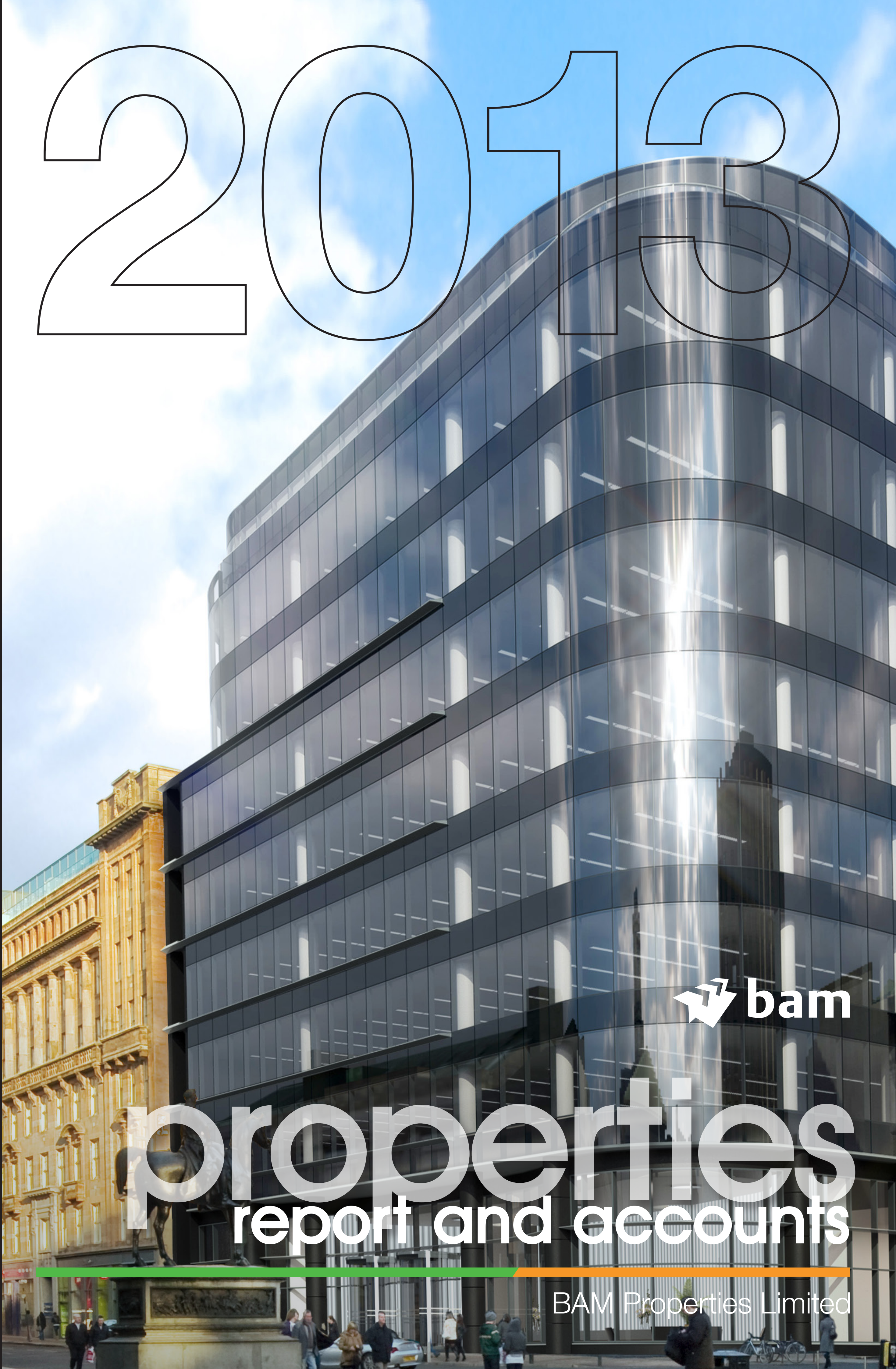
2013



bam

properties
report and accounts

BAM Properties Limited

BAM Properties Limited Report and Accounts 2013

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Registered number
3283033

Directors' report

The directors present their annual report and accounts for the group and company for the year ended 31 December 2013. The company's registered number is 3283033.

Group results and dividends

The loss of the group for the year is set out in the profit and loss account on page 7.

The directors are unable to recommend the payment of a dividend in respect of the year (2012: £nil).

Principal activities

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.

Future developments

In the early stages of recovery for the property sector and the general economy as a whole, the group benefits from its ability to take a longer term view. Sales will be made at the time of the group's choosing when the market fairly values the investment created. Where the directors believe the investment market still 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 and investment in new development sites. The group shall also seek ways of advancing sites held for future development. The group is well placed to take advantage of well priced acquisition opportunities when they appear.

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 outcome for both tenants and investors.

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 2013 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 placing 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.

Directors' report (continued)

Financial risk management (continued)

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 opportunites 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.

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 company's auditor, 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
28 April 2014

Strategic report

Review of the business

	2013	2012
	£'000	£'000
(Loss) / profit before taxation	**(7,818)**	1,031
(Loss) / profit after taxation	**(6,004)**	771
(Loss) / profit before taxation %	**(67.7)%**	2.2%

Through 2013 the group saw increased activity in the market as the first indications of a general economic recovery began to emerge. Corporate sentiment has improved and both tenants and investors are making decisions that were previously deferred.

This translated into a number of transactions for the group in the year. The remaining building at the Aztec West, Bristol development was let to Nvidia Corporation in the Spring and later sold to Threadneedle. Building A2 at Glory Park, High Wycombe was sold in December 2013 to F&C. Lettings were achieved at a number of other developments. The ground floor of Building 2 at the Fore development in Solihull, West Midlands was let to BAM Construct UK Limited, providing new premises for the BAM Construction Midlands business and Washington House at Lydiard Fields, Phase 2 development in Swindon was let in its entirety to Openwork Holdings Limited. Subsequent to the year end the Washington House property was sold to MS Washington Limited. In addition, the Halifax let the ground floor in the Princes Street, Edinburgh development to provide a flagship branch reintroducing the brand to Scotland.

Construction on the prime office and retail development at CONNECT110NS, Queen Street, Glasgow continued through the year. The first pre let was secured to Brodies, Scotland's largest firm of solicitors.

With the property market showing signs of improvement in 2013, albeit with 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 group has a cautiously optimistic outlook for the property market looking forward to 2014 and beyond. The UK appears to be in the early stages of economic recovery and in the Euro-zone, while economic growth remains weak, the worst of the financial crisis seems to have passed. Some of the main banks have a returning appetite for investment property although lending for new development remains very limited.

The group takes confidence however from the underlying quality of its portfolio of projects and continues to build for the future through a programme of lettings, sales and recommencement of development. Securing lettings and sales will remain a focus in 2014 but so will targeting site acquisitions to provide the profitable projects of the future.

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 and High Wycombe.

At the year end 15,350 sqm of current property developments were being undertaken by the group. Sales in the year totalled 4,275 sqm and property included in WIP where construction was completed at the year end totalled 22,707 sqm.

Principal risks and uncertainties

Competitive risks

The group is exposed to typical commercial risks experienced by commercial organisations operating within the same competive 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.

By order of the Board.

D Peters
Secretary
28 April 2014

Statement of directors' responsibilities in respect of the accounts

The directors are responsible for preparing the Annual 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 auditor's 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 2013 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 5, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 and of the group's loss 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 and the Strategic 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
29 April 2014

Group profit and loss account

For the year ended 31 December	Notes	2013 £000	2012 £000
Turnover			
Turnover - group and share of joint venture's turnover		**14,878**	47,778
Less: share of joint venture's turnover		**(3,326)**	–
Group turnover		**11,552**	47,778
Cost of sales		**(16,889)**	(43,106)
Gross (loss) / profit		**(5,337)**	4,672
Operating and other administrative expenses		**(1,734)**	(2,229)
Other operating income		**1,095**	847
Group operating (loss) / profit	3	**(5,976)**	3,290
Share of operating loss in joint venture		**(7)**	–
Share of operating loss of associated undertaking		**(2)**	–
Total operating (loss) / profit: group and share of joint venture and associate		**(5,985)**	3,290
Interest receivable	5	**96**	139
Interest payable	6	**(1,929)**	(2,398)
(Loss) / profit on ordinary activities before taxation		**(7,818)**	1,031
Taxation	7	**1,814**	(260)
(Loss) / profit for the financial year		**(6,004)**	771

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

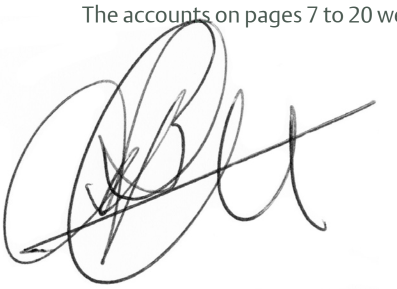
Group statement of total recognised gains and losses

For the year ended 31 December	2013 £000	2012 £000
(Loss) / profit for the financial year excluding share of losses of joint venture and associate	**(5,997)**	771
Share of joint venture's loss for the year	**(6)**	–
Share of associate's loss for the year	**(1)**	–
(Loss) / profit for the financial year attributable to members of the parent company	**(6,004)**	771
Total recognised (losses) / gains relating to the year	**(6,004)**	771

Group balance sheet

At 31 December	Notes	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Investment in joint venture					
- share of gross assets		**879**		-	
- share of gross liabilities		**(885)**		-	
	8	**(6)**		-	
Investment in associated undertaking	8	**3**		4	
			(3)		4
Current assets					
Land and property developments		**101,480**		111,774	
Debtors	9	**4,139**		1,967	
Cash at bank and in hand		**1,292**		8,501	
		106,911		122,242	
Creditors: amounts falling due within one year	10	**(68,169)**		(83,071)	
Net current assets			**38,742**		39,171
Total assets less current liabilities			**38,739**		39,175
Creditors: amounts falling due after more than one year					
Non-recourse banks loans	10, 11	**(21,552)**		(15,984)	
			(21,552)		(15,984)
Net assets			**17,187**		23,191
Capital and reserves					
Share capital	12		**30,000**		30,000
Profit and loss account	13		**(12,813)**		(6,809)
Equity shareholder's funds	13		**17,187**		23,191

The accounts on pages 7 to 20 were approved by the Board of Directors on 28 April 2014 and signed on its behalf by:



J R Burke
Director

Company balance sheet

At 31 December	Notes	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Investment in subsidiaries	8		**–**		–
Current assets					
Land and developments		**26,126**		31,073	
Debtors	9	**58,057**		50,469	
		84,183		81,542	
Creditors: amounts falling due within one year	10	**(62,269)**		(61,473)	
Net current assets			**21,914**		20,069
Total assets less current liabilities			**21,914**		20,069
Creditors: amounts falling due after more than one year	10		**(8,447)**		–
Net assets			**13,467**		20,069
Capital and reserves					
Share capital	12		**30,000**		30,000
Profit and loss account	13		**(16,533)**		(9,931)
Equity shareholder's funds	13		**13,467**		20,069

The accounts on pages 7 to 20 were approved by the Board of Directors on 28 April 2014 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 and Strategic 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.

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.

Notes to the accounts

1. Accounting policies (continued)

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 £4,551,205 (2012: £4,459,869).

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.

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.

Notes to the accounts

1. Accounting policies (continued)

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.

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.

Notes to the accounts

3. Operating (loss) / profit

This is stated after crediting

	2013 £000	2012 £000
Rental income	**(850)**	(847)
Other income	**(245)**	–
	(1,095)	(847)

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.

	2013 £000	2012 £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	**77**	70
Total	**98**	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.

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

	2013 £000	2012 £000
Bank and other interest	**96**	139

Notes to the accounts

6. Interest payable

	2013 £000	2012 £000
Bank and other interest	**1,997**	2,303
Group undertakings	**12**	–
Amortisation of issue costs	**182**	208
	2,191	2,511
Interest capitalised	**(226)**	(113)
Capitalisation of issue costs amortised	**(36)**	–
	(262)	(113)
Interest payable	**1,929**	2,398

The cumulative amount of interest capitalised in the land and developments at the balance sheet date is £4,551,205 (2012: £4,459,869).

7. Taxation

	2013 £000	2012 £000
a) Tax (credit) / charge on (loss) / profit on ordinary activities		
Current tax		
(Group relief) / UK Corporation tax	**(1,833)**	254
Share of joint venture	**(1)**	-
	(1,834)	254
Adjustment in respect of earlier years:		
Group	**4**	–
Total current tax (credit) / charge	**(1,830)**	254
Deferred tax charge	**16**	6
(Relief) / tax on (loss) / profit	**(1,814)**	260

Losses are being group relieved at the current corporation tax rate.

Notes to the accounts

7. Taxation (continued)

b) Factors affecting current tax (credit) / charge

The tax assessed on the (loss) / profit on ordinary activities for the year is lower (2012: higher) than the rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are reconciled below:

	2013	2012
	£000	£000
(Loss) / profit on ordinary activities before tax	**(7,818)**	1,031
(Loss) / profit on ordinary activities multiplied by the rate of		
UK corporation tax of 23.25% (2012: 24.5%)	**(1,818)**	253
Expenses not deductible for tax purposes	**–**	7
Adjustment in respect of earlier years	**4**	–
Movement in short term timing differences	**(16)**	(6)
	(1,830)	254

c) Factors affecting the future tax charge

The UK corporation tax rate reduced to 23% from April 2013. The rate will reduce to 21% from April 2014 and 20% from April 2015. As at the balance sheet date, both these future tax reductions had been substantively enacted and hence in accordance with accounting standards the impact has been reflected in the group's accounts as at 31 December 2013. The rate changes will impact the amount of future tax payments to be made by the group.

d) Deferred tax

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

	2013	2012
	£000	£000
Short term timing differences (note 9)	**3**	19
The movements in deferred taxation during the current and previous years are as follows:		
At 1 January	**19**	25
Arising during the year	**(16)**	(6)
At 31 December	**3**	19

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.

Notes to the accounts

8. Investments

Group

Investments in associated undertaking and joint venture:

	Joint venture £000	Associated undertaking £000	**Total £000**
At 1 January 2013	–	4	**4**
Share of retained loss	(6)	(1)	**(7)**
At 31 December 2013	(6)	3	**(3)**

Principal subsidiary undertakings, associated undertakings and joint ventures

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

Joint ventures

BAM Connislow Limited (50%) *	Property development

***registered in Scotland**

Notes to the accounts

9. Debtors

	Group 2013 £000	Company 2013 £000	Group 2012 £000	Company 2012 £000
Amounts due from subsidiary undertakings	–	55,892	–	48,678
Amounts owed by joint ventures	623	623	–	–
Other debtors	1,615	1,006	1,697	882
Value added tax	–	–	206	7
Deferred tax	3	3	19	19
Group relief receivable	1,833	533	–	883
Prepayments	65	–	45	–
	4,139	58,057	1,967	50,469

10. Creditors

	Group 2013 £000	Company 2013 £000	Group 2012 £000	Company 2012 £000
Due within one year				
Non-recourse bank loan (note 11)	7,879	–	32,872	9,242
Bank overdraft	48,279	48,279	47,220	47,220
Amounts due to immediate parent undertaking	10,146	10,146	95	95
Amounts due to fellow subsidiary undertakings	283	-	291	-
Amounts due to subsidiary undertakings	-	2,636	-	3,635
Corporation tax	–	–	254	–
Other creditors	1,122	945	1,705	893
Accruals and deferred income	444	228	634	388
Value added tax	16	35	–	–
	68,169	62,269	83,071	61,473

	Group 2013 £000	Company 2013 £000	Group 2012 £000	Company 2012 £000
Due after more than one year				
Non-recourse bank loans (note 11)	21,552	8,447	15,984	–
	21,552	8,447	15,984	–

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

	2013 £000	2012 £000
Amounts falling due within 1 year		
Bank loan	**7,887**	32,940
Less: unamortised issue costs	**(8)**	(68)
	7,879	32,872

As at 31 December 2013, the loan repayable in 2014, which was advanced by the Bank of Scotland was raised for and secured against a property development in High Wycombe. This loan was due for repayment on 28 February 2014. The facility has been extended to 30 June 2014. As part of the agreement to extend a further £888,000 of the loan was repaid on 28 February 2014.

As at 31 December 2012, the loans repayable within 1 year, which were advanced by Clydesdale Bank and the Bank of Scotland were raised for and secured against property developments in Edinburgh, Manchester and Solihull. The loan for the Edinburgh development was repaid in September 2013. The loans for the Manchester and Solihull properties were refinanced in July 2013 and now have a repayment date of June 2016. Partial repayment of these loans occurred as part of the refinancing.

Amounts falling due after more than one year		
Bank loan	**21,817**	16,238
Less: unamortised issue costs	**(265)**	(254)
	21,552	15,984

Bank loans repayable between 1 & 2 years	**–**	12,862
Bank loans repayable between 2 & 5 years	**21,552**	3,122
	21,552	15,984

As at 31 December 2013, the loans which are repayable between 2 and 5 years, were advanced by the Bank of Scotland and Amber SPRUCE LLP, and were raised for and secured against property developments in Manchester, Solihull and Glasgow.

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

Notes to the accounts

11. Non-recourse bank loans (continued)

Company

	2013 £000	2012 £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 was refinanced post year end and now has a repayment date of 16 June 2016.

	2013 £000	2012 £000
Amounts falling due after more than one year		
Bank Loan	**8,500**	–
Less: unamortised issue costs	**(53)**	–
	8,447	–

As at 31 December 2013 the loan advanced by the Bank of Scotland, was raised for and secured against a property development in Manchester. The loan is repayable between 2 and 5 years.

12. Called up share capital

	2013 £000	2012 £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 2012	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**
Loss attributable to shareholder	–	(6,004)	**(6,004)**
Shareholder's funds at 31 December 2013	30,000	(12,813)	**17,187**

Company	Share capital £000	Profit and loss account £000	Total £000
Shareholder's funds at 1 January 2012	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**
Loss attributable to shareholder	–	(6,602)	**(6,602)**
Shareholder's funds at 31 December 2013	30,000	(16,533)	**13,467**

The loss attributable to the members of the parent undertaking is £6,602,000 (2012: loss of £876,000).

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 2013 there were overdraft balances in a number of group companies in the cash pooling facility amounting to £48.3 million (2012: £47.2 million). The net overdraft position in the cash pooling facility as at 31 December 2013 was £nil (2012: £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.

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Here you will find downloadable PDFs of:

- BAM Construct UK Limited Report and Accounts
- BAM Construction Limited Report and Accounts
- BAM Properties Limited Report and Accounts

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