

Registered number
01954821

B C M Construction Limited

Report and Accounts

30 April 2012

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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
Mr S O'Halloran
Mr M Wallis
Mr K Bush

Secretary

Mr T Sullivan

Auditors

Corran Associates Limited
T/A McGrath and Company,
First Floor, 1 Park Court,
Pyrford Road
West Byfleet
Surrey
KT14 6SD

Bankers

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

Registered office

6 Blenheim Centre,
Locks Lane,
Mitcham,
Surrey CR4 2JX

Registered number

01954821

BCM Construction Limited**Registered number:**

01954821

Directors' Report

The directors present their report and accounts for the year ended 30 April 2012

Principal activities and review of the business

The principal activities of the company, which remained unchanged during the year, are those of building and civil engineering BCM has performed well this year, making considerable progress in the delivery of the Company's strategic objectives

The Directors consider the company's performance in 2011/12 reflects the success of the Company's long term strategic focus on providing essential, front line services in the Regulated Utility and Public Sectors markets Well and long established partnerships with key customers and continued investment in the business have enabled BCM to respond positively to increasing pressure to improve performance and develop opportunities for further progress, whilst maintaining stability, profitability and efficient service to customers

The Directors recognise the challenging economic climate which has prevailed and continue to monitor and reduce costs wherever possible The Directors are aware of the inherent risks within the Construction industry The Company's commitment to Quality, Health & Safety and the Environment is paramount and that is why reporting monthly performance in these key areas is a priority at all management meetings

Turnover has increased by approximately 40% and this is in line with predicted growth mostly from existing customers and the development of new clients in the rail sector which has outperformed the weaker construction sector The Directors consider that the profit achieved before taxation to be commensurate with the increased turnover Adequate finance is available to take advantage of future business opportunities as they arise

Over the years the company has grown by taking responsibility for every aspect of our business Our services have and continue to touch the lives of millions of people using the railways and the local communities This makes the health & safety of each of our employees and the general public of paramount importance Our health and safety systems and policies are rigorous, thorough and proven BCM has accreditation under OHSAS 18001 2007

BCM recognises that importance of its environmental responsibilities monitors its impact on the environment, and implements policies to mitigate any damage that might be caused by its activities BCM has accreditation under ISO 14001 2004 BCM also recognises the importance and implications of quality by ensuring that it follows processes and procedures that have been accredited under ISO 9001 2008

BCM is totally committed to attracting, developing and retaining the best talent in the industry Investment in training for Managers and the 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

Directors

The directors who served during the year were as follows

H W McGarry, T P Sullivan, S J O' Halloran, M Wallis and K J Bush

B C M Construction Limited**Registered number:****01954821****Directors' Report****Directors' responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they 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 accounts, the directors are required to

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

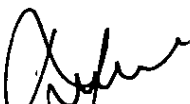
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This report was approved by the board on 17 October 2012 and signed on its behalf



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 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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 auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Mr A McGrath
(Senior Statutory Auditor)
for and on behalf of
Corran Associates Limited
Accountants and Statutory Auditors
17 October 2012

First Floor, 1 Park Court,
Pyrford Road
West Byfleet
Surrey
KT14 6SD

B C M Construction Limited
Profit and Loss Account
for the year ended 30 April 2012

	Notes	2012 £	2011 £
Turnover	2	22,590,066	16,239,079
Cost of sales		(19,213,075)	(13,928,158)
Gross profit		<u>3,376,991</u>	<u>2,310,921</u>
Administrative expenses		(2,180,447)	(1,473,751)
Other operating income - Incentive Payments		296,000	-
Operating profit	3	<u>1,492,544</u>	<u>837,170</u>
Income from investments		1,200	1,200
Interest receivable		3,334	4,785
Profit on ordinary activities before taxation		<u>1,497,078</u>	<u>843,155</u>
Tax on profit on ordinary activities	6	(400,996)	(246,346)
Profit for the financial year		<u>1,096,082</u>	<u>596,809</u>

Continuing operations

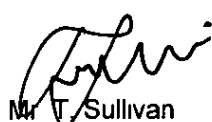
None of the company's activities were acquired or discontinued during the above two financial years

B C M Construction Limited
Statement of total recognised gains and losses
for the year ended 30 April 2012

	Notes	2012 £	2011 £
Profit for the financial year		1,096,082	596,809
Total recognised gains and losses related to the year		<u>1,096,082</u>	<u>596,809</u>

B C M Construction Limited
Balance Sheet
as at 30 April 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	7	386,535	209,960
Current assets			
Stocks	8	135,616	84,790
Debtors	9	3,107,099	3,043,966
Cash at bank and in hand		951,836	890,256
		<u>4,194,551</u>	<u>4,019,012</u>
Creditors: amounts falling due within one year	10	(2,354,297)	(2,338,973)
Net current assets		<u>1,840,254</u>	<u>1,680,039</u>
Total assets less current liabilities		<u>2,226,789</u>	<u>1,889,999</u>
Provisions for liabilities			
Deferred taxation	11	(17,910)	(17,202)
Net assets		<u>2,208,879</u>	<u>1,872,797</u>
Capital and reserves			
Called up share capital	12	10,000	10,000
Profit and loss account	13	2,198,879	1,862,797
Shareholders' funds	15	<u>2,208,879</u>	<u>1,872,797</u>



Mr. T. Sullivan
Director

Approved by the board on 17 October 2012

B C M Construction Limited
Cash Flow Statement
for the year ended 30 April 2012

	Notes	2012 £	2011 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,492,544	837,170
Depreciation and amortisation		169,197	86,828
Increase in stocks		(50,826)	(32,492)
Increase in debtors		(63,133)	(216,864)
Increase in creditors		32,028	409,714
Net cash inflow from operating activities		1,579,810	1,084,356
CASH FLOW STATEMENT			
Net cash inflow from operating activities		1,579,810	1,084,356
Returns on investments and servicing of finance	16	4,534	5,985
Taxation		(403,920)	(146,265)
Capital expenditure	16	(345,772)	(173,394)
		834,652	770,682
Equity dividends paid		(760,000)	(300,000)
		74,652	470,682
Increase in cash		74,652	470,682
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		74,652	470,682
Change in net debt	17	74,652	470,682
Net funds at 1 May		869,285	398,603
Net funds at 30 April		943,937	869,285

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2012

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers

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% on cost
Office equipment	25% on cost
Motor vehicles	25% on cost

Stocks

Stock is valued at the lower of cost and net realisable value

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes

Deferred tax is 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

Pensions

The company contributes to individual personal pension arrangements

2 Analysis of turnover

	2012	2011
	£	£
By activity		
Building and civil engineering services	<u>22,590,066</u>	<u>16,239,079</u>
By geographical market		
UK	<u>22,590,066</u>	<u>16,239,079</u>

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2012

3 Operating profit	2012	2011
	£	£
This is stated after charging		
Depreciation of owned fixed assets	169,197	86,828
Operating lease rentals - plant and machinery	75,011	85,147
Auditors' remuneration for audit services	16,000	15,500
Finance charges	24,792	19,650
	<u> </u>	<u> </u>
4 Directors' emoluments	2012	2011
	£	£
Emoluments	884,732	888,446
Pension costs	290,500	18,000
	<u>1,175,232</u>	<u>906,446</u>
Highest paid director		
Emoluments	<u>337,991</u>	<u>337,987</u>
5 Staff costs	2012	2011
	£	£
Wages and salaries	3,836,970	3,433,167
Social security costs	442,656	381,692
Other pension costs	464,868	94,648
	<u>4,744,494</u>	<u>3,909,507</u>
Average number of employees during the year	Number	Number
Administration	41	36
Direct Labour	33	31
	<u>74</u>	<u>67</u>
6 Taxation	2012	2011
	£	£
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the period	400,288	231,607
Deferred tax		
Origination and reversal of timing differences	708	14,739
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	<u>400,996</u>	<u>246,346</u>

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2012

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

	2012	2011
	£	£
Profit on ordinary activities before tax	<u>1,497,078</u>	<u>843,155</u>
Standard rate of corporation tax in the UK	26%	28%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	389,240	236,083
Effects of		
Expenses not deductible for tax purposes	16,180	48,202
Capital allowances for period in excess of depreciation	(5,132)	(52,678)
Current tax charge for period	<u>400,288</u>	<u>231,607</u>

7 Tangible fixed assets

	Motor Vehicles £	Office Equipment £	Plant and Machinery £	Total £
Cost				
At 1 May 2011	65,315	82,795	307,260	455,370
Additions	54,672	85,996	205,104	345,772
Disposals	(16,295)	-	-	(16,295)
At 30 April 2012	<u>103,692</u>	<u>168,791</u>	<u>512,364</u>	<u>784,847</u>
Depreciation				
At 1 May 2011	36,297	65,670	143,443	245,410
Charge for the year	25,923	28,662	114,612	169,197
On disposals	(16,295)	-	-	(16,295)
At 30 April 2012	<u>45,925</u>	<u>94,332</u>	<u>258,055</u>	<u>398,312</u>
Net book value				
At 30 April 2012	<u>57,767</u>	<u>74,459</u>	<u>254,309</u>	<u>386,535</u>
At 30 April 2011	<u>29,018</u>	<u>17,125</u>	<u>163,817</u>	<u>209,960</u>

8 Stocks

	2012	2011
	£	£
Work in progress	<u>135,616</u>	<u>84,790</u>

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2012

9 Debtors	2012	2011
	£	£
Trade debtors	2,796,650	2,834,625
Other debtors	310,449	209,341
	<u>3,107,099</u>	<u>3,043,966</u>

10 Creditors: amounts falling due within one year	2012	2011
	£	£
Bank loans and overdrafts	7,899	20,971
Trade creditors	1,551,451	1,848,124
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,925	2,794
Corporation tax	70,355	73,987
Other taxes and social security costs	665,544	333,886
Other creditors	56,123	59,211
	<u>2,354,297</u>	<u>2,338,973</u>

The bank overdraft is secured by a debenture incorporating a fixed and floating charge over all current and future assets of the company

11 Deferred taxation	2012	2011
	£	£
Accelerated capital allowances	17,910	17,202
Undiscounted provision for deferred tax	17,910	17,202

	2012	2011
	£	£
At 1 May	17,202	2,463
Deferred tax charge in profit and loss account	708	14,739
	<u>17,910</u>	<u>17,202</u>
At 30 April		

12 Share capital	Nominal value	2012 Number	2012	2011
			£	£
Allotted, called up and fully paid				
Ordinary shares	£1 each	100	100	100
"A" Ordinary shares	£1 each	9,900	9,900	9,900
			<u>10,000</u>	<u>10,000</u>

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2012

13 Profit and loss account

	2012
	£
At 1 May 2011	1,862,797
Profit for the financial year	1,096,082
Dividends	(760,000)
At 30 April 2012	<u>2,198,879</u>

14 Dividends

	2012	2011
	£	£
Dividends for which the company became liable during the year		
Dividends paid	<u>760,000</u>	<u>300,000</u>

15 Reconciliation of movement in shareholders' funds

	2012	2011
	£	£
At 1 May	1,872,797	1,575,988
Profit for the financial year	1,096,082	596,809
Dividends	(760,000)	(300,000)
At 30 April	<u>2,208,879</u>	<u>1,872,797</u>

16 Gross cash flows

	2012	2011
	£	£
Returns on investments and servicing of finance		
Dividends received	1,200	1,200
Interest received	3,334	4,785
	<u>4,534</u>	<u>5,985</u>
Capital expenditure		
Payments to acquire tangible fixed assets	<u>(345,772)</u>	<u>(173,394)</u>

17 Analysis of changes in net debt

	At 1 May	Cash flows	Non-cash	At 30 Apr
	2011		changes	2012
	£	£	£	£
Cash at bank and in hand	890,256	61,580		951,836
Overdrafts	(20,971)	13,072		(7,899)
		<u>74,652</u>		
Total	<u>869,285</u>	<u>74,652</u>	<u>-</u>	<u>943,937</u>

B C M Construction Limited
Notes to the Accounts
for the year ended 30 April 2012

18 Other financial commitments

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

	Land and buildings 2012 £	Land and buildings 2011 £	Other 2012 £	Other 2011 £
Operating leases which expire within one year	-	-	-	13,573
within two to five years	84,846	24,078	11,190	-
	<u>84,846</u>	<u>24,078</u>	<u>11,190</u>	<u>13,573</u>

19 Related party transactions

The company had the following transactions with related parties during the period

A) Subcontractor supplies and recruitment fees amounting to £907,705 (2011 £544,841) were made on a commercial basis by a company Giltec Limited, a company in which two of the directors, Mr H McGarry and Mr T Sullivan, have a controlling interest. The company has also charged Giltec Limited £18,000 (2011 £15,000) in respect of management services provided during the year. These transactions were conducted on a normal commercial basis and the amount owed to Giltec Limited by the company at the year end amounted to £15,184.

B) The company is currently renting a property, at the open market rate, from the directors' private pension schemes. The rent payable is £24,078 per annum and the rental value of the property has been valued by independent professional valuers.

C) Recruitment fees amounting to £25,800 were charged on a commercial basis by a company BCM Resourcing Limited, a company in which two of the directors, Mr H McGarry and Mr T Sullivan, have a controlling interest. These transactions were conducted on a normal commercial basis and the amount owed to BCM Resourcing Limited by the company at the year end was £12,240.

20 Ultimate controlling party

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