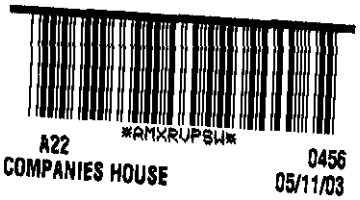
Registered number
1954821

B C M Construction Limited

Report and Accounts

30 April 2003



B C M Construction Limited
Report and accounts
Contents

	Page
Company information	1
Directors' report	2
Independent auditors' report	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Cash flow statement	7
Notes to the accounts	8

B C M Construction Limited
Company Information

Directors
Mr. H. McGarry
Mr. T. Sullivan

Secretary
Mr. T. Sullivan

Auditors
Corran Associates Limited
T/A 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 2003.

Principal activities and review of the business

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

Whilst turnover has decreased during the year, profitability has remained stable which means that 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 £197,605. The company paid an interim dividend of £120,000 during the year and the amount transferred to reserves is £77,605.

Directors

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

	£1 Ordinary shares	
	2003	2002
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 2003.

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 2003 which comprise pages 4 to 15. 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Corran Associates Limited
T/A McGrath and Company
Registered auditors
44 Paddocks Mead
Goldsworth Park
Woking
Surrey GU21 3QP

Corran Associates Limited

October 31 2003

B C M Construction Limited
Profit and Loss Account
for the year ended 30 April 2003

	Notes	2003 £	2002 £
Turnover	2	12,710,517	17,400,909
Cost of sales		(11,307,503)	(15,687,901)
Gross profit		1,403,014	1,713,008
		(1,169,402)	(1,458,972)
Operating profit	3	233,612	254,036
Rental income		1,200	1,200
Interest receivable		26,791	18,572
Profit on ordinary activities before taxation		261,603	273,808
Tax on profit on ordinary activities	6	(63,998)	(59,215)
Profit for the financial year		197,605	214,593
Dividends:			
ordinary dividend on equity shares	7	(120,000)	(80,000)
Retained profit for the financial year	18	77,605	134,593

B C M Construction Limited
Statement of total recognised gains and losses
for the year ended 30 April 2003

	Notes	2003 £	2002 £
Profit for the financial year		197,605	214,593
Total recognised gains and losses related to the year		197,605	214,593

B C M Construction Limited
Balance Sheet
as at 30 April 2003

	Notes		2003 £		2002 £
Fixed assets					
Tangible assets	8		124,744		181,008
Freehold land and buildings	9		205,470		-
			330,214		181,008
Current assets					
Stocks and work in progress	10	136,460		82,266	
Debtors	11	2,079,664		2,363,873	
Cash at bank and in hand		1,003,834		501,824	
		3,219,958		2,947,963	
Creditors: amounts falling due within one year	12	(2,576,091)		(2,370,736)	
Net current assets			643,867		577,227
Total assets less current liabilities			974,081		758,235
Creditors: amounts falling due after more than one year	13		(164,438)		(27,634)
Provisions for liabilities and charges					
Deferred taxation	16		(2,163)		(726)
			807,480		729,875
Capital and reserves					
Called up share capital	17		10,000		10,000
Profit and loss account	18		797,480		719,875
Shareholders' funds	19		807,480		729,875

Mr. T Sullivan
Director
Approved by the board on October 31 2003

B C M Construction Limited
Cash Flow Statement
for the year ended 30 April 2003

	Notes	2003 £	2002 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		233,612	254,036
Depreciation charges		40,243	60,337
(Increase)/decrease in stocks		(54,194)	73,897
Decrease in debtors		284,209	389,015
Increase/(decrease) in creditors		270,888	(119,933)
Net cash inflow from operating activities		774,758	657,352
CASH FLOW STATEMENT			
Net cash inflow from operating activities		774,758	657,352
Returns on investments and servicing of finance	20	27,991	19,772
Taxation		(76,175)	(40,795)
Capital expenditure	20	(189,449)	(60,809)
		537,125	575,520
Equity dividends paid		(120,000)	(80,000)
		417,125	495,520
Financing	20	140,360	(33,521)
Increase in cash		557,485	461,999
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		557,485	461,999
(Increase)/decrease in debt and lease financing		(140,360)	33,521
New finance leases			(73,932)
Change in net debt	21	417,125	421,588
Net funds/(net debt) at 1 May		292,463	(129,125)
Net funds at 30 April		709,588	292,463

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2003

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

	2003 £	2002 £
This is stated after charging:		
Depreciation of owned fixed assets	18,678	31,627
Depreciation of assets held under finance leases and hire purchase contracts	21,564	28,710
Loan interest	8,992	-
Operating lease rentals - plant and machinery	57,203	72,936
Hire purchase interest	6,604	6,770
Auditors' remuneration	13,500	12,000

4 Directors' emoluments

	2003 £	2002 £
Emoluments	196,111	199,999
Pension costs	53,148	120,179
	249,259	320,178

Number of directors in company pension schemes:	2003 Number	2002 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

	2003 £	2002 £
Wages and salaries	3,697,729	3,687,557
Social security costs	372,015	365,729
Other pension costs	95,191	279,885
	4,164,935	4,333,171

Average number of employees during the year	Number	Number
Administration	36	44
Direct Labour	74	86
	110	130

6 Taxation

	2003 £	2002 £
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	72,561	76,489
Adjustments in respect of previous periods	(10,000)	(18,000)
	62,561	58,489
Deferred tax:		
Origination and reversal of timing differences	1,437	726
Tax on profit on ordinary activities	63,998	59,215

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:

	2003 £	2002 £
Profit on ordinary activities before tax	261,603	273,808
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	78,481	82,142
Effects of:		
Expenses not deductible for tax purposes	5,443	8,659
Marginal Relief	(12,800)	(11,424)
Capital allowances for period in excess of depreciation	1,437	(2,888)
Adjustments to tax charge in respect of previous periods	(10,000)	(18,000)
Current tax charge for period	62,561	58,489

7 Equity dividends

	2003 £	2002 £
Equity dividends on ordinary shares - interim paid	120,000	80,000

8 Tangible fixed assets

	Motor Vehicles £	Office Equipment £	Plant and machinery £	Total £
Cost				
At 1 May 2002	129,488	178,070	93,086	400,644
Additions	8,296	13,740	-	22,036
Disposals	(79,878)	-	-	(79,878)
At 30 April 2003	57,906	191,810	93,086	342,802
Depreciation				
At 1 May 2002	69,309	116,344	33,983	219,636
Charge for the year	7,605	17,862	14,776	40,243
On disposals	(41,821)	-	-	(41,821)
At 30 April 2003	35,093	134,206	48,759	218,058
Net book value				
At 30 April 2003	22,813	57,604	44,327	124,744
At 30 April 2002	60,179	61,726	59,103	181,008

	2003 £	2002 £
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	64,691	86,137

9 Freehold Land and Buildings

	Freehold land and buildings £
Cost	
Additions	205,470
At 30 April 2003	205,470

10 Stocks

	2003 £	2002 £
Stocks and Work in Progress	136,460	82,266

11 Debtors

	2003 £	2002 £
Trade debtors	1,872,443	2,293,107
Amounts owed by undertakings in which the directors have a participating interest	31,458	3,430
Other debtors	175,763	67,336
	2,079,664	2,363,873

12 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	106,200	142,925
Obligations under finance lease and hire purchase contracts	23,608	38,802
Trade creditors	1,852,176	1,684,598
Amounts owed to group undertakings	2,524	2,524
Corporation tax	92,941	106,555
Other taxes and social security costs	388,691	309,174
Other creditors	109,951	86,158
	2,576,091	2,370,736

13 Creditors: amounts falling due after one year

	2003 £	2002 £
Bank loans	155,302	-
Obligations under finance lease and hire purchase contracts	9,136	27,634
	164,438	27,634

14 Loans

	2003 £	2002 £
Analysis of maturity of debt:		
Within one year or on demand	106,200	142,925
Between one and two years	18,750	-
Between two and five years	56,250	-
After five years	80,302	-
	261,502	142,925

The bank overdraft is secured by a debenture over the book debts and other debts of the Company. The bank loan is secured by a first legal mortgage over the the freehold property of the company.

15 Obligations under finance leases and hire purchase contracts

	2003 £	2002 £
Amounts payable:		
Within one year	23,608	38,802
Within two to five years	9,136	27,634
	32,744	66,436

16 Deferred taxation

	2003 £	2002 £
Accelerated capital allowances	2,163	726
Undiscounted provision for deferred tax	2,163	726

	2003 £	2002 £
At 1 May	726	-
Deferred tax charge in profit and loss account	1,437	726
At 30 April	2,163	726

17 Share capital

	2003 £	2002 £
Authorised:		
Ordinary shares of £1 each	100	100
"A" Ordinary shares of £1 each	9,900	9,900
	10,000	10,000

	2003 No	2002 No	2003 £	2002 £
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

18 Profit and loss account

	2003 £	2002 £
At 1 May	719,875	585,282
Retained profit	77,605	134,593
At 30 April	797,480	719,875

19 Reconciliation of movement in shareholders' funds

	2003 £	2002 £
At 1 May	729,875	595,282
Profit for the financial year	197,605	214,593
Dividends	(120,000)	(80,000)
At 30 April	807,480	729,875

20 Gross cash flows

	2003 £	2002 £
Returns on investments and servicing of finance		
Rent received	1,200	1,200
Interest received	26,791	18,572
	27,991	19,772
Capital expenditure		
Payments to acquire tangible fixed assets	(22,036)	(63,656)
Payments to acquire freehold land and buildings	(205,470)	-
Receipts from sales of tangible fixed assets	38,057	2,847
	(189,449)	(60,809)
Financing		
New loans raised	187,500	-
Loan repayments	(13,448)	-
Capital element of finance lease rental payments	(33,692)	(33,521)
	140,360	(33,521)

21 Analysis of changes in net debt

	At 1 May 2002 £	Cash flows £	Non-cash changes £	At 30 Apr 2003 £
Cash at bank and in hand	501,824	502,010		1,003,834
Overdrafts	(142,925)	55,475		(87,450)
		557,485		
Debt due within 1 year	-	(18,750)		(18,750)
Debt due after 1 year	-	(155,302)		(155,302)
Finance leases	(66,436)	33,692		(32,744)
		(140,360)		
Total	292,463	417,125	-	709,588

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 2003 £	Land and buildings 2002 £	Other 2003 £	Other 2002 £
Operating leases which expire:				
within one year	-	-	42,689	5,170
within two to five years	-	-	-	91,492
	-	-	42,689	96,662

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 £50,757 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 £97,748 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 £31,458.

The directors purchased motor vehicles from the company during the year. The net book values of these vehicles at the date of sale were £27,003 and the vehicles were sold to the directors at the open market value on the date of sale.