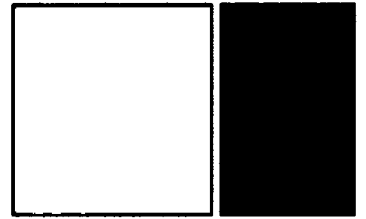


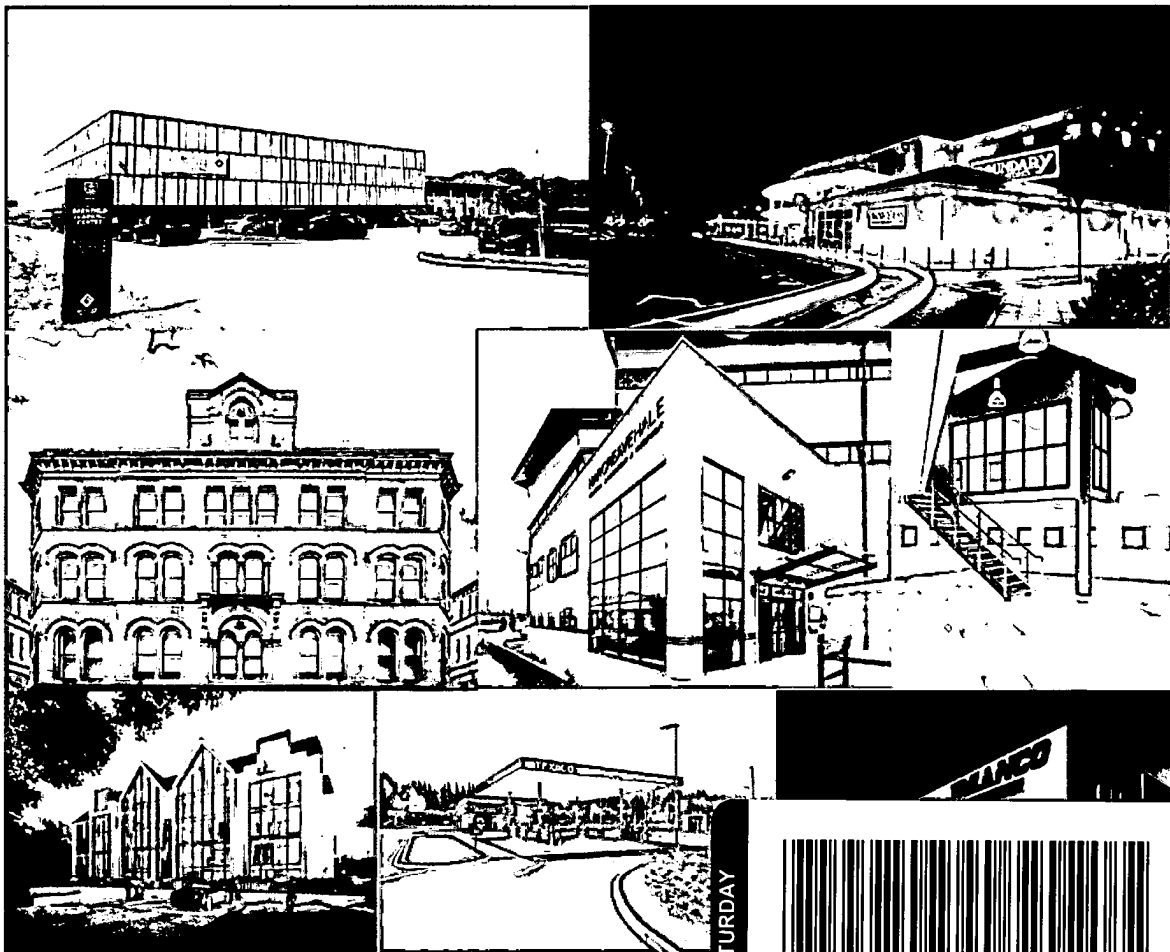
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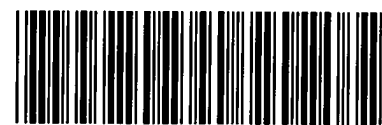
BARNFIELD GROUP LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017



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**BARNFIELD GROUP LIMITED
MISSION STATEMENT**

FOR THE YEAR ENDED 31 DECEMBER 2017

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

This is supported by long-term 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 2017

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

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

Overview

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

Strong Financial Foundations

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

Developing and Expanding a Skilled Workforce

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

Vision for the Future

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

**BARNFIELD GROUP LIMITED
COMPANY INFORMATION**

FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017

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

Review of the Business

Revenue

Revenue in the financial year was slightly up on the prior year at £68.4m compared with £65.2m in 2016. The order book for 2018 is strong and we expect turnover to increase to between £70m and £75m.

Operating Profit

Operating profit has decreased from £5.2m last year to £4.6m this year. Last year was unusually high because of increased sales of development stock which is at higher margins than contracting work. Gross margins on construction have remained consistent.

Cash Flow

The focus on cash generation has continued with cash balances increasing from £6m to £10m leaving the group in a strong position to invest in new development opportunities in the future.

Debt Structure

Bank finance totals £4.6m (2016 - £7.8m) and is made up of a number of investment and development facilities across the group all with different expiry dates throughout 2018 to 2021. 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 group's policy to agree the terms and conditions under which business transactions are conducted with each supplier. The group 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 2017 were equivalent to 30 days purchases (2016: 28 days), based on the average daily amount invoiced by suppliers during the period.

**BARNFIELD GROUP LIMITED
STRATEGIC REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2017

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 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

27 April 2018

**BARNFIELD GROUP LIMITED
DIRECTORS' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 8. A dividend of £750.00 (2016: £750.00) per Ordinary 'A' share of £1 was paid in respect of the year, and a dividend of £750.00 (2016: £605.66) 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.

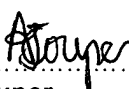
**BARNFIELD GROUP LIMITED
DIRECTORS' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2017

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

27 April 2018

BARNFIELD GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BARNFIELD GROUP LIMITED

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

BARNFIELD GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BARNFIELD GROUP LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

BARNFIELD GROUP LIMITED

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

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

Jane Smith

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

27 April 2018

Statutory Auditor

Mentor House
Ainsworth Street
Blackburn
Lancashire
BB1 6AY

BARNFIELD GROUP LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	31 December 2017 £	31 December 2016 £
Turnover			
Group and share of joint venture undertakings		67,132,200	63,766,818
Less: share of joint ventures' turnover		(1,165,577)	(999,507)
Rent receivable		2,258,766	2,128,778
Other income		195,385	338,860
Group turnover	3	68,420,774	65,234,949
Cost of sales		(59,859,689)	(56,249,896)
Gross profit		8,561,085	8,985,053
Distribution costs		(368,812)	(188,135)
Administrative expenses		(2,967,920)	(2,939,053)
Amortisation of goodwill		(611,918)	(670,654)
Group operating profit	4	4,612,435	5,187,211
Share of operating profit in joint ventures		121,835	277,962
Share of operating profit in associates		100,954	17,122
Share of profit on sale of investment property in associates		-	19,333
Share of gain on revaluation of investment property in associates		10,000	-
Profit on ordinary activities before interest		4,845,223	5,501,628
Other interest receivable and similar income	7	61,928	178,185
Interest payable and similar charges	8	(380,727)	(415,648)
Fair value gains and losses on investment properties		-	953,547
Profit on ordinary activities before taxation		4,526,425	6,217,712
Tax on profit on ordinary activities	9	(877,333)	(1,286,483)
Profit on ordinary activities after taxation		3,649,092	4,931,229
Minority interests		35,880	(197,420)
Profit for the year		3,684,972	4,733,809

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 2017**

	2017 £	2016 £
Profit for the financial year	3,545,029	4,733,809
Other comprehensive income		
Unrealised (deficit)/surplus on revaluation of properties	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	<u>3,545,029</u>	<u>4,733,809</u>

BARNFIELD GROUP LIMITED

GROUP BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
Fixed assets			
Goodwill	11	2,422,523	3,034,441
Tangible assets	12 & 13	9,461,816	8,824,820
Investment in associates	14	1,211,489	1,132,224
Investments - other	14	18,892	18,239
Investments in joint ventures			
- Share of gross assets		2,956,292	3,212,079
- Share of gross liabilities		(2,050,361)	(2,343,883)
		<u>14,020,651</u>	<u>13,877,920</u>
Current assets			
Stock and work in progress	17	8,225,015	11,877,840
Debtors	18	12,494,855	12,981,650
Cash at bank and in hand		10,337,184	5,945,434
		<u>31,057,054</u>	<u>30,804,924</u>
Creditors: amounts falling due within one year	19	(20,474,870)	(22,064,337)
		<u>10,582,184</u>	<u>8,740,587</u>
Net current assets			
		<u>24,602,835</u>	<u>22,618,506</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year			
Provisions for liabilities	20	(3,022,674)	(4,414,031)
Accruals and deferred income	22	(1,607,394)	(1,505,771)
	23	(1,448,014)	(1,448,014)
		<u>18,524,753</u>	<u>15,250,690</u>
Capital and reserves			
Called up share capital	26	500	500
Revaluation reserve		156,980	156,980
Profit and loss account		18,140,346	14,830,374
		<u>18,297,826</u>	<u>14,987,854</u>
Shareholders' funds - equity interests			
		<u>226,927</u>	<u>262,836</u>
Minority interests			
		<u>18,524,753</u>	<u>15,250,690</u>

The financial statements were approved by the board on 27 April 2018

T J H Webber
Director

BARNFIELD GROUP LIMITED

**COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Notes	2017 £	2016 £
Fixed assets			
Investments	14	23,828,106	23,828,106
Current assets			
Debtors	18	2,562,294	2,750,182
Cash at bank and in hand		2,208,921	324,521
		<hr/>	<hr/>
		4,771,215	3,074,703
Creditors: amounts falling due within one year	19	(76,154)	(69,211)
		<hr/>	<hr/>
Net current assets		4,695,061	3,005,482
		<hr/>	<hr/>
Total assets less current liabilities		28,523,167	26,833,588
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	26	500	500
Profit and loss account		28,522,667	26,833,088
		<hr/>	<hr/>
Total equity		28,523,167	26,833,588
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the board on 27 April 2018



**T J H Webber
Director**

BARNFIELD GROUP LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Share Capital £	Profit and Loss Reserves £	Revaluation Reserve £	Total £
Balance at 1 January 2016	500	10,457,131	156,980	10,614,611
	<hr/>	<hr/>	<hr/>	<hr/>
Year ended 31 December 2016				
Profit and total comprehensive income for the year	-	4,733,809	-	4,733,809
Dividends	-	(360,566)	-	(360,566)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	500	14,830,374	156,980	14,987,854
	<hr/>	<hr/>	<hr/>	<hr/>
Year ended 31 December 2017				
Profit and total comprehensive income for the year	-	3,684,972	-	3,545,029
Dividends	-	(375,000)	-	(375,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	500	18,140,346	156,980	18,000,403
	<hr/>	<hr/>	<hr/>	<hr/>

BARNFIELD GROUP LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	Share Capital £	Profit and Loss Reserves £	Total £
Balance at 1 January 2016		500	21,258,902	21,259,402
		<hr/>	<hr/>	<hr/>
Year ended 31 December 2016				
Profit and total comprehensive income for the year		-	5,934,752	5,934,752
Dividends	10	-	(360,566)	(360,566)
		<hr/>	<hr/>	<hr/>
Balance at 31 December 2016		500	26,833,088	26,833,588
		<hr/>	<hr/>	<hr/>
Year ended 31 December 2017				
Profit and total comprehensive income for the year		-	2,064,579	2,064,579
Dividends	10	-	(375,000)	(375,000)
		<hr/>	<hr/>	<hr/>
Balance at 31 December 2017		500	28,522,667	28,523,167
		<hr/>	<hr/>	<hr/>

BARNFIELD GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017		2016	
	£	£	£	£
Cash generated from/(absorbed by) operations (Note 1)		9,694,482		8,770,590
Interest paid		(451,956)		127,081
Income taxes paid		(1,107,049)		(877,123)
		<u> </u>		<u> </u>
Net cash inflow/(outflow) from operating activities		8,135,477		8,020,548
Investing activities				
Purchase of tangible fixed assets	(134,482)		(911,691)	
Proceeds on disposal of fixed assets	5,816		79,611	
Interest received	203,999		203,531	
	<u> </u>		<u> </u>	
Net cash used in investing activities		75,333		(628,549)
Financing activities				
Repayment of borrowings	(3,145,861)		31,403	
Payment of finance lease obligations	(298,199)		(353,616)	
Redemption of preference shares	-		(7,125,355)	
Dividends paid	(375,000)		(360,566)	
Cancelled dividends	-		270,000	
	<u> </u>		<u> </u>	
Net cash used in financing activities		(3,819,060)		(7,538,134)
		<u> </u>		<u> </u>
Net increase/ (decrease) in cash and cash equivalents		4,391,750		(146,135)
Cash and cash equivalents at beginning of year		5,945,434		6,091,569
		<u> </u>		<u> </u>
Cash and cash equivalents at end of year		10,337,184		5,945,434
		<u> </u>		<u> </u>
Relating to:				
Cash at bank and in hand		10,337,184		5,945,434
		<u> </u>		<u> </u>

BARNFIELD GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017****1 Cash generated from operations**

	2017 £	2016 £
Profit for the year after tax	3,649,092	4,931,229
Adjustments for:		
Taxation charged	877,333	1,286,483
Finance costs	380,727	417,170
Investment income	(61,928)	(179,707)
Fair value gains and losses on investment properties	-	(953,547)
Profit on disposal of tangible assets	(1,744)	(34,323)
Depreciation of tangible assets	384,414	373,658
Amortisation of intangible assets	611,918	670,654
Increase/(decrease) in provisions	152,466	(717,325)
Exchange rate movement on foreign investments	(653)	(2,509)
Share of operating profit in joint ventures and associates	(232,789)	(340,337)
Movements in working capital		
Decrease in stocks	2,761,824	2,952,002
Decrease/(increase) in debtors	(279,831)	1,093,633
Increase/(decrease) in creditors	1,453,653	(394,880)
(Decrease) in deferred income	-	(331,611)
	<hr/>	<hr/>
Cash generated from/(absorbed by) operations	9,694,482	8,770,590
	<hr/> <hr/>	<hr/> <hr/>

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 £2,064,579 (2016 - £5,934,752), including dividends received from group companies.

BARNFIELD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017. 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 2017

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 Stocks

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

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

2.10 Construction contracts

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

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

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

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

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

BARNFIELD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

2.11 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.

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.

BARNFIELD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

2 Accounting policies (continued)

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.

2.12 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.

2.13 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.

BARNFIELD GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

2 Accounting policies (continued)

2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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 2017**

3	Turnover and other revenue	2017	2016
		£	£
	An analysis of the group's turnover is as follows:		
	Property development	65,966,623	62,767,311
	Rent receivable	2,258,766	2,128,778
	Other income	195,385	338,860
		<u>68,420,774</u>	<u>65,234,949</u>
	Other significant revenue		
	Interest income	61,928	178,185
		<u>61,928</u>	<u>178,185</u>
	Turnover analysed by geographical market		
	United Kingdom	68,420,774	65,234,949
		<u>68,420,774</u>	<u>65,234,949</u>
4	Operating profit	2017	2016
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	384,414	373,658
	Amortisation of intangible assets	611,918	670,654
	Operating lease rentals:		
	- Vehicles	131,335	146,066
	Fees payable to the company's auditors for the audit of the company's annual accounts	7,500	7,500
	Fees payable to the company's auditors and its associates for other services:		
	- The audit of the company's subsidiaries, pursuant to legislation	25,325	25,575
	- Tax services	4,525	4,925
	- Other services pursuant to legislation	9,000	9,000
		<u>1,744</u>	<u>34,323</u>
	and after crediting:		
	Profit on disposal of tangible assets	1,744	34,323
		<u>1,744</u>	<u>34,323</u>

BARNFIELD GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017****5 Employees****Number of employees**

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

	2017 Number	2016 Number
Office and management	39	41
Production and sales	105	114
	<u>144</u>	<u>155</u>

Their aggregate remuneration comprised:

	£	£
Wages and salaries	4,591,081	4,851,112
Social security costs	416,444	394,739
Other pension costs	70,856	62,738
	<u>5,078,381</u>	<u>5,308,589</u>

6 Directors' emoluments

	2017 £	2016 £
Emoluments for qualifying services	492,827	420,359
Pension contributions to money purchase schemes	12,203	10,161
	<u>505,030</u>	<u>430,520</u>

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

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

The number of directors with benefits accruing under money purchase pension schemes is 3
(2016 - 3)

BARNFIELD GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

7	Interest receivable and similar income	2017	2016
		£	£
	Interest income		
	Interest on bank deposits	3,384	18,300
	Other interest income	58,342	159,581
	Associated undertakings	42	155
	Joint ventures undertakings	160	149
		<hr/>	<hr/>
	Total interest revenue	61,928	178,185
		<hr/> <hr/>	<hr/> <hr/>
8	Interest payable	2017	2016
		£	£
	Bank loans and overdrafts	244,806	313,047
	Other interest	39,660	(27,895)
	Associated undertakings	25,756	28,706
	Joint venture undertakings	70,505	101,790
		<hr/>	<hr/>
		380,727	415,648
		<hr/> <hr/>	<hr/> <hr/>
9	Taxation	2017	2016
		£	£
	Domestic current year tax		
	UK corporation tax	969,448	1,095,537
	Adjustment for prior years	(60,999)	4,724
	Associates	5,976	281
	Joint ventures	13,751	39,057
		<hr/>	<hr/>
	Total current tax	928,176	1,139,599
		<hr/>	<hr/>
	Deferred Tax		
	Origination and reversal of timing differences:	(50,843)	146,884
		<hr/>	<hr/>
	Total tax charge	877,333	1,286,483
		<hr/> <hr/>	<hr/> <hr/>

BARNFIELD GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	4,526,425	6,217,712
	<u>4,526,425</u>	<u>6,217,712</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.25% (2016: 20%)	871,336	1,243,542
	<u>871,336</u>	<u>1,243,542</u>
Effects of:		
Non-deductible expenses	7,291	81,331
Adjustments in respect of prior years	(60,999)	4,724
Capital allowances in excess of depreciation	24,906	(68,626)
Other adjustments	(34,517)	(6,752)
Entities not subject to UK corporation tax	69,316	32,264
	<u>5,997</u>	<u>42,941</u>
	<u>5,997</u>	<u>42,941</u>
Tax expense for the year	877,333	1,286,483
	<u>877,333</u>	<u>1,286,483</u>
10 Dividends	2017 £	2016 £
Dividends paid	375,000	360,566
	<u>375,000</u>	<u>360,566</u>

BARNFIELD GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017****11 Intangible fixed assets**

	Negative Goodwill £	Positive Goodwill £	Total £
Cost			
Brought forward	(743,014)	8,148,067	7,405,053
	<u>(743,014)</u>	<u>8,148,067</u>	<u>7,405,053</u>
Carried forward	<u>(743,014)</u>	<u>8,148,067</u>	<u>7,405,053</u>
	<u>(743,014)</u>	<u>8,148,067</u>	<u>7,405,053</u>
Amortisation			
Brought forward	(256,522)	4,627,134	4,370,612
Charge for the year	(58,736)	670,654	611,918
	<u>(315,258)</u>	<u>5,297,788</u>	<u>4,982,530</u>
Carried forward	<u>(315,258)</u>	<u>5,297,788</u>	<u>4,982,530</u>
	<u>(315,258)</u>	<u>5,297,788</u>	<u>4,982,530</u>
Net book value			
At 31 December 2017	(427,756)	2,850,279	2,422,523
	<u>(427,756)</u>	<u>2,850,279</u>	<u>2,422,523</u>
At 31 December 2016	<u>(486,492)</u>	<u>3,520,933</u>	<u>3,034,441</u>
	<u>(486,492)</u>	<u>3,520,933</u>	<u>3,034,441</u>

BARNFIELD GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

12 Tangible fixed assets

Group	Plant and equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2017	2,018,926	13,661	252,833	2,285,420
Additions	124,792	-	9,690	134,482
Disposals	(18,849)	-	(13,700)	(32,549)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	2,124,869	13,661	248,823	2,387,353
Depreciation				
At 1 January 2017	580,603	8,899	58,498	648,000
Charge for the year	332,215	2,057	50,142	384,414
On disposals	(16,710)	-	(11,767)	(28,477)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	896,108	10,956	96,873	1,003,937
Net book value				
At 31 December 2017	1,228,761	2,705	151,950	1,383,416
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	1,438,323	4,762	194,335	1,637,420
	<hr/>	<hr/>	<hr/>	<hr/>

Included in the above figures are assets held under financing arrangements. The net book value of these assets at 31 December 2017 was £1,320,948 (2016: £1,222,818). The depreciation charged on the assets was £293,214 (2016: £154,409).

13 Tangible fixed assets

	Group £
Investment properties	
Cost or valuation	
At 1 January 2017	7,187,400
Additions through external acquisition	891,000
	<hr/>
At 31 December 2017	8,078,400
	<hr/>

BARNFIELD GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017****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 2017. These values are as follows:

-	Wardle Storeys, Earby	-	£3,430,000
-	Milnrow Road, Rochdale	-	£1,527,000
-	51-53 Churchill Way, Nelson	-	£350,000
-	35 Churchill Way, Nelson	-	£980,000
-	Norden Court, Great Harwood	-	£900,000
-	Union Court, Great Harwood	-	£891,000

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 £6,424,415 (2016 - £5,533,415).

14 Fixed asset investments

Group	Unlisted investments £	Shares in net assets of associates £	Total £
Cost			
At 1 January 2017	18,239	1,132,224	1,150,463
Movement in the year	653	79,265	79,918
	<hr/>	<hr/>	<hr/>
At 31 December 2017	18,892	1,211,489	1,230,381
	<hr/>	<hr/>	<hr/>
Provisions for diminution in value			
At 1 January 2017	-	-	-
Charge for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2017	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2017	18,892	1,211,489	1,230,381
	<hr/>	<hr/>	<hr/>
At 31 December 2016	18,239	1,132,224	1,150,463
	<hr/>	<hr/>	<hr/>

BARNFIELD GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

14 Fixed asset investments (continued)

Company	Shares in Subsidiary undertakings £
Cost or valuation	
At 1 January 2017	23,828,106
Additions	-
	<hr/>
At 31 December 2017	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:

Subsidiary undertakings	Country of registration or incorporation	Class	% Held	
			Direct	Indirect
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
Orient Business Park Limited	England & Wales	Ordinary		100
Backbarrow Developments Limited	England & Wales	Ordinary		100

The registered office of the companies incorporated in England and Wales is: 8 Kenyon Road, Lomeshaye Industrial Estate, Nelson, BB9 5SP.

The group had a 70% shareholding in Barnfield Pulse Limited. The shares were sold for £70 (at par) on 2 November 2017.

Backbarrow Developments Limited was dissolved on 30 January 2018.

BARNFIELD GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

16 Significant undertakings

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

	Name of undertaking and Registered Office	Nature of Business	Class of Shareholding	% Held Indirect	
	Barnfield Read Estate Partnership Ltd	8 Kenyon Road, Lomeshaye Industrial Estate, Nelson BB9 5SP	Property Development	Ordinary	50
	Globe Enterprises Ltd	The Globe Centre, St James Square, Accrington BB5 0RE	Property Development & Investment	Ordinary	33
	Speke Business Park Ltd	8 Kenyon Road, Lomeshaye Industrial Estate, Nelson BB9 5SP	Property Development	Ordinary	24
	AMS Technology Park Ltd	8 Kenyon Road, Lomeshaye Industrial Estate, Nelson BB9 5SP	Property Development	Ordinary	50
	Henry Boot Barnfield Ltd	8 Kenyon Road, Lomeshaye Industrial Estate, Nelson BB9 5SP	Property Development	Ordinary	50

17 Stocks and work in progress	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Stocks and work in progress	8,225,015	-	11,877,840	-

18 Debtors	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Amounts falling due within one year:				
Trade debtors	4,198,069	-	4,236,651	-
Other debtors	6,223,786	2,322,000	5,704,798	2,552,000
Prepayments and accrued income	1,150,295	240,294	2,017,851	198,182
Amounts due from participating interests	922,705	-	1,022,350	-
	12,494,855	2,562,294	12,981,650	2,775,709

BARNFIELD GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

19 Creditors: amounts falling due within one year	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Bank loans and overdrafts	1,847,320	-	4,326,281	-
Net obligations under finance lease	225,022	-	298,764	-
Trade creditors	5,169,724	-	4,854,195	-
Corporation tax	543,448	6,933	742,048	-
Taxes and social security costs	609,028	-	496,838	-
Other creditors	1,020,133	-	1,379,916	-
Accruals and deferred income	11,060,195	69,221	9,966,295	69,221
	<u>20,474,870</u>	<u>76,154</u>	<u>22,064,337</u>	<u>69,221</u>
	<u><u>20,474,870</u></u>	<u><u>76,154</u></u>	<u><u>22,064,337</u></u>	<u><u>69,221</u></u>
20 Creditors: amounts fall due after one year	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Bank loans and overdrafts	2,816,794	-	3,483,694	-
Other creditors	-	-	500,000	-
Net obligations under finance lease	205,880	-	430,337	-
	<u>3,022,674</u>	<u>-</u>	<u>4,414,031</u>	<u>-</u>
	<u><u>3,022,674</u></u>	<u><u>-</u></u>	<u><u>4,414,031</u></u>	<u><u>-</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.

BARNFIELD GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

21	Finance lease obligations	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
	Future minimum lease payments due under finance leases:				
	Within one year	225,022	-	298,764	-
	In two to five years	205,880	-	430,337	-
		<hr/>	<hr/>	<hr/>	<hr/>
		430,902	-	729,101	-
		<hr/> <hr/>	<hr/> <hr/>	<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.

22	Provisions for liabilities	Group 2017 £
	At 1 January 2017	1,332,675
	Additional provisions in the year	550,724
	Utilisation of provision	(398,258)
		<hr/>
	Balance at 31 December 2017	1,485,141
		<hr/> <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 2017****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:

Group	Liabilities 2017 £	Liabilities 2016 £
Accelerated capital allowances	-	-
Surplus on property valuations	122,253	173,096
	<u>122,253</u>	<u>173,096</u>
	<u>122,253</u>	<u>173,096</u>
Movements in the year		Group 2017 £
Liability at 1 January 2017		173,096
Charge/(credit) to profit and loss		(50,843)
		<u>122,253</u>
		<u>122,253</u>
23 Accruals and Deferred Income		Government Grants £
At 1 January 2017		1,448,014
Release to profit and loss account		-
		<u>1,448,014</u>
		<u>1,448,014</u>

BARNFIELD GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

24 Pension costs	2017	2016
	£	£
Defined contribution		
Contributions payable by the group for the year	67,453	59,335
	<hr/>	<hr/>
25 Share Capital	2017	2016
Allotted, called up and fully paid	£	£
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 2017 Barnfield Construction Limited had in the course of business entered into performance and other bonds of £4,964,803 (2016: £3,833,614).		
(b) On 31 December 2017 Barnfield Centric Limited had, in the course of business, entered into performance and other bonds of £50,000 (2016: £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 2017 the amount of borrowings in respect of these companies was £Nil (2016: £314,528).

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 2017 the amount of borrowings in respect of these companies was £3,524,098 (2016: £6,355,431).

BARNFIELD GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

27 Financial commitments

As at 31 December 2017 the group had annual commitments under operating leases as follows:

	Other 2017 £	Other 2016 £
Expiry date:		
Within one year	47,005	153,050
Between two and five years	14,896	57,905
After five years	43,790	-
	<hr/>	<hr/>
	105,691	210,955
	<hr/> <hr/>	<hr/> <hr/>

28 Capital commitments

There were amounts contracted for but not provided in the financial statements of £719,459 (2016 - £nil) for the acquisition of tangible fixed assets. The purchase of these assets was funded by hire purchase agreements.

29 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.

BARNFIELD GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

30 Related party 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 had a 70% interest. This shareholding was sold for £70 (at par) on 2 November 2017.

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 2017**

Company

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

2017	2016	
£	£	
1,300,000	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:

2017	2016	
£	£	
1,806,063	3,218,856	by Barnfield Investment Properties Limited
1,812,000	1,812,000	by Barnfield Centric Limited
235	224,500	by Barnfield Pulse Limited
1,712,316	-	by Barnfield Developments Limited
350,000	350,000	by Barnfield & Hyndburn Limited
1,617,628	1,188,787	by Barnfield Real Estate Partnership Limited
-	15,794	to Pendle Property Developments Limited
110,433	154,362	by Ribble Property Developments Limited
30,023	26,238	by Pendle Enterprise & Regeneration Limited
79,300	89,865	by Pendle Enterprise & Regeneration 2 Limited
163,960	-	by Pendle Enterprise & Regeneration (Brierfield Mill) Limited
35,339	34,984	by Globe Enterprises Limited
574,950	674,950	by Speke Business Park Limited
593,074	982,641	by AMS Technology Park Limited

BARNFIELD GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

2017	2016	
£	£	
2,342,490	67,525	to Barnfield Investment Properties Limited
5,000	5,000	to Barnfield Centric Limited
3,813,488	249,355	to Barnfield Developments Limited
5,000	5,000	to Barnfield Pension Fund
10,993	10,000	to Barnfield & Hyndburn Limited
655,582	937,561	to Barnfield Real Estate Partnership Limited
22,487	491,712	to Pendle Property Developments Limited
2,301,092	2,494,370	to Ribble Property Developments Limited
33,408	162,727	to Pendle Enterprise and Regeneration Limited
1,650,853	841,104	to Pendle Enterprise and Regeneration 2 Limited
3,877,801	826,494	to Pendle Enterprise and Regeneration (Brierfield Mill) Limited
14,093	320,213	to Globe Enterprises Limited
8,687	5,585	to Speke Business Park Limited
-	15,000	to AMS Technology Park Limited
2017	2016	
£	£	
80,000	80,000	rent by the Webber Family Pension Trust
17,617	17,617	purchases from Barnfield Investment Properties Limited
94,284	-	purchases from Barnfield Developments Limited
7,166	-	purchases from Pendle Enterprise & Regeneration 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.

31 Directors' transactions

Dividends totalling £187,500 (2016 - £180,283) were paid in the year in respect of shares held by the company's directors.