

**Company Registration No. 02365913 (England and Wales)**

## **BARNFIELD CONSTRUCTION LIMITED**

### **MISSION STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

---

*As a leader in our market place with a regional and national footprint, we have wide-ranging opportunities and an attractive yet diverse project pipeline.*

*This is supported by long-term client relationships and the opportunity to see further growth through our continued quality and certainty of delivery.*

*We will continue to build upon what has been a solid stabilisation of our offering whilst maintaining our ability to deliver clients bespoke requirements.*



Tim Webber MBE — Chairman & Managing Director of the Barnfield Group

---

# **BARNFIELD CONSTRUCTION LIMITED**

## **CHAIRMAN'S STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

---

The Barnfield Group is a leading market provider of investment, development and construction works. We specialise in partnership models providing regeneration and development skills across the country to both the public and private sectors.

In delivering projects we enhance communities, creating better places to live, work and play. We will continue to improve our offering in both quality and customer experience.

### **Overview**

Barnfield has now aligned itself as a partner of choice. Customer confidence is at an all-time high with a new stream of satisfied customers requiring repeat business. We are established as one of the country's leading specialists in urban regeneration with significant cost advantages being sought through the use of our building division. The last year has seen the positive impact that a refreshed marketing plan has brought to the group encouraging awareness of Barnfield in new sectors with new clients.

### **Strong Financial Foundations**

The industry has endured difficult market conditions over many years and our ability to endure has enhanced our understanding of the market place we work in. The skills and experience gained through these periods have aligned us for many more years of successful trading. Market stabilisation and customer confidence has led to growth within our homes sector and has helped unlock many stalled projects. The Group has established a strong platform to support further growth in a controlled way.

### **Developing and Expanding a Skilled Workforce**

Demonstrating Barnfield's commitment to developing a stronger and more resilient workforce, the capability within the company remains a prime focus with 60% of employees having received training and development during the past year. The workforce are the main asset to the company and as such our efficient client offering is only possible due to the workforce enthusiasm and ability to deliver quality time and time again. The need for young people in the industry remains an issue for all and to this end we are committed to working internally and with our sub contract base to deliver meaningful training and new job opportunities, exploiting the funding available via the Apprenticeship Levy.

### **Vision for the Future**

We believe that future success lies in maximising the way customers benefit from the slightly different way we operate. By building closer and stronger relationships with customers and suppliers we aim to deliver projects that develop prestigious new and repeat business through recommendation, providing long term stability and ever-improving product quality. We will continue to strengthen links with external educational providers to develop a positive career path in construction and ensure our workforce retains the core skills that have made the company so successful.

---

# BARNFIELD CONSTRUCTION LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	T J H Webber S Webber A Couper S Riley J P Webber	(Appointed 2 February 2017)
<b>Secretary</b>	A Couper	
<b>Company number</b>	02365913	
<b>Registered office</b>	Kenyon Road Lomeshaye Industrial Estate Nelson Lancashire BB9 5SP	
<b>Auditors</b>	Pierce C A Limited Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY	
<b>Business address</b>	Kenyon Road Lomeshaye Industrial Estate Nelson Lancashire BB9 5SP	
<b>Bankers</b>	Handelsbanken 3 Kestrel Court Bridgewater Close Network 65 Business Park Hapton Burnley Lancashire BB11 5NA  Natwest Bank Plc 2 Howe Walk Burnley Lancashire BB11 1TR	

---

# **BARNFIELD CONSTRUCTION LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 30

---

# **BARNFIELD CONSTRUCTION LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

---

The directors present the strategic report for the year ended 31 December 2017.

#### **Fair review of the business**

##### **Revenue**

Revenue in the financial year was in line with our projection and showed an increase on last year at £63.6m as compared to £60.7m in 2016. The order book for 2018 is strong and we expect turnover to increase to between £65m and £70m.

##### **Operating Profit**

The increase in turnover has produced an increased operating profit of £4.6m (£4.3m in 2016).

##### **Cash flow**

The focus on cash generation has continued with cash balances increasing from £4.9m to £7.5m leaving the company in a strong position to invest in new development opportunities in the future.

##### **Debt structure**

Bank finance totals £3.5m and is made up of a number of investment and development facilities all with different expiry dates throughout 2018 to 2021. All facilities have remained compliant with banking covenants throughout the year.

#### **Principal risks and uncertainties**

##### **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.

Our skills in house mitigate much of the risk based around ongoing prospects and development and we have a vast amount of experience within our contracts department which 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. This gives cost certainty to all activities within the business.

##### **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.

We have taken the opportunity to grow our dominance within the sector and whilst we are appreciative of our competitors, our cash position and credibility within the industry ensures we remain focused yet confident.

We now have the opportunity to reinforce our position by not only continuing with our ongoing partners and relationships but creating new connections with similar companies.

# **BARNFIELD CONSTRUCTION LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

---

### **Key performance indicators**

#### **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 manager, monitors performance and organises training as appropriate. We use external experts as and when required.

Our ISO accreditations have been audited and renewed in:

- ISO 9001: 2008 Quality Systems
- ISO 14001: 2008 Environmental Systems
- OHAS 18001: 2007 Occupational Health And Safety

and are presently being transitioned to the 2015 standards.

### **Other performance indicators**

#### **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.

We continue to appraise all systems and staff wellbeing and actively promote a positive change in company culture.

### **Policy on payment to suppliers**

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 of the company as at 31 December 2017 were equivalent to 30 days purchases (2016: 30 days), based on the average daily amount invoiced by suppliers during the period.

On behalf of the board

T J H Webber

**Director**

27 April 2018

# **BARNFIELD CONSTRUCTION LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

---

The directors present their annual report and financial statements for the year ended 31 December 2017.

### **Principal activities**

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

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

T J H Webber

S Webber

A Couper

S Riley

J P Webber

(Appointed 2 February 2017)

### **Results and dividends**

The results for the year are set out on page 7.

A dividend of £2,036,848 (2016 - £5,564,327 ) has been paid during the year.

### **Auditor**

The auditor, Pierce C A Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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.



# **BARNFIELD CONSTRUCTION LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

---

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

On behalf of the board

T J H Webber

**Director**

27 April 2018

# **BARNFIELD CONSTRUCTION LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BARNFIELD CONSTRUCTION LIMITED**

---

#### **Opinion**

We have audited the financial statements of Barnfield Construction Limited (the 'company') for the year ended 31 December 2017 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

# **BARNFIELD CONSTRUCTION LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BARNFIELD CONSTRUCTION LIMITED**

---

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 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.

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

27 April 2018

**Statutory Auditor**

Mentor House  
Ainsworth Street  
Blackburn  
Lancashire  
BB1 6AY

## BARNFIELD CONSTRUCTION LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	63,582,101	60,688,904
Cost of sales		(56,117,021)	(53,410,056)
<b>Gross profit</b>		<b>7,465,080</b>	<b>7,278,848</b>
Distribution costs		(336,364)	(156,603)
Administrative expenses		(2,572,461)	(2,820,808)
<b>Operating profit</b>	<b>4</b>	<b>4,556,255</b>	<b>4,301,437</b>
Interest receivable and similar income	8	712,640	138,013
Interest payable and similar expenses	9	(229,747)	(277,342)
Fair value gains and losses on investment properties	14	-	953,547
<b>Profit before taxation</b>		<b>5,039,148</b>	<b>5,115,655</b>
Tax on profit	10	(834,260)	(925,225)
<b>Profit for the financial year</b>		<b>4,204,888</b>	<b>4,190,430</b>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# BARNFIELD CONSTRUCTION LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		250		250
Tangible assets	13		1,361,587		1,616,427
Investment properties	14		6,287,400		6,287,400
Investments	15		800,186		800,186
			<u>8,449,423</u>		<u>8,704,263</u>
<b>Current assets</b>					
Stocks	18	1,775,882		3,146,447	
Debtors falling due after more than one year	19	1,931,898		2,315,512	
Debtors falling due within one year	19	11,382,257		11,165,756	
Cash at bank and in hand		7,532,158		4,887,766	
		<u>22,622,195</u>		<u>21,515,481</u>	
<b>Creditors: amounts falling due within one year</b>	20	<u>(18,946,865)</u>		<u>(19,789,815)</u>	
<b>Net current assets</b>			<u>3,675,330</u>		<u>1,725,666</u>
<b>Total assets less current liabilities</b>			<u>12,124,753</u>		<u>10,429,929</u>
<b>Creditors: amounts falling due after more than one year</b>	21		(2,610,924)		(3,185,763)
<b>Provisions for liabilities</b>	24		(1,607,394)		(1,505,771)
<b>Net assets</b>			<u>7,906,435</u>		<u>5,738,395</u>
<b>Capital and reserves</b>					
Called up share capital	27		200		200
Revaluation reserve			586,188		586,188
Other reserves			1,153,646		1,153,646
Profit and loss reserves			6,166,401		3,998,361
<b>Total equity</b>			<u>7,906,435</u>		<u>5,738,395</u>

The financial statements were approved by the board of directors and authorised for issue on 27 April 2018 and are signed on its behalf by:

T J H Webber  
Director

Company Registration No. 02365913

## BARNFIELD CONSTRUCTION LIMITED

### STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Revaluation reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£
<b>Balance at 1 January 2016</b>	200	586,188	1,153,646	5,372,258	7,112,292
<b>Year ended 31 December 2016:</b>					
Profit and total comprehensive income for the year	-	-	-	4,190,430	4,190,430
Dividends	11	-	-	(5,564,327)	(5,564,327)
<b>Balance at 31 December 2016</b>	200	586,188	1,153,646	3,998,361	5,738,395
<b>Year ended 31 December 2017:</b>					
Profit and total comprehensive income for the year	-	-	-	4,204,888	4,204,888
Dividends	11	-	-	(2,036,848)	(2,036,848)
<b>Balance at 31 December 2017</b>	200	586,188	1,153,646	6,166,401	7,906,435

# **BARNFIELD CONSTRUCTION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

---

### **1 Accounting policies**

#### **Company information**

Barnfield Construction Limited is a private company limited by shares incorporated in England and Wales. The registered office is Kenyon Road, Lomeshaye Industrial Estate, Nelson, Lancashire, BB9 5SP.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption in FRS 102 paragraph 1.12 from the requirement to produce a cash flow statement and to disclose certain related party disclosure.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Barnfield Construction Limited is a wholly owned subsidiary of Barnfield Nelson Limited and the results of Barnfield Construction Limited are included in the consolidated financial statements of Barnfield Group Limited which are available from Kenyon Road, Lomeshaye Industrial Estate, Nelson, Lancashire, BB9 5SP.

#### **1.2 Going concern**

The directors are not aware of any material uncertainties affecting the company and consider that the company will have sufficient resources to continue trading for the foreseeable future. As a result the directors have continued to adopt the going concern basis in preparing the financial statements.

#### **1.3 Turnover**

Turnover represents amounts receivable for goods sold, services provided and rental income net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. 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.

Rental income arising from investment properties is recognised on a straight-line basis over the lease term.

# BARNFIELD CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 1 Accounting policies

(Continued)

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors and by a director on an existing use open market value basis. Other 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:

Plant and machinery	15 - 20% on cost
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

#### 1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.



# BARNFIELD CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 1 Accounting policies

(Continued)

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.10 Construction contracts

Construction contracts incorporate a conservative estimate of profitability. The budgeted profit margin is usually used throughout the contract; only upon final completion of the contract is any additional profit recognised.

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

#### 1.11 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.12 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# BARNFIELD CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# BARNFIELD CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.13 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# BARNFIELD CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 1 Accounting policies

(Continued)

#### 1.15 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

#### 1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# BARNFIELD CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
<b>Turnover analysed by class of business</b>		
Property development	62,776,714	59,874,043
Rent receivable	604,060	563,833
Other income	201,327	251,028
	<u>63,582,101</u>	<u>60,688,904</u>

	2017	2016
	£	£
<b>Other significant revenue</b>		
Interest income	612,640	38,013
Dividends received	100,000	100,000
	<u>712,640</u>	<u>238,013</u>

	2017	2016
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	63,582,101	60,688,904
	<u>63,582,101</u>	<u>60,688,904</u>

### 4 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(33,288)	(156,750)
Depreciation of owned tangible fixed assets	86,535	72,806
Depreciation of tangible fixed assets held under finance leases	290,208	293,214
Profit on disposal of tangible fixed assets	(1,368)	(33,947)
Cost of stocks recognised as an expense	13,084,984	9,315,896
	<u>13,316,167</u>	<u>9,280,219</u>

### 5 Auditor's remuneration

	2017	2016
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	14,500	14,500
	<u>14,500</u>	<u>14,500</u>
<b>For other services</b>		
All other non-audit services	11,000	11,500
	<u>11,000</u>	<u>11,500</u>

# BARNFIELD CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Office & Management	35	37
Production & Sales	91	100
	<u>126</u>	<u>137</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	4,043,811	4,311,683
Social security costs	413,384	383,838
Pension costs	39,602	39,462
	<u>4,496,797</u>	<u>4,734,983</u>

### 7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	381,385	316,758
Company pension contributions to defined contribution schemes	12,203	10,161
	<u>393,588</u>	<u>326,919</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2016 - 4).

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

Remuneration for qualifying services	<u>85,854</u>	<u>85,465</u>
--------------------------------------	---------------	---------------

## BARNFIELD CONSTRUCTION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

<b>8</b>	<b>Interest receivable and similar income</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Interest on bank deposits	2,500	15,423
	Other interest income	610,140	22,590
		<u>612,640</u>	<u>38,013</u>
	Total interest revenue	612,640	38,013
	<b>Income from fixed asset investments</b>		
	Income from shares in group undertakings	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
	Total income	<u>712,640</u>	<u>138,013</u>
<b>9</b>	<b>Interest payable and similar expenses</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Interest on bank overdrafts and loans	188,973	245,216
	Interest on finance leases and hire purchase contracts	23,392	30,207
	Other interest	17,382	1,919
		<u>229,747</u>	<u>277,342</u>
		<u>229,747</u>	<u>277,342</u>
<b>10</b>	<b>Taxation</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	918,730	858,083
	Adjustments in respect of prior periods	(33,627)	11,284
		<u>885,103</u>	<u>869,367</u>
	Total current tax	885,103	869,367
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(50,843)	55,858
		<u>(50,843)</u>	<u>55,858</u>
	Total tax charge	<u>834,260</u>	<u>925,225</u>

# BARNFIELD CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	5,039,148	5,115,655
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	970,036	1,023,131
Tax effect of expenses that are not deductible in determining taxable profit	7,291	81,331
Adjustments in respect of prior years	(33,627)	11,284
Group relief	(64,089)	-
Permanent capital allowances in excess of depreciation	24,906	(68,626)
Dividend income	(19,250)	(20,000)
Deferred tax on property revaluations	(50,843)	55,858
Other adjustments	(164)	32,956
Fair value gains in profit and loss account	-	(190,709)
Taxation charge for the year	834,260	925,225

### 11 Dividends

	2017 £	2016 £
Interim paid	2,036,848	5,564,327

### 12 Intangible fixed assets

	Patents £
<b>Cost</b>	
At 1 January 2017 and 31 December 2017	250
<b>Amortisation and impairment</b>	
At 1 January 2017 and 31 December 2017	-
<b>Carrying amount</b>	
At 31 December 2017	250
At 31 December 2016	250



# BARNFIELD CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 13 Tangible fixed assets

	Plant and machinery	Motor vehicles	Total
	£	£	£
<b>Cost</b>			
At 1 January 2017	2,270,396	212,188	2,482,584
Additions	124,792	-	124,792
Disposals	(18,849)	(4,000)	(22,849)
At 31 December 2017	<u>2,376,339</u>	<u>208,188</u>	<u>2,584,527</u>
<b>Depreciation and impairment</b>			
At 1 January 2017	832,073	34,084	866,157
Depreciation charged in the year	332,216	44,527	376,743
Eliminated in respect of disposals	(16,711)	(3,249)	(19,960)
At 31 December 2017	<u>1,147,578</u>	<u>75,362</u>	<u>1,222,940</u>
<b>Carrying amount</b>			
At 31 December 2017	<u>1,228,761</u>	<u>132,826</u>	<u>1,361,587</u>
At 31 December 2016	<u>1,438,323</u>	<u>178,104</u>	<u>1,616,427</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017	2016
	£	£
Plant and machinery	<u>1,012,036</u>	<u>1,320,948</u>
Depreciation charge for the year in respect of leased assets	<u>290,208</u>	<u>293,214</u>

### 14 Investment property

	2017
	£
<b>Fair value</b>	
At 1 January 2017 and 31 December 2017	<u>6,287,400</u>

# BARNFIELD CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 14 Investment property

(Continued)

The company's investment properties are included at the directors' best estimates of open market value as at 31 December 2017. These values are as follows:

- Wardle Storeys, Earby - £3,430,000
- Milnrow Road, Rochdale - £1,527,000
- 51-53 Churchill Way, Nelson - £350,000
- 35 Churchill Way, Nelson - £980,000

There are other sundry balances included in the financial statements at £400.

The directors have arrived at the open market values above based on their knowledge of the UK commercial property market and the value of similar land and buildings held in similar areas.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2017 £	2016 £
Cost	4,747,665	4,747,665
Accumulated depreciation	-	-
Carrying amount	<u>4,747,665</u>	<u>4,747,665</u>

### 15 Fixed asset investments

	Notes	2017 £	2016 £
Investments in subsidiaries	16	<u>800,186</u>	<u>800,186</u>

### 16 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Roger Whalley Limited	Kenyon Road, Lomeshaye Industrial Estate, Nelson BB9 5SP	Plumbing contractors	Ordinary	100.00	
Barnfield Centric Limited	As above	Property development	Ordinary	100.00	
Henry Boot Barnfield Limited	As above	Property development	Ordinary	100.00	
Backbarrow Developments Limited	As above	Dormant	Ordinary	100.00	
Orient Business Park Limited	As above	Dormant	Ordinary	100.00	

## BARNFIELD CONSTRUCTION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

#### 16 Subsidiaries (Continued)

Backbarrow Developments Limited was dissolved on 30 January 2018.

#### 17 Associates

Details of the company's associates at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Speke Business Park Limited	Kenyon Road, Lomeshaye Industrial Estate, Nelson BB9 5SP	Property development	Ordinary	24.00	

#### 18 Stocks

	2017	2016
	£	£
Land and property stocks	1,184,545	1,055,732
Work in progress	591,337	2,090,715
	<u>1,775,882</u>	<u>3,146,447</u>

#### 19 Debtors

	2017	2016
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	4,077,332	4,134,656
Amounts owed by group undertakings	959,760	950,613
Amounts owed by undertakings in which the company has a participating interest	575,381	858,158
Other debtors	4,749,748	4,015,456
Prepayments and accrued income	1,020,036	1,206,873
	<u>11,382,257</u>	<u>11,165,756</u>

# BARNFIELD CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

19 Debtors		(Continued)	
		2017	2016
		£	£
<b>Amounts falling due after more than one year:</b>			
Amounts owed by group undertakings		1,619,482	2,003,096
Other debtors		312,416	312,416
		<u>1,931,898</u>	<u>2,315,512</u>
<b>Total debtors</b>		<u>13,314,155</u>	<u>13,481,268</u>
20 Creditors: amounts falling due within one year		2017	2016
		£	£
		Notes	
Bank loans and overdrafts	22	1,119,055	3,914,533
Obligations under finance leases	23	225,022	298,764
Trade creditors		4,964,085	4,693,258
Amounts due to group undertakings		241,048	335,092
Corporation tax		492,730	508,083
Other taxation and social security		578,569	454,085
Other creditors		29,776	28,682
Accruals and deferred income		11,296,580	9,557,318
		<u>18,946,865</u>	<u>19,789,815</u>
21 Creditors: amounts falling due after more than one year		2017	2016
		£	£
		Notes	
Bank loans and overdrafts	22	2,405,044	2,755,426
Obligations under finance leases	23	205,880	430,337
		<u>2,610,924</u>	<u>3,185,763</u>

# BARNFIELD CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 22 Loans and overdrafts

	2017	2016
	£	£
Bank loans	3,524,099	4,798,244
Bank overdrafts	-	1,871,715
	<u>3,524,099</u>	<u>6,669,959</u>
Payable within one year	1,119,055	3,914,533
Payable after one year	2,405,044	2,755,426
	<u>1,119,055</u>	<u>2,755,426</u>

The company's bank loans are secured by a first legal mortgage over the related properties.

NatWest Bank Plc holds a debenture dated 24 June 2005 over the assets of the company and there is a deed of priority in place between NatWest Bank Plc and Handelsbanken in favour of Handelsbanken.

Obligations under hire purchase and finance leases are secured upon the assets for which they are held.

### 23 Finance lease obligations

	2017	2016
	£	£
Future minimum lease payments due under finance leases:		
Within one year	225,022	298,764
In two to five years	205,880	430,337
	<u>430,902</u>	<u>729,101</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 24 Provisions for liabilities

		2017	2016
	Notes	£	£
Provisions for liabilities on contracts		1,485,141	1,332,675
Deferred tax liabilities	25	122,253	173,096
		<u>1,607,394</u>	<u>1,505,771</u>

# BARNFIELD CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 24 Provisions for liabilities (Continued)

Movements on provisions apart from retirement benefits and deferred tax liabilities:

	Provisions for liabilities on contracts £
At 1 January 2017	1,332,675
Additional provisions in the year	550,724
Utilisation of provision	(398,258)
At 31 December 2017	<u>1,485,141</u>

### 25 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
<b>Balances:</b>		
Revaluations	<u>122,253</u>	<u>173,096</u>
<b>Movements in the year:</b>		<b>2017 £</b>
Liability at 1 January 2017		173,096
Credit to profit or loss		(50,843)
Liability at 31 December 2017		<u>122,253</u>

### 26 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>39,602</u>	<u>39,462</u>

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

## BARNFIELD CONSTRUCTION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

#### 27 Share capital

	2017	2016
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
200 Ordinary shares of £1 each	200	200
	<u>200</u>	<u>200</u>
	<u>200</u>	<u>200</u>

#### 28 Financial commitments, guarantees and contingent liabilities

On 31 December 2017 the company had, in the ordinary course of business, entered into performance and other bonds of £4,964,803 (2016 - £3,833,614).

The company is party to an inter company guarantee with Barnfield Group Limited, Barnfield Nelson Limited and Barnfield Contractors (UK) Limited in respect of indebtedness to Natwest Bank Plc. As at 31 December 2017 the amount of borrowings in respect of these companies was £nil (2016 - £314,528).

The company is also party to an inter company guarantee with Barnfield Group Limited, Barnfield Nelson Limited and Barnfield Contractors (UK) Limited in respect of indebtedness to Handelsbanken. As at 31 December 2017 the amount of borrowings in respect of these companies was £3,524,098 (2016 - £6,355,431).

#### 29 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	42,970	109,959
Between two and five years	10,990	57,905
	<u>53,960</u>	<u>167,864</u>
	<u>53,960</u>	<u>167,864</u>

#### 30 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017	2016
	£	£
Acquisition of tangible fixed assets	719,459	-
	<u>719,459</u>	<u>-</u>
	<u>719,459</u>	<u>-</u>

The purchase of plant and equipment above was funded by hire purchase agreements.

# **BARNFIELD CONSTRUCTION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

---

### **31 Related party transactions**

#### **Transactions with related parties**

During the year the company entered into the following transactions with related parties:

#### **Sales**

The value of sales to entities in which the company has a participating interest is made up as follows:

Globe Enterprises Limited - £14,093 (2016 - £320,213)

Speke Business Park Limited - £8,687 (2016 - £5,585)

The value of sales to entities in which the directors T J H Webber and S Webber have an interest is made up as follows:

Barnfield Investment Properties Limited - £2,342,490 (2016 - £67,525)

Barnfield Developments Limited - £3,813,488 (2016 - £249,355)

Pendle Enterprise and Regeneration Limited - £33,408 (2016 - £162,727)

Pendle Enterprise and Regeneration 2 Limited - £1,650,853 (2016 - £841,104)

Pendle Enterprise and Regeneration (Brierfield Mill) Limited - £3,877,801 (2016 - £826,494)

RTB Partnership Limited - £13 (2016 - £2,479)

Pendle Property Developments Limited - £22,587 (2016 - £491,712)

Ribble Property Developments Limited - £2,301,092 (2016 - £2,494,370)

The value of sales to other related parties is made up as follows:

Barnfield Pension Fund - £5,000 (2016 - £5,000)

Webber Family Pension Trust - £nil (2016 - £200,000)



## **BARNFIELD CONSTRUCTION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

---

31 Related party transactions

(Continued)

#### **Purchases and amounts paid**

The value of rents paid to other related parties is made up as follows:

Webber Family Pension Trust - £80,000 (2016 - £80,000)

The value of purchases made from entities in which the directors T J H Webber and S Webber have an interest is made up as follows:

Barnfield Investment Properties Limited - £17,617 (2016 - £17,617)

Barnfield Developments Limited - £94,284 (2016 - £nil)

Pendle Enterprise and Regeneration Limited - £7,166 (2016 - £nil)

## **BARNFIELD CONSTRUCTION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

---

**31 Related party transactions**

**(Continued)**

**Balances**

The following amounts were outstanding at the reporting end date:

**Amounts owed by related parties**

The amount owed by entities in which the company has a participating interest is made up as follows:

Globe Enterprises Limited - £35,339 (2016 - £34,984)  
Speke Business Park Limited - £574,950 (2016 - £674,950)

The amount owed by entities in which the directors T J H Webber and S Webber have an interest is made up as follows:

Barnfield Investment Properties Limited - £506,063 (2016 - £1,688,856)  
Barnfield Developments Limited - £1,712,316 (2016 - £nil)  
Pendle Enterprise and Regeneration Limited - £30,023 (2016 - £26,238)  
Pendle Enterprise and Regeneration 2 Limited - £79,300 (2016 - £89,865)  
Pendle Enterprise and Regeneration (Brierfield Mill) Limited - £163,960 (2016 - £15,930)  
Pendle Property Developments Limited - £nil (2016 - £15,794)  
Ribble Property Developments Limited - £110,433 (2016 - £154,362)

## **BARNFIELD CONSTRUCTION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

---

#### **32 Directors' transactions**

The company has made sales to the directors T J H Webber and S Webber in the amount of £1,629,550 (2016 - £14,514).

As at 31 December 2017, a trade debtor balance of £11,333 (2016 - £nil) was owed to the company by T J H Webber and S Webber.

#### **33 Controlling party**

The immediate parent company is Barnfield Nelson Limited, a company registered in England and Wales.

The ultimate parent company is Barnfield Group Limited, a company registered in England and Wales.

The ultimate controlling parties are Mr T J H Webber, Mrs S Webber and their sons, James and Jonathan, by virtue of their shareholding in the company's ultimate parent company, Barnfield Group Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.