

Company Registration No. 3062068 (England and Wales)

BARNFIELD & HYNDBURN LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000



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BARNFIELD & HYNDBURN LIMITED

COMPANY INFORMATION

Directors	T.J.H. Webber B. Neal B. Dawson J. Dickinson N.T. Rix
Secretary	B. Neal
Company number	3062068
Registered office	Lynton House 7-12 Tavistock Square London WC1H 9LT
Auditors	Morley & Scott Lynton House 7-12 Tavistock Square London WC1H 9LT
Business address	Kenyon Road Lomeshaye Industrial Estate Nelson Lancashire BB9 5SP
Solicitors	DMH 60 St John Street London EC1M 4HG

BARNFIELD & HYNDBURN LIMITED

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BARNFIELD & HYNDBURN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report and financial statements for the year ended 31 December 2000.

Principal activities

The principal activity of the company is that of property development.

Directors

The following directors have held office since 1 January 2000:

T.J.H. Webber	
B. Neal	
B. Dawson	(Appointed 30 March 2000)
J. Dickinson	(Appointed 30 March 2000)
N.T. Rix	(Appointed 30 March 2000)

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 December 2000	1 January 2000
T.J.H. Webber	-	-
B. Neal	-	-
B. Dawson	-	-
J. Dickinson	-	-
N.T. Rix	-	-

The directors' beneficial interests in the shares of the ultimate parent company are disclosed in the financial statements of that company.

Auditors

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

BARNFIELD & HYNDBURN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

T.J.H. Webber
Director

12.10.01

BARNFIELD & HYNDBURN LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF BARNFIELD & HYNDBURN LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and by our profession's ethical guidance.

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

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Morley & Scott

Chartered Accountants
Registered Auditor

30 October 2001

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

BARNFIELD & HYNDBURN LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
Turnover		35,298	-
Administrative expenses		(25,241)	(1,000)
Operating profit/(loss)	2	10,057	(1,000)
Interest payable and similar charges		(12,695)	-
Loss on ordinary activities before taxation		(2,638)	(1,000)
Tax on loss on ordinary activities	3	(933)	-
Loss on ordinary activities after taxation	9	(3,571)	(1,000)

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

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

BARNFIELD & HYNDBURN LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	4		526,694		569,580
Current assets					
Debtors	5	13,423		10	
Cash at bank and in hand		12,273		-	
		<u>25,696</u>		<u>10</u>	
Creditors: amounts falling due within one year	6	<u>(552,858)</u>		<u>(466,487)</u>	
Net current liabilities			<u>(527,162)</u>		<u>(466,477)</u>
Total assets less current liabilities			<u>(468)</u>		<u>103,103</u>
Creditors: amounts falling due after more than one year	7		<u>(4,093)</u>		<u>(104,093)</u>
			<u>(4,561)</u>		<u>(990)</u>
Capital and reserves					
Called up share capital	8		10		10
Profit and loss account	9		<u>(4,571)</u>		<u>(1,000)</u>
Shareholders' funds - equity interests	10		<u>(4,561)</u>		<u>(990)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 12.10.01

T.J.H. Webber
Director

N.T. Rix
Director

BARNFIELD & HYNDBURN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents rent receivable net of VAT.

1.4 Investment properties

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

1.5 Government grants

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

2	Operating profit/(loss)	2000 £	1999 £
	Operating profit/(loss) is stated after charging:		
	Auditors' remuneration	1,500	1,000
		<u> </u>	<u> </u>
3	Taxation	2000	1999
	U.K. current year taxation		
	U.K. current year corporation tax	933	-
		<u> </u>	<u> </u>

BARNFIELD & HYNDBURN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

4 Tangible fixed assets

	Investment property £
Valuation	
At 1 January 2000	605,580
Additions	131,214
Grant received	(210,100)
	<hr/>
At 31 December 2000	526,694
	<hr/>
Net book value	
At 31 December 2000	526,694
	<hr/>
At 31 December 1999	569,580
	<hr/>

Investment property was valued at 31 December 2000 by M. Taylforth Bsc MRICS, an employee of Barnfield Construction Limited, on the basis of open market value for existing use.

5 Debtors	2000 £	1999 £
Trade debtors	5,711	-
Other debtors	7,712	10
	<hr/>	<hr/>
	13,423	10
	<hr/>	<hr/>

6 Creditors: amounts falling due within one year	2000 £	1999 £
Bank loans and overdrafts	100,000	95,907
Amounts owed to group undertakings	434,260	369,580
Taxation and social security	933	-
Other creditors	17,665	1,000
	<hr/>	<hr/>
	552,858	466,487
	<hr/>	<hr/>

The bank borrowings are secured.

BARNFIELD & HYNDBURN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

7	Creditors: amounts falling due after more than one year	2000	1999
		£	£
	Bank loans	4,093	104,093
		<u> </u>	<u> </u>
	Analysis of loans		
	Wholly repayable within five years	104,093	200,000
	Included in current liabilities	(100,000)	(95,907)
		<u> </u>	<u> </u>
		4,093	104,093
		<u> </u>	<u> </u>
8	Share capital	2000	1999
		£	£
	Authorised		
	1,000 Ordinary shares of £ 1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	10 Ordinary shares of £ 1 each	10	10
		<u> </u>	<u> </u>
9	Statement of movements on profit and loss account		
			Profit and loss account £
	Balance at 1 January 2000		(1,000)
	Retained loss for the year		(3,571)
			<u> </u>
	Balance at 31 December 2000		(4,571)
			<u> </u>
10	Reconciliation of movements in shareholders' funds	2000	1999
		£	£
	Loss for the financial year	(3,571)	(1,000)
	Proceeds from issue of shares	-	8
		<u> </u>	<u> </u>
	Net depletion in shareholders' funds	(3,571)	(992)
	Opening shareholders' funds	(990)	2
		<u> </u>	<u> </u>
	Closing shareholders' funds	(4,561)	(990)
		<u> </u>	<u> </u>

BARNFIELD & HYNDBURN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

10 Ultimate parent company

The company is a 70% subsidiary of Barnfield Construction Limited, a company incorporated in Great Britain. Barnfield Construction Limited is a 100% subsidiary of Barnfield Holdings Limited, a company also incorporated in Great Britain. This company does not have a controlling party.

12 Basis of preparation of financial statements

Barnfield Construction Limited, the parent company, has undertaken to provide financial support to the company to enable it to meet its liabilities as they fall due for as long as the company remains a subsidiary.

13 Related party transactions

As at 31 December 2000, the company owed £434,260 (1999: £369,580) to Barnfield & Hyndburn Partnership, a partnership under common control.

During the year Barnfield Construction Limited provided building services of £129,228, which have been treated as additions to investment property.