

Company Registration No. 07986991 (England and Wales)



**Barnfield**  
*group*

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## BARNFIELD GROUP LIMITED

### ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015



**BARNFIELD GROUP LIMITED  
MISSION STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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*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 customer 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 customer bespoke requirements.*



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

**BARNFIELD GROUP LIMITED  
CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**Overview**

Barnfield is now positioned as a regional and national leader in creating places to work, live and play. 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 cohesive branding and awareness of Barnfield has helped make our company a known and trusted name within the industry.

**Strong Financial Foundations**

We are starting to see the benefit of market stabilisation having ensured that the solid business foundations have been protected during the global financial crisis. Customer confidence is growing and the rise in UK PLC expectations has helped unlock many projects. Within the housing market the rejuvenated mortgage market and the introduction of the 'Help to Buy' scheme in April 2013, has seen more opportunities coming forward for the first time buyer. The Group has established a strong platform to support further growth in a controlled way.

**The Industry Environment**

The leadership team sees a number of favourable trends emerging throughout the UK whereby positive business guidance can benefit the company:

- UK economic recovery
- Structural need for more and improved housing and places of work across the UK
- Planned public expenditure on infrastructure
- Recovery in consumer confidence
- Recovery in the availability of mortgage finance
- Government backed initiatives such as "Help to Buy"
- The need for energy efficiency in the construction and development sectors.

**Vision for the Future**

We are starting to see the benefit of our previous vision statement and our nationally renowned position as a partner organisation of choice that goes beyond the traditional contractor / client relationship. We have developed a stronger internal training regime using our links to a number of external educational facilities to ensure that our future needs for staff and apprentices are dealt with.

**BARNFIELD GROUP LIMITED  
COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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Directors	T J H Webber S Webber J P Webber
Secretary	A Couper
Company Number	07986991
Registered Office	8 Kenyon Road Lomeshaye Industrial Estate Nelson Lancashire BB9 5SP
Registered Auditors	Pierce C A Limited Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY
Business Address	8 Kenyon Road Lomeshaye Industrial Estate Nelson Lancashire BB9 5SP
Bankers	National Westminster Bank Plc 2 Leeds Road Nelson Lancashire BB9 9SY  Svenska Handelsbanken AB First Floor 3 Kestrel Court Bridgewater Close Network 65 Business Park Burnley Lancashire BB11 5NA

# **BARNFIELD GROUP LIMITED**

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**BARNFIELD GROUP LIMITED  
STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present the strategic report and financial statements for the year ended 31 December 2015.

**Review of the Business**

**Revenue**

Revenue in the financial year was £73.3m compared with £57.2m in 2014, an increase of 28%.

**Operating Profit**

Operating profit has reduced from £3.3m last year to £2.6m this year. This is primarily as a result of a reduction in gross margin in Barnfield Construction Limited. 2015 was one in which we completed some very challenging contracts which have impacted on our results, however the outlook for 2016 is very positive with a secure order book of £50m we expect to deliver turnover of £65m and increase gross margins back to 2014 levels of 11% in Barnfield Construction Limited.

**Cash flow**

Cash balances have decreased over the year by £4.8m to £6.1m as we invest in new development opportunities. We have continued with our programmes of asset renewals, last year we spent £0.4m renewing our fleet of rollers and dumpers, this year a further £1m on telehandlers.

**Debt structure**

The Group is financed by a combination of preference shares and loans from two banks. Bank finance totals £7.7m and is made up of a number of investment and development facilities across the group all with different expiry dates throughout 2016 to 2019. All facilities have remained compliant with banking covenants throughout the year.

**Financial risk management**

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

Tight management of credit risk is essential in our business. We assess every customer at the start of any contract and regularly monitor the 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 appropriate action taken to keep costs under control. This gives 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.

**BARNFIELD GROUP LIMITED  
STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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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 to like-minded companies.

**Environmental and health and safety**

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

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

Our ISO accreditations have been audited and renewed for another year in:

- ISO 9001 Quality Systems
- ISO 14001 Environmental Systems
- ISO 18001 Occupational Health And Safety

**Employees**

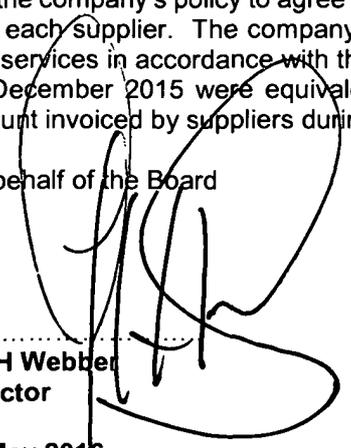
We continue to develop our staff using both external and in house resources. Programmes are developed around both business needs and personal development. It is important that our customer facing staff present a professional and friendly service and employees are encouraged to engage with customers to 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 group as at 31 December 2015 were equivalent to 42 days purchases (2014: 35 days), based on the average daily amount invoiced by suppliers during the period.

On behalf of the Board

  
.....  
**T J H Webber**  
**Director**

**17 May 2016**

**BARNFIELD GROUP LIMITED  
DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their report and the group financial statements for the year ended 31 December 2015.

**Principal Activities**

The principal activity of the group is that of property investment, development and construction.

**Results and dividends**

The consolidated profit and loss account for the period is set out on page 7. A dividend of £697.08 (2014: £500) per Ordinary 'A' share of £1 was paid in respect of the year, and a dividend of £65.33 (2014: £Nil) per ordinary 'B' share of £1 was also paid in respect of the year.

**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  
J P Webber

**Auditors**

The auditors, Pierce C. A. Limited, are deemed to be reappointed under Section 487 (2) of the Companies Act 2006.

**Statement of directors' responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**BARNFIELD GROUP LIMITED  
DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**Statement of Disclosure to Auditors**

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

By Order of the Board

  
.....  
**A Couper**  
**Secretary**

**17 May 2016**

## **BARNFIELD GROUP LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BARNFIELD GROUP LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of Barnfield Group Limited for the year ended 31 December 2015 set out on pages 7 to 36. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of directors and auditors.**

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

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies within the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our Report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

**BARNFIELD GROUP LIMITED**

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF BARNFIELD GROUP LIMITED**

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

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

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

*Jane Smith*

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

**17 May 2016**

**Statutory Auditor**

Mentor House  
Ainsworth Street  
Blackburn  
Lancashire  
BB1 6AY

**BARNFIELD GROUP LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	31 December 2015 £	31 December 2014 £
<b>Turnover</b>			
Group and share of joint venture undertakings	3	72,024,318	55,820,287
Less: share of joint ventures' turnover		(232,172)	(164,727)
Rent receivable		1,270,322	1,270,388
Other income		286,813	273,968
<b>Group turnover</b>		<b>73,349,281</b>	<b>57,199,916</b>
Cost of sales		(65,986,649)	(49,108,473)
<b>Gross profit</b>		<b>7,362,632</b>	<b>8,091,443</b>
Distribution costs		(218,062)	(182,395)
Administrative expenses		(3,152,244)	(2,780,706)
Amortisation of goodwill		(1,377,526)	(1,808,213)
Other operating income		15,000	-
<b>Group operating profit</b>	4	<b>2,629,800</b>	<b>3,320,129</b>
Share of operating profit in joint ventures		108,345	73,387
Share of operating profit in associates		60,970	40,826
Share of profit on sale of investment property in associates		-	25,921
<b>Profit on ordinary activities before interest</b>		<b>2,799,115</b>	<b>3,460,263</b>
Other interest receivable and similar income	7	544,444	296,770
Interest payable and similar charges	8	(575,054)	(721,695)
<b>Profit on ordinary activities before taxation</b>		<b>2,768,505</b>	<b>3,035,338</b>
Tax on profit on ordinary activities	9	(581,359)	(477,404)
<b>Profit on ordinary activities after taxation</b>		<b>2,187,146</b>	<b>2,557,934</b>
Minority interests		86,166	8,481
<b>Profit for the year</b>		<b>2,273,312</b>	<b>2,566,415</b>

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

**BARNFIELD GROUP LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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	2015 £	2014 £
<b>Profit for the financial year</b>	2,273,310	2,566,415
<b>Other comprehensive income</b>		
Unrealised (deficit)/surplus on revaluation of properties	-	(220,633)
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	<u>2,273,310</u>	<u>2,345,782</u>

**BARNFIELD GROUP LIMITED**

**GROUP BALANCE SHEET AS AT 31 DECEMBER 2015**

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Goodwill	11	3,705,095	5,082,621
Tangible assets	12 & 13	7,378,528	6,470,636
Investment in group undertakings	14	1,124,600	1,101,891
Investments - other	14	15,730	61,342
Investments in joint ventures			
- Share of gross assets		2,634,081	2,277,307
- Share of gross liabilities		(2,603,149)	(2,275,772)
		<u>12,254,885</u>	<u>12,718,025</u>
<b>Current assets</b>			
Stock and work in progress	17	14,829,842	16,645,621
Debtors	18	14,099,411	11,247,011
Cash at bank and in hand		6,091,569	10,963,422
		<u>35,020,822</u>	<u>38,856,054</u>
<b>Creditors: amounts falling due within one year</b>	19	(22,840,480)	(21,803,247)
		<u>12,180,342</u>	<u>17,052,807</u>
<b>Net current assets</b>		<u>12,180,342</u>	<u>17,052,807</u>
		<u>24,435,227</u>	<u>29,770,832</u>
<b>Total assets less current liabilities</b>		<u>24,435,227</u>	<u>29,770,832</u>
<b>Creditors: amounts falling due after more than one year</b>	20	(9,899,362)	(16,411,565)
<b>Provisions for liabilities</b>	23	(2,076,212)	(2,585,447)
<b>Accruals and deferred income</b>	24	(1,779,625)	(1,995,573)
		<u>10,680,028</u>	<u>8,778,247</u>
<b>Capital and reserves</b>			
Called up share capital	26	500	500
Revaluation reserve		131,060	168,345
Profit and loss account		10,483,051	8,457,819
		<u>10,614,611</u>	<u>8,626,664</u>
<b>Shareholders' funds - equity interests</b>		<u>10,614,611</u>	<u>8,626,664</u>
<b>Minority interests</b>		65,417	151,583
		<u>10,680,028</u>	<u>8,778,247</u>

The financial statements were approved by the board on 17 May 2016.

T J H Webber  
Director

**BARNFIELD GROUP LIMITED****COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2015**

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Investments	14	23,828,105	23,828,105
<b>Current assets</b>			
Debtors	18	2,775,709	2,630,091
Cash at bank and in hand		1,869,413	2,225,016
		<u>4,645,121</u>	<u>4,855,107</u>
<b>Creditors: amounts falling due within one year</b>	19	(1,081,735)	(1,100,532)
		<u>3,563,386</u>	<u>3,754,575</u>
<b>Net current assets</b>			
		27,391,492	27,582,680
<b>Creditors: amounts falling due after more than one year</b>	20	(6,132,090)	(9,032,090)
		<u>21,259,402</u>	<u>18,550,590</u>
<b>Capital and reserves</b>			
Called up share capital	26	500	500
Profit and loss account		21,258,902	18,550,090
		<u>21,259,402</u>	<u>18,550,090</u>
<b>Total equity</b>		<u>21,259,402</u>	<u>18,550,090</u>

The financial statements were approved by the board on 17 May 2016.

T J H Webber  
Director

**BARNFIELD GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	Share Capital £	Profit and Loss Reserves £	Revaluation Reserve	Total £
<b>Balance at 1 January 2014</b>		500	6,003,272	477,110	6,480,882
<b>Year ended 31 December 2014</b>					
Profit and total comprehensive income for the year		-	2,566,415	(220,633)	2,345,782
Dividends		-	(200,000)	-	(200,000)
Transfer in year		-	88,132	(88,132)	-
<b>Balance at 31 December 2014</b>		500	8,457,819	168,345	8,626,664
<b>Year ended 31 December 2015</b>					
Profit and total comprehensive income for the year		-	2,273,312	-	2,273,310
Dividends		-	(285,365)	-	(285,365)
Transfer in year		-	37,285	(37,285)	-
<b>Balance at 31 December 2015</b>		500	10,483,051	131,060	10,614,609



**BARNFIELD GROUP LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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	Notes	Share Capital £	Profit and Loss Reserves £	Total £
<b>Balance at 1 January 2014</b>		500	16,049,623	16,050,123
		<hr/>	<hr/>	<hr/>
<b>Year ended 31 December 2014</b>				
Profit and total comprehensive income for the year		-	2,700,467	2,700,467
Dividends	10	-	(200,000)	(200,000)
		<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2014</b>		500	18,550,090	18,550,090
		<hr/>	<hr/>	<hr/>
<b>Year ended 31 December 2015</b>				
Profit and total comprehensive income for the year		-	2,994,177	2,994,177
Dividends	10	-	(285,365)	(285,365)
		<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2015</b>		500	21,258,902	21,259,402
		<hr/>	<hr/>	<hr/>

**BARNFIELD GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	£	2015 £	£	2014 £
<b>Cash (absorbed by)/generated from operations (Note 1)</b>		(123,036)		13,681,301
Interest paid		(405,215)		(438,855)
Income taxes paid		(418,373)		(1,418,788)
		<u>          </u>		<u>          </u>
Net cash (outflow)/inflow from operating activities		(946,624)		11,823,658
<b>Investing activities</b>				
Purchase of tangible fixed assets	(1,337,725)		(403,701)	
Proceeds on disposal of fixed assets	345,270		89,900	
Proceeds from sales of fixed asset investments	44,656		-	
Interest received	265,873		(130,870)	
		<u>          </u>		<u>          </u>
<b>Net cash used in investing activities</b>		(681,926)		(444,671)
<b>Financing activities</b>				
Repayment of borrowings	(583,058)		(2,953,727)	
Payment of finance lease obligations	525,120		301,560	
Redemption of preference shares	(2,900,000)		(3,032,173)	
Dividends paid	(285,365)		(200,000)	
		<u>          </u>		<u>          </u>
<b>Net cash used in financing activities</b>		(3,243,303)		(5,884,340)
		<u>          </u>		<u>          </u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(4,871,853)		5,494,647
Cash and cash equivalents at beginning of year		10,963,422		5,468,775
		<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>		6,091,569		10,963,422
		<u>          </u>		<u>          </u>
<b>Relating to:</b>				
Cash at bank and in hand		6,091,569		10,963,422
		<u>          </u>		<u>          </u>

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015****1 Cash generated from operations**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	2,187,146	2,557,934
<b>Adjustments for:</b>		
Taxation charged	581,359	477,404
Finance costs	575,054	721,695
Investment income	(544,444)	(296,770)
Profit on disposal of tangible assets	(185,072)	(56,371)
Depreciation of tangible assets	269,637	230,896
Amortisation of intangible assets	1,377,526	1,808,213
Exchange rate movement on foreign investments	956	1,099
Share of operating profit in joint ventures and associates	(169,315)	(140,134)
<b>Movements in working capital</b>		
Decrease in stocks	2,535,788	3,142,427
(Increase)/decrease in debtors	(2,248,346)	2,173,263
(Decrease)/increase in creditors	(4,287,377)	3,890,144
Decrease in deferred income	(215,948)	(828,499)
<b>Cash (absorbed by)/generated by operations</b>	<b>(123,036)</b>	<b>13,681,301</b>

**2 Accounting policies****Company information**

Barnfield Group Limited ("the Company") is a company limited by shares incorporated in England and Wales. The registered office is 8 Kenyon Road, Brierfield, Nelson, Lancashire, BB9 3SP.

**2.1 Accounting convention**

The financial statements are 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 on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Barnfield Group Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note . As permitted by S408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,994,177 (2014 - £2,700,467), including dividends received from group companies

## BARNFIELD GROUP LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 2 Accounting policies (continued)

##### 2.2 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 2015. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from, the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

##### 2.3 Associated and joint venture undertakings

The group's share of net assets of associated undertakings has been consolidated into the group financial statements under the equity accounting method in compliance with FRS 102. Joint venture undertakings are arrangements in which the group has a long-term interest and shares control under a contractual arrangement. The group's financial statements include the appropriate share of the joint venture undertaking's results and retained reserves which have been included in the financial statements on a gross equity basis in accordance with FRS 102. These amounts are taken from the latest audited financial statements of the undertakings concerned.

##### 2.4 Turnover

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

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

##### 2.5 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. Goodwill is released to the profit and loss account in the years in which the non-monetary assets acquired are sold.

Goodwill arising on consolidation is released to the profit and loss account over its estimated useful life of 5 years.

##### 2.6 Tangible fixed assets and depreciation

Tangible fixed assets other than investment properties 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 equipment	15-20% on cost
Motor vehicles	25% on net book value

##### 2.7 Investment properties

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

## BARNFIELD GROUP LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 2 Accounting policies (continued)

Although this accounting policy is in accordance with the applicable accounting standard, FRS 102, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

#### 2.8 Investments

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

#### 2.9 Stock and Work in progress

Stocks are stated at the lower of cost and net realisable value.

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

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

#### 2.10 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 statement of financial position 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.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables 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.

##### **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 publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**2 Accounting policies (continued)**

**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 trade and other payables, 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**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.

**Derecognition of financial liabilities**

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

## BARNFIELD GROUP LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 2 Accounting policies (continued)

##### 2.11 Equity instruments

Equity instruments issued by the group 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 group.

##### 2.12 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.

##### 2.13 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.

##### 2.14 Retirement benefits

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

##### 2.15 Leasing

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

##### 2.16 Foreign exchange

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

##### 2.17 Government grants

Grants are released to profit and loss on disposal of the property to which they relate.

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015****3 Turnover and other revenue**

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

	2015 £	2014 £
Property development	71,792,146	55,655,560
Rent receivable	1,270,322	1,270,388
Other income	286,813	273,968
	<u>73,349,281</u>	<u>57,199,916</u>

**Other significant revenue**

Interest income	544,444	296,770
	<u>544,444</u>	<u>296,770</u>

**Turnover analysed by geographical market**

United Kingdom	73,349,281	57,199,916
	<u>73,349,281</u>	<u>57,199,916</u>

**4 Operating profit**

Operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible assets	269,637	230,896
Amortisation of intangible assets	1,377,526	1,808,212
Operating lease rentals:		
- Vehicles	156,906	153,408
Fees payable to the company's auditors for the audit of the company's annual accounts	6,750	6,750
Fees payable to the company's auditors and its associates for other services:		
- The audit of the company's subsidiaries, pursuant to legislation	24,900	24,900
- Tax services	5,400	5,400
- Other services pursuant to legislation	11,045	9,000
and after crediting:		
Profit on disposal of tangible assets	164,697	56,371
	<u>164,697</u>	<u>56,371</u>



**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015****5 Employees****Number of employees**

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

	<b>2015 Number</b>	<b>2014 Number</b>
Office and management	41	41
Production and sales	130	118
	<u>171</u>	<u>159</u>
<b>Their aggregate remuneration comprised:</b>	<b>£</b>	<b>£</b>
Wages and salaries	5,534,652	4,544,535
Social security costs	403,490	376,501
Other pension costs	59,295	44,835
	<u>5,997,437</u>	<u>4,965,871</u>

**6 Directors' emoluments**

	<b>2015 £</b>	<b>2014 £</b>
Emoluments for qualifying services	431,037	425,875
Pension contributions to money purchase schemes	10,432	8,979
	<u>441,469</u>	<u>434,854</u>
<p>Emoluments disclosed above include the following amounts paid to the highest paid director:</p>		
Emoluments for qualifying services	82,426	82,426
Pension contributions to money purchase schemes	-	-

The number of directors with benefits accruing under money purchase pension schemes is 2  
(2014 - 2)

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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<b>7</b>	<b>Interest receivable and similar income</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Interest on bank deposits	40,277	49,999
	Other interest income	503,318	245,999
	Associated undertakings	473	241
	Joint ventures undertakings	376	531
		<hr/>	<hr/>
	<b>Total interest revenue</b>	<b>544,444</b>	<b>296,770</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>8</b>	<b>Interest payable</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	382,728	411,490
	Other interest	83,939	166,526
	Interest on overdue tax	-	10,312
	Associated undertakings	38,734	62,142
	Joint venture undertakings	69,653	71,225
		<hr/>	<hr/>
		<b>575,054</b>	<b>721,695</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>9</b>	<b>Taxation</b>		
	<b>Domestic current year tax</b>		
	UK corporation tax	579,144	697,577
	Adjustment for prior years	-	(160,169)
	Associates	-	132
	Joint ventures	9,672	1,617
		<hr/>	<hr/>
	<b>Total current tax</b>	<b>588,816</b>	<b>539,157</b>
		<hr/> <hr/>	<hr/> <hr/>
	<b>Deferred Tax</b>		
	Origination and reversal of timing differences:	(7,457)	(61,753)
		<hr/> <hr/>	<hr/> <hr/>
	<b>Total tax charge</b>	<b>581,359</b>	<b>477,404</b>
		<hr/> <hr/>	<hr/> <hr/>

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**BARNFIELD GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	2,768,503	3,035,338
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2014: 21.50%)	553,701	652,598
Effects of:		
Non deductible expenses	70,426	(530,851)
Depreciation and amortisation add back	277,123	437,908
Capital allowances	(124,787)	(111,077)
Profit on sale of fixed assets	-	(13,275)
Adjustments to previous years	-	(160,169)
Other tax adjustments	195,104	202,270
	27,658	(175,194)
<b>Tax expense for the year</b>	581,359	477,404
<b>10 Dividends</b>	<b>2015 £</b>	<b>2014 £</b>
Dividends paid	285,365	200,000

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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<b>11 Intangible fixed assets</b>	<b>Negative Goodwill £</b>	<b>Positive Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
Brought forward	(743,014)	8,148,067	7,405,053
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
Carried forward	(743,014)	8,148,067	7,405,053
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Amortisation</b>			
Brought forward	(236,853)	2,559,285	1,275,615
Charge for the year	(19,669)	1,397,195	1,377,526
	<hr/>	<hr/>	<hr/>
Carried forward	(256,522)	3,956,480	3,699,958
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>			
At 31 December 2015	(486,492)	4,191,587	3,705,095
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2014	(506,161)	6,635,599	6,129,439
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**BARNFIELD GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**12 Tangible fixed assets**

Group	Plant and equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 January 2015	1,478,529	12,755	135,596	1,626,880
Additions	969,417	907	27,885	998,209
Disposals	(455,325)	-	(22,081)	(477,406)
At 31 December 2015	1,987,246	13,662	141,400	2,147,683
<b>Depreciation</b>				
At 1 January 2015	435,383	4,347	61,914	501,644
Charge for the year	244,416	2,326	22,895	269,637
On disposals	(406,935)	-	(14,898)	(421,833)
At 31 December 2015	272,864	6,673	69,911	349,448
<b>Net book value</b>				
At 31 December 2015	1,714,382	6,989	71,489	1,798,235
At 31 December 2014	1,043,146	8,408	73,682	1,125,236

Included in the above figures are assets held under financing arrangements. The net book value of these assets at 31 December 2015 was £1,222,818 (2014: £858,762). The depreciation charged on the assets was £154,409 (2014: £111,970).

**13 Tangible fixed assets**

	Group £
<b>Investment properties</b>	
<b>Cost or valuation</b>	
At 1 January 2015	5,345,400
Additions	344,893
Disposals	(110,000)
At 31 December 2015	5,580,293

An investment property at Grove Mill, Earby was valued on a market value basis, at £3,100,000 during 2013 by M A Redshaw MA FRICS of Nolan Redshaw Limited, Bury, on behalf of Svenska Handelsbanken AB. The directors do not believe that the valuation at 31 December 2015 is significantly different to this figure.

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015****13 Tangible fixed assets****Investment properties**

An investment property at Milnrow Road, Rochdale was valued on a market value basis in July 2014 by A Procter BSc MRICS of AC Surveyors & Valuers, Blackburn, on behalf of Svenska Handelsbanken AB. The valuation was established at £1,235,000 and this valuation has been incorporated into these financial statements. The directors do not believe that the valuation at 31 December 2015 is significantly different to this figure.

The investment property at Medlock Place was valued at 31 December 2015 by T J H Webber, director of Barnfield Construction Limited. Its valuation was £110,000 on an open market value existing use basis.

The investment property at Norden Court, Great Harwood was valued by the directors at market value at 31 December 2015 at £900,000.

The historical cost of property held at valuation was £5,104,105 (2014 - £4,759,212).

**14 Fixed asset investments**

Group	Unlisted investments £	Shares in group Undertakings and Participating interests £	Total £
<b>Cost</b>			
At 1 January 2015	61,342	1,101,891	1,163,233
Additions	-	22,709	22,709
Disposals/repayment of loans	(45,612)	-	(45,612)
	<hr/>	<hr/>	<hr/>
At 31 December 2015	15,730	1,124,600	1,140,330
	<hr/>	<hr/>	<hr/>
<b>Provisions for diminution in value</b>			
At 1 January 2015	-	-	-
Charge for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2015	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2015	15,730	1,124,600	1,140,330
	<hr/>	<hr/>	<hr/>
At 31 December 2014	61,342	1,101,891	1,163,233
	<hr/>	<hr/>	<hr/>

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015****14 Fixed asset investments (continued)**

<b>Company</b>	<b>Shares in Subsidiary undertakings £</b>
<b>Cost</b>	
At 1 January 2015 and 31 December 2015	23,828,105

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

**15 Subsidiaries**

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

<b>Subsidiary undertakings</b>	<b>Country of registration or incorporation</b>	<b>Class</b>	<b>% Held</b>	
			<b>Direct</b>	<b>Indirect</b>
Barnfield Nelson Limited	England & Wales	Ordinary	100	
Barnfield Contractors (UK) Limited	England & Wales	Ordinary		100
Barnfield Construction Limited	England & Wales	Ordinary		100
Roger Whalley Limited	England & Wales	Ordinary		100
Barnfield Developments SL	Spain	Ordinary		100
Barnfield & Hyndburn Limited	England & Wales	Ordinary		70
Barnfield & Hyndburn Development Partnership	England & Wales	Partner		70
Empire Business Park Management Company Limited	England & Wales	Ordinary		100
Empire Business Park Management Company No 1 Limited	England & Wales	Ordinary		100
Empire Business Park Management Company No 3 Limited	England & Wales	Ordinary		100
Park Lane Plaza Limited	England & Wales	Ordinary		100
Barnfield Centric Limited	England & Wales	Ordinary		60
Barnfield Pulse Limited	England & Wales	Ordinary		70

**BARNFIELD GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**16 Significant undertakings**

The company also has significant holdings in undertakings which are not consolidated:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Barnfield Real Estate Partnership Limited	England	Property Development	Ordinary	50
Globe Enterprises Limited	England	Property development and investment	Ordinary	33
Speke Business Park Limited	England	Property development	Ordinary	24
AMS Technology Park Limited	England	Property development	Ordinary	50

**17 Stocks and work in progress**

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Stocks and work in progress	14,829,842	-	16,645,621	-

**18 Debtors**

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Amounts falling due within one year:				
Trade debtors	3,395,689	-	2,717,231	-
Other debtors	7,601,842	2,552,000	6,338,003	2,552,000
Prepayments and accrued income	2,072,829	223,709	1,184,996	78,091
Amounts due from participating interests	1,029,051	-	1,006,781	-
	14,099,411	2,775,709	11,247,011	2,630,091



**BARNFIELD GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

19 Creditors: amounts falling due within one year	Group 2015	Company 2015	Group 2014	Company 2014
	£	£	£	£
Bank loans and overdrafts	5,231,137	-	1,854,538	-
Net obligations under finance lease	362,880	-	185,214	-
Trade creditors	5,555,467	-	4,616,670	13
Corporation tax	479,572	6,857	318,801	-
Taxes and social security costs	245,460	-	362,558	-
Other creditors	2,048,350	-	1,390,952	-
Accruals and deferred income	7,924,349	81,613	12,081,249	107,254
Preference shares classed as a financial liability	993,265	993,265	993,265	993,265
	<u>22,840,480</u>	<u>1,081,735</u>	<u>21,803,247</u>	<u>1,100,532</u>

**20 Creditors: amounts falling due after more than one year**

	Group 2015	Company 2015	Group 2014	Company 2014
	£	£	£	£
Bank loans and overdrafts	2,547,435	-	6,267,092	-
Other creditors	500,000	-	740,000	-
Net obligations under finance lease	719,837	-	372,383	-
Preference shares classed as a financial liability	6,132,090	6,132,090	9,032,090	9,032,090
	<u>9,899,362</u>	<u>6,132,090</u>	<u>16,411,565</u>	<u>9,032,090</u>

The bank loans and overdrafts are secured by charges over the assets of the group. Net obligations under finance leases are secured over the assets concerned.

At least 5% of the preference shares must be redeemed during each financial year; all of the shares must be redeemed by 31 March 2032.

The preference shares attract interest at 4%.

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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<b>21</b>	<b>Finance lease obligations</b>	<b>Group 2015 £</b>	<b>Company 2015 £</b>	<b>Group 2014 £</b>	<b>Company 2014 £</b>
	Future minimum lease payments due under finance leases:				
	Within one year	362,880	-	185,214	-
	In two to five years	719,837	-	372,382	-
		<u>1,082,717</u>	<u>-</u>	<u>557,596</u>	<u>-</u>

Finance lease payments represent rentals payable by the company and group 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.

<b>22</b>	<b>Provisions for liabilities</b>	<b>Other £</b>
	At 1 January 2015	2,551,778
	Additional provisions in the year	240,000
	Reversal of provision	(539,278)
	Utilisation of provision	(202,500)
	Balance at 31 December 2015	<u>2,050,000</u>

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

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015****Deferred taxation**

Deferred tax assets and liabilities are offset where the group or 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:

<b>Group</b>	<b>Liabilities 2015 £</b>	<b>Liabilities 2014 £</b>
Accelerated capital allowances	-	-
Surplus on property valuations	26,212	33,669
	<hr/>	<hr/>
	26,212	33,669
	<hr/> <hr/>	<hr/> <hr/>
<b>Movements in the year</b>	<b>Group 2015 £</b>	<b>Company 2015 £</b>
Liability at 1 January 2015	33,669	-
Charge/(credit) to profit and loss	(7,457)	-
	<hr/>	<hr/>
	26,212	-
	<hr/> <hr/>	<hr/> <hr/>
<b>23 Accruals and Deferred Income</b>		<b>Government Grants £</b>
At 1 January 2015		1,995,573
Release to profit and loss account		(215,948)
		<hr/>
Balance at 31 December 2015		1,779,625
		<hr/> <hr/>

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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<b>24 Pension costs</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution</b>		
Contributions payable by the group for the year	59,295	44,835
	<hr/>	<hr/>
<b>25 Share Capital</b>		
<b>Allotted, called up and fully paid</b>		
400 Ordinary 'A' shares of £1 each	400	400
100 Ordinary 'B' shares of £1 each	100	100
	<hr/>	<hr/>
	500	500
	<hr/>	<hr/>

**26 Contingent liabilities****Group**

- (a) On 31 December 2015 Barnfield Construction Limited had in the course of business entered into performance and other bonds of £2,379,480 (2014: £3,548,221).
- (b) On 31 December 2015 Barnfield Centric Limited had, in the course of business, entered into performance and other bonds of £50,000 (2014: £50,000).
- (c) There are contingent liabilities in respect of certain contracts and legal or potential claims, the outcome of which cannot at present be foreseen. In the opinion of the directors, appropriate provision has been made for all liabilities likely to materialise.

**Company**

The company is party to an inter-company guarantee on bank borrowings with Barnfield Nelson Limited Barnfield Contractors (UK) Limited and Barnfield Construction Limited in respect of indebtedness to NatWest Bank plc. As at 31 December 2015 the amount of borrowings in respect of these companies was £544,646 (2014: £1,235,000).

The company is also party to an intra-group guarantee with Barnfield Nelson Limited, Barnfield Construction Limited and Barnfield Contractors (UK) Limited in respect of indebtedness to Handelsbanken. As at 31 December 2015 the amount of borrowings in respect of these companies was £4,834,998 (2014: £5,476,045).

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015****27 Financial commitments**

As at 31 December 2015 the group had annual commitments under operating leases as follows:

	<b>Other 2015 £</b>	<b>Other 2014 £</b>
Expiry date:		
Within one year	17,249	22,159
Between two and five years	125,021	126,728
In over five years	-	-
	<hr/>	<hr/>
	142,270	148,887
	<hr/>	<hr/>

**28 Controlling party**

The ultimate controlling parties of the company and group are Mr T J H Webber, Mrs S Webber and their sons, James and Jonathan, by virtue of their shareholding in the issued share capital of the parent company.

**29 Related party transactions**

Redeemable preference shares of £15,708,498 were issued to the directors Mr and Mrs T J H Webber during the period ended 31 December 2012. At the year end £5,539,963 (2014: £7,794,713) were still outstanding.

**Other transactions**

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

Barnfield Centric Limited is a company in which the group has a 60% interest.

Barnfield Pulse Limited is a company in which the group has a 70% interest.

Barnfield Developments Limited is a company in which T J H Webber and S Webber have an interest.

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

Barnfield & Hyndburn Limited is a company in which the group has a 70% interest.

Barnfield Real Estate Partnership Limited is a company in which the group has a 50% interest.

Pendle Property Development Limited is a company in which T J H Webber and S Webber have an interest.

Ribble Property Developments Limited is a company related by an interest T J H Webber holds in this company.

Pendle Bracken Limited is a company in which T J H and S Webber have an interest.

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

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

Webber Family Pension Trust is a trust in which T J H Webber and S Webber are Trustees.

Pendle Enterprise and Regeneration (Brierfield Mills) Limited is a company in which T J H Webber and S Webber have an interest.

Globe Enterprises Limited is a company in which the group has 33% interest.

Speke Business Park Limited is a company in which the group has a 24% interest.

AMS Technology Park Limited is a company in which the group has a 50% interest.

Dimehome Limited is a company which has an interest in the group.

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**Company**

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

<b>2015</b>	<b>2014</b>	
£1,530,000	£1,530,000	by Barnfield Investment Properties Limited
£1,022,000	£1,022,000	By Barnfield Centric Limited

**Group**

The following balances were owed to the group at the year end:

<b>2015</b>	<b>2014</b>	
£2,919,215	£2,797,616	by Barnfield Investment Properties Limited
£2,068,910	£190,000	by Barnfield Developments Limited
£166,598	£289,898	by Ribble Property Developments Limited
£56,494	£259	by Pendle Enterprise & Regeneration Limited
£63,575	£1,039,332	by Pendle Enterprise & Regeneration 2 Limited
£46,397	£nil	to Pendle Property Developments Limited
£347,100	£346,832	by Globe Enterprises Limited
£681,950	£659,950	by Speke Business Park Limited
£1,009,485	£1,242,985	by AMS Technology Park Limited
£270,000	£270,000	to Dimehome Limited
£224,500	£200,000	by Barnfield Pulse Limited
£2,224,000	£2,181,000	by Barnfield Centric Limited
£350,000	£350,000	by Barnfield & Hyndburn Limited
£723,999	£786,702	by Barnfield Real Estate Partnership Limited

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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During the year the group charged the following amounts to related parties:

<b>2015</b>	<b>2014</b>	
£1,284,826	£2,058,727	to Barnfield Investment Properties Limited
£57,500	£50,000	of management charges to Barnfield Investment Properties Limited
£5,000	£5,000	of management charges to Barnfield Pension Fund
£3,694,065	£1,194,980	to Barnfield Developments Limited
£10,000	£10,000	of management charges to Barnfield Developments Limited
£700,867	£125,300	to Pendle Property Developments Limited
£8,000	£8,000	of management charges to Pendle Property Developments Limited
£1,193,510	£2,037,475	to Ribble Property Developments Limited
£21,000	£9,000	of management charges to Ribble Property Developments Limited
£45,881	£38,474	to Pendle Enterprise and Regeneration Limited
£6,200	£6,200	of management charges to Pendle Enterprise and Regeneration Limited
£375,641	£3,472,518	to Pendle Enterprise and Regeneration 2 Limited
£8,000	£500	of management charges to Pendle Enterprise and Regeneration 2 Limited
£33,127	£26,859	to Pendle Enterprise and Regeneration (Brierfield Mills) Limited
£5,000	£5,000	of management charges to Barnfield Centric Limited
£81,270	£103,361	of management charges to AMS Technology Park Limited
£5,000	£5,000	of management charges to Speke Business Park Limited
£5,000	£nil	of management charges to Barnfield Real Estate Partnership Limited
£12,500	£7,500	of management charges to Globe Enterprises Limited
£800,413	£13	of sales to Barnfield Real Estate Partnership Limited

**BARNFIELD GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

The group was also charged the following amounts by related parties:

<b>2015</b>	<b>2014</b>	
£77,500	£70,000	rent by the Webber Family Pension Trust
£500,000	£nil	purchase from Barnfield Centric Limited

Barnfield Group Limited has taken advantage of the exemption in Financial Reporting Standard 102 from the requirement to disclose transactions and balances with members of its 100% group on the grounds that consolidated financial statements are prepared by the ultimate parent company.

**30 Directors' transactions**

Dividends totalling £142,682 (2014 - £100,000) were paid in the year in respect of shares held by the company's directors.

During the year, a classic car (included in fixed asset investments) was sold to T J H Webber at its market value of £49,500.

Loans have been granted to the company by one of the directors as follows:

<b>Description</b>	<b>Opening Balance £</b>	<b>Amounts Advanced £</b>	<b>Interest Charged £</b>	<b>Amounts Repaid £</b>	<b>Closing Balance £</b>
T J H Webber - Director's loan	-	788,500	60,000	804,057	44,443
	-	788,500	60,000	804,057	44,443

**31 Reconciliations on adoption of FRS 102**

	<b>Notes</b>	<b>1 January 2014 £</b>	<b>31 December 2014 £</b>
Equity as reported under previous UK GAAP		6,736,365	9,858,734
Adjustments arising from transition to FRS 102:			
Deferred tax on revaluation reserve	1	(95,422)	(33,669)
Amortisation of goodwill	2	-	(1,046,818)
<b>Equity reported under FRS 102</b>		<b>6,640,943</b>	<b>8,778,247</b>



**BARNFIELD GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**Reconciliation of profit or loss**

	<b>Notes</b>	<b>2014 £</b>
Profit or loss as reported under previous UK GAAP		3,551,481
Adjustments arising from transition to FRS 102		
Deferred tax on revaluation reserve	1	61,752
Amortisation of goodwill	2	(1,046,818)
		<hr/>
Profit or loss reported under FRS 102		2,566,416
		<hr/> <hr/>

1. Deferred tax has been accounted for on the revaluation reserve in the financial statements at the transition date of 1 January 2014 and on revaluation movements during the year ended 31 December 2014.
2. Goodwill on consolidation has been amortised over a reduced useful life of 5 years from 1 January 2014.