)</b>	<b>1</b>
Closing shareholders' funds	<b>1,512</b>	<b>(6,670)</b>
Equity interests	<b>1,512</b>	<b>(6,670)</b>