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Financial Statements
Barwood Developments
Limited and its subsidiary
undertakings

For the year ended 28 February 2009

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Company No. 4537090

Company information

Company registration number:	4537090
Registered office:	Grange Park Court Roman Way Grange Park NORTHAMPTON
Directors:	R W Bowen S J Chambers H B Chapman J A Greenslade C P Matthews A J Rudge
Secretaries:	emw Secretaries Limited S J Chambers J A Greenslade
Bankers:	Lloyds TSB Bank plc 30 - 31 Long Causeway PETERBOROUGH Allied Irish Bank (GB) 1 Waterside Way NORTHAMPTON
Solicitors:	Wragge & Co 55 Colmore Row BIRMINGHAM emw law Seckloe House 101 North 13th Street MILTON KEYNES
Auditor:	Grant Thornton UK LLP Grant Thornton House Kettering Parkway Kettering Venture Park KETTERING Northants NN15 6XR

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Report of the directors

The directors present their report together with the financial statements for the year ended 28 February 2009.

Principal activity

The company is principally engaged in commercial property development and asset management.

Business review

The results for the year and the group's financial position are shown in the attached financial statements. The directors recommend payment of a dividend of £500,000 (2008 - £nil).

The key projects that contributed to the gross project profits were:

- **Crick:** The sale of a prime 94 acre site in Northamptonshire for £37m to Gazeley in February 2008, after obtaining planning consent for 1,500,000 sq ft of industrial warehousing space.
- **Grange Park Court:** The sale of two 10,000 sq ft office units to Arcadian Partnership and Autologic.
- **Kettering Business Park:** Managing the development of a 46,000 sq/ft warehouse on behalf of SpecSavers.
- **Leeds Prince William House:** Rental income from a prime located 25,000 sq/ft office building, on which we have obtained detailed planning permission for a 104,000 sq/ft prime grade 'A' office redevelopment.
- **Chepstow:** Rental income from a warehouse let to Asda.
- **Chiltern Park:** Rental income from existing tenants at a 2.3 acre site in Chalfont St Peter. A pre-let 30,000 sq ft head office is currently being built on an adjacent part of the site and planning permission has been obtained for further 10,947 sq ft and 25,000 sq ft of office buildings.

The net loss for the year was due to the write down of two assets, the site at Chepstow and Leeds Prince William House, as well as debt servicing costs.

During the year ended 29 February 2009 the company disposed of its interest in Barwood Land and Estates Limited, a subsidiary involved in promoting land through the planning process. This has released the company from funding obligations associated with this activity. In addition, the company has since the year end restructured its corporate loan, which is now repayable in two tranches in June 2010 and June 2011.

After taking these substantial asset write downs, restructuring corporate debt and releasing the Group from short term funding obligations, the Directors believe the company is in a strong position to go forward and generate future profits from its core activities of development, asset management and trading of commercial property in the UK.

Key performance indicators

The directors assess the Group performance using four key performance indicators:

- Gross project profit was £2.7m (£9.7m). This provides a measure of the income generated from our core activities
- Gross project profit per fee earning employee was £0.5m (£1.4m). This provides a measure of employee productivity in the prevailing economic climate
- Operating profit was £51k (£5.8m). This provides a measure of the return gained from our core activities after accounting for the associated overheads
- Net loss before tax and discretionary distributions was £4.6m (2008: £5.2m profit). This provides a measure of the return gained from our core activities after accounting for the associated overheads, exceptional items and financing costs. This reflects the write down taken on two assets as a result of the extremely poor conditions in the UK property market.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

R W Bowen
S J Chambers
H B Chapman
J A Greenslade
C P Matthews
A J Rudge

T P Amos resigned as a director on 31 January 2009.

No director had, during or at the end of the year, a material interest in any contract which was significant in relation to the company's business.

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments 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 company will continue in business.

Statement of directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial risk management objectives

On projects where the company has legal ownership of property assets, the company uses predominantly debt finance to fund these. Security on the debt is predominantly in the form of specific fixed charges over the relevant property assets.

The company considers that its exposure to adverse interest rate movements is not currently significant. Interest rate hedging instruments are utilised where appropriate. The loans are regularly reviewed and renegotiated to meet the needs of the company.

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



J A Greenslade
Director

21 October 2009



Report of the independent auditor to the members of Barwood Developments Limited

We have audited the group and parent company financial statements (the "financial statements") of Barwood Developments Limited for the year ended 28 February 2009 which comprise the principal accounting policies, the group profit and loss account, the group and company balance sheets, the group cash flow statement and notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read other information contained in the Report of the Directors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.



Report of the independent auditor to the members of Barwood Developments Limited

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

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 28 February 2009 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

Kettering

23 October 2009

Principal accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

The principal accounting policies of the group are set out below. The policies have remained unchanged from the previous year.

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings (see note 9) drawn up to 28 February 2009. The results of subsidiary undertakings disposed during the year have been included to the date of disposal. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Turnover

Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts.

Long-term contracts

The attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long-term contracts are included in stock to the extent that they cannot be matched with contract work accounted for as turnover. Long-term contract balances included in stocks are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

When development projects are pre-funded by institutions, pre-let to tenants and have fixed price construction contracts in place, attributable profits are recognised over the period of the contract once the outcome can be assessed with reasonable certainty.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Computer equipment, leasehold improvements	50% per annum
Office equipment	25% per annum
Computer software	100% per annum
Fixtures and fittings	10% per annum

Investments

Investments are included at cost less amounts written off.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

Retirement benefits

Defined Contribution Pension Scheme

The pension costs charged against operating profits are the amount of the contributions payable to the schemes in respect of the accounting period.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Consolidated profit and loss account

	Note	2009 £	2009 £	2008 £	2008 £
Turnover	1				
Continuing operations			6,162,919		22,061,754
Discontinued operations			<u>1,147,074</u>		<u>3,704,964</u>
			7,309,993		25,766,718
Cost of sales	2		<u>(4,586,678)</u>		<u>(16,109,802)</u>
Gross profit			2,723,315		9,656,916
Administrative expenses	2		<u>(2,672,795)</u>		<u>(3,878,350)</u>
Operating profit					
Continuing operations		(76,692)		4,415,170	
Discontinued operations		<u>127,212</u>		<u>1,363,396</u>	
			50,520		5,778,566
Exceptional items					
Profit on disposal of subsidiary undertakings	20		(2,823,280)		-
Share of loss from fixed asset investments			(231,439)		(160,840)
Net interest	3		<u>(1,593,434)</u>		<u>(973,972)</u>
(Loss)/profit on ordinary activities before taxation	1		(4,597,633)		4,643,754
Tax on profit on ordinary activities	5		<u>504,469</u>		<u>(1,648,723)</u>
(Loss)/profit on ordinary activities after taxation			(4,093,164)		2,995,031
Minority interest			<u>28,593</u>		<u>13,238</u>
(Loss)/profit for the financial year	15		<u>(4,064,571)</u>		<u>3,008,269</u>

There were no other recognised gains or losses other than the loss for the financial year.

The accompanying accounting policies and notes form part of these financial statements.

Consolidated balance sheet

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	8	154,468	201,767
Investment	9	(156,287)	210,791
		(1,819)	412,558
Current assets			
Stock	10	6,748,647	20,314,171
Debtors	11	2,092,001	11,000,156
Cash at bank and in hand		1,755,910	1,140,105
		10,596,558	32,454,432
Creditors: amounts falling due within one year	12	(9,661,998)	(18,619,381)
Net current assets		934,560	13,835,051
Total assets less current liabilities		932,741	14,247,609
Creditors: amounts falling due in more than one year	13	-	(8,750,000)
		932,741	5,497,609
Capital and reserves			
Called up share capital	14	100,800	100,800
Share premium account	15	115,200	115,200
Other reserves	15	24,000	24,000
Profit and loss account	15	692,741	5,257,312
		932,741	5,497,312
Minority interests		-	297
Shareholders' funds	16	932,741	5,497,609

The financial statements were approved by the Board of Directors and authorised for issue on 21 October 2009

They were signed on its behalf by:

R W Bowen
Director



J A Greenslade
Director

COMPANY NUMBER: 4537090

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	£	2009 £	£	2008 £
Fixed assets					
Tangible assets	8	154,468		201,406	
Investments	9	<u>3</u>		<u>89</u>	
			154,471		201,495
Current assets					
Stocks	10	15,450		7,218	
Debtors	11	5,955,221		15,635,965	
Cash at bank and in hand		<u>1,714,699</u>		<u>917,851</u>	
		7,685,370		16,561,034	
Creditors: amounts falling due within one year	12	<u>(6,623,390)</u>		<u>(11,088,745)</u>	
Net current assets			1,061,980		5,472,289
Total assets less current liabilities			<u>1,216,451</u>		<u>5,673,784</u>
Capital and reserves					
Called up share capital	14		100,800		100,800
Share premium account	15		115,200		115,200
Other reserves	15		24,000		24,000
Profit and loss account	15		<u>976,451</u>		<u>5,433,784</u>
Shareholders' funds	16		<u>1,216,451</u>		<u>5,673,784</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 October 2009
They were signed on its behalf by:

R W Bowen
Director

J A Greenslade
Director

COMPANY NUMBER: 4537090

The accompanying accounting policies and notes form part of these financial statements.

Consolidated cash flow statement

	Note	2009 £	2008 £
Net cash inflow/(outflow) from operating activities	17	2,320,589	(11,176,686)
Returns on investments and servicing of finance			
Interest paid		(1,722,196)	(1,075,981)
Interest received		33,012	187,065
Net cash outflow from returns on investments and servicing of finance		<u>(1,689,184)</u>	<u>(888,916)</u>
Taxation		(435,041)	(600,265)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		<u>(5,576)</u>	<u>(18,824)</u>
Net cash outflow from capital expenditure and financial investment		<u>(5,576)</u>	<u>(18,824)</u>
Acquisitions and disposals			
Disposal of subsidiary undertakings		(14,935)	-
Purchase of investment		<u>(400,048)</u>	<u>(371,631)</u>
Net cash outflow on acquisitions and disposals		<u>(414,983)</u>	<u>(371,631)</u>
Equity dividends paid		(500,000)	(866,250)
Financing			
Receipts from borrowing		<u>1,340,000</u>	<u>9,600,687</u>
Net cash inflow from financing		<u>1,340,000</u>	<u>9,600,687</u>
Increase/(decrease) in cash	18	<u>615,805</u>	<u>(4,321,885)</u>

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

Turnover is attributable to one main activity, the undertaking and management of commercial property development and the enhancement of the use and value of land.

The profit on ordinary activities is stated after:

	2009 £	2008 £
Auditor's remuneration:		
- Fees payable to the company's auditor for the audit of the company's annual accounts	18,000	18,000
- Fees payable to the company's auditor and its associates for other services		
Audit of the company's subsidiaries	10,500	23,500
Tax services for the company's subsidiaries	2,350	7,150
Depreciation and amortisation:		
Tangible fixed assets owned	<u>52,615</u>	<u>58,202</u>

Liability Limitation Agreement with the auditor

The directors propose that the company enter into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 28 February 2009. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved at the annual general meeting on 25 June 2009.

2 Other operating expenses

	Continuing £	Discontinued £	2009 Total £	Continuing £	Discontinued £	2008 Total £
Cost of sales	<u>4,395,030</u>	<u>191,648</u>	<u>4,586,678</u>	<u>14,848,416</u>	<u>1,261,386</u>	<u>16,109,802</u>
Administrative expenses	<u>1,844,581</u>	<u>828,214</u>	<u>2,672,795</u>	<u>2,798,168</u>	<u>1,080,182</u>	<u>3,878,350</u>

3 Net interest

	2009 £	2008 £
On loans and overdrafts	(1,626,446)	(1,161,037)
Other interest received and similar income	<u>33,012</u>	<u>187,065</u>
	<u>1,593,434</u>	<u>973,972</u>

4 Directors and employees

Staff costs during the year were as follows:

	2009 £	2008 £
Wages and salaries	1,499,883	2,170,665
Social security costs	229,523	269,044
Other pension costs	138,769	154,101
	<u>1,868,175</u>	<u>2,593,810</u>

The average number of employees during the year was 14 (2008 - 17) all of whom were engaged in administration.

Remuneration in respect of directors was as follows:

	2009 £	2008 £
Emoluments	1,059,616	1,485,976
Pension contributions to money purchase pension schemes	116,810	129,579
	<u>1,176,426</u>	<u>1,615,555</u>

During the year 6 directors (2008 - 6) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2009 £	2008 £
Emoluments	219,345	329,529
Pension contributions to money purchase pension schemes	20,000	-
	<u>239,345</u>	<u>329,529</u>

5 Tax on profit on ordinary activities

The tax charge represents:

	2009 £	2008 £
Corporation tax at 28.17% (2008 - 30%)	(450,946)	1,691,356
Prior year adjustment	(53,523)	(42,633)
Total current tax	<u>(504,469)</u>	<u>1,648,723</u>

Tax on profit on ordinary activities (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax of 28.17% (2008 - 30%). The difference can be explained as follows:

	2009 £	2008 £
(Loss)/profit on ordinary activities before tax	<u>(4,597,633)</u>	<u>4,643,754</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax of 28.17% (2008 - 30%)	<u>(1,295,153)</u>	1,393,126
Effect of:		
Expenses not deductible for tax purposes	26,693	7,293
Capital allowances in arrears of depreciation	2,640	(996)
Prior year adjustment	(53,523)	(42,633)
Other timing differences	54,261	70,865
Non taxable income	(98,220)	214,575
Tax rate adjustment for loss carry back	(38,280)	-
Intragroup loan write off	897,201	-
Tax rate adjustment	(88)	-
Utilised trading losses	-	6,493
Current tax charge for year	<u>(504,469)</u>	<u>1,648,723</u>

6 Profit for the financial year

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group loss for the year includes a loss of £3,957,333 which is dealt with in the financial statements of the company.

7 Dividends

Dividends on shares classed as equity

	2009 £	2008 £
Equity shares		
Paid in the year		
Dividends on ordinary shares	<u>500,000</u>	<u>-</u>

8 Tangible fixed assets

Group	Fixtures and fittings £	Leasehold improvements £	Computer equipment £	Computer software £	Office equipment £	Total £
Cost						
At 1 March 2008	183,593	6,136	51,716	53,237	112,736	407,418
Additions	-	-	5,386	125	65	5,576
Disposals	-	-	(818)	-	-	(818)
At 28 February 2009	183,593	6,136	56,284	53,362	112,801	412,176
Depreciation						
At 1 March 2008	36,718	5,767	46,903	52,344	63,919	205,651
Provided in the year	18,359	369	4,775	956	28,156	52,615
Disposals	-	-	(558)	-	-	(558)
At 28 February 2009	55,077	6,136	51,120	53,300	92,075	257,708
Net book value at 28 February 2009	128,516	-	5,164	62	20,726	154,468
Net book value at 29 February 2008	146,875	369	4,813	893	48,817	201,767
Company	Fixtures and fittings £	Leasehold improvements £	Computer equipment £	Computer software £	Office equipment £	Total £
Cost						
At 1 March 2008	183,593	6,136	51,097	53,237	112,736	406,799
Additions	-	-	5,187	125	65	5,377
At 28 February 2009	183,593	6,136	56,284	53,362	112,801	412,176
Depreciation						
At 1 March 2008	36,718	5,767	46,645	52,344	63,919	205,393
Provided in the year	18,359	369	4,475	956	28,156	52,315
At 28 February 2009	55,077	6,136	51,120	53,300	92,075	257,708
Net book value at 28 February 2009	128,516	-	5,164	62	20,726	154,468
Net book value at 29 February 2008	146,875	369	4,452	893	48,817	201,406

9 Investments

Group

The following are the investments of the group.

	Investment in partnerships £	Investment in associated undertakings £	Total £
Alba Verwaltungs GmbH	-	(2,989)	(2,989)
Alba Hereford Invest GmbH & Co KG	(153,298)	-	(153,298)
	<u>(153,298)</u>	<u>(2,989)</u>	<u>(156,287)</u>

Entity	Entity type	Country of registration	Proportion held by group	Nature of business	Investment in group undertakings £
Alba Verwaltungs GmbH	Limited company	Germany	50%	Commercial property development	
Alba Herford Invest GmbH & Co KG	Partnership	Germany	50%	Commercial property development	

Company

Cost and net book amount	
At 1 March 2008	89
Additions	1
Disposal	(87)
	<u>3</u>
At 28 February 2009	<u>3</u>

The following are the subsidiaries of the company.

Company	Country of incorporation	Class of share capital held	Proportion held	Nature of business
Grange Park Court Developments Limited	Great Britain (registered in England and Wales)	Ordinary	100%	Commercial property development
Barwood Developments Europe Limited	Great Britain (registered in England and Wales)	Ordinary	100%	Commercial property development
Barwood Developments (Chiltern Park) Limited	Great Britain (registered in England and Wales)	Ordinary	100%	Commercial property development

10 Stocks

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Work in progress	<u>6,748,647</u>	<u>15,450</u>	<u>20,314,171</u>	<u>7,218</u>

11 Debtors

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Trade debtors	40,074	34,899	1,288,370	987,614
Amounts owed by group undertakings	-	5,025,009	-	5,326,479
Amounts owed by associated undertakings	549,248	549,248	-	-
Amounts recoverable on contracts	326,291	326,291	8,131,893	7,873,325
Other debtors	1,156,614	-	1,372,124	1,240,779
Prepayments	19,774	19,774	207,769	207,768
	<u>2,092,001</u>	<u>5,955,221</u>	<u>11,000,156</u>	<u>15,635,965</u>

12 Creditors: amounts falling due within one year

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Bank loan	6,840,000	4,000,000	11,366,257	5,000,000
Trade creditors	178,701	68,604	1,340,245	1,090,160
Amounts owed to group undertakings	-	183,701	-	10,336
Corporation tax	338,465	163,014	1,277,975	1,089,455
Social security and other taxes	1,317,239	1,317,239	607,069	605,806
Other creditors and accruals	987,593	890,832	4,027,835	3,292,988
	<u>9,661,998</u>	<u>6,623,390</u>	<u>18,619,381</u>	<u>11,088,745</u>

Interest is being charged at a rate based on a margin of between 1%-3% per annum above the LIBOR.

13 Creditors: amounts falling due after more than one year

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Bank loans	<u>-</u>	<u>-</u>	<u>8,750,000</u>	<u>-</u>

14 Share capital

	2009 £	2008 £
Authorised 120,000 ordinary shares of £1 each	<u>120,000</u>	<u>120,000</u>
Equity shares Allotted, called up and fully paid 100,800 ordinary shares of £1 each	<u>100,800</u>	<u>100,800</u>

15 Reserves

Group	Capital redemption reserve £	Share premium account £	Profit and loss account £
At 1 March 2008	24,000	115,200	5,257,312
Loss for the year	-	-	(4,064,571)
Dividend	-	-	(500,000)
At 28 February 2009	<u>24,000</u>	<u>115,200</u>	<u>692,741</u>

Company	Capital redemption reserve £	Share premium account £	Profit and loss account £
At 1 March 2008	24,000	115,200	5,433,784
Loss for the year	-	-	(3,957,333)
Dividend	-	-	(500,000)
At 28 February 2009	<u>24,000</u>	<u>115,200</u>	<u>976,451</u>

16 Reconciliation of movements in shareholders' funds

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
(Loss)/profit for the year	(4,064,571)	(3,957,333)	3,008,269	3,408,858
Dividends	(500,000)	(500,000)	-	-
Net (decrease)/increase in shareholders' funds	(4,564,571)	(4,457,333)	3,008,269	3,408,858
Shareholders' funds at 1 March 2008	<u>5,497,312</u>	<u>5,673,784</u>	<u>2,489,043</u>	<u>2,264,926</u>
Shareholders' funds at 28 February 2009	<u>932,741</u>	<u>1,216,451</u>	<u>5,497,312</u>	<u>5,673,784</u>

17 Net cash outflow from operating activities

	2009 £	2008 £
Operating profit	50,520	5,778,566
Depreciation	52,615	58,202
Increase in stocks	(4,350,783)	(11,315,295)
Decrease/(increase) in debtors	8,081,419	(6,653,898)
(Decrease)/increase in creditors	(1,513,182)	955,739
Net cash outflow from operating activities	<u>2,320,589</u>	<u>(11,176,686)</u>

18 Reconciliation of net cash flow to movement in net debt

	2009 £	2008 £
Increase/(decrease) in cash in the year	615,805	(4,321,885)
Cash inflow from financing	<u>(1,340,000)</u>	<u>(9,600,687)</u>
Change in net debt resulting from cashflows	<u>(724,195)</u>	<u>(13,922,572)</u>
Loans disposed of with subsidiary undertaking	<u>14,616,257</u>	<u>-</u>
Movement in net debt in the year	<u>13,892,062</u>	<u>(13,922,572)</u>
Net debt at 1 March 2008	<u>(18,976,152)</u>	<u>(5,053,580)</u>
Net debt at 29 February 2009	<u>(5,084,090)</u>	<u>(18,976,152)</u>

19 Analysis of changes in net debt

	At 1 March 2008	Cashflow £	On disposal £	At 28 February 2009 £
Cash in hand and at bank	1,140,105	615,805	-	1,755,910
Debt	<u>(20,116,257)</u>	<u>(1,340,000)</u>	<u>14,616,257</u>	<u>(6,840,000)</u>
	<u>(18,976,152)</u>	<u>(724,195)</u>	<u>14,616,257</u>	<u>(5,084,090)</u>

20 Disposals

During the year the group disposed of its interest in various subsidiary undertakings, either by way of sale or by loss of control following administration, as follows:

(a) Barwood Developments (Leeds) Limited

	2009 £
Net assets disposed of:	
Stocks	7,626,138
Cash at bank and in hand	4,770
Creditors	(1,876,625)
Bank loans	(5,866,257)
	<u>(111,974)</u>
Profit on disposal	<u>111,974</u>
	<u>-</u>

Analysis of the net cash outflow in respect of disposals during the year:

	2009 £
Cash at bank and in hand disposed of	<u>(4,770)</u>

(b) Barwood Developments (Chepstow) Limited

	2009 £
Net assets disposed of:	
Stock	10,290,169
Debtors	20,022
Cash	9,968
Bank loans	(8,750,000)
Creditors	(1,607,952)
	<u>(37,793)</u>
Profit on disposal	<u>37,793</u>
	<u>-</u>

Analysis of the net cash outflow in respect of disposals during the year:

	2009 £
Cash at bank and in hand disposed of	<u>(9,968)</u>

Disposals (continued)

(c) Barwood Land and Estates Limited

	2009 £
Net assets disposed of:	
Tangible fixed assets	262
Investments	1
Debtors	806,712
Cash at bank and in hand	282
Creditors	<u>(750,527)</u>
	56,730
Minority shareholders' interests	<u>(9,077)</u>
Loss on disposal	<u>(47,569)</u>
	84
Satisfied by:	
Cash	<u>84</u>

Analysis of cash outflow in respect of disposals during the year:

	2009 £
Cash at bank and in hand disposed of	282
Cash consideration	<u>(84)</u>
	<u>(198)</u>

(d) Barwood Land Investments Limited

	2009 £
Net assets disposed of:	
Investments	535,687
Creditors	<u>(769,262)</u>
	(233,575)
Minority shareholders' interests	37,372
Profit on disposal	<u>196,204</u>
	1
Satisfied by:	
Cash	<u>1</u>

Analysis of the net cash outflow of cash in respect of disposals during the year:

	2009 £
Cash at bank and in hand disposed of	-
Cash consideration	<u>1</u>
	<u>1</u>

Disposals (continued)

(e) Provision against loans to subsidiaries disposed of

	2009 £
Barwood Developments (Leeds) Limited	(1,706,122)
Barwood Developments (Chepstow) Limited	<u>(1,415,560)</u>
Loss on disposal	<u><u>(3,121,682)</u></u>

21 Capital commitments

The group and the company had no capital commitments at 28 February 2009 or 29 February 2008.

22 Contingent liabilities

There were no contingent liabilities at 28 February 2009 or 29 February 2008.

23 Leasing commitments

Company and Group

Operating lease payments amounting to £93,007 (2008 - £107,172) are due within one year. The leases to which these amounts relate expire as follows:

	2009		2008	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	-	8,319	-	11,757
Between one and five years	-	-	-	10,727
In five years or more	<u>84,560</u>	<u>-</u>	<u>84,688</u>	<u>-</u>
	<u><u>84,560</u></u>	<u><u>8,319</u></u>	<u><u>84,688</u></u>	<u><u>22,484</u></u>

24 Transactions with related parties

i During the year the company entered into the following transactions with Barwood House LLP, a limited liability partnership with common members.

	2009 £	2008 £
Rent charged by Barwood House LLP	<u><u>84,560</u></u>	<u><u>84,560</u></u>

Transactions with related parties (continued)

- ii During the year the company entered into the following transactions with BIS (Integrated Solutions) UK Limited, a company with common directors.

	2009 £	2008 £
Fees charged by BIS (Integrated Solutions) UK Limited	-	2,448
Amounts owed by BIS (Integrated Solutions) UK Limited	2,847	-

- iii During the year ended 28 February 2007 Barwood Developments Limited accrued consultancy fees amounting to £140,000 to Nicholas Taylor, a director of a subsidiary company of Barwood Developments Limited, Barwood Land and Estates Limited. At the year end the total amount owing by Barwood Developments Limited to Nicholas Taylor was £140,000.

25 Controlling related party

The directors are the company's controlling related party by virtue of their direct shareholding.