

Company Registration No. 04128638 (England and Wales)

BARNFIELD CONTRACTORS (UK) LIMITED
ANNUAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2001



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COMPANIES HOUSE 17/10/02

BARNFIELD CONTRACTORS (UK) LIMITED

DIRECTORS AND ADVISERS

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

BARNFIELD CONTRACTORS (UK) LIMITED

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BARNFIELD CONTRACTORS (UK) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2001

The directors present their report and group financial statements of the company for the period ended 31 December 2001.

Principal activities and review of the business

The principal activity of the group is that of property developers and builders.

The company was incorporated on 20 December 2000 and was dormant until 14 December 2001, when it acquired the entire shareholding of Barnfield Construction Limited.

The progress of the group during the period accorded with the expectations and the position at the period end is regarded as satisfactory. No significant changes in the future development of the group are proposed.

Results and dividends

The consolidated profit and loss account for the period is set out on page 4. The directors do not recommend the payment of a dividend in respect of the period.

Market value of land and buildings

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

Directors

The following directors have held office since 20 December 2000:

T.J.H. Webber (appointed 20 December 2000)

S. Webber (appointed 20 December 2000)

C. Holgate (appointed 20 December 2000 and resigned 21 December 2001)

Directors' interests

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

	Ordinary shares of £1 each	
	31 December 2001	20 December 2000
T.J.H. Webber	195	65
S. Webber	5	5
C. Holgate	-	65

None of the directors had a beneficial interest in the shares of the subsidiary undertakings.

Creditor payment policy

The group's policy for the year to 31 December 2002 for all suppliers is to fix terms of payment when agreeing the terms of each business transaction, to ensure the supplier is aware of those terms and to abide by the agreed terms of business.

For the period ended 31 December 2001, the group took an average of 70 days to pay its suppliers, as calculated in accordance with the provisions of the Companies Act 1985.

BARNFIELD CONTRACTORS (UK) LIMITED

DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

Auditors

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

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

T.J.H. Webber
Director

Date 11.10.02

BARNFIELD CONTRACTORS (UK) LIMITED

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

We have audited the financial statements of Barnfield Contractors (UK) Limited for the period ended 31 December 2001 on pages 4 to 21. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs as at 31 December 2001 and of the group's profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Morley + Scott

Morley & Scott

Chartered Accountants
Registered Auditor

14 October 2002

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

BARNFIELD CONTRACTORS (UK) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2001

	Notes	2001 £
Turnover	2	1,328,859
Cost of sales		(1,190,048)
Gross profit		138,811
Distribution costs		(5,478)
Administrative expenses		(25,752)
Operating profit	3	107,581
Income from interests in associated undertakings		9,220
Other interest receivable and similar income		4,499
Interest payable and similar charges	4	(11,822)
Profit on ordinary activities before taxation		109,478
Tax on profit on ordinary activities	5	(19,187)
Profit on ordinary activities after taxation		90,291
Minority interests		(1,749)
Profit for the financial period and retained profit for the period		88,542

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

There are no recognised gains and losses other than those passing through the profit and loss account.

BARNFIELD CONTRACTORS (UK) LIMITED

BALANCE SHEETS AS AT 31 DECEMBER 2001

	Notes	Group 2001 £	Company 2001 £
Fixed assets			
Intangible assets	6	(4,257,879)	-
Tangible assets	7 and 8	6,058,704	-
Investments	9	1,018,209	400
		<hr/>	<hr/>
		2,819,034	400
Current assets			
Work in progress	10	2,595,562	-
Debtors	11	5,830,755	-
Cash at bank and in hand		2,683,120	-
		<hr/>	<hr/>
		11,109,437	-
Creditors: amounts falling due within one year	12	(13,242,892)	-
		<hr/>	<hr/>
Net current liabilities		(2,133,455)	-
		<hr/>	<hr/>
Total assets less current liabilities		685,579	400
Creditors: amounts falling due after more than one year	13	(110,881)	-
		<hr/>	<hr/>
		574,698	400
Capital and reserves			
Called up share capital	15	400	400
Profit and loss account	16	88,542	-
		<hr/>	<hr/>
Shareholders' funds - equity interests	17	88,942	400
Minority interests		485,756	-
		<hr/>	<hr/>
		574,698	400
		<hr/>	<hr/>

The financial statements were approved by the board on 11.10.02

T.J.H. Webber
Director

S. Webber
Director

BARNFIELD CONTRACTORS (UK) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2001

	£	2001	£
Net cash outflow from operating activities			(1,360,260)
Returns on investments and servicing of finance			
Interest received	4,499		
Interest paid	(11,822)		
	<hr/>		
Net cash outflow from returns on investments and servicing of finance			(7,323)
Capital expenditure and financial investment			
Purchase of investment			(400)
Financing			
Issuing of ordinary share capital	400		
Increase in debt	10,779		
	<hr/>		
Net cash inflow from financing			11,179
Acquisitions and disposals			
Net cash acquired with subsidiaries			2,842,103
			<hr/>
Increase in cash in the period			1,485,299
			<hr/> <hr/>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2001

1	Reconciliation of operating profit to net cash outflow from operating activities				2001 £
					107,581
					8,429
					(52,422)
					110,592
					566,250
					(2,104,611)
					3,921
					<u>(1,360,260)</u>
2	Analysis of net debt				31 December 2001 £
	Acquisitions £	Cash flow £	Acquisition (excl cash and overdraft) £	Other non-cash changes £	
Net cash:					
Cash at bank and in hand	3,067,925	(384,805)	-	-	2,683,120
Bank overdrafts	(225,822)	(971,999)	-	-	(1,197,821)
	<u>2,842,103</u>	<u>(1,356,804)</u>	<u>-</u>	<u>-</u>	<u>1,485,299</u>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

3	Purchase of subsidiary undertakings	2001 £
	Net assets acquired	
	Tangible fixed assets	6,067,133
	Investments	1,012,910
	Stocks	2,706,154
	Debtors	6,397,005
	Cash at bank and in hand	3,067,925
	Creditors	(13,959,854)
	Bank overdrafts	(225,822)
	Finance leases	(270,743)
	Minority shareholders' interests	(484,007)
		<hr/>
		4,310,701
	Negative goodwill	(4,310,301)
		<hr/>
		400
		<hr/>
	Satisfied by	
	Cash	400
		<hr/> <hr/>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2001

1 Accounting policies

1.1 Accounting convention

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

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2001.

On 14 December 2001, Barnfield Contractors (UK) Limited acquired the entire share capital of Barnfield Construction Limited. The subsidiary undertakings results have been included in the consolidated financial statements from the date of acquisition using the acquisition method of accounting. The company has taken advantage of the exemption granted by s230 Companies Act 1985 not to prepare a separate profit and loss account for the parent company, which was dormant throughout the period.

1.4 Associated undertakings

Participating interests are included in the consolidated financial statements under the equity method of accounting.

1.5 Turnover

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

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

1.6 Goodwill

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

1.7 Tangible fixed assets and depreciation

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

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

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

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

1 Accounting policies (continued)

1.8 Leasing

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

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

1.9 Investment properties

Properties acquired for investment purposes are included at valuation and are not depreciated. The difference between cost and valuation is taken to the investment revaluation reserve.

1.10 Work in progress

Work in progress is valued at the lower of cost and estimated net realisable value, less progress payments, and after provision for contingencies and anticipated future losses on contracts. Excess progress payments are included in creditors as payments on account. Cost comprises prime cost together with a proportion of direct overhead charges.

1.11 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 17.

1.12 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.13 Government grants

Grants receivable relating to work in progress have been treated as payments on account.

Grants receivable relating to investment properties have been deducted from the cost of these assets. This is not in accordance with Schedule 4 to the Companies Act 1985, which requires assets to be shown at their purchase price or production cost. This departure from the requirement of the Act is, in the opinion of the directors, necessary to give a true and fair view as no provision is made for depreciation on these properties and any grants and contributions relating to such assets would not be taken to the profit and loss account.

1.14 Retentions

It is the policy of the group not to account for retentions on contracts until they are actually received, normally 12 months after completion. These retentions average 5% of contract value.

1.15 Joint ventures

Joint ventures are accounted for in accordance with FRS 9, Associates and Joint Ventures. Where venturers operate their own business independently, the group accounts directly for its share of assets and liabilities from the joint venture (see note 22).

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

2 Turnover

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

3 Operating profit

2001
£

Operating profit is stated after charging:

Depreciation of tangible assets	4,338
Depreciation of tangible assets held under hire purchase agreements	4,091
Amortisation of intangible assets	(52,422)
Operating lease rentals	
- Plant and machinery	49,722
Auditors' remuneration	1,579

Auditor's remuneration for non-audit work for the period ended 31 December 2001 was £2,316.

4 Interest payable

2001
£

On bank loans and overdrafts	6,832
Lease finance charges	819
On overdue tax	955
Associated undertakings	3,216

11,822

5 Taxation

2001
£

U.K. current period taxation	
U.K. corporation tax at 28.3%	18,482
Associated undertakings	705

19,187

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

6 Intangible fixed assets

Group	Negative Goodwill £
Cost	
On acquisition of subsidiaries and at 31 December 2001	(4,310,301)
	<hr/>
Amortisation	
Released for period	52,422
	<hr/>
Net book value	
At 31 December 2001	(4,257,879)
	<hr/> <hr/>

7 Tangible fixed assets

Group	Long leasehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation				
Additions	2,187,380	723,589	104,222	3,015,191
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2001	2,187,380	723,589	104,222	3,015,191
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
Charge for the period	-	6,580	1,849	8,429
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2001	-	6,580	1,849	8,429
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2001	2,187,380	717,009	102,323	3,006,762
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	Plant and equipment £	Motor vehicles £	Total £
Net book values			
At 31 December 2001	526,897	59,800	586,697
	<hr/>	<hr/>	<hr/>
Depreciation charge for the period			
At 31 December 2001	1,784	615	2,399
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

8 Tangible fixed assets

Investment properties	Group £	Company £
Cost or valuation		
Grants receivable	(321,514)	-
Additions	3,373,456	-
	<hr/>	<hr/>
At 31 December 2001	3,051,942	-
	<hr/> <hr/>	<hr/> <hr/>

The historical cost of the property held at valuation was £3,051,942 (company: £Nil).

The investment properties were valued at 31 December 2001 by M. Taylforth, BSc MRICS, an employee of Barnfield Construction Limited, on the basis of open market value for existing use.

The amount of capital gains tax which would become payable under present legislation in the event of the sale of properties at the amount at which they are stated is estimated at £Nil.

Tangible fixed assets at the balance sheet date were made up as follows:

	Group £	Company £
Investment properties	3,051,942	-
Other tangible assets	3,006,762	-
	<hr/>	<hr/>
	6,058,704	-
	<hr/> <hr/>	<hr/> <hr/>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

9 Fixed asset investments

Group	Unlisted investments £	Shares in participating interests £	Loans to participating interests £	Loans to connected companies £	Total £
Cost or valuation					
Additions	89,506	1,000	809,000	113,404	1,012,910
Increase in value	-	5,299	-	-	5,299
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2001	89,506	6,299	809,000	113,404	1,018,209
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Company					Shares in subsidiary undertakings £
Cost					
Additions					400
					<hr/>
At 31 December 2001					400
					<hr/>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

9 Fixed asset investments

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 %
Barnfield Construction Limited	England & Wales	Ordinary	100
Barnfield Investments Limited	England & Wales	Ordinary	100
Barnfield Enterprises Limited	England & Wales	Ordinary	100
Roger Whalley Limited	England & Wales	Ordinary	100
AJF Restaurants Limited	England & Wales	Ordinary	100
Barnfield and Hyndburn Limited	England & Wales	Ordinary	70
Aymer Investments Limited	England & Wales	Ordinary	50
Barnfield Morrison Homes Limited	England & Wales	Ordinary	50
Globe Enterprises Limited	England & Wales	Ordinary	33

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

	Principal activity
Barnfield Construction Limited	Property developers
Barnfield Investments Limited	Property developers
Barnfield Enterprises Limited	Property developers
Roger Whalley Limited	Plumbing contractors
AJF Restaurants Limited	Property developers
Barnfield & Hyndburn Limited	Property developers
Aymer Investments Limited	Property developers
Barnfield Morrison Homes Limited	Property developers
Globe Enterprises Limited	Property developers

Barnfield Construction Limited holds a 70% share in Barnfield & Hyndburn Partnership, an unincorporated undertaking.

The investment in Barnfield Construction Limited is held directly with the remainder of the investments held by Barnfield Construction Limited.

No financial statements have been prepared for Morrison Barnfield Homes Limited at the date of approval of these financial statements (see note 22).

10 Work in progress

	Group 2001 £	Company 2001 £
Work in progress	18,383,538	-
Payments on account	(15,787,976)	-
	<hr/>	<hr/>
	2,595,562	-
	<hr/>	<hr/>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

11 Debtors

	Group 2001 £	Company 2001 £
Trade debtors	2,248,018	-
Corporation tax	7,095	-
Other debtors	3,105,905	-
Prepayments and accrued income	469,737	-
	<hr/>	<hr/>
	5,830,755	-
	<hr/> <hr/>	<hr/> <hr/>

12 Creditors: amounts falling due within one year

	Group 2001 £	Company 2001 £
Bank loans and overdrafts	2,624,242	-
Payments received on account	4,205,552	-
Net obligations under finance leases and hire purchase contracts	159,862	-
Trade creditors	4,727,148	-
Corporation tax	313,329	-
Taxes and social security costs	250,067	-
Directors' current accounts	467	-
Other creditors	670,124	-
Accruals and deferred income	218,351	-
Proposed dividend	73,750	-
	<hr/>	<hr/>
	13,242,892	-
	<hr/> <hr/>	<hr/> <hr/>

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

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

13 Creditors: amounts falling due after more than one year

	Group 2001 £	Company 2001 £
Net obligations under finance leases and hire purchase agreements	110,881	-
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	171,158	-
Repayable between one and five years	120,674	-
	291,832	-
Finance charges and interest allocated to future accounting periods	(21,089)	-
	270,743	-
Included in liabilities falling due within one year	(159,862)	-
	110,881	-

14 Pension costs

Barnfield Construction Limited operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £1,085. Contributions totalling £Nil were payable to the fund at the period end.

15 Share capital

	2001 £
Authorised 1,000 Ordinary shares of £1 each	1,000
Allotted, called up and fully paid 400 Ordinary shares of £1 each	400

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

16 Statement of movements on reserves	Profit and loss account £
Group	
Balance at 20 December 2000	-
Retained profit for the period	88,542
	<hr/>
Balance at 31 December 2001	88,542
	<hr/> <hr/>
Company	Profit and loss account £
Balance at 31 December 2001	-
	<hr/> <hr/>
17 Reconciliation of movements in shareholders' funds	2001 £
Group	
Profit for the financial period	88,542
Proceeds from issue of shares	400
	<hr/>
Net addition to shareholders' funds	88,942
Opening shareholders' funds	-
	<hr/>
Closing shareholders' funds	88,942
	<hr/> <hr/>
Company	2001 £
Profit for the financial period	-
	<hr/>
Proceeds from issue of shares	400
	<hr/>
Net addition to shareholders' funds	400
Opening shareholders' funds	-
	<hr/>
Closing shareholders' funds	400
	<hr/> <hr/>

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

18 Contingent liabilities

- (a) On 31 December 2001 Barnfield Construction Limited had in the course of business entered into performance and other bonds of £1,156,534.
- (b) Barnfield Construction Limited has guaranteed the bank borrowings of Roger Whalley Limited, Barnfield Enterprises Limited and Barnfield Investments Limited which amounted to £265,693 at the Balance Sheet date.
- (c) The group has guaranteed the bank borrowings of Barnfield Construction Limited and Barnfield Investment Properties Limited which amounted to £6,809,861.
- (d) Barnfield Construction Limited has also given an undertaking to Barnfield Investments Limited that it will provide financial support to enable it to meet its liabilities as they fall due, for as long as it remains a subsidiary.
- (e) Barnfield Construction Limited, as part of its investment in the Barnfield and Hyndburn Development Partnership, is contracted to invest a further £100,000 in this partnership should it fail to obtain planning permission on one of its development sites.
- (f) Barnfield Construction Limited is party to a group VAT registration. The contingent liability of this company at the balance sheet date amounts to £Nil.
- (g) Barnfield Construction Limited has guaranteed bank borrowings of Barnfield Pension Fund which amounted to £130,331 at the balance sheet date. The pension fund had gross assets totalling £1,945,938 at the last accounts date of 5 April 2001.
- (h) Barnfield Construction Limited has given an undertaking to Globe Enterprises Limited that it will provide financial support to enable it to meet its liabilities as they fall due, for as long as it remains a participating interest. The company has also guaranteed the bank borrowings of Globe Enterprises Limited which amounted to £2,997,039 at the balance sheet date. Globe Enterprises Limited had gross assets totalling £6,639,371 at the balance sheet date.
- (i) Barnfield Construction Limited has guaranteed the bank borrowings of Barnfield Investment Properties Limited of £5,879,395. Barnfield Investment Properties Limited had gross assets totalling £15,125,974 at the balance sheet date.

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

19 Directors' emoluments

2001
£

Emoluments for qualifying services 9,745

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

Emoluments for qualifying services
Company pension contributions to money purchase schemes 3,693

The number of directors with benefits accruing under money purchase pension schemes is 2.

20 Employees

Number of employees

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

2001
Number

Office and management 26
Production and sales 103

129

Employment costs

2001
£

Wages and salaries 101,646
Social security costs 8,203
Other pension costs 1,025

110,874

BARNFIELD CONTRACTORS (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 DECEMBER 2001

21 Control and related party transactions

Group

- (a) At 31 December 2001 Pendle Commercial Properties Limited, a company related by common control, was owed £296,444 by Barnfield Construction Limited in respect of an interest free loan. This balance is included in other creditors. During the period Barnfield Construction Limited made sales to Pendle Commercial Properties Limited of £13,400.
- (b) Dime Home Limited owns 26% of Barnfield Construction Limited. Dime Home Limited is controlled by the close family of R. Dewan. During the period Barnfield Construction Limited made sales to R. Dewan amounting to £40,685. At 31 December 2001 R. Dewan owed Barnfield Construction Limited £138,783. This balance is included in trade debtors.
- (c) T.J.H. Webber is a director of Globe Enterprises Limited. During the period Barnfield Construction Limited made sales to Globe Enterprises Limited amounting to £49,505. At 31 December 2001 Globe Enterprises Limited owed Barnfield Construction Limited £284,777 in respect of trade debtors. At 31 December 2001 Globe Enterprises Limited owed Barnfield Construction Limited £809,000 in respect of an interest free loan.
- (d) At 31 December 2001 Barnfield Construction Limited was owed £123,212 by Aymer Investments Limited, a company in which Barnfield Construction Limited is a shareholder. During the period Barnfield Construction Limited made sales to Aymer Investments Limited amounting to £890.
- (e) T.J.H. Webber is a director of Ribble Industrial Estates Limited. At 31 December 2001, Barnfield Construction Limited was owed £308,787 by Ribble Industrial Estates Limited. This balance is included in trade debtors. During the period Barnfield Construction Limited made sales amounting to £314,331 to Ribble Industrial Estates Limited.
- (f) T.J.H. Webber is a director of Ribble Enterprises Limited. At 31 December 2001, Barnfield Construction Limited was owed £87,388 by Ribble Enterprises Limited. This balance is included in trade debtors. During the period Barnfield Construction Limited made sales amounting to £25,543 to Ribble Enterprises Limited.
- (g) Barnfield Pensions Limited is owned by the Barnfield Pension Fund. T.J.H. Webber is a trustee of Barnfield Pension Fund. At 31 December 2001 Barnfield Pension Fund owed Barnfield Construction Limited £16,773, included in trade debtors.
- (h) Barnfield Investments Properties Limited, a company which is related by common control, paid management charges amounting to £9,910 during the period. At 31 December 2001, Barnfield Investment Properties owed the group £2,066,075.

22 Investment in joint arrangements

Barnfield Construction Limited has a joint venture with Morrison Homes Limited called Morrison Barnfield Homes Limited. The directors consider that each venturer operates its own business independently and are able to control their own assets, liabilities and cash flows in that framework. Therefore in accordance with FRS 9, the group has accounted directly for its share of the assets and liabilities arising from this joint venture. During the period the group made sales of £1,190,225 to Morrison Barnfield Homes Limited.