

Registered number
1954821

B C M Construction Limited

Report and Accounts

30 April 2002



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 2002.

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 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 £214,593. The company paid an interim dividend of £80,000 during the year and the amount transferred to reserves is £134,593.

Directors

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

	£1 Ordinary shares	
	2002	2001
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:

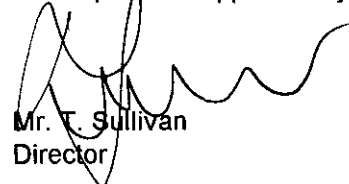
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 November 26 2002.



Mr. T. Sullivan
Director

B C M Construction Limited
Profit and Loss Account
for the year ended 30 April 2002

	Notes	2002 £	2001 £
Turnover	2	17,400,909	13,081,319
Cost of sales		(15,687,901)	(11,858,951)
Gross profit		<u>1,713,008</u>	<u>1,222,368</u>
		(1,458,972)	(1,112,349)
Operating profit	3	<u>254,036</u>	<u>110,019</u>
Rental income		1,200	1,200
Interest receivable		18,572	7,917
Profit on ordinary activities before taxation		<u>273,808</u>	<u>119,136</u>
Tax on profit on ordinary activities	6	(59,215)	(25,923)
Profit for the financial year		<u>214,593</u>	<u>93,213</u>
Dividends:			
ordinary dividend on equity shares	7	(80,000)	-
Retained profit for the financial year	17	<u>134,593</u>	<u>93,213</u>

B C M Construction Limited
Statement of total recognised gains and losses
for the year ended 30 April 2002

	Notes	2002 £	2001 £
Profit for the financial year		214,593	93,213
Total recognised gains and losses related to the year		<u>214,593</u>	<u>93,213</u>

B C M Construction Limited
Balance Sheet
as at 30 April 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	8	181,008	106,604
Current assets			
Stocks and work in progress	9	82,266	156,163
Debtors	10	2,363,873	2,752,888
Cash at bank and in hand		501,824	355,063
		<u>2,947,963</u>	<u>3,264,114</u>
Creditors: amounts falling due within one year	11	(2,370,736)	(2,769,861)
Net current assets		<u>577,227</u>	<u>494,253</u>
Total assets less current liabilities		<u>758,235</u>	<u>600,857</u>
Creditors: amounts falling due after more than one year	12	(27,634)	(5,575)
Provisions for liabilities and charges			
Deferred taxation	15	(726)	-
		<u>729,875</u>	<u>595,282</u>
Capital and reserves			
Called up share capital	16	10,000	10,000
Profit and loss account	17	719,875	585,282
Shareholders' funds	18	<u>729,875</u>	<u>595,282</u>


 Mr. H. Mc Garry
 Director

Approved by the board on November 26 2002

B C M Construction Limited
Cash Flow Statement
for the year ended 30 April 2002

	Notes	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		254,036	110,019
Depreciation charges		60,337	35,534
Decrease in stocks		73,897	15,412
Decrease/(increase) in debtors		389,015	(1,127,112)
(Decrease)/increase in creditors		(119,933)	256,391
Net cash inflow/(outflow) from operating activities		657,352	(709,756)

CASH FLOW STATEMENT

Net cash inflow/(outflow) from operating activities		657,352	(709,756)
Returns on investments and servicing of finance	19	19,772	9,117
Taxation		(40,795)	(40,545)
Capital expenditure	19	(60,809)	(13,063)
		575,520	(754,247)
Equity dividends paid		(80,000)	-
		495,520	(754,247)
Financing	19	(33,521)	(24,023)
Increase/(decrease) in cash		461,999	(778,270)

Reconciliation of net cash flow to movement in net debt

Increase/(decrease) in cash in the period		461,999	(778,270)
Decrease in debt and lease financing		33,521	24,023
New finance leases		(73,932)	-
Change in net debt	20	421,588	(754,247)
(Net debt)/net funds at 1 May		(129,125)	625,122
Net funds/(net debt) at 30 April		292,463	(129,125)

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2002

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.

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2002

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	2002	2001
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	31,627	22,038
Depreciation of assets held under finance leases and hire purchase contracts	28,710	13,496
Operating lease rentals - plant and machinery	72,936	39,615
Hire purchase interest	6,770	4,602
Auditors' remuneration	12,000	11,000

4 Directors' emoluments	2002	2001
	£	£
Emoluments	199,999	196,750
Pension costs	120,179	81,240
	<u>320,178</u>	<u>277,990</u>

Number of directors in company pension schemes:	2002	2001
	Number	Number
Defined contributions scheme	<u>2</u>	<u>2</u>

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	2002	2001
	£	£
Wages and salaries	3,687,557	2,745,536
Social security costs	365,729	270,671
Other pension costs	279,885	226,436
	<u>4,333,171</u>	<u>3,242,643</u>

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2002

Average number of employees during the year	Number	Number
Administration	44	35
Direct Labour	86	66
	<u>130</u>	<u>101</u>

6 Taxation	2002	2001
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	76,489	35,923
Adjustments in respect of previous periods	(18,000)	(10,000)
	<u>58,489</u>	<u>25,923</u>
 Deferred tax:		
Origination and reversal of timing differences	726	-
 Tax on profit on ordinary activities	<u>59,215</u>	<u>25,923</u>

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:

	2002	2001
	£	£
Profit on ordinary activities before tax	<u>273,808</u>	<u>119,136</u>
 Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	82,142	35,741
 Effects of:		
Expenses not deductible for tax purposes	8,659	9,494
Marginal Relief	(11,424)	(8,775)
Capital allowances for period in excess of depreciation	(2,888)	(537)
Adjustments to tax charge in respect of previous periods	(18,000)	(10,000)
 Current tax charge for period	<u>58,489</u>	<u>25,923</u>

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2002

7 Equity dividends		2002	2001
		£	£
Equity dividends on ordinary shares - interim paid		<u>80,000</u>	<u>-</u>
8 Tangible fixed assets			
	Motor Vehicles	Office Equipment	Plant and machinery
	£	£	£
Cost			Total
			£
At 1 May 2001	89,349	197,114	34,041
Additions	43,435	19,792	74,361
Disposals	(3,296)	(38,836)	(15,316)
At 30 April 2002	<u>129,488</u>	<u>178,070</u>	<u>93,086</u>
Depreciation			
At 1 May 2001	52,405	133,062	28,433
Charge for the year	20,060	20,576	19,701
On disposals	(3,156)	(37,294)	(14,151)
At 30 April 2002	<u>69,309</u>	<u>116,344</u>	<u>33,983</u>
Net book value			
At 30 April 2002	<u>60,179</u>	<u>61,726</u>	<u>59,103</u>
At 30 April 2001	<u>36,944</u>	<u>64,052</u>	<u>5,608</u>
		2002	2001
		£	£
Net book value of plant and machinery included above held under finance leases and hire purchase contracts		<u>86,137</u>	<u>40,488</u>
9 Stocks		2002	2001
		£	£
Stocks and Work in Progress		<u>82,266</u>	<u>156,163</u>
10 Debtors		2002	2001
		£	£
Trade debtors		2,293,107	2,683,538
Amounts owed by undertakings in which the directors have a participating interest		3,430	44,741
Other debtors		67,336	24,609
		<u>2,363,873</u>	<u>2,752,888</u>

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2002

11 Creditors: amounts falling due within one year	2002	2001
	£	£
Bank loans and overdrafts	142,925	458,163
Obligations under finance lease and hire purchase contracts	38,802	20,450
Trade creditors	1,684,598	1,862,507
Amounts owed to group undertakings	2,524	9,774
Corporation tax	106,555	88,861
Other taxes and social security costs	309,174	238,882
Other creditors	86,158	91,224
	<u>2,370,736</u>	<u>2,769,861</u>
12 Creditors: amounts falling due after one year	2002	2001
	£	£
Obligations under finance lease and hire purchase contracts	<u>27,634</u>	<u>5,575</u>
13 Loans	2002	2001
	£	£
Analysis of maturity of debt:		
Within one year or on demand	<u>142,925</u>	<u>458,163</u>
The bank overdraft is secured by a debenture over the book debts and other debts of the Company.		
14 Obligations under finance leases and hire purchase contracts	2002	2001
	£	£
Amounts payable:		
Within one year	38,802	20,450
Within two to five years	27,634	5,575
	<u>66,436</u>	<u>26,025</u>
15 Deferred taxation	2002	2001
	£	£
Accelerated capital allowances	726	-
Undiscounted provision for deferred tax	726	-
	<u>726</u>	<u>-</u>
	2002	2001
	£	£
Deferred tax charge in profit and loss account	726	-
	<u>726</u>	<u>-</u>
At 30 April	<u>726</u>	<u>-</u>

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2002

16 Share capital			2002	2001
			£	£
Authorised:				
Ordinary shares of £1 each			100	100
"A" Ordinary shares of £1 each			9,900	9,900
			<u>10,000</u>	<u>10,000</u>
	2002	2001	2002	2001
	No	No	£	£
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
			<u>10,000</u>	<u>10,000</u>
17 Profit and loss account			2002	2001
			£	£
At 1 May			585,282	492,069
Retained profit			134,593	93,213
			<u>719,875</u>	<u>585,282</u>
At 30 April				
18 Reconciliation of movement in shareholders' funds			2002	2001
			£	£
At 1 May			595,282	502,069
Profit for the financial year			214,593	93,213
Dividends			(80,000)	-
			<u>729,875</u>	<u>595,282</u>
At 30 April				
19 Gross cash flows			2002	2001
			£	£
Returns on investments and servicing of finance				
Rent received			1,200	1,200
Interest received			18,572	7,917
			<u>19,772</u>	<u>9,117</u>
Capital expenditure				
Payments to acquire tangible fixed assets			(63,656)	(16,460)
Receipts from sales of tangible fixed assets			2,847	3,397
			<u>(60,809)</u>	<u>(13,063)</u>
Financing				
Capital element of finance lease rental payments			<u>(33,521)</u>	<u>(24,023)</u>

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2002

20 Analysis of changes in net debt

	At 1 May 2001 £	Cash flows £	Non-cash changes £	At 30 Apr 2002 £
Cash at bank and in hand	355,063	146,761		501,824
Overdrafts	(458,163)	315,238		(142,925)
		461,999		
Finance leases	(26,025)	(40,411)		(66,436)
Total	(129,125)	421,588	-	292,463

21 Major non-cash transactions

2002
£

Capital value of new finance lease arrangements 73,932

22 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2002 £	Land and buildings 2001 £	Other 2002 £	Other 2001 £
Operating leases which expire:				
within one year	-	-	5,170	1,066
within two to five years	-	-	91,492	30,902
	-	-	96,662	31,968

23 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 £105,444 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 £69,583 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 £3,430.