

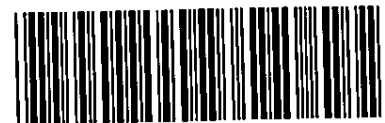
**Spade Oak Group Limited**

**Directors' report and consolidated  
financial statements**

**Registered number 1049982**

**Year ended 31 December 2007**

WEDNESDAY



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

### Principal activities and review of the business

Spade Oak Group Limited is one of the UK's most established and reputable asphalt surfacing providers, specialising in the construction of roads, car parks, playgrounds and sports surfaces

The markets in which Spade Oak operate again allowed little opportunity for expansion as trading levels fell marginally short of 2006, with profit margins continually under pressure. Maintained efficiencies and the control of overheads have produced a 2007 result to match that targeted

The Company's key financial and other performance indicators during the year were as follows

	2007 12 Mths	2006 9 Mths	Change
	£000	£000	%
Turnover	32,183	24,775	-2.6% - annualised
Operating EBITDA	2,630	2,424	-18.6% - annualised
Net Assets	5,138	8,086	-36%
LTIFR *	3.54	5.18	-32%

\* Lost Time Injury Frequency Rate is the number of lost time incidents per 1 million hours worked

Revenue from ongoing operations showed a 2.6% decrease on 2006, on a like for like basis

Operating EBITDA of £2.6m decreased by 18.6% compared with 2006, on a like for like basis

Net Assets diminished by £3.0m compared with prior year due to the payment of £5.0m in interim dividends, offset by post tax profits of £1.5m and a £0.5m revaluation of assets

Health and Safety and Environmental issues remain a key focus for the company. This resulted in a very pleasing reduction in time lost due to injury during the year. Once again no environmental incidents have been recorded

### Principal risks and uncertainties

The principal risks and uncertainties facing the company are competitive risks and economic uncertainty

#### *Competitive Risks*

In Spade Oak's market area of the UK there remains considerable risk of competitors maintaining or increasing their market share through the general lowering of price levels. Those same competitors also represent a major threat by the soliciting of the company's experienced, time served personnel

#### *Economic Risks*

The full effect of the early 2008 'global financial crisis' has yet to be felt on the UK construction market but will certainly lead to a reduction in highly-leveraged development schemes

### 2008 Outlook

2008 presents the opportunity to improve on prior year trading levels given the growing momentum of the Olympics and other major publicly funded construction projects. Spade Oak's above average start has provided a solid platform for the year

## **Directors' report** *(continued)*

With effect from 1<sup>st</sup> January 2008 the trading activities of the three Spade Oak Companies have been combined under Spade Oak Construction Company Limited. The objective is to form a single operating company which will benefit customers, staff and suppliers alike.

### **Results and dividends**

The profit for the year, after taxation, amounted to £1,543,055 (2006 £1,387,117). An interim dividend of £5.0m (2006 £Nil) has been paid. The directors do not recommend payment of a final dividend (2006 £Nil).

### **Directors and directors' interests**

The directors who served during the year and subsequently were as follows:

PJM Wellington (Chairman)  
PDA Wellington  
CA Jamieson  
DM Dawe  
BT Beddow (Appointed 5 April 2007)  
GW Bolsover (Resigned 4 February 2008)  
JH Armitage (Appointed 9 February 2007)  
CR Jenkins (Appointed 4 February 2008)

At the year end, no directors had any interests in the shares of the company or any other group company.

### **Directors' qualifying third party indemnity provisions**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### **Political and charitable contributions**

The group made no political contributions during the year. Donations to UK charities amounted to £4,970 (31 December 2006 £875).

### **Disclosure to auditors**

The directors are not aware that there is any relevant audit information of which the company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Clive A Jamieson  
Secretary

Town Lane  
Wooburn Green  
High Wycombe  
Bucks  
HP10 0PD

21 May 2008

## **Statement of directors' responsibilities**

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).

The group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss 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 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 group and the parent company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

## **Independent auditors' report to the members of Spade Oak Group Limited**

We have audited the group and parent company financial statements of Spade Oak Group Limited for the year ended 31 December 2007 which comprise of the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 22. 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 directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' 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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report 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 directors' remuneration and other transactions is not disclosed.

### **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 judgments 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.

## **Independent auditors' report to the members of Spade Oak Group Limited** *(continued)*

### **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 2007 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 directors' report is consistent with the financial statements



**Ernst and Young LLP**

*Chartered Accountants*

*Registered Auditor*

*Birmingham*

*23 May 2008*

**Consolidated profit and loss account**  
*for the year ended 31 December 2007*

	<i>Note</i>	<b>Year Ended 31 December 2007 £</b>	<b>9 month Period Ended 31 December 2006 £</b>
<b>Group turnover</b>		<b>32,182,702</b>	24,774,635
Cost of sales		<b>(24,718,576)</b>	(18,652,365)
<b>Gross profit</b>		<b>7,464,126</b>	6,122,270
Administrative expenses		<b>(5,444,074)</b>	(4,261,850)
<b>Group operating profit</b>		<b>2,020,052</b>	1,860,420
Income from fixed asset investments	2	266	208
Interest receivable and similar income	5	193,826	208,457
Interest payable and similar charges	6	(437)	(4,561)
<b>Profit on ordinary activities before taxation</b>		<b>2,213,707</b>	2,064,524
Tax on profit on ordinary activities	7	<b>(670,652)</b>	(677,407)
<b>Profit on ordinary activities after taxation</b>	16	<b>1,543,055</b>	1,387,117

All figures relate to continuing activities

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

	<b>Year Ended 31 December 2007 £</b>	<b>9 month Period Ended 31 December 2006 £</b>
Profit for the year	<b>1,543,055</b>	1,387,117
Gain on the revaluation of fixed assets	<b>509,704</b>	-
	<b>2,052,759</b>	1,387,117



**Consolidated balance sheet**  
*at 31 December 2007*

	<i>Note</i>	<b>31 December 2007</b>	<b>31 December 2006</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Tangible assets	8	4,243,317	3,527,804
Investments	9	-	8,322
		<u>4,243,317</u>	<u>3,536,126</u>
<b>Current assets</b>			
Stocks	10	-	72,956
Debtors	11	3,940,531	6,720,432
Cash at bank and in hand		2,485,936	3,744,322
		<u>6,426,467</u>	<u>10,537,710</u>
<b>Creditors</b> amounts falling due within one year	12	(5,401,695)	(5,885,818)
<b>Net current assets</b>		<u>1,024,772</u>	<u>4,651,892</u>
<b>Total assets less current liabilities</b>		<u>5,268,089</u>	<u>8,118,018</u>
<b>Provisions for liabilities and charges</b>	13	(129,658)	(102,346)
<b>Net assets</b>		<u>5,138,431</u>	<u>8,085,672</u>
<b>Capital and reserves</b>			
Called up share capital	14	111,000	111,000
Share premium account	16	42,100	42,100
Profit and loss account	16	4,475,627	7,932,572
Revaluation reserve	16	509,704	-
<b>Equity shareholders' funds</b>	15	<u>5,138,431</u>	<u>8,085,672</u>

These financial statements were approved by the board of directors on 21 May 2008 and were signed on its behalf by

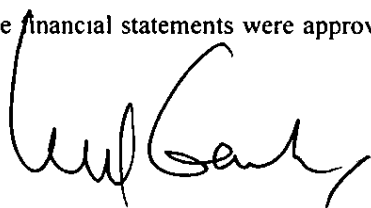


**PJ Michael Wellington**  
*Director*

**Company balance sheet**  
*at 31 December 2007*

	<i>Note</i>	<b>31 December 2007</b>	<b>31 December 2006</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Tangible assets	8	253,715	157,493
Investments	9	6,500	9,822
		<hr/>	<hr/>
		260,215	167,315
<b>Current assets</b>			
Debtors	11	85,479	93,404
Cash at bank and in hand		357,120	386,848
		<hr/>	<hr/>
		442,599	480,252
<b>Creditors</b> amounts falling due within one year	12	(307,300)	(287,447)
		<hr/>	<hr/>
<b>Net current assets</b>		135,299	192,805
		<hr/>	<hr/>
<b>Net assets</b>		395,514	360,120
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	14	111,000	111,000
Share premium account	16	42,100	42,100
Profit and loss account	16	242,414	207,020
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	15	395,514	360,120
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 21 May 2008 and were signed on its behalf by



**PJ Michael Wellington**  
*Director*

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements

#### *Basis of preparation*

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

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 December 2007. Investments in joint ventures are accounted for at cost less provision for impairment. They have not been accounted for under the gross equity method on the grounds of immateriality.

Under section 230(4) of the Companies Act 1985 the company is exempt from the requirement to present its own profit and loss account.

#### *Tangible fixed assets and depreciation*

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	50 years from 1 April 2004
Plant and machinery	-	2 to 8 years
Office equipment and improvements	-	1 to 10 years
Motor vehicles	-	4 years

No depreciation is provided on freehold land.

#### *Investment Properties*

Certain of the group's properties are held for long-term investment. Investment properties are accounted for in accordance with SSAP 19, as follows:

- (i) investment properties are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year, and
- (ii) no depreciation is provided in respect of leasehold investment properties where the lease has over 20 years to run.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

#### *Fixed asset investments*

Fixed asset investments are stated at cost less provision for impairment.

#### *Leases*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Notes (continued)

## 1 Accounting policies (continued)

### *Post retirement benefits*

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

### *Stocks*

Stocks including work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and disposal.

### *Long term contracts*

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

### *Taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### *Turnover*

Turnover represents amounts receivable for work performed in the UK exclusive of trade discounts, value added tax and other related taxes.

## 2 Group operating profit

	Year Ended 31 December 2007 £	9 month Period Ended 31 December 2006 £
<i>This is stated after charging/(crediting)</i>		
Amounts receivable by auditors and their associates in respect of		
Audit of these financial statements	16,332	10,046
Other services relating to taxation	-	10,679
Depreciation of owned assets (note 8)	942,625	685,604
Operating lease rentals – plant and machinery	575,336	452,913
Operating lease rentals – other assets	181,552	135,570
Profit on sale of tangible fixed assets	(167,155)	(122,626)
Profit on sale of investments (note 9)	(30,774)	-
Reversal of previous impairment on investment properties (note 8)	(134,479)	-
	<u>          </u>	<u>          </u>

## Notes (continued)

### 3 Remuneration of directors

	31 December 2007 £	9 months to 31 December 2006 £
Directors' emoluments	1,882,798	1,518,036
Company contributions to money purchase pension schemes	45,762	31,556
	<u>1,928,560</u>	<u>1,549,592</u>

The aggregate of emoluments of the highest paid director was £381,859 (31 December 2006 £290,584), and company pension contributions of £Nil (31 December 2006 £Nil) were made to a money purchase scheme on his behalf

	Number of directors 31 December 2007	31 December 2006
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	<u>5</u>	<u>5</u>

### 4 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year was as follows

	Number of employees 31 December 2007	31 December 2006
Administration	58	60
Roadmen	105	107
	<u>163</u>	<u>167</u>

The aggregate payroll costs of these persons were as follows

	31 December 2007 £	31 December 2006 £
Wages and salaries	7,414,569	5,725,628
Social security costs	921,873	723,708
Other pension costs	300,458	229,272
	<u>8,636,900</u>	<u>6,678,608</u>

## Notes (continued)

### 5 Interest receivable and similar income

	31 December 2007 £	9 months to 31 December 2006 £
Bank interest	154,089	94,971
On property rates overpaid & refunded	33	-
Foster Yeoman Loan	38,548	112,986
Inland Revenue	1,156	500
	<u>193,826</u>	<u>208,457</u>

### 6 Interest payable and similar charges

	31 December 2007 £	9 months to 31 December 2006 £
Bank	72	14
Inland Revenue	365	4,547
	<u>437</u>	<u>4,561</u>

### 7 Taxation on profit on ordinary activities - consolidated

*The charge for taxation is as follows*

	31 December 2007 £	9 months to 31 December 2006 £
Based on profit for the year		
Corporation tax	645,000	652,364
Adjustment in respect of prior years	(1,660)	-
Total current tax	<u>643,340</u>	<u>652,364</u>
Deferred tax	36,573	25,043
Adjustments for change in rate	(9,261)	-
Total deferred tax	<u>27,312</u>	<u>25,043</u>
Tax on profit on ordinary activities	<u>670,652</u>	<u>677,407</u>

**Notes (continued)**

**7 (cont) Factors affecting current tax charge for the year - consolidated**

The standard rate of UK corporation tax for the year is 30% (2006 30%)

The actual tax charge calculated for the current year is lower than (2006 higher than) the standard rate for the reasons set out below

	<b>31 December 2007 £</b>	<b>9 months to 31 December 2006 £</b>
Profit on ordinary activities before tax	<b>2,213,707</b>	2,064,524
Tax on profit on ordinary activities at the standard rate	<b>664,112</b>	619,357
Non-taxable items	<b>(9,312)</b>	(62)
Non-deductible items	<b>26,773</b>	58,112
Depreciation less than capital allowances	<b>(36,573)</b>	(25,043)
Adjustments in respect of prior years	<b>(1,660)</b>	-
Total current tax	<b>643,340</b>	652,364

## Notes (continued)

### 8 Tangible fixed assets

	Freehold investment properties	Freehold land and buildings	Plant and machinery	Office equipment	Motor vehicles	Leasehold property improvements	Total
	£	£	£	£	£	£	£
<b>Group</b>							
<b>Cost</b>							
At beginning of year	459,479	566,817	4,319,021	315,162	325,343	282,755	6,268,577
Revaluations	40,521	452,682	-	-	-	-	493,203
Additions	-	-	930,909	25,210	210,413	57,896	1,224,428
Disposals	-	-	(779,768)	(258,864)	(178,431)	-	(1,217,063)
At end of year	500,000	1,019,499	4,470,162	81,508	357,325	340,651	6,769,145
<b>Depreciation</b>							
At beginning of year	134,479	16,501	2,115,420	267,764	146,500	60,109	2,740,773
Charge for year	-	5,999	751,728	34,864	102,959	47,075	942,625
Eliminated on revaluation	-	(16,501)	-	-	-	-	(16,501)
Reversal of impairment	(134,479)	-	-	-	-	-	(134,479)
On disposals	-	-	(605,772)	(258,861)	(141,957)	-	(1,006,590)
At end of year	-	5,999	2,261,376	43,767	107,502	107,184	2,525,828
<b>Net book value</b>							
At 31 December 2007	500,000	1,013,500	2,208,786	37,741	249,823	233,467	4,243,317
At 31 December 2006	325,000	550,316	2,203,601	47,398	178,843	222,646	3,527,804

The freehold investment properties are valued on a rolling basis by the directors of the group, based on local market conditions

The freehold land and buildings were valued by Savills (L&P) Limited (member of Royal Institute of Chartered Surveyors) on the basis of open market value at 7 September 2006. This calculation was incorporated into the company's financial statements on 1 January 2007. The directors believe there to be no material difference between the market value as at 7 September 2006 and the balance sheet date. The uplift of £452,682 relates entirely to the land element.



## Notes (continued)

### 8 (cont) Tangible fixed assets

	Office equipment £	Motor vehicles £	Total £
<b>Company</b>			
<i>Cost</i>			
At beginning of year	163,430	244,632	408,062
Additions	25,210	210,413	235,623
Disposals	(107,130)	(166,331)	(273,461)
	<hr/>	<hr/>	<hr/>
At end of year	81,510	288,714	370,224
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of year	120,053	130,516	250,569
Charge for year	30,841	76,873	107,714
On disposals	(107,127)	(134,647)	(241,774)
	<hr/>	<hr/>	<hr/>
At end of year	43,767	72,742	116,509
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2007	<b>37,743</b>	<b>215,972</b>	<b>253,715</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2006	43,377	114,116	157,493
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 9 Fixed asset investments

	Joint venture £	Listed investments £	Total £
<b>Group</b>			
<i>Cost</i>			
At beginning of year	5,000	3,322	8,322
Disposals	(5,000)	(3,322)	(8,322)
	<hr/>	<hr/>	<hr/>
At end of year	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Shares in group undertakings £	Listed investments £	Total £
<b>Company</b>			
<i>Cost</i>			
At beginning of year	6,500	3,322	9,822
Disposals	-	(3,322)	(3,322)
	<hr/>	<hr/>	<hr/>
At end of year	6,500	-	6,500
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

At 31 December 2007 the market value of the listed investments, was £nil (31 December 2006 £27,030)

## Notes (continued)

### 9 Fixed asset investments (continued)

The company's subsidiary undertakings are as follows

	Country of incorporation	Principal activity	Class of share and percentage of shares held
<b>Subsidiary undertakings</b>			
Spade Oak Construction Company Limited	United Kingdom	Surfacing contracts	Ordinary 100%
Spade Oak Duracourt Limited	United Kingdom	Surfacing contracts	Ordinary 100%

#### **Joint venture**

Sports Surfaces Technologies Limited	United Kingdom	Supplier of materials	Ordinary 50%
--------------------------------------	----------------	-----------------------	--------------

On 1 December 2000 a subsidiary acquired 50% of the share capital of Sports Surfaces Technologies Limited which has the principal business of supplying materials to the construction industry. The value of the investment represents 50% of the issued share capital. On 21 August 2007 the joint venture was wound up.

Based on the unaudited management accounts of Sports Surfaces Technologies Limited, the summary profit and loss account and balance sheet as at the date of wind up, are shown below

#### *Profit and loss account*

	Period Ended 21 August 2007 £	9 month Period Ended 31 December 2006 £
Turnover	-	-
Profit before taxation	-	(2,010)
Taxation	-	-
Profit after tax	-	(2,010)

#### *Balance sheet*

Current assets	10,307	11,697
Liabilities due within one year	-	(1,390)
Net assets	10,307	10,307

### 10 Stocks – group

	31 December 2007 £	31 December 2006 £
Raw materials and consumables	-	72,956

## Notes (continued)

### 11 Debtors

	31 December 2007 £	Group 31 December 2006 £	31 December 2007 £	Company 31 December 2006 £
Trade debtors				
Valuations	3,442,356	2,887,385	-	-
Retentions	259,824	538,710	-	-
Amounts recoverable on contracts	74,046	42,513	-	-
Amounts owed by ultimate parent undertaking	-	3,028,476	-	-
Other debtors	32,307	27,605	4,887	-
Deferred tax assets	-	-	38,154	49,528
Prepayments and accrued income	131,998	195,743	42,438	43,876
	<u>3,940,531</u>	<u>6,720,432</u>	<u>85,479</u>	<u>93,404</u>

Total company debtors includes a deferred tax asset of £38,154 (31 December 2006 deferred tax asset of £49,528) see note 13

### 12 Creditors: amounts falling due within one year

	31 December 2007 £	Group 31 December 2006 £	31 December 2007 £	Company 31 December 2006 £
Payments received on account	923,607	1,682,461	-	-
Trade creditors	1,204,511	1,105,780	-	8,147
Amounts owed to group undertakings	-	-	-	-
Amounts owed to ultimate parent undertaking	389,906	753,216	-	-
Corporation tax payable	380,000	412,364	2,000	790
Other taxation and social security	1,292,982	1,238,988	211,506	201,524
Other creditors	3,900	3,900	-	-
Accruals and deferred income	1,206,789	689,109	93,794	76,986
	<u>5,401,695</u>	<u>5,885,818</u>	<u>307,300</u>	<u>287,447</u>

## Notes (continued)

### 13 Provisions for liabilities and charges – group

	Deferred tax liability/(asset)	
	31 December 2007	31 December 2006
At 1 January	102,346	77,303
Profit and loss account - excess of capital allowances over depreciation	36,573	25,043
Profit and loss account - effect of change in deferred tax rate to 28%	(9,261)	-
<b>At 31 December</b>	<b>129,658</b>	<b>102,346</b>

### Provisions for liabilities and charges - Company

	Deferred tax liability/(asset)	
	31 December 2007	31 December 2006
At 1 January	(49,526)	(51,754)
Profit and loss account - excess of capital allowances over depreciation	8,646	2,228
Profit and loss account - effect of change in deferred tax rate to 28%	2,726	-
<b>At 31 December</b>	<b>(38,154)</b>	<b>(49,526)</b>

### 14 Called up share capital

	31 December 2007 £	31 December 2006 £
<b>Authorised</b>		
Equity 1,500,000 ordinary shares of 10p each	150,000	150,000
<b>Allotted, called up and fully paid</b>		
Equity 1,110,000 ordinary shares of 10p each	111,000	111,000

### 15 Reconciliation of movements in shareholders' funds

	Group		Company	
	31 December 2007 £	31 December 2006 £	31 December 2007 £	31 December 2006 £
Profit for the financial year	1,543,055	1,387,117	5,035,394	12,184
Opening shareholders' funds	8,085,672	6,698,555	360,120	347,936
Revaluation	509,704	-	-	-
Dividend	(5,000,000)	-	(5,000,000)	-
<b>Closing shareholders' funds</b>	<b>5,138,431</b>	<b>8,085,672</b>	<b>395,514</b>	<b>360,120</b>

## Notes (continued)

### 16 Reserves

	Group			Company		
	Share premium account	Revaluation Reserve	Profit and loss account	Share premium account	Revaluation Reserve	Profit and loss account
	£	£	£	£	£	£
At beginning of year	42,100	-	7,932,572	42,100	-	207,020
Retained profit for the year	-	-	1,543,055	-	-	5,035,394
Revaluation of assets	-	509,704	-	-	-	-
Amortisation of revaluation reserve	-	-	-	-	-	-
Dividend paid	-	-	(5,000,000)	-	-	(5,000,000)
<b>At end of year</b>	<b>42,100</b>	<b>509,704</b>	<b>4,475,627</b>	<b>42,100</b>	<b>-</b>	<b>242,414</b>

### 17 Commitments

- (a) There were no contracted capital commitments at the year end
- (b) Annual commitments under non-cancellable operating leases are as follows

	31 December 2007		31 December 2006	
Group	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire				
Within one year	-	21,381	-	27,822
In two to five years	-	153,696	-	130,706
Over five years	111,000	-	111,000	-
	<b>111,000</b>	<b>175,077</b>	<b>111,000</b>	<b>158,528</b>

### 18 Pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £296,056 (31 December 2006 £223,593)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

## **Notes (continued)**

### **19 Guarantees and financial commitments**

An unlimited guarantee from Spade Oak Group Limited and Spade Oak Construction Company Limited exists in favour of Spade Oak Duracourt Limited, dated 16 January 1992

### **20 Contingent liabilities**

An unlimited debenture existed at 31 March 2006 in favour of Lloyds Bank plc charging all the assets of the undertaking of Spade Oak Construction Limited and incorporating a right of set off, dated 1 July 1983 This charge was satisfied on 19 May 2006

### **21 Related party disclosures**

The group has an annual commitment under a non-cancellable operating lease for land and buildings as disclosed in note 17 This lease is for a 25 year term commencing 24 June 1987 with the Spade Oak Construction Company Limited Directors Pension Scheme During the year the group paid £111,000 (31 December 2006 £111,000) under this lease

Four motor vehicles owned by the company were disposed of to directors during the prior year These transactions were all at market value

The above transactions were all undertaken on an arms length basis

### **22 Ultimate parent company**

The immediate parent company of Spade Oak Group Limited is Foster Yeoman Limited, which holds 100% of the share capital The ultimate parent company is Holcim Ltd, Zurcherstrasse 156, CH-8645, Switzerland

Copies of the consolidated accounts of Holcim Limited are available on [www.holcim.com](http://www.holcim.com) or from Holcim Limited Corporate Communications, Zurcherstrasse 156, CH-8645 Jona, Switzerland