

Company Registration No. 04128638 (England and Wales)

BARNFIELD CONTRACTORS (UK) LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005



BARNFIELD CONTRACTORS (UK) LIMITED

COMPANY INFORMATION

Directors	T.J.H. Webber S. Webber
Secretary	S. Webber
Company number	04128638
Registered office	Lynton House 7-12 Tavistock Square London WC1H 9LT
Registered Auditors	Morley and Scott Lynton House 7-12 Tavistock Square London WC1H 9LT
Business address	Kenyon Road Lomeshaye Industrial Estate Nelson Lancashire BB9 5SP
Bankers	National Westminster Bank Plc 2 Leeds Road Nelson Lancashire BB9 9SY
Solicitors	DMH 60 St John Street London EC1M 4HG

BARNFIELD CONTRACTORS (UK) LIMITED

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BARNFIELD CONTRACTORS (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report and group financial statements for the year ended 31 December 2005.

Principal activities and review of the business

The principal activity of the group continued to be that of property investment, developers and builders.

Though the turnover for the year is lower than the previous year, the group has in fact increased its margins following review of certain costs.

The directors have considered the risks facing the group, in particular the uncertainty of costs from completed projects. All other risks are anticipated and addressed to minimise any impact.

At the balance sheet date the group has shareholder's funds of £10,004,081 (2004: £7,985,793). The directors believe that the group is soundly based to continue with its present and future activities.

Results and dividends

The consolidated profit and loss account for the year is set out on page 4. A dividend of £1,469.94 per Ordinary share of £1 was paid in respect of the year.

Market value of land and buildings

In the opinion of the directors the market value of long leasehold properties held as fixed assets at the balance sheet date is not materially different to the amount included in the financial statements in relation to its use in the group's trade.

Directors

The following directors have held office since 1 January 2005:

T.J.H. Webber
S. Webber

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 December 2005	31 December 2004
T.J.H. Webber	260	260
S. Webber	10	10

Creditor payment policy

The group's policy for the year to 31 December 2005 for all suppliers is to fix terms of payment when agreeing the terms of each business transaction, to ensure the supplier is aware of those terms and to abide by the agreed terms of business.

For the year ended 31 December 2005, the group took an average of 74 days to pay its suppliers, as calculated in accordance with the provisions of the Companies Act 1985.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Morley and Scott be re-appointed as auditors of the company will be put to the Annual General Meeting.

BARNFIELD CONTRACTORS (UK) LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors 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 group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

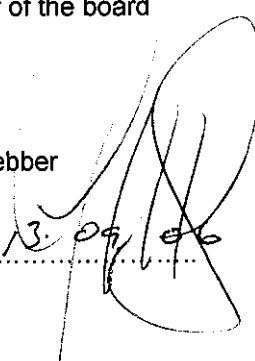
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

On behalf of the board

T.J.H. Webber
Director

Date.....



BARNFIELD CONTRACTORS (UK) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BARNFIELD CONTRACTORS (UK) LIMITED

We have audited the financial statements of Barnfield Contractors (UK) Limited for the year ended 31 December 2005 set out on pages 4 to 24. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and 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 auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it.

Basis of audit opinion

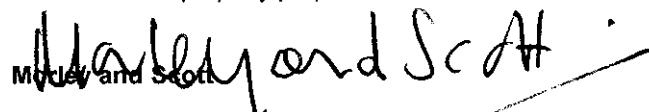
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and group'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 and group's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.


Markley and Scott

Chartered Accountants
Registered Auditor

15 September 2006

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

BARNFIELD CONTRACTORS (UK) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2004 £
Turnover – group and share of joint venture undertakings	2	43,207,029	45,922,808
Less share of joint venture undertakings		-	(27,096)
Group Turnover		43,207,029	45,895,712
Cost of sales		(37,682,885)	(41,441,228)
Gross profit		5,524,144	4,454,484
Distribution costs		(54,183)	(72,980)
Administrative expenses		(2,221,650)	(1,451,347)
Negative goodwill amortised		169,470	145,015
Other operating Income		33,505	40,000
Group operating profit	3	3,451,286	3,115,172
Profit on sale of investment property		-	392,718
Share of operating profit/(loss) in joint venture		-	(365,532)
Share of operating profit in associates		258,895	267,847
Profit on ordinary activities before interest		3,710,181	3,410,205
Loss on sale of investments	4	(44,850)	-
Other interest receivable and similar income (group)	4	179,091	197,234
Interest payable and similar charges	5	(398,343)	(388,192)
Profit on ordinary activities before taxation		3,446,079	3,219,247
Tax on profit on ordinary activities	6	(853,365)	(751,475)
Profit on ordinary activities after taxation		2,592,714	2,467,772
Minority interests		4,629	47,600
Profit for the year		2,597,343	2,515,372

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BARNFIELD CONTRACTORS (UK) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2005

	2005 £	2004 £
Profit for the financial year	2,597,343	2,515,372
<i>Unrealised deficit on revaluation of properties</i>	-	-
<i>Unrealised gain on associates' revaluation of properties</i>	-	-
<i>Unrealised surplus on revaluation of properties</i>	-	700,953
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	2,597,343	3,216,325
Prior year adjustment	-	(555,088)
	<hr/>	<hr/>
Total gains and losses recognised since last financial statements	2,597,343	2,661,237
	<hr/> <hr/>	<hr/> <hr/>

Note of historical cost profits and losses

	2005 £	2004 £
Reported profit on ordinary activities before taxation	3,446,079	3,219,247
Realisation of property revaluation going on previous years	228,875	-
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	3,674,954	3,219,247
	<hr/> <hr/>	<hr/> <hr/>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	2,238,243	2,158,372
	<hr/> <hr/>	<hr/> <hr/>

BARNFIELD CONTRACTORS (UK) LIMITED

BALANCE SHEETS AS AT 31 DECEMBER 2005

	Notes	Group		Company	
		2005 £	2004 £	2005 £	2004 £
Fixed assets					
Goodwill – Negative goodwill	8	(1,467,572)	(1,637,042)	-	-
Tangible assets	9 & 10	10,249,962	3,620,056	6,793,360	-
Investments in group undertakings	11	-	-	255	200
Investments in joint ventures					
- Share of gross assets	11	39,535	39,535	-	-
- Share of gross liabilities	11	(31,527)	(31,527)	-	-
Investments in associates	11	1,995,995	1,865,656	-	-
Investments – other	11	44,656	89,506	-	-
		<u>10,831,049</u>	<u>3,946,184</u>	<u>6,793,615</u>	<u>200</u>
Current assets					
Work in progress	12	4,272,217	4,482,534	-	-
Debtors	13	9,686,640	9,754,002	2,260,497	1,118,000
Cash at bank and in hand		7,975,402	7,783,421	3,440,238	5,256,037
		<u>21,934,259</u>	<u>22,019,957</u>	<u>5,700,735</u>	<u>6,374,037</u>
Creditors: amounts falling due within one year	14	<u>(21,881,728)</u>	<u>(17,213,662)</u>	<u>(4,767,465)</u>	<u>(174,006)</u>
Net current assets		<u>52,531</u>	<u>4,806,295</u>	<u>933,270</u>	<u>6,200,031</u>
Total assets less current liabilities		<u>10,883,580</u>	<u>8,752,479</u>	<u>7,726,885</u>	<u>6,200,231</u>
Creditors: amounts falling due after more than one year	15	<u>(851,198)</u>	<u>(724,836)</u>	<u>-</u>	<u>-</u>
		<u>10,032,382</u>	<u>8,027,643</u>	<u>7,726,885</u>	<u>6,200,231</u>
Capital and reserves					
Called up share capital	17	400	400	400	400
Revaluation Reserve		885,794	1,114,669	-	-
Profit and loss account	18	9,108,967	6,870,724	7,726,485	6,199,831
Shareholders' funds - equity interests	20	<u>9,995,161</u>	<u>7,985,793</u>	<u>7,726,885</u>	<u>6,200,231</u>
Minority interests	19	<u>37,221</u>	<u>41,850</u>	<u>-</u>	<u>-</u>
		<u>10,032,382</u>	<u>8,027,643</u>	<u>7,726,885</u>	<u>6,200,231</u>

The financial statements were approved by the board on 13 09 06

T.J.H. Webber
Director

S. Webber
Director

BARNFIELD CONTRACTORS (UK) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	2005		2004	
	£	£	£	£
Net cash inflow from operating activities		5,323,084		3,545,754
Returns on investments and servicing of finance				
Interest received	174,920		197,324	
Interest paid	(309,698)		(303,306)	
Interest element of finance lease rentals	(19,978)		(7,997)	
Net cash (outflow) from returns on investments and servicing of finance		(154,756)		(113,979)
Taxation		(611,559)		(585,694)
Capital expenditure and financial investment				
Payment to acquire tangible assets	(6,842,406)		(771,863)	
Receipts from sales of fixed assets	136,732		1,628,931	
Net cash outflow for capital expenditure and financial investment		(6,705,674)		857,068
Equity dividends paid		(704,000)		(240,975)
Net cash (outflow)/inflow before financing		(2,852,905)		3,462,174
Financing				
Increase in short term debt	2,829,161		505,292	
Capital element of hire purchase contracts	289,756		176,813	
(Decrease)/increase in long term debt	(74,031)		587,987	
Net cash inflow from financing		3,044,886		1,270,092
Increase in cash in the year		191,981		4,732,266

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

1	Reconciliation of operating profit to net cash outflow from operating activities	2005	2004
		£	£
	Operating profit	3,451,286	3,115,172
	Depreciation of tangible assets	166,903	155,661
	Amortisation of intangible assets	(169,470)	(145,015)
	(Profit) on disposal of tangible assets	(2,036)	(28,000)
	Decrease in work in progress	210,317	1,095,592
	Decrease in debtors	67,362	248,320
	Increase/(decrease) in creditors	1,598,772	(895,976)
		<hr/>	<hr/>
	Net cash inflow from operating activities	5,323,084	3,545,754
		<hr/> <hr/>	<hr/> <hr/>
2	Analysis of net debt		
		1 January	31
		2005	December
		£	2005
			£
	Net cash:		
	Cash at bank and in hand	7,783,421	7,975,402
	Bank overdrafts	(3,164,947)	(6,739,808)
		<hr/>	<hr/>
	Net funds	4,618,474	1,235,594
		<hr/>	<hr/>
	Debt:		
	Finance leases and hire purchase contracts	(204,037)	(493,793)
	Debts falling due within one year	(2,662,402)	(1,916,702)
	Debts falling due after more than one year	(587,987)	(513,956)
		<hr/>	<hr/>
		(3,454,426)	(2,924,451)
		<hr/>	<hr/>
	Net (debt) / funds	1,164,048	(1,688,857)
		<hr/>	<hr/>
3	Reconciliation of net cash flow to movement in net debt		
		2005	2004
		£	£
	Increase in cash in the year	191,981	4,732,266
	Cash outflow from movement in net debt	(3,044,886)	(1,270,092)
		<hr/>	<hr/>
	Movement in net (debt) / funds in the year	(2,852,905)	3,462,174
	Opening net funds / (debt)	1,164,048	(2,298,126)
		<hr/>	<hr/>
	Closing net (debt) / funds	(1,688,857)	1,164,048
		<hr/> <hr/>	<hr/> <hr/>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2005.

The company has taken advantage of the exemption granted by s230 Companies Act 1985 not to prepare a separate profit and loss account for the parent company. The parent company's profit for the year was £2,114,629 (2004: £4,056,831).

1.4 Associated and joint venture undertakings

The group's share of net assets of associated undertakings has been consolidated into the group financial statements under the equity accounting method in compliance with FRS 9. Joint venture undertakings are arrangements in which the group has a long-term interest and shares control under a contractual arrangement. The group's financial statements include the appropriate share of the joint venture undertaking's results and retained reserves which have been included in the financial statements on a gross equity basis in accordance with FRS 9. These amounts are taken from the latest audited financial statements of the undertakings concerned.

1.5 Turnover

Turnover represents amounts receivable for goods sold, services provided and rental income net of VAT and trade discounts. The group does not recognise retentions on contracts until they are actually received, normally 12 months after completion when the retention is invoiced following certification.

Rents are included in turnover in the year in which they are receivable.

1.6 Goodwill

On the acquisition of a business fair values are attributed to its net tangible assets. Where the cost of acquisition exceeds the values attributed to such assets, the difference is treated as purchased goodwill. Where the cost of acquisition is less than the fair values attributed to such assets, the difference is treated as negative goodwill. Negative goodwill is released to the profit and loss account in the periods in which the non-monetary assets acquired are sold.

1.7 Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies (continued)

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Long leasehold land and buildings	Nil
Plant and equipment	15-20% on cost
Motor vehicles	25% on net book value

Long leasehold property is not depreciated as the current period charge and any potential aggregate depreciation, is considered immaterial. This results from the long useful economic life of the property and the high residual value. The property is subject to regular maintenance and repair (costs of which are charged to the profit and loss account) to ensure its high residual value is maintained.

1.9 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Payments under operating leases are charged to the profit and loss account in the period in which they are incurred. Rentals receivable under operating leases are credited to income as they fall due.

1.10 Investment properties

Fixed asset investments are stated at cost less provision for diminution in value.

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.11 Work in progress

Long term contract work in progress is stated at cost plus attributable profit estimated to be earned to date, less any provision for anticipated future losses on contracts. Cost comprises prime cost together with a proportion of direct overhead charges. Profit on individual contracts is only taken when their outcome can be assessed with reasonable certainty.

Where such an outcome cannot be assessed with reasonable certainty, an appropriate proportion of turnover is recognised, based on the total contract value, using a zero estimate of profit.

1.12 Pensions

A defined contribution scheme for the benefit of its employee's is operated. The pension costs charged in the financial statements represent the contributions payable during the year in accordance with FRS 17.

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2005	2004
	£	£

Operating profit is stated after charging:

Depreciation of tangible assets	166,903	155,661
Loss on foreign exchange transactions	17,179	-
Operating lease rentals		
- Plant and machinery	1,635,408	1,545,879
- Other assets	14,850	3,584
Auditors' remuneration	40,550	38,439

and after crediting:

Amortisation of intangible assets	169,470	145,015
Profit on sale of tangible assets	2,036	28,000

4 Investment income

	2005	2004
	£	£

Loss on sale of investments	(44,850)	-
Bank interest	179,091	197,234

5 Interest payable

	2005	2004
	£	£

On bank loans and overdrafts	309,698	303,306
Lease finance charges	19,978	7,997
Associated undertakings	68,667	76,889

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

6 Taxation	2005 £	2004 £
Domestic current year tax		
UK corporation tax	817,463	752,270
Adjustment for prior years	(29,967)	(51,045)
Joint ventures	-	2,693
Associated undertakings	65,869	47,557
	<u>853,365</u>	<u>751,475</u>
Current tax charge	<u>853,365</u>	<u>751,475</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	3,446,079	3,219,247
	<u>3,446,079</u>	<u>3,219,247</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	1,033,824	965,774
	<u>1,033,824</u>	<u>965,774</u>
Effects of:		
Non deductible expenses	38,964	(209,135)
Depreciation add back	49,727	45,265
Capital allowances	(87,243)	(51,292)
Share of partnership income	(2,431)	16,282
Adjustments to previous periods	(29,967)	(51,045)
Share of associates' results	(58,336)	(57,287)
Share of associates' tax	65,869	47,557
Share of joint venture's results	-	109,659
Share of joint ventures' tax	-	2,693
Amortisation of intangible fixed assets	(50,841)	(43,505)
Other tax adjustments	(106,201)	(23,491)
	<u>(180,459)</u>	<u>(214,299)</u>
Current tax charge	<u>853,365</u>	<u>751,475</u>

No provision has been made for deferred tax on unrealised gains recognised on revaluing property to its market value. Such tax would become payable if the properties were sold. The total amount unprovided is £133,000 (2004: £140,000). It is not envisaged that this tax will become payable in the foreseeable future.

7 Dividends	2005 £	2004 £
Dividends paid	587,975	357,000
	<u>587,975</u>	<u>357,000</u>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

8 Intangible fixed assets

Group	Negative Goodwill £
Cost	
At 1 January 2005	(4,310,301)
	<hr/>
At 31 December 2005	(4,310,301)
	<hr/> <hr/>
Amortisation	
At 1 January 2005	2,673,259
Charge for the year	169,470
	<hr/>
	2,842,729
	<hr/> <hr/>
Net book value	
At 31 December 2005	(1,467,572)
	<hr/> <hr/>
At 31 December 2004	(1,637,042)
	<hr/> <hr/>

9 Tangible fixed assets

Group	Long leasehold land and buildings £	Plant and equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2005	350,000	1,200,871	25,839	210,924	1,787,634
Additions	-	519,850	-	6,850	526,700
Disposals	-	(241,334)	-	(94,439)	(335,773)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	350,000	1,479,387	25,839	123,335	1,978,561
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 January 2005	-	656,501	19,974	127,348	803,823
Charge for the year	-	153,317	2,450	11,136	166,903
On disposals	-	(105,282)	-	(54,555)	(159,837)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	-	704,536	22,424	83,929	810,889
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2005	350,000	774,851	3,415	39,406	1,167,672
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2004	350,000	544,370	5,865	83,576	983,811
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

9 Tangible fixed assets (continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and equipment £	Motor vehicles £	Total £
Net book values			
At 31 December 2005	795,006	-	795,006
At 31 December 2004	376,263	26,283	402,546
Depreciation charge for the year			
At 31 December 2005	99,857	-	99,857
At 31 December 2004	30,507	8,761	39,268

10 Tangible fixed assets

Investment properties	Group £	Company £
Cost or valuation		
At 1 January 2005	2,636,245	-
Additions	6,446,045	6,793,360
At 31 December 2005	9,082,290	6,793,360

The historical cost of the property held at valuation was £8,196,496 (company: £6,793,360) (2004 - £1,935,292 (company £Nil)). At the year end included within investment properties are £3,419,760 of properties in the course of construction.

The investment properties were valued at 31 December 2005 by M Taylforth BSc MRICS, an employee of Barnfield Construction Limited, on the basis of open market value for existing use.

11 Fixed asset investments

Group	Unlisted investments £	Joint ventures £	Shares in associates £	Loans to associates £	Total £
Cost or valuation					
At 1 January 2005	89,506	8,008	900,241	965,415	1,963,170
Increase/(decrease) in value	(44,850)	-	130,339	-	(85,489)
At 31 December 2005	44,656	8,008	1,030,580	965,415	2,048,659

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

11 Fixed asset investments (continued)

Company	Shares in subsidiary undertakings £
Cost	
At 1 January 2005	200
Transfer	55
	—
31 December 2005	255
	=====

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Subsidiary undertakings	Country of registration or incorporation	Class	Shares held %
Barnfield Construction Limited	England & Wales	Ordinary	100
Roger Whalley Limited	England & Wales	Ordinary	100
Barnfield and Hyndburn Limited	England & Wales	Ordinary	70
Barnfield Peregrine Limited	England & Wales	Ordinary	55

Participating interests

Aymer Investments Limited	England & Wales	Ordinary	50
Morrison Barnfield Homes Limited	England & Wales	Ordinary B	50
Globe Enterprises Limited	England & Wales	Ordinary	33

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Barnfield Construction Limited	Property builders
Roger Whalley Limited	Plumbing contractors
Barnfield & Hyndburn Limited	Property investment
Barnfield Peregrine Limited	Property developers
Aymer Investments Limited	Property developers
Morrison Barnfield Homes Limited	Dormant
Globe Enterprises Limited	Property developers

The group is a 70% member of Barnfield & Hyndburn Development Partnership whose registered office is at Kenyon Road, Lomeshaye Industrial Estate, Nelson, Lancashire, BB9 5SP. The principal activity of Barnfield & Hyndburn Development Partnership is that of property investment.

The group is a 50% member of Landmark Barnfield LLP, a limited liability partnership registered in England & Wales. Landmark Barnfield LLP was dormant during the year.

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

11 Fixed asset investments (continued)

The investments in Roger Whalley Limited, Barnfield and Hyndburn Limited, Barnfield and Hyndburn Development Partnership, Landmark Barnfield LLP, Aymer Investments Limited, Morrison Barnfield Homes Limited and Globe Enterprises Limited are held by Barnfield Construction Limited.

The information relating to Aymer Investments Limited and Landmark Barnfield LLP relates to the year ended 30 September 2005 and 30 April 2005 respectively.

12 Work in progress

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Work in progress				
Long term contract balances	4,423,017	4,700,066	-	-
- payment on account	(150,800)	(217,532)	-	-
	<u>4,272,217</u>	<u>4,482,534</u>	<u>-</u>	<u>-</u>

13 Debtors

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Trade debtors	5,724,330	4,930,415	2,051,088	-
Other debtors	3,749,691	4,228,916	209,409	1,118,000
Prepayments and accrued income	212,619	594,671	-	-
	<u>9,686,640</u>	<u>9,754,002</u>	<u>2,260,497</u>	<u>1,118,000</u>

Amounts falling due after more than one year and included in the debtors above are:

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Other debtors	2,175,442	2,215,558	-	-
	<u>2,175,442</u>	<u>2,215,558</u>	<u>-</u>	<u>-</u>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

14 Creditors: amounts falling due within one year

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Bank loans and overdrafts	8,656,510	5,827,349	2,816,351	7,615
Payments received on account	2,347,532	1,697,077	-	-
Net obligations under finance leases and hire purchase contracts	156,551	67,188	-	-
Trade creditors	8,365,397	7,388,329	426,560	-
Corporation tax	640,695	464,758	-	44,359
Taxes and social security costs	279,590	718,467	9,452	-
Other creditors	853,975	585,787	1,515,102	6,007
Accruals and deferred income	581,478	464,707	-	116,025
	<u>21,881,728</u>	<u>17,213,662</u>	<u>4,767,465</u>	<u>174,006</u>

The bank loans and overdrafts are secured by charges over the assets of the group.

15 Creditors: amounts falling due after more than one year

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Net obligations under finance leases and hire purchase agreements	337,242	136,849	-	-
Bank loans an overdrafts	513,956	587,987	-	-
	<u>851,198</u>	<u>724,836</u>	<u>-</u>	<u>-</u>

The bank loans and overdrafts are secured by charges over the assets of the group.

The company and group is party to an inter-company guarantee on the bank borrowings of Barnfield Construction Limited and Roger Whalley Limited.

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

15 Creditors: amounts falling due after more than one year (continued)

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Analysis of loans				
Not wholly repayable within five years by Instalments	-	309,957	-	-
Wholly repayable within 5 years	583,633	347,707	-	-
	<u>583,633</u>	<u>657,664</u>	-	-
Included in current liabilities	(69,677)	(69,677)	-	-
	<u>513,956</u>	<u>587,987</u>	-	-
Instalments not due within five years	47	55	-	-
Loan maturity analysis				
Between one and two years	69,505	69,505	-	-
Between two and five years	208,515	208,525	-	-
In more than five years	235,936	309,957	-	-
	<u>513,956</u>	<u>687,987</u>	-	-
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	183,611	76,266	-	-
Repayable between two and five years	367,832	155,056	-	-
	<u>551,443</u>	<u>231,322</u>	-	-
Finance charges and interest allocated to future accounting periods	(57,650)	(27,285)	-	-
	<u>493,793</u>	<u>204,037</u>	-	-
Included in liabilities due within one year	(156,551)	(67,188)	-	-
	<u>337,242</u>	<u>136,849</u>	-	-

16 Pension costs

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 pension cost charge represents contributions payable by the group to the fund and amounted to £22,984 (2004: £11,004).

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

17 Share capital

	2005 £	2004 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
400 Ordinary shares of £1 each	400	400
	<u> </u>	<u> </u>

18 Statement of movements on reserves

Group	Revaluation Reserve £	Profit and loss account £
Balance at 1 January 2005	1,114,669	6,870,724
Retained profit for the year	-	2,597,343
Transfer from revaluation reserve to profit and loss account	(228,875)	228,875
Dividends paid	-	(587,975)
	<u> </u>	<u> </u>
Balance at 31 December 2005	885,794	9,108,967
	<u> </u>	<u> </u>
Company		Profit and loss account £
Balance at 1 January 2005		6,199,831
Retained profit for the year		1,526,654
		<u> </u>
Balance at 31 December 2005		7,726,485
		<u> </u>

19 Minority Interests

	2005 £	2004 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	37,221	41,850
	<u> </u>	<u> </u>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

20 Reconciliation of movements in shareholders' funds

Group	2005 £	2004 £
Profit for the financial year	2,597,343	2,515,372
Dividends	(587,975)	(357,000)
Other recognised gains and losses relating to the year (net)	-	700,953
	<hr/>	<hr/>
Net addition to shareholders' funds	2,009,368	2,859,325
Opening shareholders' funds	7,985,793	5,126,468
	<hr/>	<hr/>
Closing shareholders' funds	9,995,161	7,985,793
	<hr/>	<hr/>
Company	2005 £	2004 £
Profit for the financial year	2,114,629	4,056,831
Dividends	(587,975)	(357,000)
Opening shareholders' funds	6,200,231	2,500,400
	<hr/>	<hr/>
Closing shareholders' funds	7,726,885	6,200,231
	<hr/>	<hr/>

21 Contingent liabilities

- (a) On 31 December 2005 Barnfield Construction Limited had in the course of business entered into performance and other bonds of £512,000 (2004: £2,503,153).
- (d) Barnfield Construction Limited has given an undertaking to Globe Enterprises Limited that it will provide financial support to enable it to meet its liabilities as they fall due, for as long as it remains a participating interest. The company has also guaranteed the bank borrowings of Globe Enterprises Limited, of £2,765,900 (2004: £3,008,069) at the balance sheet date. Globe Enterprises had gross assets totalling £9,332,985 (2004: £8,367,503) at the balance sheet date.
- (e) Barnfield Construction Limited has also given an undertaking to Barnfield and Hyndburn Limited that it will provide financial support to enable it to meet its liabilities as they fall due, for as long as it remains a subsidiary. Barnfield and Hyndburn Limited had net assets totalling £125,527 at the balance sheet date.
- (f) Barnfield Construction Limited as part of its investment in Barnfield and Hyndburn Development Partnership, is contracted to invest a further £100,000 in this partnership should it fail to obtain planning permission on one of its development sites.
- (g) During the year a failure in a retaining wall at one of the contract sites of Barnfield Construction Limited has resulted in the subsidence of residential housing. The maximum exposure to Barnfield Construction Limited is estimated to be £500,000 depending on the outcome of litigation.

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

22 Financial commitments

As at 31 December 2005 the group had annual commitments under operating leases as follows:

	Land and Buildings		Other	
	2005 £	2004 £	2005 £	2004 £
Expiry date				
Between two and five years	14,850	14,850	3,897	15,329
In over five years	-	-	89,599	58,214
	<u>14,850</u>	<u>14,850</u>	<u>93,496</u>	<u>73,543</u>

23 Capital commitments

Group

Barnfield Construction has entered into a conditional contract for the purchase of a freehold property for £1,250,000 during the year.

24 Directors' emoluments

	2005 £	2004 £
Emoluments for qualifying services	370,581	337,308
Company pension contributions to money purchase schemes	17,000	4,000
	<u>387,581</u>	<u>341,308</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

	2005 £	2004 £
Emoluments for qualifying services	169,473	152,519
Company pension contributions to money purchase scheme	12,000	-
	<u>181,473</u>	<u>152,519</u>

The number of directors with benefits accruing under money purchase pension schemes is 2 (2004: 2).

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

25 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2005	2004
	Number	Number
Office and management	28	28
Production and sales	81	113
	<hr/>	<hr/>
	109	141
	<hr/>	<hr/>
	2005	2004
	£	£
Employment costs		
Wages and salaries	2,536,432	2,778,677
Social security costs	256,966	286,248
Other pension costs	22,984	11,004
	<hr/>	<hr/>
	2,816,382	3,075,929
	<hr/>	<hr/>

26 Controlling party

The ultimate controlling party of the company and the group is T. J. H. Webber, a director.

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

27 Related party transactions

Group

During the year, Barnfield Construction Limited made sales of £947,014 (2004: £Nil) to Barnfield Investment Properties Limited, a company in which T & S Webber have an interest. During the year Barnfield Construction Limited also charged Barnfield Investment Properties Limited £214,534 (2004: £214,534) in respect of management charges. At 31 December 2005, Barnfield Construction Limited was owed £2,775,343 (2004: £2,171,558) by Barnfield Investment Properties Limited.

During the year, Barnfield Construction Limited made purchases of £9,300 (2004: £Nil) from Hyndburn Borough Council, who are partners with the company in Barnfield & Hyndburn Development Partnership.

During the year, Barnfield Construction Limited made sales of £431,307 (2004: £Nil) to Barnfield Pension Fund, a fund associated by T and S Webber. At 31 December 2005, Barnfield Construction Limited was owed £609,182 (2004: £Nil) by Barnfield Pension Fund.

At 31 December 2005, Barnfield Construction Limited was owed £44,000 (2004: £Nil) by Barnfield Pensions Limited company in which T Webber is a Director.

During the year, Barnfield Construction Limited made sales of £Nil (2004: £430,608) to Morrison Barnfield Quality Homes Limited, a company in which Barnfield Construction Limited has a participating interest. There were no outstanding balance at the year end.

During the year Barnfield Construction Limited made sales of £1,892,797 (2004: £344,617) to Modus Barnfield Partnership, an entity in which T & S Webber have an interest. At 31 December 2005, Barnfield Construction Limited was owed £364,674 (2004: £216,464) by Modus Barnfield Partnership.

At 31 December 2005, Pendle Property Development Limited (formerly known as Pendle Commercial Properties Limited), a company in which T & S Webber and M Taylforth have an interest, owed £288,908 (2004: £61,848) to Barnfield Construction Limited. During the year, the company made sales to Pendle Property Development Limited of £3,438,764 (2004: £52,637). During the year, the Barnfield Construction Limited made purchases from Pendle Property Development Limited of £233,946 (2004: Nil). At 31 December 2005, an amount of £Nil (2004: £315,678) owed to Pendle Commercial Properties Limited was written off in accordance with the treatment in that company's accounts.

Dime Home Limited owns 26% of Barnfield Contractors (UK) Limited, the ultimate parent company of Barnfield Construction Limited. Dime Home Limited is controlled by the close family of R Dewan. During the year Barnfield Construction Limited made sales to R Dewan amounting to £2,804,818 (2004: £1,241,521). These sales are on preferential terms and include extended credit and no deduction for retentions. At 31 December 2005, R Dewan owed the company £817,298 (2004: £367,669) against which there is a bad and doubtful debt provision of £901 (2004: Nil).

During the year, Barnfield Construction Limited made purchases of £250 (2004: £Nil) from Barnfield Developments SL a company under common control. At 31 December 2005, Barnfield Construction Limited was owed £22,903 (2004: £Nil) by Barnfield Developments SL.

During the year Barnfield Construction Limited made sales of £1,842,592 (2004: £227,874) to Rangetrack Limited, a company controlled by R Dewan. At 31 December 2005, Rangetrack Limited owed £103,326 (2004: £24,872) to Barnfield Construction Limited.

During the year Barnfield Construction Limited made sales of £Nil (2004: £2,247,447) to Swansea Call Centre Developments Limited, a company controlled by R Dewan. At 31 December 2005, Swansea Call Centre Developments Limited were owed £66,158 (2004: £66,158) by Barnfield Construction Limited.

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2005

27 Related party transactions (continued)

Group (continued)

During the year, Barnfield Construction Limited made sales of £77,152 (2004: £1,318,209) to Shanbest Limited, a company controlled by R Dewan. At 31 December 2005, Barnfield Construction Limited was owed £Nil (2004: £444,827) by Shanbest Limited.

During the year, Barnfield Construction Limited made sales of £1,873,440 (2004: £173,735) to Trans European Properties Limited, a company controlled by R Dewan. At 31 December 2005, Barnfield Construction Limited was owed £Nil (2004: £204,138) from Trans European Properties Limited.

During the year, Barnfield Construction Limited made sales of £30,941 (2004: £46,563) to Globe Enterprises Limited, a company in which Barnfield Construction Limited has a participating interest. At 31 December 2005, Globe Enterprises Limited owed £104,307 (2004: £965,415) to Barnfield Construction Limited in respect of a loan. This is included in investments. During the year, Barnfield Construction Limited has written off a trade debtor balance of £5,875, which was previously provided for, due from Stuart Nevison, a co-investor in Globe Enterprises Ltd.

At 31 December 2005, Barnfield Construction Limited was owed £62,000 (2004: £123,212) by Aymer Investments Limited, a company in which Barnfield Construction Limited has a participating interest. During the year, Barnfield Construction Limited made sales of £44,352 (2004: £Nil) to Aymer Investments Limited. Barnfield Construction Limited also made charges of £79,397 (2004: Nil) to Aymer Investment Limited in respect of management charges.

During the year Barnfield Construction Limited made sales of £187,619 (2004: £482,717) to, and purchases of £Nil (2004: £20,378) from Ribble Enterprises Limited, a company related by common control. At 31 December 2005, Barnfield Construction Limited was owed £Nil (2004: £77,336) by Ribble Enterprises Limited.

During the year, Barnfield Construction Limited made sales of £1,042,767 (2004: £81,635) to, and purchases of £12,000 (2004: £2,000) from Ribble Industrial Estates Limited, a company related by common control. At 31 December 2005, Barnfield Construction Limited was owed £171,074 (2004: £NIL) by Ribble Industrial Estates Limited. At 31 December 2005, Barnfield Construction Limited owed £11,750 (2004: £Nil) to Ribble Industrial Estates Limited.

During the year, Barnfield Construction Limited made sales of £7,333 (2004: £547,622) to Pendle Bracken Limited, a company in which T & S Webber and M Taylforth have an interest. At 31 December 2005, Barnfield Construction Limited was owed £776 (2004: £Nil) by Pendle Bracken Limited.

During the year, Barnfield Construction Limited made sales of £22,836 (2004: £Nil) to Bracken Developments Limited, a company which has a joint venture interest along with T and S Webber and M Taylforth.

During the year Barnfield Peregrine Limited received a loan of £12,641 from Peregrine Properties (Northern) Limited, a fellow shareholder in Barnfield Peregrine with Barnfield Construction Limited.

Company

During the year Barnfield Construction Limited sold an investment property at the carrying value of £375,000, and land held at the carrying value of £100,000 to Barnfield Contractors (UK) Limited.

During the year Barnfield Contractors (UK) Limited acquired properties under construction valued at £2,433,751, from Barnfield Construction Limited.