REGISTERED NUMBER: 00581821

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

FOR

H H & D E DREW LIMITED

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H H & D E DREW LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2012

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H H & D E DREW LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2012

DIRECTORS:	Mr M A Badcock Mr T L Poole Mrs C E M Drew Mr N Sacchetti Mr P I Francis Mr C A Stubbs Mr K A Harty
SECRETARY.	Mr P I Francis
REGISTERED OFFICE:	Caird Avenue New Milton BH25 5PX
REGISTERED NUMBER:	00581821
AUDITORS:	FBR McGarry Harvey Registered Auditor New Forest Enterprise Centre Rushington Business Park Totton Southampton SO40 9LA

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2012

PRINCIPAL ACTIVITY
The principal activity of the group in the year under review was that of extraction, processing and distribution of aggregates, production and sale of bagged aggregates, sale of bulk fill materials and recycled products, landfill operators, operating cartaway from site service, supply of limestone and decorative products, supply of horticultural products, operators of a skip and waste disposal business and operators of ready mixed concrete plants

REVIEW OF BUSINESS
Tougher trading conditions brought about by the inclement weather conditions in the spring and summer of 2012 have adversely impacted on our sales volumes in all product groups in the second half of the year Our horticultural customers report their worst trading period for the past 40 years

Whilst a repeat weather pattern is not anticipated next year, cost saving measures have been implemented to control overhead costs and reduce staffing levels and capital expenditure has been postponed wherever possible

A management restructure has been completed that should see our waste services better represented in the market place thereby arresting the decline in skips collections

The Downton Manor Farm extraction site is now open for business and will be available to fully supply the sand & gravel needs of the business on exhaustion of the Avon Tyrell site in March 2013

Our joint venture, Holme Sand & Ballast LLP, has been busy installing processing plant and equipment to enable its own production base with no dependence on a competitor's production capacity This was commissioned in September 2012 and a number of key supply contracts were won that will result in turnover effectively doubling in the 2012 / 2013 trading year with a resultant increase in profitability which will feed back into our business

DIVIDENDS
An interim dividend of 30p per share was paid on 26 January 2012 The directors recommend that no final dividend be paid

The total distribution of dividends for the year ended 30 September 2012 will be £150,000

FIXED ASSETS
The change in fixed assets during the year is summarised in note 10 to the accounts

In the directors' opinion the current market value of freehold land exceeds the book value

FUTURE DEVELOPMENTS
Substitution of expensive leasehold sand at Avon Tyrell with cheaper freehold materials from Downton Manor Farm will have a positive effect Increased skip and horticultural revenues will feed through, together with the cost reductions already achieved, to enhance profit performance next year

Several initiatives are being pursued that will result in renewable energy generation from our waste wood and agricultural cropping operations and it is anticipated that we can commence further diversification into contracted Energy Supply next year

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

DIRECTORS
The directors shown below have held office during the whole of the period from 1 October 2011 to the date of this report.

Mr M A Badcock
Mr T L Poole
Mrs C E M Drew
Mr N Sacchetti
Mr P I Francis
Mr C A Stubbs
Mr K A Harty

Mr M A Badcock and Mrs C E M Drew retire by rotation and, being eligible, offer themselves for re-election

POLITICAL AND CHARITABLE CONTRIBUTIONS
During the year the group made various charitable contributions totalling £2,856 (2011 £3,353)

DIRECTORS' LIABILITIES
The company has indemnified one or more directors of H H & D E Drew Limited 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 was in force during the year

SUBSTANTIAL HOLDER OF STOCK
Hanson Quarry Products Ventures Limited holds 49% of the shares of the holding company

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 the group and of the profit or loss of the group for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and the group 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 directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group'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 group's auditors are aware of that information

AUDITORS
The auditors, FBR McGarry Harvey, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:

Mr K A Harty - Director

Date 18/12/12.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
H H & D E DREW LIMITED

We have audited the financial statements of H H & D E Drew Limited for the year ended 30 September 2012 on pages seven to twenty eight The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 a Report of the Auditors 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
As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements
- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
H H & D E DREW LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

FBR McGarry Harvey

Monica Finlayson (Senior Statutory Auditor)
for and on behalf of FBR McGarry Harvey
Registered Auditor
New Forest Enterprise Centre
Rushington Business Park
Totton
Southampton
SO40 9LA

Date 18/11/12

H H & D E DREW LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	2012 £	2012 £	2011 £	2011 £
TURNOVER			13,704,569		13,568,197
Other operating income			138,641		146,011
			13,843,210		13,714,208
Raw materials and consumables		4,640,603		4,407,373	
Other external charges		3,038,648		2,698,120	
			7,679,251		7,105,493
			6,163,959		6,608,715
Staff costs	2	3,135,447		3,080,223	
Depreciation		1,370,951		1,359,179	
Other operating charges		1,859,053		1,816,784	
			6,365,451		6,256,186
OPERATING (LOSS)/PROFIT	3		(201,492)		352,529
Income from other participating interests	4	(34,287)		502,554	
Interest receivable and similar income	5	9,544		11,415	
			(24,743)		513,969
			(226,235)		866,498
Interest payable and similar charges	6		43,426		46,284
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(269,661)		820,214
Tax on (loss)/profit on ordinary activities	7		(145,023)		205,211
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			(124,638)		615,003
Minority interest - equity			15,670		13,783
(DEFICIT)/RETAINED PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP			(140,308)		601,220

CONTINUING OPERATIONS
None of the group's activities were acquired or discontinued during the current year The trade and assets of a business were purchased last year, but the turnover and profits were not material to the turnover or results of the group

TOTAL RECOGNISED GAINS AND LOSSES
The group has no recognised gains or losses other than the loss for the current year and the profit for the previous year

The notes form part of these financial statements

Company no. - 00581821

H H & D E DREW LIMITED

CONSOLIDATED BALANCE SHEET
30 SEPTEMBER 2012

	Notes	2012 £	2012 £	2011 £	2011 £
FIXED ASSETS					
Intangible assets	10		396,631		442,658
Tangible assets	11		10,811,482		11,165,602
Investments	12				
Interest in joint venture			409,513		577,523
			11,617,626		12,185,783
CURRENT ASSETS					
Stocks	13	979,686		721,163	
Debtors	14	3,634,929		4,111,952	
Cash at bank and in hand		25,796		458,250	
		4,640,411		5,291,365	
CREDITORS					
Amounts falling due within one year	15	3,154,610		3,620,471	
NET CURRENT ASSETS			1,485,801		1,670,894
TOTAL ASSETS LESS CURRENT LIABILITIES			13,103,427		13,856,677
CREDITORS					
Amounts falling due after more than one year	16		(938,129)		(1,226,075)
PROVISIONS FOR LIABILITIES	20		(555,235)		(745,901)
MINORITY INTERESTS	21		(546,135)		(530,465)
NET ASSETS			11,063,928		11,354,236
CAPITAL AND RESERVES					
Called up share capital	22		500,000		500,000
Revaluation reserve	23		2,265,224		2,265,224
Profit and loss account	23		8,298,704		8,589,012
SHAREHOLDERS' FUNDS	26		11,063,928		11,354,236

The financial statements were approved by the Board of Directors on 18th December 2012 and were signed on its behalf by

Mr T L Poole - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
30 SEPTEMBER 2012

	Notes	2012 £	2012 £	2011 £	2011 £
FIXED ASSETS					
Intangible assets	10		380,621		430,537
Tangible assets	11		6,404,166		7,123,338
Investments	12		1,017,025		1,185,035
			7,801,812		8,738,910
CURRENT ASSETS					
Stocks	13	950,475		705,664	
Debtors	14	5,007,465		4,948,381	
Cash at bank and in hand		25,787		284,793	
		5,983,727		5,938,838	
CREDITORS					
Amounts falling due within one year	15	4,212,143		4,330,268	
NET CURRENT ASSETS			1,771,584		1,608,570
TOTAL ASSETS LESS CURRENT LIABILITIES			9,573,396		10,347,480
CREDITORS					
Amounts falling due after more than one year	16		(588,129)		(876,075)
PROVISIONS FOR LIABILITIES	20		(442,425)		(623,302)
NET ASSETS			8,542,842		8,848,103
CAPITAL AND RESERVES					
Called up share capital	22		500,000		500,000
Profit and loss account	23		8,042,842		8,348,103
SHAREHOLDERS' FUNDS	26		8,542,842		8,848,103

The financial statements were approved by the Board of Directors on 18TH DECEMBER 2012 and were signed on its behalf by

Mr T L Poole - Director

The notes form part of these financial statements

H H & D E DREW LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Net cash inflow from operating activities	1		928,315		1,117,355
Returns on investments and servicing of finance	2		(33,882)		(34,869)
Taxation			(258,046)		(265,161)
Capital expenditure and financial investment	2		(835,476)		(965,042)
Equity dividends paid			(212,750)		(177,500)
			(411,839)		(325,217)
Financing	2		(202,793)		(436,939)
Decrease in cash in the period			(614,632)		(762,156)
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(614,632)		(762,156)	
Cash outflow from decrease in debt and lease financing		202,793		436,939	
Change in net debt resulting from cash flows			(411,839)		(325,217)
Movement in net debt in the period			(411,839)		(325,217)
Net debt at 1 October			(1,236,420)		(911,203)
Net debt at 30 September			(1,648,259)		(1,236,420)

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2012

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

	2012 £	2011 £
Operating (loss)/profit	(201,492)	352,529
Depreciation charges	1,382,523	1,426,076
Profit on disposal of fixed assets	(11,572)	(66,897)
Joint venture	-	501,277
Release of provisions	-	(17,669)
Increase in stocks	(258,523)	(324,236)
Decrease/(increase) in debtors	426,137	(1,245,594)
(Decrease)/increase in creditors	(408,758)	491,869
Net cash inflow from operating activities	928,315	1,117,355

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

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	9,544	11,415
Interest paid	(7,632)	(8,254)
Interest element of hire purchase payments	(35,794)	(38,030)
Net cash outflow for returns on investments and servicing of finance	(33,882)	(34,869)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(99,225)
Purchase of tangible fixed assets	(994,842)	(595,221)
Purchase of fixed asset investments	(1,277)	(501,277)
Sale of tangible fixed assets	73,643	278,681
Sale of fixed asset investments	135,000	-
Loan notes repaid re subsidiary company	(48,000)	(48,000)
Net cash outflow for capital expenditure and financial investment	(835,476)	(965,042)
Financing		
Loan repayments in year	(93,217)	(191,799)
Capital repayments in year	(109,576)	(245,140)
Net cash outflow from financing	(202,793)	(436,939)

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2012

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 10 11 £	Cash flow £	At 30 9 12 £
Net cash			
Cash at bank and in hand	458,250	(432,454)	25,796
Bank overdraft	-	(182,178)	(182,178)
	458,250	(614,632)	(156,382)
Debt			
Hire purchase	(987,721)	109,576	(878,145)
Debts falling due within one year	(93,227)	(1,408)	(94,635)
Debts falling due after one year	(613,722)	94,625	(519,097)
	(1,694,670)	202,793	(1,491,877)
Total	(1,236,420)	(411,839)	(1,648,259)

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention

Basis of consolidation
Business combinations are accounted for within the consolidation using acquisition accounting where the subsidiary undertaking is controlled by the group

Joint ventures are included using the equity method

Turnover
Turnover, which is stated net of value added tax, represents the amounts derived from the provision of goods and services which fall within the company's continuing ordinary activities and is derived entirely within the UK

Turnover is recognised when goods are despatched, skips are delivered or waste is delivered or collected for landfill

Goodwill
Goodwill, being the amount paid in connection with the acquisition of businesses in 2009 and 2011 less the fair value of assets acquired, is being amortised evenly over estimated useful lives of between 5 to 20 years

Tangible fixed assets
Depreciation is provided on freehold gravel land by reference to the acreage worked in each year and its gravel content value Land for infilling is depreciated over its expected period of use for that purpose Other freehold land is not depreciated Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost of valuation, less estimated residual value, of each asset evenly over its estimated useful life as follows

Freehold buildings	over 25 to 50 years
Leasehold buildings	over 15 years or life of lease
Plant, machinery and equipment	over 4 to 20 years
Motor vehicles	over 2 to 7 years

Assets under construction are included in prepaid expenditure and are not depreciated

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that any taxable gain on asset disposals will be rolled over into replacement assets and charged to tax only when those replacement assets are sold

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

continued

1 **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments as lessee
Assets obtained under hire purchase contracts or finance lease are capitalised in the balance sheet These assets are depreciated over their estimated useful lives or the lease term, whichever is the shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period The capital element of the future payments is treated as a liability

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Hire purchase and leasing commitments as lessor

Assets leased to customers are classified as finance leases because the lease agreements transfer substantially all the risks and rewards of ownership to the lessee The present value of the lease payments is recognised as a receivable within debtors Finance lease income is recognised over the term of the lease using the net investment method (before tax) reflecting a constant periodic rate of return

Pension costs and other post-retirement benefits
The group operates a defined contribution pension scheme Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate

Land restoration
Provision is made in the financial statements for all outstanding charges for land restoration These charges are capitalised as part of the cost of the site and are amortised over the useful life of the site

2 **STAFF COSTS**

	2012	2011
	£	£
Wages and salaries	2,786,694	2,712,767
Social security costs	292,285	293,390
Other pension costs	56,468	74,066
	3,135,447	3,080,223

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

	2012	2011
Production operatives	71	72
Administration	35	33
	106	105

continued

3 OPERATING (LOSS)/PROFIT

The operating loss (2011 - operating profit) is stated after charging/(crediting)

	2012	2011
	£	£
Hire of plant and machinery	182,583	129,248
Finance lease income	(7,422)	(8,862)
Depreciation - owned assets	960,200	1,024,587
Depreciation - assets on hire purchase contracts	376,300	363,736
Profit on disposal of fixed assets	(11,572)	(66,897)
Goodwill amortisation	46,027	37,758
Auditors' remuneration	19,300	18,750
Operating lease rentals - land and buildings - rent	255,040	234,527
Auditors' remuneration - non-audit services	14,830	13,930
Net release of royalty provisions	-	(70,000)
Release of restoration provisions	-	(17,669)
Directors' remuneration	285,891	332,226
Directors' pension contributions to money purchase schemes	36,103	51,792

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	2	3

Information regarding the highest paid director is as follows

	2012	2011
	£	£
Emoluments etc	102,124	101,025
Pension contributions to money purchase schemes	23,297	29,005

4 INCOME FROM OTHER PARTICIPATING INTERESTS

	2012	2011
	£	£
Interest in joint venture	(34,287)	502,554

Last year the joint venture LLP received compensation of £1,000,000 from Dorset County Council in connection with restrictions previously applied to land available to work, but now sterilised as a result of a planning modification order These monies were, in accordance with the LLP agreement, added to Member's capital

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	2011
	£	£
Deposit account interest	378	2,501
Interest on tax paid early	1,092	52
Other interest	652	-
Finance lease interest	7,422	8,862
	9,544	11,415

continued

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank interest	1,388	93
Bank loan interest	5,373	6,143
Other loan interest	871	2,018
Hire purchase interest	35,794	38,030
	43,426	46,284

7 TAXATION

Analysis of the tax (credit)/charge
The tax (credit)/charge on the loss on ordinary activities for the year was as follows

	2012	2011
	£	£
Current tax		
UK corporation tax	70,000	363,212
Prior year adj for tax	(25,197)	-
Total current tax	44,803	363,212
Deferred tax	(189,826)	(158,001)
Tax on (loss)/profit on ordinary activities	(145,023)	205,211

Factors affecting the tax (credit)/charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK The difference is explained below

	2012	2011
	£	£
(Loss)/profit on ordinary activities before tax	(269,661)	820,214
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2011 - 27%)	(67,415)	221,458
Effects of		
Expenses not deductible for tax purposes	53,669	71,956
Other timing differences	768	(14,356)
Capital allowances for period less than depreciation	106,608	106,980
Tax losses brought forward	(23,138)	(22,971)
Adjustment for marginal relief	(2,939)	(4,823)
Adjustment to tax charge in respect of prior years	(25,197)	4,968
Income from shares in group undertaking	2,447	-
Current tax (credit)/charge	44,803	363,212

8 LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements The parent company's loss for the financial year was £(155,261) (2011 - £443,771 profit)

9 DIVIDENDS

	2012 £	2011 £
Ordinary shares shares of £1 each		
Final - proposed	-	62,750
Interim	150,000	-
	150,000	62,750

10 INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 October 2011 and 30 September 2012	540,426
AMORTISATION	
At 1 October 2011	97,768
Amortisation for year	46,027
At 30 September 2012	143,795
NET BOOK VALUE	
At 30 September 2012	396,631
At 30 September 2011	442,658

Company

	Goodwill £
COST	
At 1 October 2011 and 30 September 2012	513,204
AMORTISATION	
At 1 October 2011	82,667
Amortisation for year	49,916
At 30 September 2012	132,583
NET BOOK VALUE	
At 30 September 2012	380,621
At 30 September 2011	430,537

Goodwill arising on the trade and net assets of businesses transferred to the company is being amortised in full, on a straight line basis, over 5 to 20 years These are the periods over which the directors consider that benefits will be derived

continued

11 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Leasehold property £	Plant and machinery £
COST			
At 1 October 2011	6,907,101	1,459,841	10,039,295
Additions	2,954	148,038	647,049
Disposals	-	-	(145,459)
At 30 September 2012	6,910,055	1,607,879	10,540,885
DEPRECIATION			
At 1 October 2011	1,518,338	592,514	5,977,546
Charge for year	59,638	98,155	823,944
Eliminated on disposal	-	-	(132,997)
At 30 September 2012	1,577,976	690,669	6,668,493
NET BOOK VALUE			
At 30 September 2012	5,332,079	917,210	3,872,392
At 30 September 2011	5,388,763	867,327	4,061,749

	Fixtures and equipment £	Motor vehicles £	Totals £
COST			
At 1 October 2011	325,362	2,916,072	21,647,671
Additions	2,936	193,865	994,842
Disposals	(1,681)	(6,800)	(153,940)
At 30 September 2012	326,617	3,103,137	22,488,573
DEPRECIATION			
At 1 October 2011	264,990	2,128,681	10,482,069
Charge for year	28,968	325,795	1,336,500
Eliminated on disposal	(1,681)	(6,800)	(141,478)
At 30 September 2012	292,277	2,447,676	11,677,091
NET BOOK VALUE			
At 30 September 2012	34,340	655,461	10,811,482
At 30 September 2011	60,372	787,391	11,165,602

continued

11 TANGIBLE FIXED ASSETS - continued

Group

Freehold land at 30 September 2012 includes land held by a subsidiary, and valued at an open market value at £2,800,000 as at 30 September 1999 If it had not been revalued this land would have been included in the balance sheet at a cost of £283,746 The group has adopted the transitional provisions of Financial Reporting Standard 15 to include freehold land in the financial statements at a valuation performed in previous years

The total net book value in respect of land included in freehold land and buildings for the group at 30 September 2012 amounted to £4,105,287 (2011 £4,102,333)

The net book value of group fixed assets of £10,811,482 (2011 £11,165,602) includes an amount of £1,575,237 (2011 £1,590,918) in respect of assets held under hire purchase leases Depreciation on those assets for the year amounted to £376,300 (2011 £363,736)

Company

	Freehold property £	Leasehold property £	Plant and machinery £
COST			
At 1 October 2011	3,357,759	1,659,670	9,057,694
Additions	-	31,130	275,472
Disposals	-	-	(140,758)
At 30 September 2012	3,357,759	1,690,800	9,192,408
DEPRECIATION			
At 1 October 2011	1,311,379	735,330	5,522,664
Charge for year	52,482	82,070	732,187
Eliminated on disposal	-	-	(131,469)
At 30 September 2012	1,363,861	817,400	6,123,382
NET BOOK VALUE			
At 30 September 2012	1,993,898	873,400	3,069,026
At 30 September 2011	2,046,380	924,340	3,535,030

continued

11 TANGIBLE FIXED ASSETS - continued

Company

	Fixtures and equipment £	Motor vehicles £	Totals £
COST			
At 1 October 2011	324,221	2,038,835	16,438,179
Additions	2,936	114,267	423,805
Disposals	(1,681)	(6,800)	(149,239)
At 30 September 2012	325,476	2,146,302	16,712,745
DEPRECIATION			
At 1 October 2011	263,849	1,481,619	9,314,841
Charge for year	28,968	237,981	1,133,688
Eliminated on disposal	(1,681)	(6,800)	(139,950)
At 30 September 2012	291,136	1,712,800	10,308,579
NET BOOK VALUE			
At 30 September 2012	34,340	433,502	6,404,166
At 30 September 2011	60,372	557,216	7,123,338

The leasehold buildings shown in the company's assets are on land owned by a subsidiary, Solent Industrial Estates Limited

The net book value in respect of land included in freehold land and buildings at 30 September 2012 amounted to £999,317 (2011 £999,317)

The net book value of fixed assets of £6,404,166 (2011 £7,123,338) includes an amount of £1,174,618 (2011 £1,538,139) in respect of assets held under hire purchase leases Depreciation on those assets for the year amounted to £318,063 (2011 £348,556)

12 FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £
COST	
At 1 October 2011	577,523
Additions	1,277
Disposals	(135,000)
Share of profit/(loss)	(34,287)
At 30 September 2012	409,513
NET BOOK VALUE	
At 30 September 2012	409,513
At 30 September 2011	577,523

continued

12 **FIXED ASSET INVESTMENTS - continued**

Company

	Shares in group undertakings £	Interest in joint venture £	Totals £
COST			
At 1 October 2011	607,512	577,523	1,185,035
Additions	-	1,277	1,277
Disposals	-	(135,000)	(135,000)
Share of profit/(loss)	-	(34,287)	(34,287)
At 30 September 2012	607,512	409,513	1,017,025
NET BOOK VALUE			
At 30 September 2012	607,512	409,513	1,017,025
At 30 September 2011	607,512	577,523	1,185,035

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries

Solent Industrial Estates Limited
Nature of business Property and land management

Class of shares	% holding
Ordinary shares	81 50

	2012 £	2011 £
Aggregate capital and reserves	2,952,084	2,867,383
Profit for the year	84,701	74,505

New Milton Concrete Limited
Nature of business Concrete plant operators

Class of shares	% holding
Ordinary shares	100 00

	2012 £	2011 £
Aggregate capital and reserves	528,604	586,570
(Loss)/profit for the year	(57,965)	130,063

W G.Hibbs & Co Limited
Nature of business Non trading company

Class of shares	% holding
Ordinary	100 00

	2012 £	2011 £
Aggregate capital and reserves	178,032	178,032

continued

12 **FIXED ASSET INVESTMENTS - continued**

Joint Venture

Holme Sand & Ballast LLP
Nature of business Extraction and sale of aggregate products

Class of shares	% holding
Members capital	50 00

	2012	2011
	£	£
Aggregate capital and reserves	894,851	1,207,674
(Loss)/profit for the year	(68,574)	1,050,043

Additions to the interest in joint ventures of £1,277 (2011 £501,277) comprise two elements In 2011 it was the company's share of profits for the year of £502,554 less amounts available for distribution of £1,277 This did not equate to 50% of the profits for that year because a priority allocation is made to the other member of the joint venture, based on a royalty charge for the tonnage extracted The amount available for distribution had not been paid out within the requisite period of 9 months, and under the LLP agreement, the amount of £1,277 was capitalised in 2012

Tax was chargeable on the compensation and funds were withdrawn, and in accordance with the LLP agreement is shown as a reduction in capital and therefore a disposal of investment

13 **STOCKS**

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Stocks	979,686	721,163	950,475	705,664

14 **DEBTORS**

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year				
Trade debtors	2,530,301	2,531,256	1,864,227	1,944,040
Amounts receivable in respect of finance leases	31,189	34,520	31,189	34,520
Other debtors	88,785	124,989	88,546	120,237
Owed by subsidiary undertaking	-	-	2,038,849	1,895,189
Amounts due from joint venture	-	1,277	-	1,277
Prepayments and accrued income	822,874	1,211,852	822,874	745,060
	3,473,149	3,903,894	4,845,685	4,740,323
Amounts falling due after more than one year				
Amounts receivable in respect of finance leases	161,780	208,058	161,780	208,058
Aggregate amounts	3,634,929	4,111,952	5,007,465	4,948,381

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts (see note 17)	276,813	93,227	463,517	93,227
Hire purchase contracts (see note 18)	507,113	471,368	507,113	471,368
Trade creditors	1,362,857	1,793,070	1,324,641	1,710,801
Corporation tax	15,000	228,243	15,000	178,219
Social security and other taxes	482,636	424,606	318,074	291,697
Proposed dividends	-	62,750	-	62,750
Other creditors	103,293	102,121	90,274	102,121
Amounts owed to group undertakings	-	-	1,107,637	985,654
Accrued expenses	406,898	445,086	385,887	434,431
	3,154,610	3,620,471	4,212,143	4,330,268

16 CREDITORS· AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans (see note 17)	519,097	613,722	169,097	263,722
Hire purchase contracts (see note 18)	371,032	516,353	371,032	516,353
Other creditors	48,000	96,000	48,000	96,000
	938,129	1,226,075	588,129	876,075

17 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year or on demand				
Bank overdrafts	182,178	-	368,882	-
Bank loans	94,635	93,227	94,635	93,227
	276,813	93,227	463,517	93,227
Amounts falling due between one and two years				
Bank loans	96,060	94,636	96,060	94,636
Amounts falling due between two and five years				
Bank loans	423,037	519,086	73,037	169,086

continued

18 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2012	2011
	£	£
Net obligations repayable		
Within one year	507,113	471,368
Between one and five years	371,032	516,353
	878,145	987,721

Company

	Hire purchase contracts	
	2012	2011
	£	£
Net obligations repayable		
Within one year	507,113	471,368
Between one and five years	371,032	516,353
	878,145	987,721

The following operating lease payments are committed to be paid within one year

Group

	Land and buildings		Other operating leases	
	2012	2011	2012	2011
	£	£	£	£
Expiring				
Within one year	-	5,940	5,804	-
Between one and five years	24,100	24,100	-	18,411
In more than five years	225,000	225,000	2,940	-
	249,100	255,040	8,744	18,411

Company

	Land and buildings		Other operating leases	
	2012	2011	2012	2011
	£	£	£	£
Expiring				
Within one year	-	19,565	5,804	-
Between one and five years	137,100	137,100	-	18,411
In more than five years	185,000	185,000	2,940	-
	322,100	341,665	8,744	18,411

continued

19 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank overdraft	182,178	-	368,882	-
Bank loans	613,732	706,949	263,732	356,949
Hire purchase contracts	878,145	987,721	878,145	987,721
	1,674,055	1,694,670	1,510,759	1,344,670

The bank facilities and loan are secured by a legal charge over the company's freehold land and buildings at Elliott Road, West Howe, Bournemouth and the recycling facility off Iley Lane, Efford, Lymington, and over freehold land only on land lying South of Milford Road, Lymington There is an additional legal charge over a cash deposit amounting to £12,606 (2011 £75,006)

The company's bank loan is repayable by monthly instalments and carries interest at 1 00% above Lloyds TSB Bank plc base rate This loan is due to be repaid by June 2015 A further loan was taken out by one of the subsidiary companies for £350,000 for 3 years from 31 January 2011, carrying interest at 2 5% (2010 1 5%) above base rate

The hire purchase contracts are secured on the assets to which they relate

20 PROVISIONS FOR LIABILITIES

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Deferred tax				
Accelerated capital allowances	371,351	557,902	258,541	435,303
Short term timing differences	(5,500)	-	(5,500)	-
Restoration asset timing differences	(60,781)	(77,357)	(60,781)	(77,357)
Mineral deposit allowances	(47,700)	(33,349)	(47,700)	(33,349)
	257,370	447,196	144,560	324,597
Other provisions				
Provision for land restoration	297,865	298,705	297,865	298,705
Aggregate amounts	555,235	745,901	442,425	623,302

Group

	Deferred tax	Land restoration
	£	£
Balance at 1 October 2011	447,196	298,705
Profit and loss account	(189,826)	-
Utilised in year	-	(840)
Balance at 30 September 2012	257,370	297,865

continued

20 PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax £	Land restoration £
Balance at 1 October 2011	324,597	298,705
Credit to profit and loss account during year	(180,037)	-
Utilised during year	-	(840)
Balance at 30 September 2012	144,560	297,865

21 MINORITY INTERESTS

Minority interests all comprise equity interests

22 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2012 £	2011 £
500,000	Ordinary shares	£1	500,000	500,000

23 RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 October 2011	8,589,012	2,265,224	10,854,236
Deficit for the year	(140,308)		(140,308)
Dividends	(150,000)		(150,000)
At 30 September 2012	8,298,704	2,265,224	10,563,928

Company

	Profit and loss account £
At 1 October 2011	8,348,103
Deficit for the year	(155,261)
Dividends	(150,000)
At 30 September 2012	8,042,842

24 CAPITAL COMMITMENTS

	2012 £	2011 £
Contracted but not provided for in the financial statements	2,450	189,913

continued

25 RELATED PARTY DISCLOSURES

During the year, the company paid to its subsidiary company, Solent Industrial Estates Limited, £113,000 (2011 £113,000) for rent and received £38,560 (2011 £54,725) as management charges The company also advanced the subsidiary a loan of £nil (2011 125,000) At the year end £nil (2011 £5,408) remains outstanding but £54,750 (2011 £125,000) remains due

During the year, the company paid to a related party, Hanson Aggregates, £86,689 (2011 £57,948) as dividends and management charges The company also made sales of £64,074 (2011 £99,101) to and purchases of £128,594 (2011 £103,939) from Hanson Aggregates and Building Products At the year end £10,264 (2011 £26,506) remains outstanding

During the year sales of £22,531 (2011 £38,870) were made to Herbert H Drew & Sons Limited under normal trading terms This is a company with common shareholders At the year end £8,423 (2011 £9,535) remains due

The company has a joint venture in a limited liability partnership trading as Holme Sand & Ballast LLP whose principal activity was the quarrying and sale of aggregates During the year, the company made various re-charges to the partnership for salaries and haulage amounting to £539,045 (2011 £439,656), made sales of £26,125 (2011 £15,545) to and purchases of £241,902 (2011 £242,252) from the partnership At the year end £15,652 (2011 £44,150) remains due

During the year, the company made sales and re-charges of £2,158,233 (2011 £2,254,766) to and purchases of £49,749 (2011 £58,229) from its subsidiary New Milton Concrete Ltd At the year end £1,054,494 (2011 £947,117) remains due

During the year, the companies two subsidiaries New Milton Concrete Limited and Solent Industrial Estates Limited transacted with each other New Milton Concrete Limited paid £13,500 (2011 £12,500) for rent to Solent Industrial Estates Limited At the year end £nil (2011 £nil) remains unpaid

The company paid ordinary share dividends of £13,005 (2011 £5,440) to Mr M A Badcock, director, and £73,500 (2011 £30,748) to Hanson Quarry Products Ventures Limited

The company also paid ordinary share dividends of £6,120, £19,875 and £37,500 (2011 £2,560, £8,314 and £15,688) to the M A Badcock Trust, C E M Drew Discretionary Settlement No 2 and C E M Drew Trust respectively

26 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2012	2011
	£	£
(Loss)/profit for the financial year	(140,308)	601,220
Dividends	(150,000)	(62,750)
Net (reduction)/addition to shareholders' funds	(290,308)	538,470
Opening shareholders' funds	11,354,236	10,815,766
Closing shareholders' funds	11,063,928	11,354,236

continued

26 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	2012	2011
	£	£
(Loss)/profit for the financial year	(155,261)	443,771
Dividends	(150,000)	(62,750)
Net (reduction)/addition to shareholders' funds	(305,261)	381,021
Opening shareholders' funds	8,848,103	8,467,082
Closing shareholders' funds	8,542,842	8,848,103