

Company Registration No. 04128638 (England and Wales)

BARNFIELD CONTRACTORS (UK) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

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BARNFIELD CONTRACTORS (UK) LIMITED

COMPANY INFORMATION

Directors	T J H Webber S Webber
Secretary	A Couper
Company Number	04128638
Registered Office	Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY
Registered Auditors	Pierce C A Limited Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY
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 6 New Street Square New Fetter Lane London EC4A 3BF

BARNFIELD CONTRACTORS (UK) LIMITED

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BARNFIELD CONTRACTORS (UK) LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and group financial statements for the year ended 31 December 2008.

Principal activities and review of the business

The principal activity of the group continued to be that of property investment, development and construction.

Despite 2008 being a difficult year in the economy as a whole, the directors are delighted to report profit before tax of £1.8m. Turnover fell slightly to £52m as compared to £59m in the previous year but some cost savings and a more favourable mix of work has led to an increase in gross margin from 11% to 13%.

The outlook for 2009 and beyond remains positive with a healthy order book in place for construction and development projects. It is likely that turnover will be substantially reduced as a result of the recession but it is anticipated that profits will remain at the 2008 level again.

Financial risk management

Financial risk management is an integral part of the company's processes.

Cash flow risk is monitored by regular review of cash position against forecasts and trade debt levels are continually monitored and managed to keep them at an acceptable level. This in turn ensures that the company has the ability to meet the cash flow requirements of the operations, whilst avoiding excessive levels of debt and / or breach of any loan agreements.

Tight management of credit risk is essential in our business. We assess every customer at the start of any contract and regularly monitor the ageing of our debt profile to highlight any potential risk at the earliest opportunity. Given the relationships we have with our customers our exposure to bad debts is limited. The current year provision of £2m is against a loan to a joint venture company for residential development which is felt prudent given the falling house prices during the recession.

The company maintains a positive cash balance and therefore is not exposed to any risk in relation to interest rates.

There is always a certain amount of uncertainty around the costs required to complete ongoing projects. However, we have a vast amount of experience within our contracts department and this can be relied upon to produce accurate forecasts. Actual spends are constantly reviewed against these forecasts and the appropriate action taken to keep costs under control.

Other risk management

Competitor risk - There are a number of other companies who could be classed as a competitor to our business. In order to minimise the threat from them we regularly review our marketplace and our competitors. The building of close relationships with our customers is seen as key to maintaining this competitive advantage.

Environmental and health and safety

We continue to monitor activities which could lead to an environmental impact.

The company has had a Health and Safety Policy in place for a number of years. Our Health and Safety Officer liaises with site managers and organises health, safety and risk assessment courses as appropriate. We use external experts as and when required.

BARNFIELD CONTRACTORS (UK) LIMITED

DIRECTORS REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

Employees

We continue to develop our staff using both external and in house resources. Programmes are developed around both business needs and personal development. It is important that our customer facing staff present a professional and friendly service and employees are encouraged to engage with customers to gain feedback on our activities. Where possible we promote from within the organisation.

Results and dividends

The consolidated profit and loss account for the year is set out on page 6. A dividend of £2,700 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 their use in the group's trade.

Directors

The following directors have held office since 1 January 2008:

T J H Webber
S Webber

Charitable donations

	2008	2007
	£	£
During the year the company made the following payments:		
Charitable donations	13,297	7,445
	<u> </u>	<u> </u>

Auditors

Pierce C. A. Limited were appointed as auditors to the company and in accordance with Section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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 company and the group for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

BARNFIELD CONTRACTORS (UK) LIMITED

**DIRECTORS REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board


.....
A Couper
Secretary

3 September 2009.

BARNFIELD CONTRACTORS (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BARNFIELD CONTRACTORS (UK) LIMITED

The financial statements of the prior period were audited by another auditor. On 21 October 2008 the previous auditors issued an unqualified report.

We have audited the Group and Parent Company financial statements (the "financial statements") of Barnfield Contractors (UK) Limited for the year ended 31 December 2008 set out on pages 6 to 28. 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of 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 2006. We also report to you whether in our opinion the information given in the director's 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 director's remuneration and other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also included 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.

BARNFIELD CONTRACTORS (UK) LIMITED

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF BARNFIELD CONTRACTORS (UK) LIMITED**

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 affairs of the parent company and group as at 31 December 2008 and of the group's profit for the period 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.

Pierce C.A. Limited

Pierce C. A. Limited

Date *3 September 2009*

Registered Auditor

Mentor House
Ainsworth Street
Blackburn
Lancashire
BB1 6AY

BARNFIELD CONTRACTORS (UK) LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 £	2007 £
Turnover			
Group and share of joint venture undertakings	2	53,247,170	58,310,204
Less: share of joint ventures turnover		(1,502,973)	(34,548)
Rent receivable		177,080	176,980
Other income		269,575	425,462
		<hr/>	<hr/>
Group turnover		52,190,852	58,878,098
Cost of sales		(45,179,132)	(52,625,201)
		<hr/>	<hr/>
Gross profit		7,011,720	6,252,897
Distribution costs		(105,599)	(153,985)
Administrative expenses		(4,925,198)	(3,189,404)
Other operating income		242,423	122,603
Amortisation of negative goodwill		44,999	234,376
		<hr/>	<hr/>
Group operating profit	3	2,268,345	3,266,487
Share of operating loss in joint ventures		(820,838)	(387,492)
Share of operating profit in associates		232,847	192,052
		<hr/>	<hr/>
Profit on ordinary activities before interest		1,680,354	3,071,047
Other interest receivable and similar income	4	1,036,779	755,412
Interest payable and similar charges	5	(924,184)	(872,952)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,792,949	2,953,507
Tax on profit on ordinary activities	6	(693,838)	(1,028,140)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		1,099,111	1,925,367
Minority interests		(2,989)	(178,097)
		<hr/>	<hr/>
Profit for the year		1,096,122	1,747,270
		<hr/> <hr/>	<hr/> <hr/>

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 2008**

	2008 £	2007 £
Profit for the financial year	1,099,111	1,925,367
Unrealised (deficit)/surplus on revaluation of properties	(150,000)	861,534
Total recognised gains and losses relating to the year	<u>949,111</u>	<u>2,786,901</u>
 Note of historical cost profits and losses		
Reported profit on ordinary activities before taxation	1,792,949	2,953,507
Realisation of property revaluation gains of previous years	217,834	-
Historical cost profit on ordinary activities before taxation	<u>2,010,783</u>	<u>2,953,507</u>
 Historical cost profit for the year retained after taxation, extraordinary items and dividends	 <u>304,156</u>	 <u>1,252,270</u>

BARNFIELD CONTRACTORS (UK) LIMITED

**BALANCE SHEETS
AS AT 31 DECEMBER 2008**

	Notes	Group		Company	
		2008 £	2007 £	2008 £	2007 £
Fixed assets					
Goodwill - Negative goodwill	8	(1,117,393)	(1,162,392)	-	-
Tangible assets	9 & 10	3,133,454	4,288,081	-	-
Investment in group undertakings	11	-	-	251,212	257
Investments - other	11	2,044,482	1,991,912	-	-
Investments in joint ventures					
- Share of gross assets		3,594,912	4,800,082	-	-
- Share of gross liabilities		(5,005,292)	(5,102,474)	-	-
		<u>2,650,163</u>	<u>4,815,209</u>	<u>251,212</u>	<u>257</u>
Current assets					
Stock and work in progress	12	17,101,316	11,419,984	7,397,020	4,136,229
Debtors	13	8,660,022	12,845,493	4,146,540	6,234,520
Current asset investments		-	59,507	-	-
Cash at bank and in hand		8,888,021	15,520,465	10,343,272	9,549,537
		<u>34,649,359</u>	<u>39,845,449</u>	<u>21,886,832</u>	<u>19,920,286</u>
Creditors: amounts falling due within one year	14	<u>(20,302,454)</u>	<u>(26,316,226)</u>	<u>(9,415,858)</u>	<u>(7,425,956)</u>
Net current assets		<u>14,346,905</u>	<u>13,529,223</u>	<u>12,470,974</u>	<u>12,494,330</u>
Total assets less current liabilities		<u>16,997,068</u>	<u>18,344,432</u>	<u>12,722,186</u>	<u>12,494,587</u>
Creditors: amounts falling due after more than one year	15	<u>(398,638)</u>	<u>(2,094,232)</u>	-	-
Provisions for liabilities	16	<u>(2,775,385)</u>	<u>(2,164,100)</u>	-	-
		<u>13,823,045</u>	<u>14,086,100</u>	<u>12,722,186</u>	<u>12,494,587</u>
Capital and reserves					
Called up share capital	18	374	400	374	400
Capital redemption reserve		26	-	26	-
Revaluation reserve	19	1,092,495	1,460,329	-	-
Profit and loss account	19	12,505,585	12,401,429	12,721,786	12,494,187
Shareholders' funds - equity interests	21	<u>13,598,480</u>	<u>13,862,158</u>	<u>12,722,186</u>	<u>12,494,587</u>
Minority interests	20	<u>224,565</u>	<u>223,942</u>	-	-
		<u>13,823,045</u>	<u>14,086,100</u>	<u>12,722,186</u>	<u>12,494,587</u>

The financial statements were approved by the board on 3 September 2009

T.J.H. Webber
Director

S Webber
Director

S Webber

BARNFIELD CONTRACTORS (UK) LIMITED**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008		2007	
	£	£	£	£
Net cash inflow from operating activities		6,396,469		3,893,677
Returns on investments and servicing of finance				
Interest received	964,109		739,544	
Interest paid	(431,602)		(529,903)	
Interest element of finance lease rentals	(8,825)		(21,471)	
Net cash inflow from returns on investments and servicing of finance		523,682		188,170
Taxation		(1,212,413)		(1,597,040)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(623,740)		(1,243,325)	
Receipts from sales of fixed assets	616,413		98,726	
Payments to acquire fixed asset investments	(250)		(15,496)	
Receipt from sale of fixed asset investments	-		549,915	
Net cash (outflow)/for capital expenditure and financial investment		(7,577)		(610,180)
Equity dividends paid		(1,009,800)		(495,000)
Net cash inflow before financing and management of liquid resources		4,690,361		1,379,627
Management of liquid resources				
Current asset investments		-		11,564
Financing				
Increase/(decrease) in short term debt	71,130		(1,533,049)	
Capital element of hire purchase contracts	(120,594)		163,984	
Increase/(decrease) in long term debt	(1,637,982)		1,352,532	
Purchase of own shares	(200,000)		-	
Net cash (outflow) from financing		(1,887,446)		(16,533)
Increase in cash in the year		2,802,915		1,374,658

BARNFIELD CONTRACTORS (UK) LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

1 Reconciliation of operating profit to net cash outflow from operating activities		2008	2007
		£	£
Operating profit		2,268,345	3,266,487
Depreciation of tangible assets		170,314	106,566
Amortisation of intangible assets		(44,999)	(234,376)
Profit on disposal of tangible assets		(149,310)	(2,212)
Share in profit from associates and joint ventures		-	(75,420)
(Increase) in work in progress		(4,688,744)	(4,475,172)
Decrease in debtors		4,362,781	2,334,053
Increase in creditors		3,866,797	2,973,751
Other reserve movement		611,285	-
		<hr/>	<hr/>
Net cash inflow from operating activities		6,396,469	3,893,677
		<hr/>	<hr/>
2 Analysis of net debt	1 January 2008	Cash Flow	31 December 2008
	£	£	£
Net cash:			
Cash at bank and in hand	6,085,106	2,802,915	8,888,021
	<hr/>	<hr/>	<hr/>
Net funds	6,085,106	2,802,915	8,888,021
	<hr/>	<hr/>	<hr/>
Debt:			
Finance leases and hire purchase contracts	(178,206)	120,594	(57,612)
Debts falling due within one year	-	(71,130)	(71,130)
Debts falling due after more than one year	(2,036,620)	1,637,982	(398,638)
	<hr/>	<hr/>	<hr/>
	(2,214,826)	1,687,446	(527,380)
	<hr/>	<hr/>	<hr/>
Net funds	3,870,280	4,490,361	8,360,641
	<hr/>	<hr/>	<hr/>
3 Reconciliation of net cash flow to movement in net debt		2008	2007
		£	£
Increase in cash in the year		2,802,915	1,374,658
Cash inflow from decrease in debt and lease financing		1,687,446	344,501
		<hr/>	<hr/>
Movement in net funds in the year		4,490,361	1,719,159
Opening net funds		3,870,280	2,151,121
		<hr/>	<hr/>
Closing net funds		8,360,641	3,870,280
		<hr/>	<hr/>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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, which have been applied consistently.

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 2008.

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 £1,592,197 (2007: £3,327,876) including dividends received from group companies.

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 difference 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 2008

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 repairs (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.

BARNFIELD CONTRACTORS (UK) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008****1 Accounting policies (continued)****1.12 Pensions**

The group makes contributions to a defined contribution scheme for the benefit of its employees. The pension costs charged in the financial statements represent the contributions payable during the year in accordance with FRS 17.

1.13 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

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

	2008 £	2007 £
Operating profit is stated after charging:		
Depreciation of tangible assets	170,314	106,566
Loss on foreign exchange transactions	1,473,602	165,412
Operating lease rentals:		
- Plant and machinery	-	8,124
- Vehicles	107,530	-
Fees payable to the company's auditors for the audit of the company's annual accounts	8,000	9,000
Fees payable to company's auditors and its associates for other services:		
- The audit of the company's subsidiaries, pursuant to legislation	26,402	40,900
- Tax services	2,902	15,030
- other services pursuant to legislation	6,500	2,000
	<u> </u>	<u> </u>
and after crediting:		
Amortisation of intangible assets	44,999	234,376
Profit on disposal of tangible assets	17,506	2,212
	<u> </u>	<u> </u>
4 Investment income		
Bank interest	821,629	450,024
Other interest	201,170	289,520
Associated undertakings	7,934	8,942
Joint venture undertakings	6,046	6,926
	<u> </u>	<u> </u>
	<u>1,036,779</u>	<u>755,412</u>

BARNFIELD CONTRACTORS (UK) LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

5 Interest payable	2008 £	2007 £
Bank loans and overdrafts	434,815	481,623
Lease finance charges	8,825	21,471
Interest on overdue tax	475	48,280
Associated undertakings	194,970	147,924
Joint venture undertakings	285,099	173,654
	<u>924,184</u>	<u>872,952</u>
6 Taxation		
Domestic current year tax		
UK corporation tax	710,066	949,449
Adjustment for prior years	(34,271)	13,283
Joint ventures	8,098	2,424
Associated undertakings	9,945	62,984
	<u>693,838</u>	<u>1,028,140</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	1,792,949	2,953,507
	<u>537,885</u>	<u>886,052</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2007: 30%)	537,885	886,052
	<u>155,953</u>	<u>142,088</u>
Effects of:		
Non deductible expenses	415,461	204,455
Depreciation and amortisation add back	37,590	(60,671)
Capital allowances	(74,160)	(52,801)
(Profit)/loss on sale of fixed assets	101,447	(221,856)
Share of partnership loss	-	1,404
Subject to foreign taxation	427,463	25,282
Adjustments to previous periods	(38,084)	13,417
Share of associates' results	(13,743)	(15,921)
Share of associates' tax	9,945	62,984
Share of joint ventures' results	98,990	166,266
Share of joint ventures' tax	8,098	2,424
Other tax adjustments	(817,054)	17,105
	<u>693,838</u>	<u>1,028,140</u>
Current tax charge	<u>693,838</u>	<u>1,028,140</u>

BARNFIELD CONTRACTORS (UK) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008****6 Taxation (continued)**

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 £203,634 (2007: £320,000). It is not envisaged that this tax will become payable in the foreseeable future.

7 Dividends	2008 £	2007 £
Dividends paid	1,009,800	495,000
	<u> </u>	<u> </u>
8 Intangible fixed assets		Negative Goodwill £
Cost		
At 1 January 2008 and 31 December 2008		(4,310,301)
Amortisation		
At 1 January 2008		3,147,909
Charge for the year		44,999
		<u> </u>
		3,192,908
Net book value		
At 31 December 2008		(1,117,393)
		<u> </u>
At 31 December 2007		(1,162,392)
		<u> </u>

BARNFIELD CONTRACTORS (UK) LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

9 Tangible fixed assets	Long leasehold land and buildings £	Plant and equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Group					
Cost or valuation					
At 1 January 2008	500,000	972,643	21,904	225,014	1,719,561
Additions	150,000	421,974	10,416	41,350	623,740
Disposals	-	(425,297)	(1,963)	(27,050)	(454,310)
Revaluations	(150,000)	-	-	-	(150,000)
	<u>500,000</u>	<u>969,320</u>	<u>30,357</u>	<u>239,314</u>	<u>1,738,991</u>
At 31 December 2008					
Depreciation					
At 1 January 2008	-	453,737	7,070	93,662	554,469
Charge for the year	-	131,965	892	37,457	170,314
On disposals	-	(282,756)	(2,827)	(23,263)	(308,846)
	<u>-</u>	<u>302,946</u>	<u>5,135</u>	<u>107,856</u>	<u>415,937</u>
At 31 December 2008					
Net book value					
At 31 December 2008	<u>500,000</u>	<u>666,374</u>	<u>25,222</u>	<u>131,458</u>	<u>1,323,054</u>
At 31 December 2007	<u>500,000</u>	<u>518,906</u>	<u>14,834</u>	<u>131,352</u>	<u>1,165,092</u>

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

	Plant and equipment £	Total £
Net book values		
At 31 December 2008	<u>208,164</u>	<u>208,164</u>
At 31 December 2007	<u>443,188</u>	<u>443,188</u>
Depreciation charge for the year		
At 31 December 2008	<u>92,484</u>	<u>92,484</u>
At 31 December 2007	<u>34,108</u>	<u>34,108</u>

BARNFIELD CONTRACTORS (UK) LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

10	Tangible fixed assets	Group £
	Investment properties	
	Cost or valuation	
	At 1 January 2008	3,122,989
	Additions	-
	Disposal	(320,001)
	Transfers to current assets	(992,588)
		<hr/>
	At 31 December 2008	1,810,400
		<hr/> <hr/>

The historical cost of the property held at valuation was £1,131,621 (2007: £2,226,376).

The investment properties were valued at 31 December 2008 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 £	Shares in group undertakings and participating interests £	Loans to group undertakings and participating interests £	Total £
Cost or valuation				
At 1 January 2008	60,151	1,516,261	415,500	1,991,912
Additions	5,199	47,371	-	52,570
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	65,350	1,563,632	415,500	2,044,482
	<hr/>	<hr/>	<hr/>	<hr/>
Provisions for diminution in value				
At 1 January 2008	-	-	-	-
Charge for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2008	65,350	1,563,632	415,500	2,044,482
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2007	60,151	1,516,261	415,500	1,991,912
	<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 2008****11 Fixed asset investments (continued)**

Company	Shares in subsidiary undertakings £
Cost	
At 1 January 2008	257
Transfer	251,007
Additions	3
Disposals	(55)
	<hr/>
At 31 December 2008	251,212
	<hr/> <hr/>

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	Shares held	
		Class	%
Barnfield Construction Limited	England & Wales	Ordinary	100
Roger Whalley Limited	England & Wales	Ordinary	100
Barnfield Developments SL	Spain	Ordinary	100
Barnfield & Hyndburn Limited	England & Wales	Ordinary	70
Barnfield & Hyndburn Development Partnership	England & Wales	Partner	70
Empire Business Park Management Company Limited	England & Wales	Ordinary	100
Empire Business Park Management Company No 1 Limited	England & Wales	Ordinary	100
Empire Business Park Management Company No 2 Limited	England & Wales	Ordinary	100
Participating interests			
Morrison Barnfield Homes Limited	England & Wales	Ordinary B	50
Globe Enterprises Limited	England & Wales	Ordinary	33
Globe TMC Limited	England & Wales	Ordinary	50
Park Lane Plaza Limited	England & Wales	Ordinary	50

BARNFIELD CONTRACTORS (UK) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008****11 Fixed asset investments (continued)**

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

Barnfield Construction Limited	Property builders
Roger Whalley Limited	Plumbing contractors
Barnfield Developments SL	Property developers
Barnfield & Hyndburn Limited	Property development and investment
Morrison Barnfield Homes Limited	Dormant
Globe Enterprises Limited	Property developers
Globe TMC Limited	Property investment
Park Lane Plaza Limited	Property developers
Empire Management Companies	Dormant

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 development.

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

The investments in Roger Whalley Limited, Morrison Barnfield Homes Limited and Globe TMC Limited were held by Barnfield Construction Limited at the year end.

Globe Enterprises Limited is accounted for as an associate of the group.

The principal place of business for Globe TMC Limited is Globe Centre, St James Square, Accrington, BB5 0RE and the principal place of business for Park Lane Plaza Limited is Kenyon Road, Lomeshaye Industrial Estate, Nelson, Lancashire BB9 5SP. These entities are accounted for as joint ventures.

12 Stocks and work in progress

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Work in progress	15,686,803	10,250,039	7,397,020	4,136,229
Long term contract balances	1,414,513	1,226,349	-	-
- net cost less foreseeable losses	-	(56,404)	-	-
	<u>17,101,316</u>	<u>11,419,984</u>	<u>7,397,020</u>	<u>4,136,229</u>

BARNFIELD CONTRACTORS (UK) LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

13 Debtors	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Trade debtors	5,189,397	5,702,150	-	844,648
Other debtors	2,973,152	6,325,804	3,936,800	5,371,109
Prepayments and accrued income	438,364	817,539	80,128	18,763
Corporation tax	59,109	-	129,612	-
	<u>8,660,022</u>	<u>12,845,493</u>	<u>4,146,540</u>	<u>6,234,520</u>

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

Other debtors	<u>1,738,555</u>	<u>2,740,055</u>	<u>-</u>	<u>-</u>
---------------	------------------	------------------	----------	----------

14 Creditors: amounts falling due within one year

Bank loans and overdrafts	71,130	9,435,359	7,778,092	4,130,978
Payments received on account	9,191,530	3,912,457	-	-
Net obligations under finance leases and hire purchase contracts	57,612	120,594	-	-
Trade creditors	9,947,258	9,700,000	7,059	7,073
Corporation tax	132,000	609,511	-	1,583
Taxes and social security costs	411,785	1,051,191	787	-
Other creditors	352,871	1,195,455	1,595,920	3,258,297
Accruals and deferred income	138,268	291,659	34,000	28,025
	<u>20,302,454</u>	<u>26,316,226</u>	<u>9,415,858</u>	<u>7,425,956</u>

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

BARNFIELD CONTRACTORS (UK) LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

15 Creditors: amounts falling due after more than one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Net obligations under finance leases and hire purchase agreements	-	57,612	-	-
Bank loans and overdrafts	398,638	2,036,620	-	-
	<u>398,638</u>	<u>2,094,232</u>	<u>-</u>	<u>-</u>

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

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Analysis of loans				
Not wholly repayable within five years by instalments	68,290	1,799,456	-	-
Wholly repayable within 5 years	401,478	3,848,195	6,607,488	3,330,216
	<u>469,768</u>	<u>5,647,651</u>	<u>6,607,488</u>	<u>3,330,216</u>
Included in current liabilities	(71,130)	(3,611,031)	(6,607,488)	(3,330,216)
	<u>398,638</u>	<u>2,036,620</u>	<u>-</u>	<u>-</u>
	<u>68,290</u>	<u>1,799,456</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
Between one and two years	71,130	102,324	-	-
Between two and five years	259,218	134,840	-	-
In more than five years	68,290	1,799,456	-	-
	<u>68,290</u>	<u>1,799,456</u>	<u>-</u>	<u>-</u>

BARNFIELD CONTRACTORS (UK) LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

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

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	57,612	129,418	-	-
Repayable between two and five years	-	58,653	-	-
	57,612	188,071	-	-
Finance charges and interest allocated to future accounting periods	-	(9,865)	-	-
	57,612	178,206	-	-
Included in liabilities due within one year	(57,612)	(120,594)	-	-
	-	57,612	-	-

16 Provisions for liabilities

	Other £
Balance at 1 January 2008	2,164,100
Profit and loss account	611,285
	2,775,385

Provision has been made for the anticipated cost of carrying out various items of remedial work on completed contracts.

17 Pension costs

	2008 £	2007 £
Defined contribution		
Contributions payable by the group for the year	970,587	51,146

BARNFIELD CONTRACTORS (UK) LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

18 Share Capital	2008 £	2007 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
374 Ordinary shares of £1 each	374	400

On 29 July 2008, the company bought back 26 ordinary £1 shares for a consideration of £200,000.

19 Statement of movements on reserves	Other Reserves (see below) £	Revaluation Reserve £	Profit and loss account £
Group			
Balance at 1 January 2008	-	1,460,329	12,401,429
Retained profit for the year	-	-	1,096,122
Dividends paid	-	-	(1,009,800)
Revaluation in year	-	(150,000)	-
Transfer from revaluation reserve to profit and loss account	-	(217,834)	217,834
Purchase of own shares	-	-	(200,000)
Movement during the year	26	-	-
Balance at 31 December 2008	26	1,092,495	12,505,585
Company			
Balance at 1 January 2008	-		12,494,187
Retained profit for the year	-		1,437,399
Dividends paid	-		(1,009,800)
Purchase of own shares	-		(200,000)
Movement during the year	26		-
Balance at 31 December 2008	26		12,721,786
Other reserves		Group	Company
Capital redemption reserve		£	£
Capital redemption reserve movement		26	26
Balance at 31 December 2008		26	26

BARNFIELD CONTRACTORS (UK) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

20	Minority Interests	2008	2007
		£	£
	Minority interests' share of net assets and liabilities in subsidiary undertakings	224,565	223,942
		<u> </u>	<u> </u>
21	Reconciliation of movements in shareholders' funds		
	Group		
	Profit for the financial year	1,096,122	1,747,270
	Dividends	(1,009,800)	(495,000)
	Other recognised gains and losses relating to the year (net)	(150,000)	861,534
	Purchase of own shares	(200,000)	-
		<u> </u>	<u> </u>
	Net addition to shareholders' funds	(263,678)	2,113,804
	Opening shareholders' funds	13,862,158	11,748,354
		<u> </u>	<u> </u>
	Closing shareholders' funds	13,598,480	13,862,158
		<u> </u>	<u> </u>
	Company		
	Profit for the financial year	1,437,399	3,327,876
	Dividends	(1,009,800)	(495,000)
	Purchase of own shares	(200,000)	-
	Opening shareholders' funds	12,494,587	9,661,711
		<u> </u>	<u> </u>
	Closing shareholders' funds	12,722,186	12,494,587
		<u> </u>	<u> </u>
22	Contingent liabilities		
(a)	On 31 December 2008 Barnfield Construction Limited had in the course of business entered into performance and other bonds of £2,148,403 (2007 : £2,817,490)		
(b)	There are contingent liabilities in respect of certain contracts and legal or potential claims, the outcome of which cannot at present be foreseen. In the opinion of the directors, appropriate provision has been made for all liabilities likely to materialise.		

BARNFIELD CONTRACTORS (UK) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008****23 Financial commitments**

As at 31 December 2008 the group had annual commitments under operating leases as follows:

	Land and Buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Expiry date:				
Within one year	-	-	81,018	-
Between two and five years	-	-	20,131	96,302
In over five years	-	-	7,006	-
	<u>-</u>	<u>-</u>	<u>108,155</u>	<u>96,302</u>

24 Directors' emoluments

	2008	2007
	£	£
Emoluments for qualifying services	500,579	485,893
Pension contributions to money purchase schemes	960,000	12,000
	<u>1,460,579</u>	<u>497,893</u>
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	182,836	205,224
Pension contributions to money purchase schemes	480,000	10,000
	<u>662,836</u>	<u>215,224</u>

The number of directors with benefits accruing under money purchase pension schemes is 2 (2007 : 2)

BARNFIELD CONTRACTORS (UK) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008****25 Employees****Number of employees**

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

	2008 Number	2007 Number
Office and management	32	32
Production and sales	82	72
	<hr/>	<hr/>
	114	104
	<hr/>	<hr/>
Employment costs	2008 £	2007 £
Wages and salaries	2,760,966	2,884,070
Social security costs	285,889	298,650
Other pension costs	970,587	51,146
	<hr/>	<hr/>
	4,017,442	3,233,866
	<hr/>	<hr/>

27 Controlling party

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

28 Related party transactions

Barnfield Investment Properties Limited is a company in which T Webber and S Webber have an interest.

Hyndburn Borough Council are partners with Barnfield Construction Limited in Barnfield & Hyndburn Development Partnership.

Barnfield Pension Fund is a fund associated by T Webber and S Webber.

Barnfield Pension Limited is a company in which T Webber and S Webber have an interest.

Modus Barnfield Partnership is an entity in which T Webber and S Webber have an interest.

Pendle Property Development Limited is a company in which T Webber, S Webber and M Taylforth have an interest.

Dime Home Limited owns 26% of Barnfield Contractors (UK) Limited.

Dime Home Limited is controlled by the close family of R Dewan.

Globe Enterprises Limited is a company in which Barnfield Construction Limited has a participating interest.

Ribble Industrial Estates Limited, a company related by an interest T Webber holds in this company.

Pendle Bracken Limited is a company in which T and S Webber, and M Taylforth have an interest.

Barnfield Nevison Partnership is a joint venture interest of S Nevison and Barnfield Construction Limited.

Bishopton Investments Limited is a company which has a common director with Barnfield Construction Limited.

Bracken Developments Limited is a company which has a joint venture interest along with T and S Webber and M Taylforth.

Park Lane Plaza Limited is a joint venture in which Barnfield Contractors UK Limited have an interest.

BARNFIELD CONTRACTORS (UK) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

28 Related party transactions (continued)

The following balances were owed to Barnfield Construction Limited at the year end:

£2,003,145	(2007 : £4,408,840)	by Barnfield Investment Properties
£375,011	(2007 : £375,011)	by Barnfield Pension Fund
£44,000	(2007 : £44,000)	by Barnfield Pensions Limited. A doubtful debt provision of £32,470 (2007: £30,000) has been included against this amount
£Nil	(2007 : £147,362)	by Modus Barnfield Partnership
£1,316,877	(2007 : £Nil)	By Park Lane Plaza Limited. A doubtful debt provision of £1,316,877 (2007: £Nil) has been included against this amount
£478,416	(2007 : £1,678,981)	by R Dewan
£Nil	(2007 : £213,061)	by Globe Enterprises Limited
£Nil	(2007 : £558)	by Ribble Industrial Estates Limited
£Nil	(2007 : £375,029)	by Pendle Bracken Limited
£189,911	(2007 : £174,911)	by Barnfield Nevison Partnership. There is a doubtful debt provision against this balance of £189,911 (2007: £174,911)
£Nil	(2007 : £38,924)	by Bishopton Investments Limited

At the year end Barnfield Construction Limited owed £Nil (2007: £10,470) to Pendle Property Developments Limited.

The following balances were owed to Barnfield Contractors (UK) Limited at the year end:

£1,227,045	(2007 : £1,227,045)	by Park Lane Plaza Limited. There is a doubtful debt provision against this balance of £1,227,045 (2007: £661,728)
------------	---------------------	--

At the year end Barnfield Contractors (UK) Limited owed £336,500 (2007: £1,020,000) to Barnfield Investment Properties Limited.

During the year Barnfield Construction Limited were charged the following amounts by related parties:

£Nil	(2007 : £251,783)	by Modus Barnfield Partnership
£24,250	(2007 : £20,217)	by Ribble Industrial Estates Limited

BARNFIELD CONTRACTORS (UK) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

28 Related party transactions (continued)

During the year Barnfield Construction Limited charged the following amounts to related parties:

£800,431	(2007 : £4,192,644)	to Barnfield Investment Properties Limited
£Nil	(2007 : £135,000)	of interest to Barnfield Investment Properties Limited
£175,000	(2007 : £200,000)	of management charges to Barnfield Investment Properties Limited
£10,235	(2007 : £7,701)	to Barnfield Pension Fund
£10,000	(2007 : £5,000)	of management charges to Barnfield Pension Fund
£46,874	(2007 : £2,340,615)	to Modus Barnfield Partnership
£1,294,025	(2007 : £Nil)	to Park Lane Plaza Limited
£68,619	(2007 : £Nil)	of interest to Park Lane Plaza Limited
£59,623	(2007 : £282,286)	to Pendle Property Developments Limited
£60,000	(2007 : £50,000)	of management charges to Pendle Property Developments Limited
£4,044,358	(2007 : £1,824,201)	to R Dewan
£1,765,336	(2007 : £3,384,656)	to Globe Enterprises Limited
£Nil	(2007 : £93,964)	of interest to Globe Enterprises Limited
£522,223	(2007 : £1,345)	to Ribble Industrial Estates Limited
£5,099,301	(2007 : £3,486,877)	to Pendle Bracken Limited
£Nil	(2007 : £30,168)	to Bishopton Investments Limited

Barnfield Contractors (UK) Limited has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.