

1954821

**B C M CONSTRUCTION
LIMITED**

FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL 2000



LD4
COMPANIES HOUSE

LJ881XXX

0371
24/01/01

Annual report and financial statements for the year ended 30th April 2000

- **DIRECTORS**
H.W. McGARRY
T.P. SULLIVAN
- **SECRETARY**
T.P. SULLIVAN
- **REGISTERED OFFICE**
6 BLENHEIM BUSINESS CENTRE
LOCKS LANE
MITCHAM
SURREY CR4 2JX
- **REGISTERED NUMBER**
1954821
- **AUDITORS**
P. LAVERY & COMPANY LIMITED
REGISTERED AUDITORS &
CHARTERED ACCOUNTANTS
GREENLAND HOUSE
GREENLAND STREET
LONDON NW1 0ND

B C M CONSTRUCTION LIMITED

Annual report and financial statements for the year ended 30th April 2000

CONTENTS

Page

1 - 3	Report of the directors
4	Profit and loss account
5	Balance sheet
6 - 7	Cash flow statements
8 - 15	Notes forming part of the financial statements
16	Report of the auditors

BCM CONSTRUCTION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30TH APRIL 2000

The Directors submit their report together with the audited financial statements for the year ended 30th April 2000.

PRINCIPAL ACTIVITIES

The principal activities of the company, which remained unchanged during the year, are those of building and civil engineering.

REVIEW OF THE BUSINESS

The Directors are pleased to report that many of their objectives have been achieved during the 1999/00 trading year. The business has been strengthened by sustained investment of profits into several of our key resources. The results this year reflect this policy of continuous review and investment in the business so that it is best placed to meet its long term objectives of stability, profitability and efficient service to its customers. We are seeking accreditation of BSEN ISO 9002 to complement our existing accreditation of B SEN ISO 9001 to further enhance our quality procedures.

We remain totally committed to our customers needs and intend to further enhance our service to the Industry by, wherever possible, adapting our procedures to meet the continuously challenging market in which we operate.

Investment in training for Managers and labour force has remained a high priority so that we can keep our reputation for working in some of the more safety critical areas of the industry, together with reducing to a minimum the environmental impact which our operations may have.

We anticipate that given the strengths which the business has developed it will continue to rise to the challenges which undoubtedly lay ahead and to return consistently stable results for future growth in line with our business plans.

BCM CONSTRUCTION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30TH APRIL 2000 (CONTD.)

DIRECTORS

The directors who served during the year are as follows:

H.W. McGARRY

The company is a wholly owned subsidiary of BCM Holdings Ltd, whose controlling shareholders are **T.P. SULLIVAN** and **H.W. McGARRY**.

BCM CONSTRUCTION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30TH APRIL 2000 (CONTD.)

STATEMENTS OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial period 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:

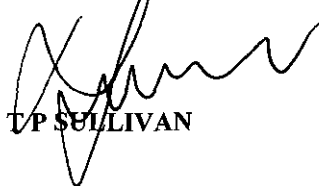
- **select suitable accounting policies and then apply them consistently;**
- **make judgements and estimates that are reasonable and prudent;**
- **prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.**

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.

AUDITORS

The auditors **P. Lavery & Company Ltd**, will be proposed for re-appointment in accordance with Section 384(1) of the Companies Act 1985.

ON BEHALF OF THE BOARD



TP SULLIVAN

(4th December 2000)

BCM CONSTRUCTION LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30th April 2000

	NOTE	<u>2000</u> £	<u>1999</u> £
Turnover	1	11,830,270	9,218,861
Cost of sales		<u>10,675,677</u>	<u>8,158,603</u>
Gross profit		1,154,593	1,060,258
Administrative expenses		<u>1,022,711</u>	<u>858,746</u>
Operating profit	2	131,882	201,512
Other income	3	<u>17,434</u>	<u>1,806</u>
Profit on ordinary activities before interest		149,316	203,318
Interest payable and similar charges	4	<u>8,725</u>	<u>22,102</u>
Profit on ordinary activities before taxation		140,591	181,216
Tax on profit on ordinary activities	6	<u>51,000</u>	<u>49,550</u>
Profit on ordinary activities after taxation		89,591	131,666
Dividend		--	251,000
Results on ordinary activities after Distribution		89,591	(119,334)
Retained profits brought forward		<u>402,478</u>	<u>521,812</u>
Retained profits carried forward		<u>492,069</u>	<u>402,478</u>

There were no recognised gains and losses for **2000 or 1999** other than those included in the profit and loss account.

The notes on **page 8 to 15** form part of these financial statements.

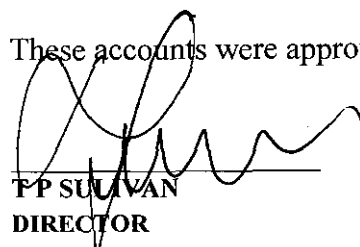
BCM CONSTRUCTION LIMITED

BALANCE SHEET

Year ended 30th April 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	7		129,075		117,355
Current assets					
Stock and work in progress			171,575		151,564
Debtors	8		1,625,776		1,352,241
Cash at bank and in hand			<u>729,551</u>		<u>567,587</u>
			2,526,902		2,071,392
Creditors: amounts falling due within one year	9		<u>2,129,759</u>		<u>1,735,066</u>
Net current assets			<u>397,143</u>		<u>336,326</u>
Total assets less current liabilities			526,218		453,681
Creditors: amounts falling due after more than one year	9		<u>24,149</u>		<u>41,203</u>
Net assets			<u>502,069</u>		<u>412,478</u>
Capital and reserves (all equity interest)					
Called up share capital	10		10,000		10,000
Profit and loss account			<u>492,069</u>		<u>402,478</u>
Shareholders funds	11		<u>502,069</u>		<u>412,478</u>

These accounts were approved by the Board on 4th December 2000.


P.P. SULLIVAN
DIRECTOR

The notes on pages 8 to 15 form part of these financial statements.

B C M CONSTRUCTION LIMITED

CASH FLOW STATEMENT

Year ended 30th April 2000

	2000		1999	
	£	£	£	£
Operating activities				
Operating profit	131,882		201,512	
Depreciation charge	43,025		39,117	
(Profit) Loss on sale of fixed assets	(4,182)		2,117	
(Increase) Decrease in work in progress	(20,011)		378,885	
(Increase) decrease in debtors	(273,535)		588,679	
Decrease (increase) in creditors	<u>474,286</u>		<u>(142,931)</u>	
Cash inflow from operating Activities		351,465		1,067,379
Returns on investments and Servicing of finance				
Ground Rents	(1,200)		(1,200)	
Dividends	---		251,000	
Interest received	(16,234)		(606)	
Interest paid	<u>8,725</u>		<u>22,102</u>	
Cash inflow (outflow) from returns on investments and servicing of finance		8,709		(271,296)
Taxation				
Corporation tax paid		(51,319)		(22,500)
Investing activities				
Payments to acquire fixed assets	(70,924)		(56,057)	
Receipts from sales of fixed assets	<u>20,361</u>		<u>7,750</u>	
Cash (outflow) from investing activities		(50,563)		(48,307)
Decrease in cash and cash equivalents*		<u>258,292</u>		<u>725,276</u>

* (see note to cash flow statement).

The notes on pages 8 to 15 form part of these financial statements.

B C M CONSTRUCTION LIMITED

NOTES TO CASH FLOW STATEMENT

Year ended 30th April 2000

	2000 £	1999 £
Cash and cash equivalents at 30.04.00:		
Cash at bank and in hand	729,551	567,587
Bank overdraft	(54,381)	(150,709)
Total	675,170	416,878
Cash and cash equivalents at 30.04.99.	<u>416,878</u>	<u>(308,398)</u>
Increase in the year	<u><u>258,292</u></u>	<u><u>725,276</u></u>

The notes on pages 8 to 15 form part of these financial statements.

B C M CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30th April 2000

1. ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and include the results of the Company's operations which are described in the Directors' Report and all of which are continuing.

(b) Turnover

Turnover is the total amount receivable by the company in the ordinary course of business, with outside customers, for the provision of building and civil engineering services.

(c) Depreciation

Depreciation is calculated on the reducing balance method and aims to write down the cost of fixed assets over their expected useful lives. The rates applicable to motor vehicles, plant and machinery and office equipment are 25% per annum.

(d) Work in progress

Work in progress is stated at the lower of cost and net realisable value.

Cost means purchase price of direct expenditure, less trade discounts, and net realisable value means estimated invoice value of work completed to date.

The Company are expanding categories of expense directly attributable to contracts in order to improve definitions of cost of sales and administrative expenses.

B C M CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (contd)

Year ended 30th April 2000

(e) Deferred taxation

Deferred tax is the tax attributable to timing differences between profits computed for taxation purposes and profits as stated in the financial statements. Deferred tax is provided to the extent that it is probable that a liability or asset will crystallise and not provided to the extent that it is probable that a liability or asset will not crystallise.

Deferred tax is calculated at the rate at which it is estimated that the tax liability or asset will be payable or repayable when the timing differences reverse.

B C M CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (contd.)

Year ended 30th April 2000

2. OPERATING PROFIT

The turnover and operating profit is attributable to the provision of building and civil engineering services.

Operating profit is stated after:

	<u>2000</u> £	<u>1999</u> £
Pension contributions	230,309	155,588
Hire purchase interest	2,976	5,164
Auditors remuneration	12,000	10,000
Directors remuneration	110,170	81,833
Depreciation	43,025	39,117
(Profit) Loss on sale of fixed assets	(4,182)	2,117
Leasing	<u>9,731</u>	<u>20,867</u>
3. OTHER OPERATING INCOME		
Other operating income consists of:		
Ground Rents Receivable	1,200	1,200
Interest received	<u>16,234</u>	<u>606</u>
	<u>17,434</u>	<u>1,806</u>
4. INTEREST PAYABLE AND SIMILAR CHARGES		
On loans and overdrafts:		
a) repayable within five years	<u>8,725</u>	<u>22,102</u>
	<u>8,725</u>	<u>22,102</u>

B C M CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (contd.)

Year ended 30th April 2000

5. Directors and employees

Staff costs during the year:

	<u>2000</u> £	<u>1999</u> £
Wages and salaries	1,080,891	920,874
Social security costs	110,189	88,812
Other Pension Costs	<u>123,280</u>	<u>87,956</u>
	<u>1,314,360</u>	<u>1,097,642</u>
Directors emoluments:-		
Remuneration	110,170	81,833
Other emoluments	8,028	14,683
Pension costs	<u>92,605</u>	<u>48,866</u>
	<u>210,803</u>	<u>145,382</u>
Emoluments (excluding pension contributions):		
Chairman	110,170	53,899
Highest paid director	<u>110,170</u>	<u>42,617</u>

The average monthly number of employees were 59 and the number of employees (excluding directors) receiving more than £30,000 were as follows:-

	<u>No.</u>	<u>No.</u>
£30,001 to £35,000	5	2
£35,001 to £40,000	3	6
£40,001 to £45,000	4	1
	==	==

The Company operates a defined contribution pension scheme, the assets of which are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund and there were no outstanding or prepaid contributions at the Balance Sheet date.

B C M CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (contd.)

Year ended 30th April 2000

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge is based on the profit for the year and is made up as follows:

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
U.K. Corporation tax @ 27% (1999 27%)	51,000	49,550
	=====	=====

Deferred taxation

No provision has been made for deferred taxation assets due to delayed capital allowances in the following amounts:

	<u>£</u>	<u>£</u>
On delayed capital allowances	907	4,305
	=====	=====

B C M CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (contd.)

Year ended 30th April 2000

7. FIXED ASSETS

Tangible assets

	Motor vehicles £	Plant and machinery £	Office equipment £	Total £
Cost				
At 1st May 1999	120,043	49,672	128,178	297,893
Additions	18,448		52,476	70,924
Disposals	(38,849)			(38,849)
At 30th April 2000	99,642	49,672	180,654	329,968
Depreciation				
At 1st May 1999	54,193	37,615	88,730	180,538
Depreciation this year	17,030	3,014	22,981	43,025
Disposals	(22,670)			(22,670)
At 30th April 2000	48,553	40,629	111,711	200,893
Net book value 30th April 1999	65,850	12,057	39,448	117,355
Net book value 30th April 2000	51,089	9,043	68,943	129,075

The net book value of tangible fixed assets includes an amount of **£59,910 (1999: £70,428)** in respect of assets held under finance leases and hire purchase contracts. Depreciation charged in the year includes **£19,970** in respect of these assets.

B C M CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (contd.)

Year ended 30th April 2000

8. DEBTORS

	2000 £	1999 £
Amounts falling due within one year		
Associated company	24,133	25,807
Trade debtors	1,540,291	1,281,731
Other debtors and prepayments	61,352	26,132
Directors loan account	---	18,571
	<u>1,625,776</u>	<u>1,352,241</u>

The highest amount in the year outstanding on the Directors loan account was **£18,571**.

9. CREDITORS

	2000 £	1999 £
Amounts falling due within one year		
Parent company	69,704	36,793
Trade creditors	1,597,862	1,202,208
Current taxation	103,483	103,802
Social security and other taxes	218,878	192,366
Other creditors	59,552	26,153
Bank overdraft (secured)	54,381	150,709
Hire purchase creditors	25,899	23,035
	<u>2,129,759</u>	<u>1,735,066</u>

The Bank Overdraft is secured by a debenture over the book debts and other debts of the Company.

B C M CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (contd.)

Year ended 30th April 2000

9. CREDITORS (CONTD.)

	2000 £	1999 £
Amounts falling due after more than one year		
Hire purchase creditors (2 to 5 years)	24,149	41,203
	<u>24,149</u>	<u>41,203</u>

10. SHARE CAPITAL

	2000 £	1999 £
Authorised, allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
9,900 'A' ordinary shares of £1 each	<u>9,900</u>	<u>9,900</u>
	<u>10,000</u>	<u>10,000</u>

11. MOVEMENT ON SHAREHOLDERS' FUNDS

	2000 £	1999 £
Results for the year	89,591	(119,334)
Opening shareholders' funds	<u>412,478</u>	<u>531,812</u>
Closing shareholders' funds	<u>502,069</u>	<u>412,478</u>

12. RELATED PARTY TRANSACTIONS

Sub contractor supplies in the sum of £247,643 were made on a commercial basis by an associated company Giltec Limited.

BCM CONSTRUCTION LIMITED

Report of the Auditors to the Shareholders of BCM Construction Limited

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 8 and 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 3 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

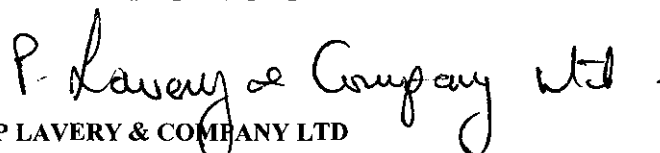
BASIS OF OPINION

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 at 30th April 2000 and of its profit and cash flow statement for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


P LAVERY & COMPANY LTD

REGISTERED AUDITORS &
CHARTERED ACCOUNTANTS
GREENLAND HOUSE
GREENLAND STREET
LONDON NW1 0ND

4TH DECEMBER 2000