2012

properties
report and accounts

BAM Properties Limited

BAM Properties Limited

Report and Accounts 2012

Contents

Registered number: 3283033

Directors' report

The directors present their report and accounts for the group and company for the year ended 31 December 2012.
The company's registered number is 3283033.

Group results and dividends

The profit of the group for the year is set out in the profit and loss account on page 6.

The directors are unable to recommend the payment of a dividend in respect of the year (2011: £nil).

Principal activities and review of the business

The principal activities of the BAM Properties Limited group ('the group') are the development of commercial properties and the provision of construction services. The group also makes selective property investments. These activities are expected to continue in the future.

Review of the business

	2012	2011	Change
	£'000	£'000	%
Profit/(loss) before taxation	**1,031**	(4,696)	122%
Profit/(loss) after taxation	**771**	(3,455)	122%
Profit/(loss) before taxation %	**2.2%**	(16.3)%	

Review of the business

The group continued to concentrate on achieving lettings and sales of its current projects through 2012. February 2012 saw completion of the highly sustainable office development at Chiswick Green, West London. Shortly thereafter 82% of the building was let to Viasat Broadcasting UK Limited. The development was sold in December 2012 to PRUPIM for £47.7m reflecting a net initial yield of 6.25%.

The top floor of Building 2 at the Fore development in Solihull, West Midlands was let to Arcelor Mittal providing the first tenant for the business park. In addition, terms have been agreed to let the whole building at the Aztec West, Bristol development to a US technology company.

In late 2012 the group made the decision to commence construction on its prime office development at Queen Street, Glasgow and a site start was made shortly after the year end.

Whilst the property market in the UK remained largely flat in 2012, with some regional variations, opportunities are emerging for quality, sustainable developments in prime locations. Increasingly, sustainability and the environmental impact of buildings will become a feature in differentiating prime property from the rest.

The outlook for the property market is uncertain looking forward to 2013 and beyond with continuing weak economic conditions in the UK and Euro-zone. Banks continue to seek to reduce exposure to property and lending for new development remains almost non-existent. The group takes confidence however from the underlying quality of its portfolio of projects and is building for the future through a programme of lettings, sales and recommencement of development. The focus on securing lettings will continue in 2013 and sales will be made at the time of the group's choosing when the market fairly values the investment created. Alternative planning consents may be pursued on sites where opportunity to accelerate sales exists.

The group remains alert to acquisition opportunities for prime development projects and is well placed to take advantage of these opportunities as they arise.

At the end of the year the Group had office and retail projects where development is either on-going or completed in Glasgow, Edinburgh, Leeds, Manchester, Stockport, Solihull, Swindon, Bristol and High Wycombe.

At the year end 15,350sqm of current property developments were being undertaken by the group. Sales in the year totalled 7,507sqm and property included in WIP where construction was completed at the year end totalled 26,948sqm.

Future developments

In these challenging times for the property sector and the general economy as a whole, the group benefits from its ability to take a longer term view. Where the directors believe the investment market undervalues a property, the group has no need to sell and will wait for improved market conditions.

The focus will be on lettings and sales of existing completed stock. The group shall also seek ways of advancing sites held for future development and, as mentioned above, the group is well placed to take advantage of well priced acquisition opportunities when they appear. As in previous years, any investment will be in prime development projects with quality of site selection remaining paramount. Completed projects will continue to be of market leading standards thus ensuring the best outcomes for both tenants and investors.

Directors' report

Subsidiaries

The principal activities of subsidiary undertakings are shown in note 8 to the accounts.

Directors

The following served as directors during the year ended 31 December 2012 and subsequent to that date:

- J R Burke
- G Cash

Financial risk management

The company is part of the BAM Construct UK Limited group. Financial risk management is an integral part of the BAM Construct UK Limited group's management processes. Stringent policies designed to identify, manage and limit both existing and possible risks are applied at various management levels. The BAM Construct UK Limited group is exposed to credit risk on financial instruments such as liquid assets and trade debtors. Credit risk is managed by spreading its investments in liquid assets across high quality financial institutions. In line with normal business practice the BAM Construct UK Limited group operates credit management procedures.

The company, along with other group companies, is party to a guarantee in respect of any individual company overdraft balance within a cash pooling facility. The directors have carefully considered the risk associated with the provision of this guarantee and are of the opinion that the guarantee will not give rise to any loss for the company in the foreseeable future.

Value risk is considered at BAM Properties Limited level as part of the review of management forecasts and at a project level as part of the appraisal process and is monitored on an ongoing basis.

Liquidity risk and cash flow risk are actively managed through the preparation and monitoring of Medium Term Plans, Budgets and quarterly forecasts.

The group finances its development projects using a mix of project-specific bank facilities and loans from its parent, BAM Construct UK Limited. In evaluating potential new projects the directors consider financing as one element of their appraisal. In respect of existing projects the directors continually monitor performance against expectations including loan covenant compliance and the potential requirement for refinancing.

The strong cash balances within the BAM Construct UK Limited group of companies assist in mitigating the potential interest rate and cashflow risks associated with the tightening of the credit markets for funding future property developments.

The group is well placed to take advantage of new development opportunities and to bring existing properties under development to the market at an appropriate point in the future when investment market conditions have improved. Potential new developments are appraised using stringent financial assumptions with regard to forecast tenant demand, rental values and expected yields, as well as assessments of construction inflation.

Competitive risks

The group is exposed to typical commercial risks experienced by commercial organisations operating within the same competitive market of property development in the UK.

The group seeks to mitigate these risks by focusing on providing high quality buildings in prime locations and by having a mixed portfolio of office and retail projects. The group also operates a rigorous appraisal and site selection process including a thorough assessment of letting risk when considering new development opportunities.

Legislative risks

The group is required to comply with all applicable legislation, but in particular covering activities such as the Construction Industry Scheme, health and safety and relevant building standards for construction and property.

This is achieved through established and readily available 'Best Practice' procedures. The group also makes use of specialists within the BAM Construct UK Limited group with the relevant knowledge and experience in order to proactively manage these potential risks and ensure compliance at the highest level.

No significant uncovered risks were identified up to the date of these accounts.

Qualifying third party indemnity provisions for directors

The company's ultimate parent undertaking maintains liability and indemnity insurance for its directors and officers and for those of its subsidiaries. This provision has been in place throughout the year and remains in force at the date of approving the directors' report.

Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Pursuant to section 487 of the Companies Act 2006, the company has dispensed with the obligation to appoint auditors annually. Ernst & Young LLP have expressed their willingness to continue in office for the forthcoming year.

By order of the Board

D Peters
Secretary
30 April 2013

Statement of directors' responsibilities in respect of the accounts

The directors are responsible for preparing the Directors' Report and the 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 group and company and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of BAM Properties Limited

We have audited the group and parent company accounts (the 'accounts') of BAM Properties Limited for the year ended 31 December 2012 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Balance Sheets, and the related notes 1 to 16. 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 Directors' Responsibilities Statement on page 4, 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

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's 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 matter 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Ernst & Young LLP

Peter Campbell (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

1 May 2013

Group profit and loss account

For the year ended 31 December	Notes	2012 £000	2011 £000
Group turnover	2	**47,778**	28,765
Cost of sales		**(43,106)**	(29,388)
Gross profit/(loss)		**4,672**	(623)
Operating and other administrative expences		**(2,229)**	(2,429)
Other operating income		**847**	1,038
Group operating profit/(loss)	3	**3,290**	(2,014)
Share of operating result/profit in joint venture		**–**	2
Total operating profit/(loss): group and share of joint venture		**3,290**	(2,012)
Interest receivable	5	**139**	124
Interest payable	6	**(2,398)**	(2,808)
Profit/(loss) on ordinary activities before taxation		**1,031**	(4,696)
Taxation	7	**(260)**	1,241
Profit/(loss) for the financial year		**771**	(3,455)

All item in the profit and loss account relate to continuing operations.

Group statement of total recognised gains and losses

For the year ended 31 December	2012 £000	2011 £000
Profit/(loss) for the financial year excluding share of results / profits of joint venture	**771**	(3,457)
Share of joint venture's result/profit for the year	**–**	2
Profit/(loss) for the financial year attributable to members of the parent company	**771**	(3,455)
Total recognised gains and (losses) relating to the year	**771**	(3,455)

Group balance sheet

At 31 December	Notes		2012 £000		2011 £000
Fixed assets					
Investment in associated undertaking	8		**4**		4
Current assets					
Land and property developments		**111,774**		143,733	
Debtors	9	**1,967**		3,988	
Cash at bank and in hand		**8,501**		6,949	
		122,242		154,670	
Creditors: amounts falling due within one year	10	**(83,071)**		(70,839)	
Net current assets			**39,171**		83,831
Total assets less current liabilities			**39,175**		83,835
Creditors: amounts falling due after more than one year					
Non-recourse banks loans	10, 11	**(15,984)**		(61,415)	
			(15,984)		(61,415)
Net assets			**23,191**		22,420
Capital and reserves					
Share capital	12		**30,000**		30,000
Profit and loss account	13		**(6,809)**		(7,580)
Equity shareholder's funds	13		**23,191**		22,420

The accounts on pages 6 to 19 were approved by the Board of Directors on 30 April 2013 and signed on its behalf by:

J R Burke
Director

Company balance sheet

			2012		2011
At 31 December	**Notes**		**£000**		£000
Fixed assets					
Investment in subsidiaries	8		**–**		–
Current assets					
Land and property developments		**31,073**		32,246	
Debtors	9	**50,469**		66,009	
		81,542		98,255	
Creditors: amounts falling due within one year	10	**(61,473)**		(68,087)	
Net current assets			**20,069**		30,168
Total assets less current liabilities			**20,069**		30,168
Creditors: amounts falling due after more than one year	10		**–**		(9,223)
Net assets			**20,069**		20,945
Capital and reserves					
Share capital	12		**30,000**		30,000
Profit and loss account	13		**(9,931)**		(9,055)
Equity shareholder’s funds	13		**20,069**		20,945

The accounts on pages 6 to 19 were approved by the Board of Directors on 30 April 2013 and signed on its behalf by:

J R Burke
Director

Notes to the accounts

1. Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards and comply with the Companies Act 2006.

Going Concern

The group's business activities, a review of business and future developments, together with the group's financial risk management processes and narrative regarding its exposure to key financial and commercial risks are described in the Directors' Report.

The group and company's working capital requirements are funded by a bank overdraft (as part of a BAM Construct UK Limited cash pooling facility with Bank of Scotland). After making enquiries the directors are confident that finance will continue to be made available under these arrangements for the foreseeable future.

The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Cashflow statement

As the company is a wholly owned subsidiary of Royal BAM Group n.v., a company registered in the European Union, which publishes consolidated accounts, the company has taken advantage of the exemption provided under FRS 1 (Revised) not to prepare a Cashflow Statement.

Basis of consolidation

The group accounts consolidate the accounts of BAM Properties Limited and all its subsidiaries drawn up to 31 December. No profit and loss account is presented for BAM Properties Limited as permitted by section 408 of the Companies Act 2006. The company's loss for the year is disclosed in note 13.

Entities in which the group holds an interest on a long-term basis and which are jointly controlled by the group and one or more other venturers under a contractual agreement are treated as joint ventures. In the group accounts, joint ventures are accounted for using the gross equity method.

Entities, other than subsidiaries or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the group accounts, associates are accounted for using the equity method.

Entities are consolidated in the group as follows: Subsidiaries are fully consolidated from the date that control is obtained by the group. They are deconsolidated from the date that control is transferred. Joint ventures are gross equity accounted for from the date that the group obtains joint control until the date that the control is transferred. Associates are equity accounted for from the date that the group obtains significant influence until that significant influence is transferred.

Notes to the accounts

1. Accounting policies (continued)

Investments

The investments in the company's subsidiaries are included at cost less any provision for impairment.

In the opinion of the directors the value of the company's investment in its subsidiaries is not less than the amount at which it is stated in the accounts.

Land and property development

Land and property developments are recorded at the lower of cost and net realisable value. The group capitalises interest on specific finance raised once development commences and until practical completion, based on the total actual finance cost incurred on the borrowings during the year. When properties are acquired for future redevelopment, interest on borrowings is expensed to the profit and loss account. When redevelopment commences interest on borrowings is capitalised as above. The cumulative amount of interest capitalised in the land and developments relating to assets included in work in progress at the balance sheet date is £4,459,869 (2011: £5,821,265).

Long term contracts

Contract work in progress is valued at total cost incurred plus attributable profits less foreseeable losses and applicable payments on account. The resultant balance is included under debtors as 'amounts recoverable on contracts', under creditors as 'payments on account', or under creditors as 'accruals for foreseeable losses'. Total cost includes direct cost and allocated production overhead. Profit on long term contracts is taken as the work is carried out once the final outcome of the project can be assessed with reasonable certainty. Provision is made for losses on contracts in the year in which they are foreseen.

Carrying amount of debt and allocation of loan issue costs

Debt instruments, such as bank loans, are stated at their net proceeds (ie. after deduction of loan issue costs) on issue. Issue costs are amortised to the profit and loss account over the life of the instrument and are either included in interest payable or, where applicable, are capitalised into the cost of property development in accordance with the 'land and property development' accounting policy set out above.

Notes to the accounts

1. Accounting policies (continued)

Turnover and profit recognition

Turnover and profit are recognised as follows:

a) Development of commercial properties

Sales of investment properties, land and property developments are recognised in respect of contracts exchanged during the year, provided that no material conditions remain outstanding at the balance sheet date, and all conditions are fully satisfied by the date on which the accounts are signed. Full provision is made for all known or expected losses on completing a development once such losses are foreseen.

The profit on disposal of property developments is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus additions in the period and any residual commitments.

b) Construction contracts

Turnover, which is stated net of VAT, represents the value of work done in the year including estimates of amounts not invoiced and adjustments relating to prior years which have been agreed during the year.

Profit on construction contracts is recognised by reference to the stage of completion once the final outcome can be assessed with reasonable certainty.

Rental income

Rental income from incidental operations in connection with development properties is credited to other operating income on an accruals basis.

In accordance with UITF 28 'Operating lease incentives', the cost of lease incentives is allocated on a straight line basis over the lease term or a shorter period ending on the date from which it is expected the prevailing market rental will be payable.

Finance income

Finance income consists of interest receivable on deposits and is recognised as interest accrues.

Provision for liabilities

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation. Where the effect of the time value of money is material, the amount of a provision is discounted so as to represent the present value of the expenditure required to settle the obligation.

Notes to the accounts

1. Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or receive more, tax, with the following exceptions:

(i) Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

(ii) Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

Turnover, which is stated net of VAT, represents the invoiced value of sales in respect of land and commercial property developments and the value of construction work done in the year including estimates of amounts not invoiced and adjustments relating to prior years which have been agreed during the year. Turnover is attributable to continuing activities and arose wholly within the United Kingdom.

3. Operating profit/(loss)

This is stated after crediting

	2012	2011
	£000	£000
Rental income	**(847)**	(1,038)

Certain administrative costs, including audit fees, staff costs, and operating lease costs for vehicles, were met by the immediate parent undertaking, BAM Construct UK Limited, and were recharged to BAM Properties Limited as a general management fee.

	2012	2011
	£000	£000
Fees payable to the company's auditor for the audit of the company's annual accounts	**21**	21
Fees payable to the company's auditor for other services:		
The audit of the company's subsidiaries pursuant to legislation	**70**	70
Total	**91**	91

Fees payable to the company's auditor, Ernst & Young LLP, for services other than the statutory audit of the company and its subsidiaries are not disclosed in this company's accounts because the consolidated accounts of the company's parent, BAM Construct UK Limited, are required to disclose such fees on a consolidated basis.

Notes to the accounts

4. Directors' emoluments

G Cash and J R Burke, directors of the company, are also directors of BAM Construct UK Limited, the company's immediate parent undertaking. Their remuneration for the year, all of which is paid by, and attributable to, services provided to BAM Construct UK Limited, is disclosed in the accounts of that company.

5. Interest receivable

	2012 £000	2011 £000
Bank interest	**(139)**	(124)

6. Interest payable

	2012 £000	2011 £000
Bank interest	**2,303**	2,592
Group undertakings	**–**	203
Amortisation of issue costs	**208**	279
	2,511	3,074
Interest capitalised	**(113)**	(216)
Capitalisation of issue costs amortised	**–**	(50)
	(113)	(266)
Interest payable	**2,398**	2,808

The cumulative amount of interest capitalised in the land and developments at the balance sheet date is £4,459,869 (2011: £5,821,265).

Notes to the accounts

7. Taxation

	2012	2011
	£000	£000
a) Tax on profit/(loss) on ordinary activities		
Current tax		
UK Corporation tax/group relief	**254**	(1,216)
Total current tax charge/(credit)	**254**	(1,216)
Deferred tax		
Total deferred tax charge/(credit)	**6**	(25)
Tax on profit/(loss)	**260**	(1,241)

b) Factors affecting current tax charge/(credit)

The tax assessed on the profit/(loss) on ordinary activities for the year is higher (2011:higher) than the rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are reconciled below:

	2012	2011
	£000	£000
Profit/(loss) on ordinary activities before tax	**1,031**	(4,696)
Profit/(loss) on ordinary activities multiplied by the rate of UK corporation tax of 24.5% (2011: 26.5%)	**253**	(1,244)
Expenses not deductible for tax purposes	**7**	3
Adjustment in respect of earlier years	**–**	–
Other	**–**	–
Movement in short term timing differences	**(6)**	25
	254	(1,216)

c) Factors affecting the future tax charge

The UK corporation tax rate reduced to 24% from April 2012 and to 23% from April 2013. A further 2% reduction was proposed in the Chancellor's December 2012 Autumn Statement, taking the rate to 21% by April 2014. In addition, a further 1% reduction was proposed in the March 2013 budget taking the rate to 20% by April 2015. At the balance sheet date, only the first 1% reduction from April 2013 had been substantively enacted and hence in accordance with accounting standards, it is only the impact of this 1% reduction that has been reflected in the group's accounts as at 31 December 2012. The effect on the group of the further proposed reduction in the UK corporation tax rate will be reflected in the group's accounts in future years, as appropriate, once the proposals have been substantively enacted. The effect of the reduction in the tax rate to 20% on the group's deferred tax asset would be to reduce the deferred tax affect by £2,000. The rate changes will impact the amount of future tax payments to be made by the group.

Notes to the accounts

7. Taxation (continued)

d) Deferred tax

The deferred tax asset included in the balance sheet is as follows:

	2012 £000	2011 £000
Short term timing differences (note 9)	**19**	25

The movements in deferred taxation during the current and previous years are as follows:

At 1 January	**25**	–
Arising during the year	**(6)**	25
At 31 December	**19**	25

A deferred tax asset in respect of timing differences has been recognised in the accounts on the grounds that there will be suitable taxable profits within the tax group of which the company is a member, from which the future reversal of the underlying timing differences can be deducted, on the basis of all available evidence.

8. Investments

Group

Investments in associated undertaking:

	Associated undertaking £000	Total £000
At 1 January 2012	4	**4**
Share of retained profit	–	**–**
Share of dividend paid	–	**–**
At 31 December 2012	4	**4**

Principal subsidiary undertakings and associated undertakings

Except where indicated, all companies have only ordinary share capital, are wholly owned, have 31 December year ends, are incorporated in Great Britain and registered in England, and operate wholly in the country of incorporation.

Subsidiary undertakings

HBG Parklands SPV Limited	Property development
BAM Swindon Limited	Property development
BAM Monk Bridge Limited	Property development
BAM Buchanan Limited *	Property development
HBG Haymarket 3 Limited *	Property development
BAM Glory Mill Limited	Property development
BAM Cadogan Limited *	Property development
BAM Princes Street Limited *	Property development
BAM Chiswick Limited	Property development
BAM Solihull Limited	Property development
BAM Queen Street Limited *	Property development

Associated undertakings

Discovery Quay Development Limited (33%) *	Property development

*registered in Scotland

Notes to the accounts

9. Debtors

	Group 2012 £000	Company 2012 £000	Group 2011 £000	Company 2011 £000
Amounts due from subsidiary undertakings	–	48,678	–	64,167
Other debtors	1,697	882	1,574	964
Value added tax	206	7	937	16
Deferred tax	19	19	25	25
Group relief receivable	–	883	1,216	837
Prepayments	45	–	236	–
	1,967	50,469	3,988	66,009

10. Creditors

	Group 2012 £000	Company 2012 £000	Group 2011 £000	Company 2011 £000
Due within one year				
Non-recourse bank loans (note 11)	32,872	9,242	1,250	–
Bank overdraft	47,220	47,220	66,589	66,589
Amounts due to immediate parent undertaking	95	95	666	124
Amounts due to fellow subsidiary undertakings	291	–	–	–
Amounts due to subsidiary undertakings	–	3,635	–	–
Corporation tax	254	–	–	–
Other creditors	1,705	893	1,020	980
Accruals and deferred income	634	388	1,314	394
	83,071	61,473	70,839	68,087

	Group 2012 £000	Company 2012 £000	Group 2011 £000	Company 2011 £000
Due after more than one year				
Non-recourse bank loans (note 11)	15,984	–	61,415	9,223
	15,984	–	61,415	9,223

Notes to the accounts

11. Non-recourse bank loans

The group has non-recourse loans which are secured on property developments and are reported within creditors. The terms of the finance agreements provide that the lenders will seek repayment of the finance only to the extent that sufficient funds are generated by the specific property assets financed and they will not seek recourse to group undertakings in any other form.

Group

	2012	2011
	£000	£000
Amounts falling due within 1 year		
Bank loan	**32,940**	1,250
Less: unamortised issue costs	**(68)**	–
	32,872	1,250

As at 31 December 2012, the loans repayable in 2013, which were advanced by the Bank of Scotland and Clydesdale Bank were raised for and secured against property developments in Edinburgh, Manchester and Solihull. In addition £4,500,000 of a subsidiary company's cash balance is held as security for the Solihull property development loan.

The loans for the Manchester and Solihull property developments have been refinanced post year end and now have a repayment date of 30 April 2016. Partial repayment of these loans has been agreed as part of the refinancing.

As at 31 December 2011, the loan repayable in 2012, which was advanced by Clydesdale Bank was raised for and secured against a development in Edinburgh.

Amounts falling due after more than one year

Bank loan	**16,238**	61,860
Less: unamortised issue costs	**(254)**	(445)
	15,984	61,415
Bank loans repayable between 1 & 2 years	**12,862**	32,759
Bank loans repayable between 2 & 5 years	**3,122**	28,656
	15,984	61,415

As at 31 December 2012, the loan which is repayable between 1 and 2 years, was advanced by the Bank of Scotland, and was raised for and secured against a property development in High Wycombe.

As at 31 December 2012, the loan which is repayable between 2 and 5 years, was advanced by Amber SPRUCE LLP and was raised for and secured against a property development in Glasgow.

As at 31 December 2011, the loans which were repayable between 1 and 2 years, were advanced by the Bank of Scotland and the Clydesdale Bank and were raised for and secured against property developments in Edinburgh, Manchester and Solihull. In addition £4,500,000 of a subsidiary company's cash balance is held as security for the Solihull property development loan.

As at 31 December 2011, the loans which were repayable between 2 and 5 years, were advanced by the Bank of Scotland and were raised for and secured against property developments in Chiswick and High Wycombe.

Notes to the accounts

11. Non-recourse bank loans (continued)

Company

	2012 £000	2011 £000
Amounts falling due within one year		
Bank Loan	**9,250**	–
Less: unamortised issue costs	**(8)**	–
	9,242	–

As at 31 December 2012, the loan advanced by the Bank of Scotland, was raised for and secured against a property development in Manchester and was due for repayment on 18 April 2013. The loan has been refinanced post year end and now has a repayment date of 30 April 2016.

	2012 £000	2011 £000
Amounts falling due after more than one year		
Bank Loan	**–**	9,250
Less: unamortised issue costs	**–**	(27)
	–	9,223

As at 31 December 2011 the loan advanced by the Bank of Scotland, was raised for and secured against a property development in Manchester. The loan was repayable between 1 and 2 years.

12. Called up share capital

	2012 £000	2011 £000
Authorised, allotted, called up and fully paid:		
30,000,000 ordinary shares of £1 each	**30,000**	30,000

Notes to the accounts

13. Reconciliation of equity shareholder's funds and movements on reserves

Group	Share capital £000	Profit and loss account £000	Total £000
Shareholder's funds at 1 January 2011	15,000	(4,125)	**10,875**
New equity share capital allotted	15,000	–	**15,000**
Loss attributable to shareholder	–	(3,455)	**(3,455)**
Shareholder's funds at 31 December 2011	30,000	(7,580)	**22,420**
Profit attributable to shareholder	–	771	**771**
Shareholder's funds at 31 December 2012	30,000	(6,809)	**23,191**

Company	Share capital £000	Profit and loss account £000	Total £000
Shareholder's funds at 1 January 2011	15,000	(5,824)	**9,176**
New equity share capital allotted	15,000	–	**15,000**
Loss attributable to shareholder	–	(3,231)	**(3,231)**
Shareholder's funds at 31 December 2011	30,000	(9,055)	**20,945**
Loss attributable to shareholder	–	(876)	**(876)**
Shareholder's funds at 31 December 2012	30,000	(9,931)	**20,069**

The loss attributable to the members of the parent undertaking is £876,000 (2011: loss of £3,231,000).

14. Contingent liabilities

a) The company has agreed to provide financial support to ensure the continuing operation of certain subsidiaries, which is not expected to give rise to any loss that has not already been provided for in the accounts.

b) The company, along with other group companies, is party to a guarantee in respect of any individual company overdraft balance within the cash pooling facility with the Bank of Scotland. At 31 December 2012 there were overdraft balances in a number of group companies in the cash pooling facility amounting to £47.2 million (2011: £66.6 million). The net overdraft position in the cash pooling facility as at 31 December 2012 was £nil (2011: £nil). This guarantee is not expected to give rise to any loss.

15. Related party transactions

The group has taken advantage of the exemptions of FRS 8 not to disclose details of transactions between wholly owned undertakings of Royal BAM Group n.v. which prepares consolidated accounts.

16. Parent undertakings and controlling party

The company's immediate parent undertaking is BAM Construct UK Limited, a company incorporated in England and Wales. The ultimate parent undertaking and controlling party is Royal BAM Group n.v., a company incorporated in The Netherlands. The group accounts of the ultimate parent (the largest group of which the company is a member and for which group accounts are prepared) and of BAM Construct UK Limited (the smallest group) are available from this company's registered office, which is Breakspear Park, Breakspear Way, Hemel Hempstead, Herts, HP2 4FL.

Regional offices

BAM Construct UK Limited
(Head office)
Breakspear Park
Breakspear Way
Hemel Hempstead
Hertfordshire HP2 4FL
T 01442 238 300
F 01442 238 301

BAM Construction Limited
Scotland
Kelvin House
Buchanan Gate Business Park
Stepps
Glasgow G33 6FB
T 0141 779 8888
F 0141 779 8889

Currie House
597 Calder Road
Pentland Gait Office Park
Edinburgh EH11 4HJ
T 0131 458 2000
F 0131 458 2001

North East
3125 Century Way
Thorpe Park
Leeds LS15 8ZB
T 0113 290 8800
F 0113 290 8801

Boston House
Fifth Avenue Business Park
Team Valley Trading Estate
Gateshead
Tyne & Wear NE11 OHF
T 0191 487 4897
F 0191 487 4903

North West
New Court
Regents Place
Regent Road
Salford
Manchester M5 4HB
T 0161 877 9274
F 0161 877 9276

Midlands
Holly Grange
Holly Lane
Balsall Common
Coventry CV7 7EB
T 01676 536 300
F 01676 536 381

Western
Millennium Gate
Gifford Court
Fox Den Road
Stoke Gifford
Bristol BS34 8TT
T 0117 944 8800
F 0117 944 8855

387 Newport Road
Cardiff CF24 1TP
T 029 2048 8811
F 029 2046 1647

Crown House
Acland Road
Exeter
Devon EX4 6PB
T 01392 412 887
F 01392 412 886

Arena Business Centre
Holyrood Close
Poole BH17 7BX
T 01202 606 290
F 01202 606 291

South East
Centrium
Griffiths Way
St Albans
Hertfordshire AL1 2RD
T 01727 894 200
F 01727 818 852

London
24 Chiswell Street
London EC1Y 4TY
T 020 7374 3600
F 020 7374 3601

BAM Properties Limited
Scotland
183 St Vincent Street
Glasgow G2 5QD
T 0141 222 1020
F 0141 222 1201

North West
New Court
Regents Place
Regent Road
Salford
Manchester M5 4HB
T 0161 877 9535
F 0161 877 6871

Western
Millennium Gate
Gifford Court
Fox Den Road
Stoke Gifford
Bristol BS34 8TT
T 0117 944 8803
F 0117 944 8855

London and South East
24 Chiswell Street
London EC1Y 4TY
T 020 7374 3668
F 020 7374 3601

BAM Design
Centrium
Griffiths Way
St Albans
Hertfordshire AL1 2RD
T 01727 894 200
F 01727 818 852

BAM FM Limited
Kelvin House
Buchanan Gate Business Park
Stepps
Glasgow G33 6FB
T 0141 779 8888
F 0141 779 8889

Breakspear Park
Breakspear Way
Hemel Hempstead
Hertfordshire HP2 4FL
T 01442 238 300
F 01442 238 301

BAM Construction Limited – Plant
Rixon Road
Wellingborough
Northamptonshire NN8 4BB
T 01933 232 000
F 01933 232 009

North East
Quarry Lane
Woodkirk
Dewsbury
West Yorkshire WF12 7JG
T 01132 538 071
F 01132 527 709

7200/12/12

Registered office
Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire HP2 4FL

T 01442 238 300
F 01442 238 301

Registered number
3283033

www.bam.co.uk

7200/12/12