Registered number
1954821

B C M Construction Limited

Report and Accounts

30 April 2001



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B C M Construction Limited
Report and accounts
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B C M Construction Limited
Company Information

Directors
Mr. H. McGarry
Mr. T. Sullivan

Secretary
Mr. T. Sullivan

Auditors
McGrath and Company
Chartered Certified Accountants
44 Paddocks Mead
Goldsworth Park
Woking
Surrey GU21 3QP

Bankers
National Westminster Bank plc
661 Christchurch Road
Boscombe
Bournemouth BH7 6AB

Registered office
6 Blenheim Business Centre
Locks Lane
Mitcham
Surrey CR4 2JX

Registered number
1954821

B C M Construction Limited
Directors' Report

The directors present their report and accounts for the year ended 30 April 2001.

Principal activities and review of the business
The company's principal activity during the year continued to be that of building and civil engineering.

Turnover has increased by 10% during the year and the company is in a good position to take advantage of any opportunities which may arise in the future.

Results and dividends
The profit for the year, after taxation, amounted to £93,213.

Directors
The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2001	2000
Mr. H. McGarry	-	-
Mr. T. Sullivan	-	-

Directors' responsibilities
Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

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

The directors are responsible for maintaining 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 accounts 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
A resolution to reappoint McGrath and Company as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on October 31 2001.

Mr. T. Sullivan
Director

B C M Construction Limited

Independent auditors' report
to the shareholders of B C M Construction Limited

We have audited the accounts of B C M Construction Limited for the year ended 30 April 2001 which comprise pages 4 to 14. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors
As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion
In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 April 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mc Grath and Company

McGrath and Company
Registered auditors
44 Paddocks Mead
Goldsworth Park
Woking
Surrey GU21 3QP

October 31 2001

B C M Construction Limited
Profit and Loss Account
for the year ended 30 April 2001

	Notes	2001 £	2000 £
Turnover	2	13,081,319	11,830,270
Cost of sales		(11,858,951)	(10,675,677)
Gross profit		1,222,368	1,154,593
Administrative expenses		(1,112,349)	(1,031,436)
Operating profit	3	110,019	123,157
Rental income		1,200	1,200
Interest receivable		7,917	16,234
Profit on ordinary activities before taxation		119,136	140,591
Tax on profit on ordinary activities	6	(25,923)	(51,000)
Profit for the financial year		93,213	89,591
Retained profit for the financial year	15	93,213	89,591

B C M Construction Limited
Statement of total recognised gains and losses
for the year ended 30 April 2001

	Notes	2001 £	2000 £
Profit for the financial year		93,213	89,591
Total recognised gains and losses related to the year		93,213	89,591

B C M Construction Limited
Balance Sheet
as at 30 April 2001

	Notes		2001 £		2000 £
Fixed assets					
Tangible assets	7		106,604		129,075
Current assets					
Stocks and work in progress	8	156,163		171,575	
Debtors	9	2,752,888		1,625,776	
Cash at bank and in hand		355,063		729,551	
		3,264,114		2,526,902	
Creditors: amounts falling due within one year	10	(2,769,861)		(2,129,759)	
Net current assets			494,253		397,143
Total assets less current liabilities			600,857		526,218
Creditors: amounts falling due after more than one year	11		(5,575)		(24,149)
			595,282		502,069
Capital and reserves					
Called up share capital	14		10,000		10,000
Profit and loss account	15		585,282		492,069
Shareholders' funds	16		595,282		502,069

Mr. T. Sullivan
Director
Approved by the board on October 31 2001

B C M Construction Limited
Cash Flow Statement
for the year ended 30 April 2001

	Notes	2001 £	2000 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		110,019	131,882
Depreciation charges		35,534	38,843
Decrease/(increase) in stocks		15,412	(20,011)
Increase in debtors		(1,127,112)	(273,535)
Increase in creditors		256,391	474,286
Net cash (outflow)/inflow from operating activities		(709,756)	351,465
CASH FLOW STATEMENT			
Net cash (outflow)/inflow from operating activities		(709,756)	351,465
Returns on investments and servicing of finance	17	9,117	8,709
Taxation		(40,545)	(51,319)
Capital expenditure	17	(13,063)	(50,563)
		(754,247)	258,292
Financing	17	(24,023)	-
(Decrease)/increase in cash		(778,270)	258,292
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash in the period		(778,270)	258,292
Decrease/(increase) in debt and lease financing		24,023	(50,048)
Change in net debt	18	(754,247)	208,244
Net funds at 1 May		625,122	416,878
(Net debt)/net funds at 30 April		(129,125)	625,122

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2001

1 Accounting policies

Accounting convention
The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation
Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost; less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	25% reducing balance
Office equipment	25% reducing balance
Motor Vehicles	25% reducing balance

Stocks and Work in Progress
Stock and work in progress is valued at the lower of cost and net realisable value.

Deferred taxation
Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition in a tax computation.

Assets and liabilities are calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Leasing and hire purchase commitments
Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions
The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Turnover is attributable to one continuing activity, the provision of building and civil engineering services.

3 Operating profit

	2001 £	2000 £
This is stated after charging:		
Depreciation of owned fixed assets	22,038	23,055
Depreciation of assets held under finance leases and hire purchase contracts	13,496	19,970
Operating lease rentals - plant and machinery	-	9,731
Auditors' remuneration	11,000	12,000

4 Directors' emoluments

	2001 £	2000 £
Emoluments	196,750	118,198
Pension costs	81,240	92,605
	277,990	210,803

Number of directors in company pension schemes:	2001 Number	2000 Number
Defined contibutions scheme	2	2

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.

5 Staff costs

	2001 £	2000 £
Wages and salaries	325,421	262,631
Other pension costs	226,436	230,309
	551,857	492,940

Average number of employees during the year	Number	Number
Administration	66	59

6 Taxation

	2001	2000
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	35,923	51,000
Adjustments in respect of previous periods	(10,000)	-
	25,923	51,000
Tax on profit on ordinary activities	25,923	51,000

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2001	2000
	£	£
Profit on ordinary activities before tax	119,136	140,591
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	35,741	42,177
Effects of:		
Expenses not deductible for tax purposes	9,494	28,799
Marginal Relief	(8,775)	(7,248)
Capital allowances for period in excess of depreciation	(537)	(12,728)
Adjustments to tax charge in respect of previous periods	(10,000)	-
Current tax charge for period	25,923	51,000

7 Tangible fixed assets

	Motor vehicles £	Office equipment £	Plant and machinery £	Total £
Cost				
At 1 May 2000	99,642	180,654	49,672	329,968
Additions	-	16,460	-	16,460
Disposals	(10,294)	-	(15,630)	(25,924)
At 30 April 2001	89,348	197,114	34,042	320,504
Depreciation				
At 1 May 2000	48,553	111,711	40,629	200,893
Charge for the year	12,314	21,350	1,870	35,534
On disposals	(8,462)	-	(14,065)	(22,527)
At 30 April 2001	52,405	133,061	28,434	213,900
Net book value				
At 30 April 2001	36,943	64,053	5,608	106,604
At 30 April 2000	51,089	68,943	9,043	129,075

	2001 £	2000 £
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	40,488	59,910

8 Stocks

	2001 £	2000 £
Work in progress	156,163	171,575

9 Debtors

	2001 £	2000 £
Trade debtors	2,683,538	1,540,291
Amounts owed by undertakings in which the directors have a participating interest	44,741	24,133
Other debtors	24,609	61,352
	2,752,888	1,625,776

10 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	458,163	54,381
Obligations under finance lease and hire purchase contracts	20,450	25,899
Trade creditors	1,862,507	1,597,862
Amounts owed to group undertakings	9,774	69,704
Corporation tax	88,861	103,483
Other taxes and social security costs	238,882	218,878
Other creditors	91,224	59,552
	2,769,861	2,129,759

11 Creditors: amounts falling due after one year

	2001 £	2000 £
Obligations under finance lease and hire purchase contracts	5,575	24,149

12 Loans

	2001 £	2000 £
Analysis of maturity of debt:		
Within one year or on demand	458,163	54,381

The bank overdraft is secured by a debenture over the book debts and other debts of the Company.

13 Obligations under finance leases and hire purchase contracts

	2001 £	2000 £
Amounts payable:		
Within one year	20,450	25,899
Within two to five years	5,575	24,149
	26,025	50,048

14 Share capital

	2001 £	2000 £
Authorised:		
Ordinary shares of £1 each	100	100
"A" Ordinary shares of £1 each	9,900	9,900
	10,000	10,000

	2001 No	2000 No	2001 £	2000 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	100	100	100	100
"A" Ordinary shares of £1 each	9,900	9,900	9,900	9,900
			10,000	10,000

15 Profit and loss account

	2001 £	2000 £
At 1 May	492,069	402,478
Retained profit	93,213	89,591
At 30 April	585,282	492,069

16 Reconciliation of movement in shareholders' funds

	2001 £	2000 £
At 1 May	502,069	412,478
Profit for the financial year	93,213	89,591
At 30 April	595,282	502,069

17 Gross cash flows

	2001 £	2000 £
Returns on investments and servicing of finance		
Rent received	1,200	1,200
Interest received	7,917	7,509
	9,117	8,709
Capital expenditure		
Payments to acquire tangible fixed assets	(16,460)	(70,924)
Receipts from sales of tangible fixed assets	3,397	20,361
	(13,063)	(50,563)
Financing		
Capital element of finance lease rental payments	(24,023)	-

18 Analysis of changes in net debt

	At 1 May 2000 £	Cash flows £	Non-cash changes £	At 30 Apr 2001 £
Cash at bank and in hand	729,551	(374,488)		355,063
Overdrafts	(54,381)	(403,782)		(458,163)
		(778,270)		
Finance leases	(50,048)	24,023		(26,025)
Total	625,122	(754,247)	-	(129,125)

19 Controlling party and related party transactions

The company is a wholly owned subsidiary of B C M Holdings Limited, whose controlling shareholders are Mr. H. Mc Garry and Mr. T. Sullivan.

Subcontractor supplies amounting to £114,208 were made on a commercial basis by a company Giltec Limited, a company in which the directors have a controlling interest. The company has also charged Giltec Limited £91,262 in respect of management services provided during the year. These transactions were conducted on a normal commercial basis and the amount owed by Giltec Limited to the company at the year end amounted to £44,741.