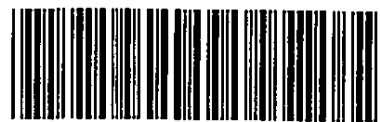


Company Registration No 02365913 (England and Wales)

BARNFIELD CONSTRUCTION LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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BARNFIELD CONSTRUCTION LIMITED

COMPANY INFORMATION

Directors	T J H Webber S Webber S Riley A Couper (Appointed 23 August 2010)
Secretary	A Couper
Company number	02365913
Registered office	Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY
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	NatWest Bank plc 2 Leeds Road Nelson Lancashire BB9 9SY
Solicitors	Haworth & Nuttall 1A Strawberry Bank Preston New Road Blackburn BB2 6AS

BARNFIELD CONSTRUCTION LIMITED

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BARNFIELD CONSTRUCTION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities and review of the business

The principal activity of the company continued to be that of property developers and builders

The company has performed well in what has been a difficult year in the industry as a whole. Turnover of £37.2m is the same as last year and profit before tax of £4.2m is up from £4m last year.

During the year there has been a larger than usual cash outflow which is explained as follows:

- The purchase of several sites totalling approximately £3m for residential development over the next one to two years,
- a further £4.6m has been loaned to other companies within the Group for commercial and industrial development activity, and
- the purchase of an investment property for £2.5m.

Most of these site purchases and loans are into fairly short term schemes and it is anticipated that cash will be returned on the majority of these in late 2011 to early 2012.

Once again there is a healthy order book in place for the forthcoming year and the current estimate is for turnover to exceed £40m for the year.

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 aging 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 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.

BARNFIELD CONSTRUCTION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Environmental, Health and Safety and Employees

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.

Our ISO accreditation for Health & Safety, Environmental and Quality Management has been audited and retained for another year.

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 results for the year are set out on page 6.

A dividend of £2.5m (2009 - £2m) has been paid during the year.

Directors

The following directors have held office since 1 January 2010.

T J H Webber

S Webber

M Taylforth

(Resigned 23 August 2010)

S Riley

A Couper

(Appointed 23 August 2010)

Charitable donations

2010

2009

£

£

During the year the company made the following payments:

Charitable donations

30,518

15,781

Creditor payment policy

It is the company's policy to agree the terms and conditions under which business transactions are conducted with each supplier. The company will abide by the payment terms where the supplier has provided goods and services in accordance with the terms and conditions of the contract.

Trade creditors as at 31 December 2010 were equivalent to 54 days purchases (2009 - 65 days), based on the average daily amount invoiced by suppliers during the period.

Auditors

The auditors, PricewaterhouseCoopers Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

BARNFIELD CONSTRUCTION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

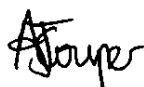
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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
9 May 2011

BARNFIELD CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BARNFIELD CONSTRUCTION LIMITED

We have audited the financial statements of Barnfield Construction Limited for the year ended 31 December 2010 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BARNFIELD CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF BARNFIELD CONSTRUCTION LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Jane Smith

**Jane Smith (Senior Statutory Auditor)
for and on behalf of Pierce C A. Limited**

9 May 2011

Statutory Auditor

Mentor House
Ainsworth Street
Blackburn
Lancashire
BB1 6AY

BARNFIELD CONSTRUCTION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Turnover	2	37,250,521	37,242,183
Cost of sales		(29,222,570)	(30,852,493)
Gross profit		8,027,951	6,389,690
Distribution costs		(85,302)	(77,644)
Administrative expenses		(3,864,621)	(2,656,929)
Other operating income		3,837	-
Operating profit	3	4,081,865	3,655,117
Investment income	4	200,000	150,000
Other interest receivable and similar income	4	47,995	233,471
Interest payable and similar charges	5	(117,833)	(67,140)
Profit on ordinary activities before taxation		4,212,027	3,971,448
Tax on profit on ordinary activities	6	(1,322,044)	(957,993)
Profit for the year	19	2,889,983	3,013,455

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

BARNFIELD CONSTRUCTION LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Profit for the financial year		2,889,983	3,013,455
Unrealised (deficit)/surplus on revaluation of properties		<u>-</u>	<u>157,013</u>
Total recognised gains and losses relating to the year		<u><u>2,889,983</u></u>	<u><u>3,170,468</u></u>

Note of historical cost profits and losses

	2010 £	2009 £
Reported profit on ordinary activities before taxation	4,212,027	3,971,448
Realisation of property revaluation gains of previous years	<u>294,971</u>	<u>-</u>
Historical cost profit on ordinary activities before taxation	<u><u>4,506,998</u></u>	<u><u>3,971,448</u></u>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	<u><u>684,954</u></u>	<u><u>1,013,455</u></u>

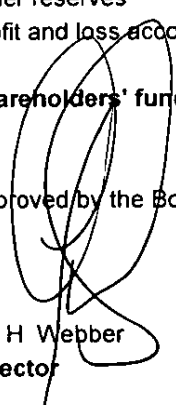
BARNFIELD CONSTRUCTION LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010		2009	
		£	£	£	£
Fixed assets					
Intangible assets	8		250		250
Tangible assets	9 and 10		3,946,057		2,337,787
Investments	11		1,094,115		1,273,721
			<u>5,040,422</u>		<u>3,611,758</u>
Current assets					
Stocks	12	6,398,747		3,396,273	
Debtors	13	11,195,005		9,256,712	
Cash at bank and in hand		3,715,113		10,199,005	
		<u>21,308,865</u>		<u>22,851,990</u>	
Creditors amounts falling due within one year	14	(18,301,784)		(20,396,438)	
Net current assets			<u>3,007,081</u>		<u>2,455,552</u>
Total assets less current liabilities			8,047,503		6,067,310
Creditors amounts falling due after more than one year	15		(1,155,000)		-
Provisions for liabilities	16		(3,037,745)		(2,602,535)
			<u>3,854,758</u>		<u>3,464,775</u>
Capital and reserves					
Called up share capital	18		200		200
Revaluation reserve	19		199,530		494,501
Other reserves	19		1,153,646		1,153,646
Profit and loss account	19		2,501,382		1,816,428
Shareholders' funds	20		<u>3,854,758</u>		<u>3,464,775</u>

Approved by the Board and authorised for issue on 9 May 2011


T J H Webber
Director

Company Registration No 02365913

BARNFIELD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

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 Turnover and profits

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

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract

1.4 Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives

1.5 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors on an existing use open market value basis. Other tangible fixed assets other than freehold land and buildings 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

Freehold land and buildings	Nil
Plant and machinery	15 - 20% on cost
Motor vehicles	25% reducing balance

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account

BARNFIELD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

(continued)

No depreciation is provided in respect of freehold land and buildings since in the opinion of the directors the charge required would not be material to the financial statements

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 2006 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

1.6 Leasing and hire purchase commitments

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

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.7 Investments

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

1.8 Stock

Work in progress is valued 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

1.9 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account

1.10 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

BARNFIELD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

(continued)

1 12 Foreign currency translation

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.

1 13 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Barnfield Group Limited, a company incorporated in England & Wales, and is included in the consolidated accounts of that company.

2 Turnover

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

3 Operating profit

	2010	2009
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	222,074	195,370
Loss on disposal of tangible assets	11,693	-
and after crediting		
Profit on disposal of tangible assets	-	(510)
Profit on foreign exchange transactions	(3,837)	-
	<u> </u>	<u> </u>

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	14,000	14,000
Taxation and general accountancy services	27,350	34,575
	<u> </u>	<u> </u>
	41,350	48,575
	<u> </u>	<u> </u>

4 Investment income

	2010	2009
	£	£
Income from shares in group undertakings	200,000	150,000
Bank interest	41,292	149,942
Other interest	6,703	83,529
	<u> </u>	<u> </u>
	247,995	383,471
	<u> </u>	<u> </u>

BARNFIELD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

5	Interest payable	2010 £	2009 £
	On bank loans and overdrafts	102,746	48,303
	Hire purchase interest	-	1,041
	On overdue tax	15,087	17,796
		<u>117,833</u>	<u>67,140</u>
6	Taxation	2010 £	2009 £
	Domestic current year tax		
	U K corporation tax	1,180,000	672,933
	Adjustment for prior years	142,044	285,060
	Total current tax	<u>1,322,044</u>	<u>957,993</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>4,212,027</u>	<u>3,971,448</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>1,179,368</u>	<u>1,112,005</u>
	Effects of		
	Non deductible expenses	-	1,080
	Depreciation add back	62,181	54,704
	Capital allowances	(52,845)	(60,659)
	Tax losses utilised	(95,854)	(69,121)
	Adjustments to previous periods	-	285,060
	Chargeable disposals	-	(143)
	Dividends and distributions received	56,000	-
	Other tax adjustments	173,194	(364,933)
		<u>142,676</u>	<u>(154,012)</u>
	Current tax charge for the year	<u>1,322,044</u>	<u>957,993</u>
7	Dividends	2010 £	2009 £
	Ordinary interim paid	<u>2,500,000</u>	<u>2,000,000</u>

BARNFIELD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

8 Intangible fixed assets

	Patents £
Cost	
At 1 January 2010 & at 31 December 2010	250
Net book value	
At 31 December 2010	250
At 31 December 2009	250

9 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2010	620,100	1,138,853	237,032	1,995,985
Additions	-	41,601	145,186	186,787
Disposals	(620,100)	(38,500)	(159,000)	(817,600)
At 31 December 2010	-	1,141,954	223,218	1,365,172
Depreciation				
At 1 January 2010	-	334,493	134,105	468,598
On disposals	-	(5,311)	(107,034)	(112,345)
Charge for the year	-	183,200	38,874	222,074
At 31 December 2010	-	512,382	65,945	578,327
Net book value				
At 31 December 2010	-	629,572	157,273	786,845
At 31 December 2009	620,100	804,360	102,927	1,527,387

BARNFIELD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

10 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 January 2010	810,400
Additions	2,348,812
	<hr/>
At 31 December 2010	3,159,212
	<hr/>
Net book value	
At 31 December 2010	3,159,212
	<hr/> <hr/>
At 31 December 2009	810,400
	<hr/> <hr/>

The historical cost of property held at valuation was £2,959,682 (2009 - £610,870) The investment properties were valued at 31 December 2010 by T J H Webber, director of Barnfield Construction Limited, on an open market value existing use basis

BARNFIELD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

11 Fixed asset investments

	Unlisted investments	Shares in participating interests	Loans to participating interests	Shares in group undertakings	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2010	224,656	51	1,049,012	2	1,273,721
Additions	-	24	310	60	394
Disposals	(180,000)	-	-	-	(180,000)
At 31 December 2010	44,656	75	1,049,322	62	1,094,115
Net book value					
At 31 December 2010	44,656	75	1,049,322	62	1,094,115
At 31 December 2009	224,656	51	1,049,012	2	1,273,721

Holdings of more than 20%

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

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Roger Whalley Limited	England and Wales	Ordinary	100 00
Genesis Business Park Limited	England and Wales	Ordinary	60 00
Participating interests			
Globe TMC Limited	England and Wales	Ordinary	50 00
Barnfield Southport Limited	England and Wales	Ordinary	50 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Principal activity	Capital and reserves 2010	Profit/(loss) for the year 2010
		£	£
Roger Whalley Limited	Plumbing contractors	293,808	171,028
Genesis Business Park Limited	Property development & builders	(8,666)	(8,766)
Globe TMC Limited	Property development & builders	958,885	330,603
Barnfield Southport Limited	Dormant	-	-

The information relating to Globe TMC Ltd relates to the year ended 31 October 2010

BARNFIELD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

12 Stocks	2010	2009
	£	£
Work in progress	1,840,151	1,358,059
Land and property stocks	4,558,596	2,011,214
	<u>6,398,747</u>	<u>3,396,273</u>

13 Debtors	2010	2009
	£	£
Trade debtors	2,739,694	3,619,865
Amounts owed by parent and fellow subsidiary undertakings	6,532,651	3,166,559
Amounts owed by participating interests	1,072,491	155,892
Other debtors	567,116	2,030,016
Prepayments and accrued income	283,053	284,380
	<u>11,195,005</u>	<u>9,256,712</u>

14 Creditors, amounts falling due within one year	2010	2009
	£	£
Bank loans	3,909,273	1,660,312
Trade creditors	5,552,059	5,371,990
Amounts owed to subsidiary undertakings	-	101,519
Corporation tax	851,580	792,025
Other taxes and social security costs	271,789	290,584
Other creditors	29,254	22,591
Accruals and deferred income	7,687,829	12,157,417
	<u>18,301,784</u>	<u>20,396,438</u>

Debt due in one year or less	<u>3,909,273</u>	<u>1,660,312</u>
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BARNFIELD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

15 Creditors amounts falling due after more than one year	2010	2009
	£	£
Bank loans	1,155,000	-
	<u>1,155,000</u>	<u>-</u>
Analysis of loans		
Wholly repayable within five years	5,064,273	1,660,312
	<u>5,064,273</u>	<u>1,660,312</u>
Included in current liabilities	(3,909,273)	(1,660,312)
	<u>(3,909,273)</u>	<u>(1,660,312)</u>
	1,155,000	-
	<u>1,155,000</u>	<u>-</u>
Loan maturity analysis		
In more than one year but not more than two years	1,155,000	-
	<u>1,155,000</u>	<u>-</u>

The company has bank loan borrowings of £3,909,273 (2009 £1,660,312) at the balance sheet date which are secured by a first legal mortgage over the related properties

The company is party to an inter-company guarantee on bank borrowings with Barnfield Contractors (UK) Limited and Barnfield Group Limited. As at 31 December 2010 the amount outstanding in respect of the borrowings of these companies was £11,942,923 (2009 - £8,791,015)

The company's banker holds a debenture dated 24 June 2005 over the assets of the company

16 Provisions for liabilities	Other
	£
Balance at 1 January 2010	2,602,535
Profit and loss account	435,210
	<u>435,210</u>
Balance at 31 December 2010	3,037,745
	<u>3,037,745</u>

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

BARNFIELD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

17 Pension and other post-retirement benefit commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

Defined contribution

	2010 £	2009 £
Contributions payable by the company for the year	50,196	49,606

18 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
200 Ordinary shares of £1 each	200	200

19 Statement of movements on reserves

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2010	494,501	1,153,646	1,816,428
Profit for the year	-	-	2,889,983
Transfer from revaluation reserve to profit and loss account	(294,971)	-	294,971
Dividends paid	-	-	(2,500,000)
Balance at 31 December 2010	199,530	1,153,646	2,501,382

Other reserves

Reserves provided for by the Articles of Association

Balance at 1 January 2010 & at 31 December 2010	1,153,646
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BARNFIELD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

20	Reconciliation of movements in shareholders' funds	2010 £	2009 £
	Profit for the financial year	2,889,983	3,013,455
	Dividends	(2,500,000)	(2,000,000)
		<u>389,983</u>	<u>1,013,455</u>
	Other recognised gains and losses	-	294,971
		<u>389,983</u>	<u>1,308,426</u>
	Net addition to shareholders' funds	389,983	1,308,426
	Opening shareholders' funds	3,464,775	2,156,349
		<u>3,854,758</u>	<u>3,464,775</u>
	Closing shareholders' funds	<u>3,854,758</u>	<u>3,464,775</u>

21 Contingent liabilities

On 31 December 2010 the company had, in the course of business, entered into performance and other bonds of £863,791 (2009 - £2,148,403)

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.

22 Financial commitments

At 31 December 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2011

	Other 2010 £	2009 £
Operating leases which expire		
Within one year	20,405	4,482
Between two and five years	81,742	97,893
	<u>102,147</u>	<u>102,375</u>

BARNFIELD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

23 Directors' remuneration	2010 £	2009 £
Remuneration for qualifying services	1,850,264	465,807
Company pension contributions to defined contribution schemes	46,583	45,000
	<u>1,896,847</u>	<u>510,807</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2009 - 3)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	754,681	185,758
Company pension contributions to defined contribution schemes	20,000	20,000
	<u>774,681</u>	<u>205,758</u>

24 Employees

Number of employees

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

	2010 Number	2009 Number
Office & Management	30	30
Production & Sales	84	58
	<u>114</u>	<u>88</u>

Employment costs

	2010 £	2009 £
Wages and salaries	4,344,194	2,569,006
Social security costs	259,653	282,812
Other pension costs	50,196	49,606
	<u>4,654,043</u>	<u>2,901,424</u>

BARNFIELD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

25 Control

The company's parent company is Barnfield Group Limited, a company registered in England and Wales

Barnfield Group Limited prepares group financial statements and copies can be obtained from - Kenyon Road, Lomeshaye Industrial Estate, Nelson, Lancashire, BB9 5SP

The ultimate controlling party is T J H Webber

26 Related party relationships and transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

Barnfield Nevison Partnership is a joint venture interest of S Nevison and Barnfield Construction Limited
Globe Enterprises Limited is a company in which Barnfield Construction Limited has a participating interest

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

Barnfield Pension Fund is a fund associated with T Webber and S Webber

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

Pendle Enterprise and Regeneration 2 Limited is a company in which T Webber and S Webber have an interest

T Webber and S Webber are trustees of The Webber Family Pension Trust

Ribble Property Developments Limited is a company in which T Webber has an interest

At 31 December 2010 the company was owed the following amounts by associated entities

Barnfield Nevison Partnership - £227,411 (2009 - £222,411) A provision of £227,411 (2009 - £222,411) has been made against this debtor balance

Globe Enterprises Limited - £1,072,491 (2009 - £155,892)

Barnfield Investment Properties Limited - £nil (2009 - £1,740,016)

Barnfield Pension Fund - £nil (2009 - £290,000)

Barnfield Pensions Limited - £32,470 (2009 - £32,470) A provision of £32,470 (2009 - £32,470) has been made against this debtor balance

Pendle Enterprise and Regeneration 2 Limited - £337,336 (2009 - £nil) owed to the company

Webber Family Pension Trust - £69,832 (2009 - £nil)

Ribble Property Developments Limited - £159,948 (2009 - £28,647)

The company also operates a loan account with Mr R Dewan, director and shareholder of Dimehome Limited which owns shares in Barnfield Group Limited At the year end the amount due to Barnfield Construction Limited was £nil (2009 - £95,977)