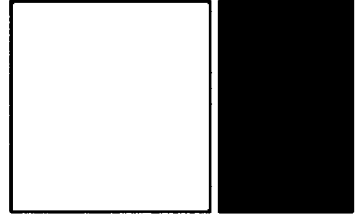


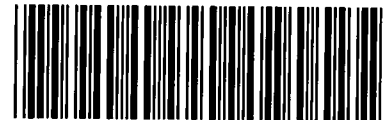
Company Registration No. 07986991 (England and Wales)



**BARNFIELD GROUP LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**



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**BARNFIELD GROUP LIMITED  
MISSION STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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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 2016**

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

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

**Overview**

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

**Strong Financial Foundations**

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

**Developing and Expanding a Skilled Workforce**

Demonstrating Barnfield's commitment to developing a stronger and more capable workforce, the training and enhancement ethos within the company is at an all-time high with over 75% of employees having received training and development during the past year. The workforce are the main asset to the company and as such our efficient client offering is only possible due to the workforce enthusiasm and ability to deliver quality time and time again. The need for young people in the industry remains an issue for all and to this end we are committed to working internally and with our sub contract base to deliver meaningful training and new job opportunities.

**Vision for the Future**

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

**BARNFIELD GROUP LIMITED  
COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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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 Howe Walk Burnley Lancashire BB11 1TR  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 2016**

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The directors present the strategic report and financial statements for the year ended 31 December 2016.

**Review of the Business**

**Revenue**

Revenue in the financial year was slightly less than the prior year at £63.8m compared with £72.0m in 2015. The order book for 2017 is strong and we expect for turnover to continue at a similar level of £65m to £70m.

**Operating Profit**

Despite the fall in turnover, operating profit has increased from £2.6m last year to £5.2m this year due to improved margins, 2015 margins having been impacted by some poorly performing contracts.

**Cash Flow**

The focus for 2016 was cash generation and this is shown by a cash inflow from operating activities of £8m as a result of a decrease in work in progress levels and return of loans previously made to related companies outside of the group.

**Debt Structure**

During the year the preference shares were all redeemed in full. Bank finance totals £7.8m and is made up of a number of investment and development facilities across the group all with different expiry dates throughout 2017 to 2020. 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 the appropriate action taken to keep costs under control. This gives cost certainty to all activities within the business.

**Policy on payment to suppliers**

It is the Companies 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 2016 were equivalent to 28 days purchases (2015: 42 days), based on the average daily amount invoiced by suppliers during the period.

**BARNFIELD GROUP LIMITED  
STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Other risk management**

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

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

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

**Environmental and health and safety**

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

The company has a Health and Safety Policy in place subject to annual review. Our HSEQ Manager liaises with site managers, monitors performance and organises training as appropriate. We use external experts as and when required.

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

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

and are presently being transitioned to the 2015 Standards.

**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.

On behalf of the Board



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

**28 April 2017**

**BARNFIELD GROUP LIMITED  
DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their report and the group financial statements for the year ended 31 December 2016.

**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 £750.00 (2015: £697.08) per Ordinary 'A' share of £1 was paid in respect of the year, and a dividend of £605.66 (2015: £65.33) 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**

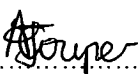
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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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**

**28 April 2017**

## **BARNFIELD GROUP LIMITED**

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

---

We have audited the group and parent company financial statements (the "financial statements") of Barnfield Group Limited for the year ended 31 December 2016 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 2016 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**

**28 April 2017**

**Statutory Auditor**

Mentor House  
Ainsworth Street  
Blackburn  
Lancashire  
BB1 6AY

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

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	31 December 2016 £	31 December 2015 £
<b>Turnover</b>			
Group and share of joint venture undertakings	3	63,766,818	72,024,318
Less: share of joint ventures' turnover		(999,507)	(232,172)
Rent receivable		2,128,778	1,270,322
Other income		338,860	286,813
<b>Group turnover</b>		<b>65,234,949</b>	<b>73,349,281</b>
Cost of sales		(56,249,896)	(65,986,649)
<b>Gross profit</b>		<b>8,985,053</b>	<b>7,362,632</b>
Distribution costs		(188,135)	(218,062)
Administrative expenses		(2,939,053)	(3,152,244)
Amortisation of goodwill		(670,654)	(1,377,526)
Other operating income		-	15,000
<b>Group operating profit</b>	4	<b>5,187,211</b>	<b>2,629,800</b>
Share of operating profit in joint ventures		277,962	108,345
Share of operating profit in associates		17,122	60,970
Share of profit on sale of investment property in associates		19,333	-
<b>Profit on ordinary activities before interest</b>		<b>5,501,628</b>	<b>2,799,115</b>
Other interest receivable and similar income	7	178,185	544,444
Interest payable and similar charges	8	(415,648)	(575,054)
Fair value gains and losses on investment properties		953,547	-
<b>Profit on ordinary activities before taxation</b>		<b>6,217,712</b>	<b>2,768,505</b>
Tax on profit on ordinary activities	9	(1,286,483)	(581,359)
<b>Profit on ordinary activities after taxation</b>		<b>4,931,229</b>	<b>2,187,146</b>
Minority interests		(197,420)	86,166
<b>Profit for the year</b>		<b>4,733,809</b>	<b>2,273,312</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 2016**

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	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
<b>Profit for the financial year</b>	4,733,809	2,273,310
<b>Other comprehensive income</b>		
Unrealised (deficit)/surplus on revaluation of properties	-	-
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	<b>4,733,809</b>	<b>2,273,310</b>
	<hr/> <hr/>	<hr/> <hr/>

**BARNFIELD GROUP LIMITED**

**GROUP BALANCE SHEET AS AT 31 DECEMBER 2016**

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Goodwill	11	3,034,441	3,705,095
Tangible assets	12 & 13	8,824,820	7,378,528
Investment in group undertakings	14	1,132,224	1,124,600
Investments - other	14	18,239	15,730
Investments in joint ventures			
- Share of gross assets		3,212,079	2,634,081
- Share of gross liabilities		(2,343,883)	(2,603,149)
		<u>13,877,920</u>	<u>12,254,885</u>
<b>Current assets</b>			
Stock and work in progress	17	11,877,840	14,829,842
Debtors	18	12,981,650	14,099,411
Cash at bank and in hand		5,945,434	6,091,569
		<u>30,804,924</u>	<u>35,020,822</u>
<b>Creditors: amounts falling due within one year</b>	19	(22,064,337)	(22,840,480)
		<u>8,740,587</u>	<u>12,180,342</u>
<b>Net current assets</b>			
		<u>22,618,506</u>	<u>24,435,227</u>
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after more than one year</b>			
	20	(4,414,031)	(9,899,362)
<b>Provisions for liabilities</b>	23	(1,505,771)	(2,076,212)
<b>Accruals and deferred income</b>	24	(1,448,014)	(1,779,625)
		<u>15,250,690</u>	<u>10,680,028</u>
<b>Capital and reserves</b>			
Called up share capital	26	500	500
Revaluation reserve		156,980	156,980
Profit and loss account		14,830,374	10,457,131
		<u>14,987,854</u>	<u>10,614,611</u>
<b>Shareholders' funds - equity interests</b>			
		<u>262,836</u>	<u>65,417</u>
<b>Minority interests</b>			
		<u>15,250,690</u>	<u>10,680,028</u>

The financial statements were approved by the board on 28 April 2017

**T J H Webber**  
Director

**BARNFIELD GROUP LIMITED****COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2016**

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	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Investments	14	23,828,106	23,828,105
<b>Current assets</b>			
Debtors	18	2,750,182	2,775,709
Cash at bank and in hand		324,521	1,869,413
		<hr/>	<hr/>
		3,074,703	4,645,121
<b>Creditors: amounts falling due within one year</b>	19	(69,211)	(1,081,735)
		<hr/>	<hr/>
<b>Net current assets</b>		3,005,482	3,563,386
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		26,833,588	27,391,492
<b>Creditors: amounts falling due after more than one year</b>	20	-	(6,132,090)
		<hr/>	<hr/>
		26,833,588	21,259,402
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	26	500	500
Profit and loss account		26,833,088	21,258,902
		<hr/>	<hr/>
<b>Total equity</b>		26,833,588	21,259,402
		<hr/>	<hr/>

The financial statements were approved by the board on 28 April 2017

  
T J H Webber  
Director

**BARNFIELD GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Share Capital £	Profit and Loss Reserves £	Revaluation Reserve £	Total £
<b>Balance at 1 January 2015</b>		500	8,457,821	168,345	8,626,666
<b>Year ended 31 December 2015</b>					
Profit and total comprehensive income for the year		-	2,273,310	-	2,273,310
Dividends		-	(285,365)	-	(285,365)
Transfer in year		-	37,285	(37,285)	-
Prior year correction		-	(25,920)	25,920	-
<b>Balance at 31 December 2015</b>		500	10,457,131	156,980	10,614,611
<b>Year ended 31 December 2016</b>					
Profit and total comprehensive income for the year		-	4,733,809	-	4,733,809
Dividends		-	(360,566)	-	(360,566)
<b>Balance at 31 December 2016</b>		500	14,830,374	156,980	14,987,854



**BARNFIELD GROUP LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	Notes	Share Capital £	Profit and Loss Reserves £	Total £
<b>Balance at 1 January 2015</b>		500	18,550,090	18,550,590
		<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/>
<b>Year ended 31 December 2016</b>				
Profit and total comprehensive income for the year		-	5,934,752	5,934,752
Dividends	10	-	(360,566)	(360,566)
		<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2016</b>		500	26,833,088	26,833,588
		<hr/>	<hr/>	<hr/>

**BARNFIELD GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016		2015	
	£	£	£	£
<b>Cash generated from/(absorbed by) operations (Note 1)</b>		8,770,590		(123,036)
Interest paid		127,081		(405,215)
Income taxes paid		(877,123)		(418,373)
		<hr/>		<hr/>
Net cash inflow/(outflow) from operating activities		8,020,548		(946,624)
<b>Investing activities</b>				
Purchase of tangible fixed assets	(911,691)		(1,337,725)	
Proceeds on disposal of fixed assets	79,611		345,270	
Proceeds from sales of fixed asset investments	-		44,656	
Interest received	203,531		265,873	
	<hr/>		<hr/>	
<b>Net cash used in investing activities</b>		(628,549)		(681,926)
<b>Financing activities</b>				
Repayment of borrowings	31,403		(583,058)	
Payment of finance lease obligations	(353,616)		525,120	
Redemption of preference shares	(7,125,355)		(2,900,000)	
Dividends paid	(360,566)		(285,365)	
Cancelled dividends	270,000		-	
	<hr/>		<hr/>	
<b>Net cash used in financing activities</b>		(7,538,134)		(3,243,303)
		<hr/>		<hr/>
<b>Net (decrease) in cash and cash equivalents</b>		(146,135)		(4,871,853)
Cash and cash equivalents at beginning of year		6,091,569		10,963,422
		<hr/>		<hr/>
<b>Cash and cash equivalents at end of year</b>		5,945,434		6,091,569
		<hr/> <hr/>		<hr/> <hr/>
<b>Relating to:</b>				
Cash at bank and in hand		5,945,434		6,091,569
		<hr/> <hr/>		<hr/> <hr/>

## BARNFIELD GROUP LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 1 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	4,931,229	2,187,146
<b>Adjustments for:</b>		
Taxation charged	1,286,483	581,359
Finance costs	417,170	575,054
Investment income	(179,707)	(544,444)
Fair value gains and losses on investment properties	(953,547)	-
Profit on disposal of tangible assets	(34,323)	(185,072)
Depreciation of tangible assets	373,658	269,637
Amortisation of intangible assets	670,654	1,377,526
(Decrease) in provisions	(717,325)	-
Exchange rate movement on foreign investments	(2,509)	956
Share of operating profit in joint ventures and associates	(340,337)	(169,315)
<b>Movements in working capital</b>		
Decrease in stocks	2,952,002	2,535,788
Decrease/(increase) in debtors	1,093,633	(2,248,346)
(Decrease) in creditors	(394,880)	(4,287,377)
(Decrease) in deferred income	(331,611)	(215,948)
<b>Cash generated from/(absorbed by) operations</b>	<b>8,770,590</b>	<b>(123,036)</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.

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 £5,934,752 (2015 - £2,994,177), including dividends received from group companies.

## **BARNFIELD GROUP LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016**

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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 2016. 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 10 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 2016

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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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

## BARNFIELD GROUP LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 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 2016

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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 2016**

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<b>3</b>	<b>Turnover and other revenue</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	An analysis of the group's turnover is as follows:		
	Property development	62,767,312	71,792,146
	Rent receivable	2,128,778	1,270,322
	Other income	338,860	286,813
		<u>65,234,949</u>	<u>73,349,281</u>
	<b>Other significant revenue</b>		
	Interest income	179,707	544,444
		<u>179,707</u>	<u>544,444</u>
	<b>Turnover analysed by geographical market</b>		
	United Kingdom	65,234,949	73,349,281
		<u>65,234,949</u>	<u>73,349,281</u>
<b>4</b>	<b>Operating profit</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	373,658	269,637
	Amortisation of intangible assets	670,654	1,377,526
	Operating lease rentals:		
	- Vehicles	146,066	156,906
	Fees payable to the company's auditors for the audit of the company's annual accounts	7,500	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	25,575	24,900
	- Tax services	4,925	5,400
	- Other services pursuant to legislation	9,000	11,045
	and after crediting:		
	Profit on disposal of tangible assets	34,323	164,697
		<u>34,323</u>	<u>164,697</u>



**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016****5 Employees****Number of employees**

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

	<b>2016 Number</b>	<b>2015 Number</b>
Office and management	41	41
Production and sales	114	130
	<u>155</u>	<u>171</u>

**Their aggregate remuneration comprised:**

	<b>£</b>	<b>£</b>
Wages and salaries	4,851,112	5,534,652
Social security costs	394,739	403,490
Other pension costs	62,738	59,295
	<u>5,308,589</u>	<u>5,997,437</u>

**6 Directors' emoluments**

	<b>2016 £</b>	<b>2015 £</b>
Emoluments for qualifying services	420,359	431,037
Pension contributions to money purchase schemes	10,161	10,432
	<u>430,520</u>	<u>441,469</u>

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

Emoluments for qualifying services	85,465	82,426
Pension contributions to money purchase schemes	-	-
	<u>-</u>	<u>-</u>

The number of directors with benefits accruing under money purchase pension schemes is 2  
(2015 - 2)

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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<b>7</b>	<b>Interest receivable and similar income</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Interest on bank deposits	18,300	40,277
	Other interest income	159,581	503,318
	Associated undertakings	155	473
	Joint ventures undertakings	149	376
		<hr/>	<hr/>
	<b>Total interest revenue</b>	<b>178,185</b>	<b>544,444</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>8</b>	<b>Interest payable</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	313,047	382,728
	Other interest	(27,895)	83,939
	Associated undertakings	28,706	38,734
	Joint venture undertakings	101,790	69,653
		<hr/>	<hr/>
		<b>415,648</b>	<b>575,054</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>9</b>	<b>Taxation</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	UK corporation tax	1,095,537	579,144
	Adjustment for prior years	4,724	-
	Associates	281	-
	Joint ventures	39,057	9,672
		<hr/>	<hr/>
	<b>Total current tax</b>	<b>1,139,599</b>	<b>588,816</b>
		<hr/> <hr/>	<hr/> <hr/>
	<b>Deferred Tax</b>		
	Origination and reversal of timing differences:	146,884	(7,457)
		<hr/> <hr/>	<hr/> <hr/>
	<b>Total tax charge</b>	<b>1,286,483</b>	<b>581,359</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 2016**

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	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	6,217,712	2,768,503
	<u>                    </u>	<u>                    </u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2015: 20%)	1,243,542	553,701
	<u>                    </u>	<u>                    </u>
Effects of:		
Non-deductible expenses	-	70,426
Depreciation and amortisation add back	134,113	277,123
Capital allowances	(91,172)	(124,787)
Other tax adjustments	-	195,104
	<u>                    </u>	<u>                    </u>
	42,941	27,658
	<u>                    </u>	<u>                    </u>
<b>Tax expense for the year</b>	<b>1,286,483</b>	<b>581,359</b>
	<u>                    </u>	<u>                    </u>
<b>10 Dividends</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Dividends paid	360,566	285,365
	<u>                    </u>	<u>                    </u>

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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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
	<hr/>	<hr/>	<hr/>
Carried forward	(743,014)	8,148,067	7,405,053
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Amortisation</b>			
Brought forward	(256,522)	3,956,480	3,699,958
Charge for the year	-	670,654	1,397,196
	<hr/>	<hr/>	<hr/>
Carried forward	(256,522)	4,627,134	4,370,612
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>			
At 31 December 2016	(486,492)	3,520,933	3,034,441
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2015	(486,492)	4,191,587	3,705,095
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**BARNFIELD GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**12 Tangible fixed assets**

<b>Group</b>	<b>Plant and equipment £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 January 2016	1,992,270	13,661	141,752	2,147,683
Additions	69,888	-	188,243	258,131
Disposals	(43,232)	-	(77,162)	(120,394)
<b>At 31 December 2016</b>	<b>2,018,926</b>	<b>13,661</b>	<b>252,833</b>	<b>2,285,420</b>
<b>Depreciation</b>				
At 1 January 2016	272,864	6,673	69,911	349,448
Charge for the year	331,574	2,226	39,858	373,658
On disposals	(23,835)	-	(51,271)	(75,106)
<b>At 31 December 2016</b>	<b>580,603</b>	<b>8,899</b>	<b>58,498</b>	<b>648,000</b>
<b>Net book value</b>				
At 31 December 2016	1,438,323	4,762	194,335	1,637,420
At 31 December 2015	1,719,406	6,988	71,841	1,798,235

Included in the above figures are assets held under financing arrangements. The net book value of these assets at 31 December 2016 was £1,320,948 (2015: £1,222,818). The depreciation charged on the assets was £293,214 (2015: £154,409).

**13 Tangible fixed assets**

	<b>Group £</b>
<b>Investment properties</b>	
<b>Cost or valuation</b>	
At 1 January 2016	5,580,293
Additions through external acquisition	653,560
Net gains or losses through fair value adjustments	953,547
<b>At 31 December 2016</b>	<b>7,187,400</b>

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016****13 Tangible fixed assets****Investment properties**

The company's investment properties are included at the directors' best estimates of open market value as at 31 December 2016. These values are as follows:

- Wardle Storeys, Earby - £3,430,000
- Milnrow Road, Rochdale - £1,527,000
- 51-53 Churchill Way, Nelson - £350,000
- 35 Churchill Way, Nelson - £980,000
- Norden Court, Great Harwood - £900,000

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

The historical cost of property held at valuation was £5,533,415 (2015 - £5,104,105).

**14 Fixed asset investments**

<b>Group</b>	<b>Unlisted investments £</b>	<b>Shares in group Undertakings and Participating interests £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2016	15,730	1,124,600	1,140,330
Additions	2,509	7,624	10,133
	<hr/>	<hr/>	<hr/>
At 31 December 2016	18,239	1,132,224	1,150,463
	<hr/>	<hr/>	<hr/>
<b>Provisions for diminution in value</b>			
At 1 January 2016	-	-	-
Charge for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2016	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2016	18,239	1,132,224	1,150,463
	<hr/>	<hr/>	<hr/>
At 31 December 2015	15,730	1,124,600	1,140,330
	<hr/>	<hr/>	<hr/>

**BARNFIELD GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**14 Fixed asset investments (continued)**

<b>Company</b>	<b>Shares in Subsidiary undertakings £</b>
<b>Cost or valuation</b>	
At 1 January 2016	23,828,105
Additions	1
	<hr/>
At 31 December 2016	23,828,106
	<hr/> <hr/>

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

**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
Barnfield Centric Limited	England & Wales	Ordinary		60
Barnfield Pulse Limited	England & Wales	Ordinary		70
Orient Business Park Limited	England & Wales	Ordinary		100
Backbarrow Developments Ltd	England & Wales	Ordinary		100

**BARNFIELD GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**16 Significant undertakings**

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

Name of undertaking and country of incorporation or residency	Country	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	
Henry Boot Barnfield Limited	England	Property Development	Ordinary	50	

**17 Stocks and work in progress**

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Stocks and work in progress	11,877,840	-	14,829,842	-

**18 Debtors**

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Amounts falling due within one year:				
Trade debtors	4,236,651	-	3,395,689	-
Other debtors	5,704,798	2,552,000	7,601,842	2,552,000
Prepayments and accrued income	2,017,851	198,182	2,072,829	223,709
Amounts due from participating interests	1,022,350	-	1,029,051	-
	12,981,650	2,750,182	14,099,411	2,775,709



**BARNFIELD GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>19 Creditors: amounts falling due within one year</b>	<b>Group 2016 £</b>	<b>Company 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2015 £</b>
Bank loans and overdrafts	4,326,281	-	5,231,137	-
Net obligations under finance lease	298,764	-	362,880	-
Trade creditors	4,854,195	-	5,555,467	-
Corporation tax	742,048	-	479,572	6,857
Taxes and social security costs	496,838	-	245,460	-
Other creditors	1,379,916	-	2,048,350	-
Accruals and deferred income	9,966,295	69,221	7,924,349	81,613
Preference shares classed as a financial liability	-	-	993,265	993,265
	<u>22,064,337</u>	<u>69,221</u>	<u>22,840,480</u>	<u>1,081,735</u>
	<u><u>22,064,337</u></u>	<u><u>69,221</u></u>	<u><u>22,840,480</u></u>	<u><u>1,081,735</u></u>
<b>20 Creditors: amounts fall due after one year</b>	<b>Group 2016 £</b>	<b>Company 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2015 £</b>
Bank loans and overdrafts	3,483,694	-	2,547,435	-
Other creditors	500,000	-	500,000	-
Net obligations under finance lease	430,337	-	719,837	-
Preference shares classed as a financial liability	-	-	6,132,090	6,132,090
	<u>4,414,031</u>	<u>-</u>	<u>9,899,362</u>	<u>6,132,090</u>
	<u><u>4,414,031</u></u>	<u><u>-</u></u>	<u><u>9,899,362</u></u>	<u><u>6,132,090</u></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.

All preference shares have been redeemed during the year.

Prior to the redemption of the remaining shares in full, at least 5% of the preference shares must have been redeemed during each financial year; all of the shares were to 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 2016**

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<b>21</b>	<b>Finance lease obligations</b>	<b>Group 2016 £</b>	<b>Company 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2015 £</b>
	Future minimum lease payments due under finance leases:				
	Within one year	298,764	-	362,880	-
	In two to five years	430,337	-	719,837	-
		<hr/>	<hr/>	<hr/>	<hr/>
		729,101	-	1,082,717	-
		<hr/>	<hr/>	<hr/>	<hr/>

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 2016	2,050,000
	Additional provisions in the year	272,675
	Reversal of provision	(725,000)
	Utilisation of provision	(265,000)
		<hr/>
	Balance at 31 December 2016	1,332,675
		<hr/>

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 2016****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 2016 £</b>	<b>Liabilities 2015 £</b>
Accelerated capital allowances	-	-
Surplus on property valuations	173,096	26,212
	<hr/>	<hr/>
	6,220	26,212
	<hr/> <hr/>	<hr/> <hr/>
<b>Movements in the year</b>	<b>Group 2016 £</b>	<b>Company 2016 £</b>
Liability at 1 January 2016	26,212	-
Charge/(credit) to profit and loss	146,884	-
	<hr/>	<hr/>
	173,096	-
	<hr/> <hr/>	<hr/> <hr/>
<b>23 Accruals and Deferred Income</b>		<b>Government Grants £</b>
At 1 January 2016		1,779,625
Release to profit and loss account		(331,611)
		<hr/>
Balance at 31 December 2016		1,448,014
		<hr/> <hr/>

**BARNFIELD GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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<b>24 Pension costs</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution</b>		
Contributions payable by the group for the year	59,335	59,295
	<u>          </u>	<u>          </u>
<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
	<u>          </u>	<u>          </u>
	500	500
	<u>          </u>	<u>          </u>

**26 Contingent liabilities**

**Group**

- (a) On 31 December 2016 Barnfield Construction Limited had in the course of business entered into performance and other bonds of £3,833,614 (2015: £2,379,480).
- (b) On 31 December 2016 Barnfield Centric Limited had, in the course of business, entered into performance and other bonds of £50,000 (2015: £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 2016 the amount of borrowings in respect of these companies was £314,528 (2015: £544,646).

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 2016 the amount of borrowings in respect of these companies was £6,355,431 (2015: £5,882,333).

## BARNFIELD GROUP LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 27 Financial commitments

As at 31 December 2016 the group had annual commitments under operating leases as follows:

	Other 2016 £	Other 2015 £
Expiry date:		
Within one year	153,050	17,249
Between two and five years	57,905	125,021
	<hr/>	<hr/>
	210,955	142,270
	<hr/> <hr/>	<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 31 December 2016 £nil (2015: £5,539,963) 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 Webber 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 2016

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#### Company

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

2016 £	2015 £	
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 by and to the group at the year end:

2016 £	2015 £	
3,218,856	2,919,215	by Barnfield Investment Properties Limited
1,812,000	2,224,000	by Barnfield Centric Limited
224,500	224,500	by Barnfield Pulse Limited
-	2,068,910	by Barnfield Developments Limited
350,000	350,000	by Barnfield & Hyndburn Limited
1,188,787	723,999	by Barnfield Real Estate Partnership Limited
15,794	46,397	to Pendle Property Developments Limited
154,362	166,598	by Ribble Property Developments Limited
26,238	56,494	by Pendle Enterprise & Regeneration Limited
89,865	63,575	by Pendle Enterprise & Regeneration 2 Limited
34,984	347,100	by Globe Enterprises Limited
674,950	681,950	by Speke Business Park Limited
982,641	1,009,485	by AMS Technology Park Limited
-	270,000	to Dimehome Limited

**BARNFIELD GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

<b>2016</b>	<b>2015</b>	
<b>£</b>	<b>£</b>	
67,525	1,334,826	to Barnfield Investment Properties Limited
5,000	5,000	to Barnfield Centric Limited
249,355	3,704,065	to Barnfield Developments Limited
5,000	5,000	to Barnfield Pension Fund
10,000	10,000	to Barnfield & Hyndburn Limited
937,561	800,413	to Barnfield Real Estate Partnership Limited
491,712	708,867	to Pendle Property Developments Limited
2,494,370	1,202,510	to Ribble Property Developments Limited
162,727	52,081	to Pendle Enterprise and Regeneration Limited
841,104	387,641	to Pendle Enterprise and Regeneration 2 Limited
826,494	33,127	to Pendle Enterprise and Regeneration (Brierfield Mills) Limited
320,213	12,648	to Globe Enterprises Limited
5,585	6,538	to Speke Business Park Limited
15,000	81,270	to AMS Technology Park Limited

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

<b>2016</b>	<b>2015</b>	
<b>£</b>	<b>£</b>	
80,000	77,500	rent by the Webber Family Pension Trust
17,617	-	purchases from Barnfield Investment Properties Limited
-	500,000	purchases 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.

**BARNFIELD GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**30 Directors' transactions**

Dividends totalling £180,283 (2015 - £142,682) were paid in the year in respect of shares held by the company's directors.

As at 31 December 2016, a loan of £nil (2015 - £44,443) had been granted to the group by T J H Webber.