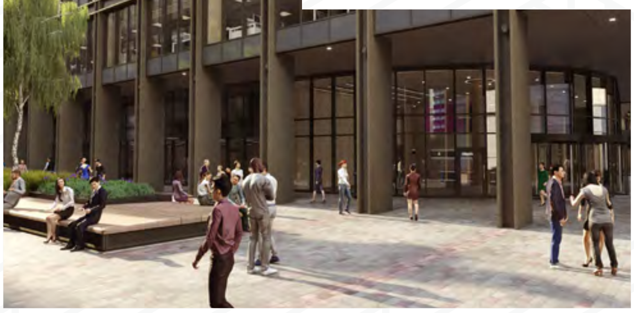
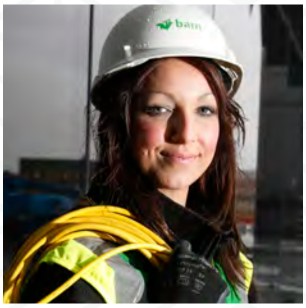
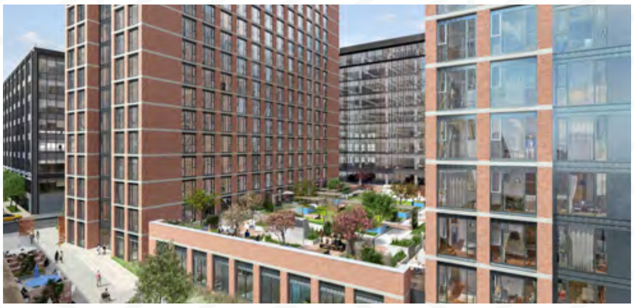
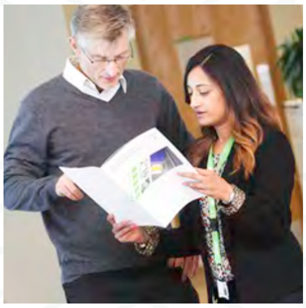




BAM Properties Limited

Annual Report and Accounts 2019



www.bam.co.uk

bam

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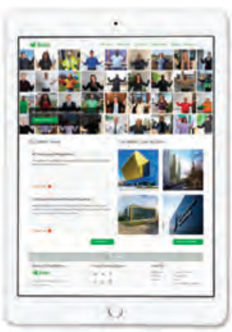
An overview of our 2019 performance, our future direction, and a review of the businesses underpinning our strategy.



Registered number
3283033

Visit our website at:
www.bam.co.uk

BAM TCP Atlantic Square Ltd is speculatively developing Building 2 which comprises 96,650 sq. ft. of high-quality office space and which will be complete and ready for occupation in 2021.

BAM Properties is the commercial property business of BAM in the UK and is a 100% subsidiary of BAM Construct UK.

BAM Construct UK operates throughout England, Scotland and Wales and engages in property development, design, services engineering, construction and facilities management services. We have 15 offices around the country to enable us to offer an integrated service that operates close to local markets and our customers.

BAM strives to be an ethical business and to follow four core values in the way we do business:

Predictable performance
We deliver what we promise on time and on budget

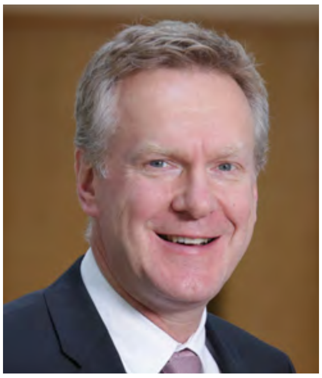
Scalable learning
We ask, listen and learn, and transfer our learning from project to project and team to team

Proactive ownership
We take the initiative to prevent problems and deliver quality

Open collaboration
We share knowledge with our clients and partners so that everyone gains

We contribute to BAM Construct UK's goal of being a high-performing, collaborative design, construction, property and FM services provider, by partnering with our clients and supply chain and forging strong, strategic alliances that create value and win repeat business.

The board of BAM Construct UK.



I can only pay tribute to the commitment and adaptability of our people.

Dougie Peters
Managing Director, BAM Properties

The directors present their strategic report for the year ended 31 December 2019, which reports on BAM Properties strategy and financial results, the progress of its operating companies and performance on sustainability.

Group strategic report
During 2019 the Group continued in the development phase of its current projects which will generate profits in the coming years.

Construction continued on site at the Atlantic Square site in Glasgow which comprises c294,000 sq ft of office development. This project is in joint venture with Taylor Clark. The site will provide the Government Property Agency's Glasgow Hub with HMRC having pre-let Building 1 of c187,000 sq ft. Building 1 has been forward sold to Legal & General. The joint venture is speculatively developing Building 2 of c97,000 sq ft into a Glasgow city centre market that continues to have a limited supply of new Grade A office accommodation. Completion is now anticipated in Q2 2021 following some Covid related construction delays.

In conjunction with Hermes, development of c122,000 sq ft of prime Grade A offices continued at Capital Square in Edinburgh. The office building is 56% let and due for completion in Q1 2021, again following some Covid related delays. In common with Glasgow, there is a constrained supply of new Grade A offices in Edinburgh city centre.

Planning consent was secured in 2019 for a significant Private Rental Sector (PRS) residential development of 463 apartments on part of the site at Latitude, Leeds. This has become an accepted asset class for institutional investment and is a resilient sector within the UK property market. The Group is keen to acquire further opportunities in this sector which is forecast to grow significantly over coming years.

The final site at the Lydiard Fields development in Swindon was sold in early 2019.

The Group is actively seeking further new development opportunities with high quality, sustainable development sites being sought where the Group can leverage its wide base of skills and services.

At the end of the year the Group had office, retail and residential projects where development is ongoing in Edinburgh, Glasgow, Leeds and High Wycombe.

At the year end 11,380 sq m of property developments were being undertaken by the Group.

COVID 19 Pandemic
The COVID-19 pandemic has fundamentally impacted the UK economy and our industry. The Directors have been monitoring the situation closely since early 2020. From March 2020, the Directors introduced increased operational reporting and review across all sites to ensure high visibility of the potential impact on productivity and delivery to our stakeholders that may result from COVID-19. In addition, the Directors have ensured that the Company complies with all Government guidelines in order to operate in a safe manner on all sites. The directors have also focused on cash management and collaboration with suppliers, customers and all our stakeholders to achieve as much efficiency as possible.

Events since the balance sheet date
There were no material adjusting events up to the date that the financial statements were formally approved by the Directors. On the 23 March 2020 the Government in the UK announced a national lockdown in response to the COVID-19 pandemic The Directors have considered the impact of COVID-19 on the future operating performance of the company and the uncertainties that it has created.

The Directors consider COVID-19 to be a non-adjusting post balance sheet event under IAS 10 and hence does not have an impact on the balances recorded on the balance sheet date.

Principal risks and uncertainties

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.

Liquidity Risk

Liquidity risk and cash flow risk are actively managed through the preparation and monitoring of plans, budgets and quarterly forecasts.

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

COVID-19 Risk

COVID-19 has introduced increased risk to all areas of the Company in 2020. We have responded to the challenges created by COVID-19 by enhancing our collaborative relationships with our stakeholders so to mitigate the impact on delivery and financial performance.

Brexit Risk

Following the passing of the Withdrawal Act the UK's economy is very volatile. While the impact of Brexit is still unclear, BAM Properties has a flexible operating model that is able to accommodate change. We maintain positive close relationships with key contractors and suppliers to ensure BAM Properties remains a developer of choice.

Corporate Governance Statement

All employees of the Company are employed by the parent entity therefore the sections below regarding the corporate governance code are stated from the perspective of the BAM Construct UK Group of which the Company is a part.

The BAM Group

BAM Construct UK Limited ("BAM Construct UK") is a member of the BAM group of companies which is headed by Royal BAM Group N.V. ("Royal BAM"), a Dutch listed company that is subject to the Dutch Corporate Governance Code (the "Dutch Code");

A copy of the Dutch Code which has been translated into English can be found here: www.bam.co.uk

Notable features of the Dutch Code are its focus on long term value creation; provisions on enhanced risk management; rules for effective management and supervision; the introduction of culture and conduct as part of corporate governance; simple rules for remuneration; and rules regarding the relationship with shareholders.

The Dutch Code is a well-established and robust code which is applied by all listed companies in the Netherlands. The purpose of the Dutch Code is to facilitate – with or in relation to other laws and regulations – a sound and transparent system of checks and balances.

Royal BAM applies the Dutch Code throughout the Royal BAM group, through a detailed set of standards, policies and procedures that comply with, and seek to apply, the relevant provisions of the Dutch Code.
These group standards, policies and procedures apply to BAM Construct UK.

Pursuant to the Dutch Code, Royal BAM has issued an extensive, detailed corporate governance statement which describes the governance of the group, including its subsidiaries (such as BAM Construct UK). A copy of the statement is available on the company's website.

The group corporate governance statement comprises a line-by-line overview indicating and describing the extent to which the group complies with the Dutch Code and the circumstances where the group departs from compliance, in the latter case together with an explanation for such departure. This includes BAM Construct UK.

Corporate Governance within BAM Construct UK

BAM Construct UK has therefore, for the purpose of Companies (Miscellaneous Reporting) Regulations 2018, formally adopted the Dutch Code.

In the opinion of the directors of BAM Construct UK, given that BAM Construct UK is a member of the Royal BAM Group and is subject to, and complies with, the standards, policies and procedures of the Royal BAM group, the adoption of the Dutch Code is in the best interests of BAM Construct UK, its shareholders and wider stakeholders.

Application of the Dutch Code by BAM Construct UK

As noted above, pursuant to the Dutch Code, Royal BAM has issued an extensive detailed corporate governance statement which describes the governance of the group, including its subsidiaries, which is available on the company's website.

By virtue of the fact that Royal BAM applies the Dutch Code throughout the group, its corporate governance statement also describes, generally, the corporate governance processes and procedures at BAM Construct UK, taking into account its position as a subsidiary of the group.

Certain parts of the Dutch Code apply to the group as a whole, including BAM Construct UK. These principles and provisions state that certain structures, policies and procedures must be in place to meet the Dutch Code's requirements provisions, for instance relating to the Dutch Code's concept of long-term value creation and culture, and to more operational matters such as risk management, compliance and whistle-blower procedures. Royal BAM has issued standards, policies and procedures including a code of conduct and statement of business principles (copies of which are available on the Royal BAM website) to ensure that all group companies throughout the group adhere to these elements of the Dutch Code. The board of BAM Construct UK operates within these group-wide standards, policies and procedures and is responsible for their application within BAM Construct UK.

In addition to following the group standards, policies and procedures of Royal BAM Group as described above, BAM Construct UK specifically applies the following elements of the Dutch Code as set out below:

1.1.1 Long term value creation strategy

We have a five year business strategy prepared based on past performance and future market expectation which is monitored annually through an operating plan which itself is monitored quarterly by measuring financial, health and safety and Environmental Social Governance) KPI's.

1.2 Risk management

Objectives are set as part of each five year business plan and each annual business plan. The risks and opportunities associated with those objectives are monitored via a risk review process which includes monitoring of the Operating Plan monthly and quarterly and the use of a risk register.

1.2.1

The risk appetite that underpins the strategy and activities of the company includes Stage Gate processes and lessons learnt.

1.2.2

Internal management and control systems are a function of the business process model referred to in a management manual.

1.2.3

There are various departments with oversight that monitor the operation of internal risk management covering all aspects of the business and report back on strengths and weaknesses in systems and, where necessary, improvements are implemented.

Risk management accountability

1.4

There are internal reviews, feedback and improvements on risk management supported by external bodies such as quality assurance and financial insurance.

1.4.2 & 1.4.3

All the above (in 1.4) are reported monthly and quarterly relative to the operating plan and five year business plan.

Effective management and supervision: Composition and size

2.1

The size, composition and available capabilities of the board are evaluated annually in order to assure they are able to carry out their duties properly. This has oversight of Group.

2.1.4

Board members have specific professional and educational qualifications and maintain their knowledge on an ongoing basis.

Decision making and functioning

2.4

The requirements of the Code are met by compliance with s172 of the Companies Act 2006.

2.4.1

Openness and accountability are stimulated across the company through various meetings at which Board members are present.

2.4.6

The size, composition and available capabilities of the board are evaluated annually in order to assure they are able to carry out their duties properly. This has oversight of Group.

2.4.7

We have monthly and quarterly reporting from operational divisions and support departments including quarterly team meetings.

Culture

2.5
S172 obligations are specifically evidenced through the five year business plan and the annual operating plan.

2.5.1
The adoption of values and incorporation and maintenance of those value is aligned with the Group strategy.

2.5.2
Local policy and procedure are introduced to support the Group Code of Conduct to be found here via gap analysis.

Misconduct and irregularities

2.6 & 2.6.1
We operate the procedure established by Group which is published on the Group's company homepage and on BAM Nuttall's intranet

Preventing conflicts of interest

2.7.1
Conflicts are managed through the Articles of Association and Code of Conduct as applicable.

2.7.6
By compliance with the Code of Conduct Board members are able to demonstrate that they can act fairly as between employees of the Company

One tier governance structure

5.1
The company acts with a one tier governance structure without the use of non-executive directors.

5.1.1
In the absence of non-executive directors independence is assured by the attendance of the company secretary, compliance officer and general counsel at board meetings. Monthly, quarterly and annual performance measures are reviewed by Group.

Departures from the Governance Code

The Dutch Code contains principles and provisions that are concerned with a listed parent company only: they relate for instance to matters relating to the parent company's external auditor and investor relations.

BAM Construct UK is a wholly owned subsidiary of Royal BAM Group with no external shareholders and as such there are elements of the Dutch Code that are not applicable: specifically the departures are for the following reasons

- The principles and provisions may not be applicable to the UK
- Section 2.5.3 is not applicable in the UK (requirement for a Works Council)
- The Company is not overseen by an audit committee or a supervisory board
- The Company doesn't have an executive committee
- The Company's directors don't have a maximum period of appointment
- The Company doesn't have an appointment committee
- The Company's Board members have no other board positions
- The Company doesn't have an external auditor or audit committee
- Royal BAM Group are the sole shareholder.
- Code of Conduct matters are addressed with the Royal BAM Group GRC Director
- The Company does not have any shares available to be bought and sold on the open market
- Royal BAM Group decide the remuneration policy
- The Company does not have an AGM
- The Company's chief executive chairs meetings and independence is assured via the presence of the company secretary, compliance officer and general counsel at board meetings
- The Company does not have committees as referred to in best practice 2.3.2
- The Company does not have non-executive directors

On behalf of the Board.

DocuSigned by:
Dougie Peters
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Dougie Peters
Managing Director
18 December 2020

Directors' report

The Directors present their annual report and accounts for the year ended 31 December 2019.

The company's registered number is 3283033.

S172 Statement
This Directors' Report and the Strategic Report confirm compliance with the obligations set out in section 172(1) of the Companies Act 2006.

Disabled employees
BAM is an equal opportunities employer and while applicants are asked to describe their gender, ethnicity and whether they consider they have a disability; this information is not shared with colleagues who recruit and assess applicants' aptitudes and suitability for a given role.

Currently less than 1% of BAM Construct UK employees describe themselves as having a disability.

BAM has income continuity policies for people who develop long-term illness and programmes for rehabilitation and assisting people to resume work. This includes making appropriate adjustments to equipment, working hours and tasks, to enable people who develop a disability to continue with their careers. There are no specific programmes for training, career development and promotion opportunities for employees with disabilities. All employees have access to support and training to develop their careers and suitability for promotion. Our personal development review process facilitates conversations about career development between employees and their line manager.

In 2015 the company developed a vision that by 2020 BAM would be a consciously unbiased employer and set up a working party that met regularly throughout 2019 to review progress on improving diversity and inclusion in BAM.

Employee involvement
BAM engages with employees through a number of channels and activities to ensure that they are aware and consulted about developments in the company including its financial performance. This is achieved via a staff intranet, discussion forums, surveys and face-to-face communication by the Board through an annual series of roadshows around the country.

There is an annual discretionary staff bonus to reward staff for the achievement of company targets.

Group results and dividends
The profit of the group for the year is set out in the income statement on page 16.

The directors are unable to recommend the payment of a dividend in respect of the year (2018: £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
We will be applying a conservative approach to 2020 and beyond due to the COVID-19 pandemic. The directors are also monitoring the changing UK political landscape resulting from uncertainty of the UK's exit from the EU at the end of 2020. Our industry remains in an uncertain position as the future impact of Brexit on issues such as access to labour and tariffs currently remain unresolved. The directors have put various measures in place to deal with various scenarios that may arise.

The focus will be on identifying and investing in new development sites together with seeking ways of securing development on existing sites through alternative uses where appropriate. Sectors away from the group's traditional markets will be examined for development potential. The group is well placed to secure 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.

Directors
The following served as directors during the year ended 31 December 2019 and subsequent to that date:

- D Peters
- J Wimpenny

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.

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 credit markets for funding future property developments.

The group is well placed to take advantage of new development opportunities and to bring properties under development to the market at an appropriate point in the future when investment market conditions suit. 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.

Consideration of Going Concern
The financial statements have been prepared on a going concern basis which assumes that the Group will continue in operational existence for the foreseeable future and meet its liabilities as they fall due.

The Group has net current assets of £23.076m and net assets of £28.66m The Group meets its day to day working capital requirements through the cash held at year end, and through the inter-company pooling arrangement, for which the Group has unrestricted access to its cash held in the cash pooling facilities. The Group does not have any bank debt or other external borrowings or facilities.

The Directors have considered the impact of the COVID-19 crisis on the Group's business operations and future prospects. The Group's operations have remained opened under UK Government guidelines, and specific measures have been implemented to ensure adequate protection for our people in order to maintain safe operational activity. Since the pandemic was declared by the World Health Organization on 11 March 2020, the productivity of the Group has been in excess of the initial expectations of the Directors. Construction activity was initially paused across all sites within the Group from 26 March to 30 March to enable detailed reviews of the working practices necessary to reduce the risks of Covid-19, however all sites reopened, and the majority of sites have remained open since.

The Group's financial forecasts for the period ending 31 December 2021, taking into consideration the current environment, show that the Group is expected to maintain positive cash flows, after considering plausible downside scenarios modelling reduced productivity and increased costs across the Group. The Directors have received confirmation from the Group's ultimate parent entity, Royal BAM Group BV, that the Group will be provided financial support for a period of at least 12 months from the date of approval of the Group's financial statements.

In view of the circumstances referred to above, the directors are satisfied that sufficient financial resources will be generated by Group or received from its ultimate parent entity, Royal BAM Group BV, for the foreseeable future. Accordingly, the directors of the Group believe that it is appropriate to adopt the going concern basis in preparing the financial statements.

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.

On behalf of the Board.

DocuSigned by:
Dougie Peters
C3B0FB11070B4CE...

Dougie Peters
Managing Director
18 December 2020

Capital Square is Edinburgh's largest speculative office development which will provide 122,000 sq ft of prime space in the heart of the business district.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and applicable law. Under company law the directors must not approve the financial statements 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 financial statements, 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 IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements 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 financial statements 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

Opinion
We have audited the financial statements of BAM Properties Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Group statement of comprehensive income, Group and Parent company statement of financial position, Group statement of changes in equity, Group statement of cash flows and the related Notes 1 to 18, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 December 2019 and of the group's loss for the year for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – effects of COVID-19
We draw attention to note 18 of the group financial statements, which describes the potential operational disruption, resulting from the temporary closure of certain sites so new working practices could be implemented as a result of COVID-19. Our opinion is not modified in respect of this matter

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors’ report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors’ report.

We have nothing to report in respect of the following matters in relation to which 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 financial statements 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.

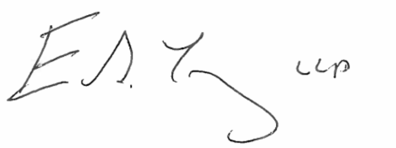
Responsibilities of directors
As explained more fully in the directors’ responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group’s and the parent company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report
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 auditor’s 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.



David Wilson (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor, London

Group statement of comprehensive income

For the year ended 31 December 2019	Notes	2019 £000	2018 £000
Turnover	3	**1,500**	–
Cost of sales		**(1,209)**	(189)
Gross profit / (loss)		**203**	(189)
Reversal / (Impairment) of impairment on amounts due from group undertakings		**–**	(212)
Administrative expenses	4	**(2,393)**	(2,076)
Other operating income	5	**24**	387
Group operating loss		**(2,078)**	(2,090)
Share of operating profit in joint venture		**932**	3,073
Total operating (loss) / profit: group and share of joint venture		**(1,146)**	983
Interest income		**241**	365
Interest expense	7	**(194)**	(223)
(Loss) / profit on ordinary activities before taxation		**(1,099)**	1,125
Taxation	8	**390**	357
(Loss) / profit or the financial year		**(709)**	1,482
Other comprehensive income		**–**	–
Total comprehensive (expense) / income for the year		**(709)**	1,482

All items in the income statement relate to continuing operations.

Registered number
3283033

Group and Parent company statement of financial position

At 31 December 2019	Notes	Group 2019 £000	Company 2019 £000	Group 2018 £000	Company 2018 £000
Assets					
Retention		**399**	**–**	399	–
Investment in subsidiaries	9	**–**	**–**	–	–
Investment in joint ventures	9	**5,181**	**5,181**	4,249	4,249
Total non-current assets		**5,580**	**5,181**	4,648	4,249
Current assets					
Inventories - land and property developments	10	**66,074**	**37,143**	44,309	14,805
Amounts due from subsidiary undertakings	11	**–**	**28,124**	–	28,776
Amounts due from joint ventures	17	**6,765**	**6,765**	4,580	4,580
Retentions		**–**	**–**	–	–
Trade and other receivables	11	**1,578**	**1,539**	1,799	1,758
Current tax receivable		**390**	**405**	373	314
Prepayments and accrued income		**1**	**–**	1	–
Cash at bank and in hand		**778**	**684**	1,109	920
Total current assets		**75,586**	**74,660**	52,171	51,153
Total assets		**81,166**	**79,841**	56,819	55,402
Current liabilities:					
Amounts owed to parent	12	**47,628**	**47,687**	24,500	24,500
Amounts owed to group undertakings	12	**4,640**	**7,657**	2,265	5,328
Trade creditors and other payables	12	**–**	**–**	446	446
Accruals	12	**242**	**161**	243	110
Total current liabilities		**52,510**	**55,505**	27,454	30,384
Total liabilities		**52,510**	**55,505**	27,454	30,384
Capital and reserves					
Share capital	14	**30,000**	**30,000**	30,000	30,000
Profit and loss account		**(1,344)**	**(5,664)**	(635)	(4,982)
Total equity		**28,656**	**24,336**	29,365	25,018
Total equity and liabilities		**81,166**	**79,841**	56,819	55,402

The accounts on pages 16 to 31 were approved by the Board of Directors on 18 December 2020 and signed on its behalf by:

DocuSigned by:
Dougie Peters
C3B0FB11070B4CE...

Dougie Peters
Managing Director

Group statement of changes in equity

For the year ended 31 December 2019	Share capital £000	Profit and loss account £000	Total £000
Shareholder's funds at 1 January 2018	30,000	(2,117)	**27,883**
Total comprehensive income	–	1,482	**1,482**
Shareholder's funds at 31 December 2018	30,000	(635)	**29,365**
Total comprehensive income	–	(709)	**(709)**
Shareholder's funds at 31 December 2019	30,000	(1,344)	**28,656**

Group statement of cash flows

Cash flows from operating activities	2019 £000	2018 £000
Profit / (loss) before tax	**(1,099)**	1,125
Working capital adjustments		
(Increase)/ decrease in trade and other receivables	**(1,964)**	(5,638)
(Increase)/ decrease in prepayments and accrued income	–	–
(Increase)/ decrease in inventories	**(21,765)**	(10,257)
Increase / decrease in trade and other payables and accruals	**(447)**	6
Increase / (decrease) in other liabilities	**25,876**	19,228
(Increase)/ decrease in investment in joint ventures	**(932)**	(4,249)
Income taxes received	–	357
Cash flow from operations	**(331)**	572
Interest paid	**–**	–
Income tax paid	**–**	–
Net cash flow from ordinary activities	**(331)**	572
Net cash flow from operating activities	**(331)**	572
Net cash flow from investing activities	**–**	–
Repayments of borrowings	**–**	–
Net cash flow from financing activities	**–**	–
Change in cash and cash equivalents	**(331)**	572
Cash and cash equivalents at beginning of year	**1,109**	537
Net cash and cash equivalents at end of the year	**778**	1,109

Notes to the financial statements

1. Authorisation of financial statements and statement of compliance with IFRS

These consolidated financial statements comprise BAM Properties Limited and its subsidiaries (the 'Group') for the year ended 31 December 2019. The Group and Company financial statements were approved by the board of directors on 18 December 2020 and the balance sheet was signed on the board's behalf by Dougie Peters. BAM Properties Limited is incorporated and domiciled in England and Wales.

The Group is primarily involved in the development of commercial properties and the provision of construction services. These consolidated financial statements were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the Companies Act 2006.

These consolidated financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The consolidated results of the BAM Properties Limited are also included in the consolidated financial statements of BAM Construct UK Limited Group which are available from Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4FL.

The principal accounting policies adopted by the Group are set out in Note 2.

2. Accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

The Directors have taken advantage of the exemption under section 408 of the Companies Acts 2006 not to present the company's individual statement of comprehensive income. The company only loss for the year is £682,000 (2018: profit £1,506,000).

2.2 Judgement and key sources of estimate uncertainty

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below.

Inventories: Land and property developments

Trading properties are carried at the lower of cost and net realisable value.

The estimation of the net realisable value of the Group's trading properties, especially the development land, is inherently subjective due to a number of factors, including their complexity, unusually large size, the substantial expenditure required and long timescales to completion. In addition, as a result of these timescales to completion, the plans associated with these programmes could be subject to significant variation. As a result, the net realisable values of the Group's trading properties are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate.

If the assumptions upon which the directors have based their valuation prove to be false, this may have an impact on the net realisable value of the Group's properties, which would in turn have an effect on the Group's financial condition.

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2. Accounting policies (continued)

2.2 Judgement and key sources of estimate uncertainty (continued)

Trade and other receivables

The Group is required to judge when there is sufficient objective evidence to require the impairment of individual trade receivables. It does this on the basis of the age of the relevant receivables, external evidence of the credit status of the counterparty and the status of any disputed amounts.

The principal accounting policies are set out below. They were applied in preparing the financial statements for the years ended 31 December 2019 and 2018.

2.3 Changes in accounting policy and disclosures

New and amended standards and interpretations

IFRS 9, 'Prepayment Features with Negative Compensation'

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendment to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments do not have a material impact on the financial statements of the Group.

IFRS 16, 'Leases'

IFRS 16, 'Leases' was issued by the IASB on 13 January 2016 and replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Lease Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of Lease'.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. Under existing rules, lessees generally account for lease transactions either off-balance if the lease is classified as operating lease or on balance if the lease is classified as finance lease. IFRS 16 requires lessees to recognise nearly all leases on balance which will reflect their right to use an asset for a period of time and the associated liability to pay rentals. The lessee will recognise a liability reflecting the lease payments ('lease liability') and an asset reflecting the right to use the underlying asset during the lease term ('right-of-use asset'). Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessees also need to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessors continue to classify leases as operating or finance, making IFRS 16 approach to lessor accounting, substantially unchanged from its predecessor, IAS 17.

Transition method

This standard applies to annual reporting periods beginning on or after 1 January 2019, with early adoption permitted. Transition options to apply are either a full retrospective approach or a modified retrospective approach. The Group decided to implement this standard on the required date using the modified retrospective approach option 2. This means that the right-of-use-asset will be equal to the lease liability.

IFRS 16 Impact

IFRS16 "leases" is effective from 1 January 2019. IFRS16 has been implemented on a modified retrospective basis and has not resulted in any adjustments.

'Annual Improvements to IFRSs - 2015-2017 Cycle'

The Group has applied the amendments for the first time for their annual reporting period commencing 1 January 2019 in connection with the 'Annual Improvements to IFRSs 2015-2017 Cycle'. The adoption of these amendments did not have a material impact on the current period or any prior period and is not likely to affect future periods.

2. Accounting policies (continued)

2.3 Changes in accounting policy and disclosures (continued)

New and amended standards and interpretations

IFRIC 23, 'Uncertainty over Income Tax Treatment'

Furthermore, the IFRIC 23 interpretation on 'Uncertainty over Income Tax Treatment' was issued. The Group determined, based on its tax compliance and transfer pricing policy study, that it is probable that its tax treatments (including those for its subsidiaries) will be accepted by the taxation authorities. The interpretation did not have a material impact on the consolidated financial statements of the Group.

There are no other IFRSs or IFRIC amendments effective as per 1 January 2019 that have a material impact on the Group.

New standards and interpretations in issue but not yet effective.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020 and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group, except for the following set out below:

IFRS 3, 'Business combinations – Definition of a business'

The narrow-scope amendments clarify how to determine whether an acquired set of activities and assets is a business or not.

The amendments clarify the minimum requirements for a business; remove the assessment of whether market participants are capable of replacing any missing elements; add guidance to help entities assess whether an acquired process is substantive; narrow the definitions of a business and of outputs; and introduce an optional fair value concentration test.

The Group is required to apply the amended definition of a business to acquisitions that occur on or after 1 January 2020. Earlier application is permitted. These amendments will apply only to any future business combinations of the Group. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.4 Revenue recognition

The IFRS 15 Revenue from Contracts with Customers mainly concerns how revenue from contracts with customers, excluding leases, is to be reported and how payment from customers is to be measured. If a customer contract contains more than one performance obligation, the price for each performance obligation is to be determined and the revenue recognised when the obligation has been satisfied, either over time or at a point in time.

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Completed inventory property sales proceeds

The sale of completed property constitutes a single performance obligation and the Group has determined that this is satisfied at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied.

Other operating income

Short term car parking income and management fee income constitute a single performance obligation and the Group has determined that this is satisfied at the point in time when the service is performed.

Finance income

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

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3. Turnover

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

Turnover recognised in the income statement is analysed as follows:

	2019 £000	2018 £000
Sale of development	**1,500**	-

4. Administrative expenses

Administration expenses include the following amounts in relation to auditor's remuneration

	2019 £000	2018 £000
Fees payable to the company's auditor for the audit of the company's annual accounts	**25**	25
The audit of the company's subsidiaries pursuant to legislation	**28**	28
Total	**53**	53

The audit fees were borne by the immediate parent undertaking, BAM Construct UK Limited.

5. Other operating income

Other operating income consists of income from short term car park leases, rental income and management fees from JV projects

	2019 £000	2018 £000
Rental income	**–**	70
Short term car park leases	**24**	116
Management fees	**–**	201
Total	**24**	**387**

6. Directors' emoluments

J Wimpenny a director of the company, is also a director of BAM Construct UK Limited, the company's immediate parent undertaking. His 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.

The remuneration for D Peters, a director of the company during the year, is paid by BAM Construct UK Ltd. The remuneration for services provided to the company by D Peters is considered to be negligible, hence disclosed as nil (2018: nil).

The Company did not employ any staff (2018: nil).

7. Interest expense

	2019 £000	2018 £000
Bank and other interest	–	–
Group undertakings	194	223
Interest expense	**194**	223

The cumulative amount of interest capitalised in the land and developments at the balance sheet date is £2,842,628 (2018: £2,842,628).

8. Taxation

	2019 £000	2018 £000
a) Tax (credit) on (loss) / profit on ordinary activities		
Current tax		
UK Corporation tax	**(390)**	(357)
Adjustment in respect of earlier years		
Group	–	–
Total current tax charge	**(390)**	(357)
Deferred tax charge	–	–
Tax on profit	**(390)**	(357)

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

b) Factors affecting current tax (credit) / charge
The tax assessed on the (profit) / loss on ordinary activities for the year is lower (2018: lower) than the rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are reconciled below:

	2019 £000	2018 £000
Profit / (Loss) on ordinary activities before tax	**(1,099)**	1,125
Profit) / (Loss) on ordinary activities multiplied by the rate of UK corporation tax at 19.00% (2018: 19.00%)	**(209)**	214
Adjustment in respect of earlier years	**(4)**	(3)
Income not taxable	**(177)**	(568)
	(390)	(357)

c) Factors affecting the future tax charge
The Finance Act 2016 includes legislation to reduce the corporation tax from 20% to 19% from 1 April 2017 and 17% from 1 April 2020. The Finance Act 2020 which was substantively enacted on 22 July 2020, froze the UK corporation tax rate at 19% for the tax year beginning 1 April 2020 and 1 April 2021. The rate change will impact the amount of future tax payment to be made by the company.

9. Investments

	2019 £m	2018 £m
Investment carrying amount	**5.2**	4.2

Subsidiary undertakings, and joint ventures

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

Subsidiary undertakings		Registered office
BAM Swindon Limited (100%)	Property development	Breakspear Park, Breakspear Way, Hemel Hempstead, HP2 4FL
BAM Monk Bridge Limited (100%)	Property development	Breakspear Park, Breakspear Way, Hemel Hempstead, HP2 4FL
BAM Glory Mill Limited (100%)	Property development	Breakspear Park, Breakspear Way, Hemel Hempstead, HP2 4FL
BAM Queen Street Limited (100%)*	Property development	183 St Vincent Street, Glasgow, G2 5QD
BAM Connislow Limited (100%)*	Property development	183 St Vincent Street, Glasgow, G2 5QD

Joint ventures

BAM TCP Atlantic Square Limited (50%)*	Property development	Breakspear Park, Breakspear Way, Hemel Hempstead, HP2 4FL

*registered in Scotland

During 2019 BAM Connislow Limited ownership changed to a 100% subsidiary undertaking. A part of the Group's activities is carried out in joint arrangements classified as joint ventures. These arrangements remain in place until a project is finished. In practice, the duration of the majority of the joint venture is limited to a period of between 1 and 4 years, with the exception of joint venture in connection with land and building rights held for strategic purposes. The Group has a 50% interest in BAM TCP Atlantic Square Limited (joint venture).

Set out below is the joint venture of the Group as at 31 December 2019 that is individually material to the Group.

Nature of investment in the joint venture in 2019 and 2018:

	Principal activity	Country of incorporation	% Share 2019	% Share 2018
BAM TCP Atlantic Square Limited	Property development	United Kingdom	**50%**	50%

9. Investments (continued)

Set out below are the summarised financial information for the joint venture that is individually material to the Group, including reconciliation to the carrying amount of the Group's share in the joint venture, as recognised in the consolidated financial statements. This information reflects the amounts presented in the financial statements of the joint venture adjusted for differences in the Group's accounting policies and the joint venture.

BAM TCP Atlantic Square Limited	**2019 £m**	2018 £m
Current assets	**26.3**	19.9
Non-current assets	**–**	–
Current liabilities	**(20.4)**	(9.1)
Non-current liabilities	**–**	(2.4)
Net assets	**5.9**	8.4
Of which:		
Cash and cash equivalents	**0.4**	11.4
Current financial liabilities	**–**	–
Non-current financial liabilities	**–**	–
Revenue	**20.2**	19.7
Net result	**1.8**	6.1
Other comprehensive income	**–**	–
Of which:		
Finance income	**–**	–
Finance expense	**–**	–
Income tax	**0.4**	1.4
Net result	**1.8**	6.1
Share in profit rights	**50%**	50%
Share in net result	**0.9**	3.0
Net assets	5.9	8.4
Carrying amount	**5.2**	4.2

The Group's share in the joint venture BAM TCP Atlantic Square is based on its share in the members' capital. Contractually, the Group has a 50 per cent share in profit rights. In addition, the Group bears the risks in the operational phase until completion of the projects which are acquired by the joint venture. If the Group's share in losses exceeds the carrying amount of the joint venture, further losses will not be recognised, unless the Group has a legal or constructive obligation. The carrying amount of interest in the net assets of the joint venture is higher than BAM's percentage interest in the net assets of the joint venture due to the preferential right of return included in the distribution policy in the JV agreement.

10. Inventory, land and property developments

	Group 2019 £000	Company 2019 £000	Group 2018 £000	Company 2018 £000
As at 1 January	**44,309**	**14,805**	34,052	5,359
Additions	**22,768**	**22,338**	10,368	9,446
Sale	**(1,003)**	–	–	–
Impairment	–	–	(111)	–
As at 31 December	**65,074**	**37,143**	**44,309**	**14,805**

The Company intends to re-develop the property portfolio into either a mixed-use scheme of residential units, office space or potentially other commercial uses.

The carrying value of the property includes historical capitalised interest of £2,842,625 (2018: £2,842,625).

11. Current assets

	Group 2019 £000	Company 2019 £000	Group 2018 £000	Company 2018 £000
Other debtors	**4**	**3**	478	477
Value added tax	**1,575**	**1,536**	1,322	1,281
	1,579	**1,539**	1,799	1,758

	Company 2019 £000	Company 2018 £000
Amounts due from Subsidiary Undertakings		
Amounts due from Subsidiaries	**34,019**	34,706
Provision for Impairment	**(5,895)**	(5,930)
At 31 December	**28,124**	28,776

	Company 2019 £000	Company 2018 £000
Movement in Provision for Impairment		
At 1 January	**5,930**	13,047
Transfer from provision against amounts due from JV's	**53**	
Utilised in the year	**–**	(7,329)
(Credited) / charged to the income statement	**(88)**	212
At 31 December	**5,895**	5,930

Amounts due from subsidiary companies that were dissolved totalling £7,329k were written off in prior year. These amounts had been fully impaired and are reflected in the movement in the provision for impairment above.

12. Current liabilities

	Group 2019 £000	**Company 2019 £000**	Group 2018 £000	Company 2018 £000
Due within one year				
Amounts due to immediate parent	**47,628**	**47,687**	24,500	24,500
Amounts due to group undertakings	**4,640**	**7,657**	2,265	5,328
Trade creditors and other payables	**–**	**–**	446	446
Accruals	**242**	**161**	243	110
	52,510	**55,055**	27,454	30,384

Trade payables are non-interest bearing and are normally settled on 30 – 60 day terms.

13. Financial assets and liabilities

Managing financial risk is an integral part of the Group's conduct of business. Stringent policies designed to identify, manage, and mitigate both existing and new risks apply at various levels of management throughout BAM Construct UK's business units.

a) Credit risk

The Group is exposed to potential credit risk on financial instruments such as liquid assets and trade receivables. The Group manages credit risk by placing its investments in liquid assets with high quality financial institutions. These institutions must satisfy or exceed credit ratings of at least 'A'. In line with normal business practice, the Group operates credit management procedures and regularly reviews credit rating information regarding organisations to which the Group considers extending credit arrangements. The Group expects there to be little or no impact of COVID-19 on the credit risk of the Company.

b) Liquidity risk

Liquidity risk and cashflow are actively managed through regular preparation and monitoring of plans, budgets and quarterly forecasts. Cash flow risk is mitigated through the operation of appropriate invoicing and payment cycle terms contained within each contract.

c) Price and value risk

Price and value risk is monitored constantly at Group level as part of the review of management forecasts and at contract and project level as part of the appraisal process. Price risk is further mitigated by benchmarking selected activity within each contract. Benchmarking is principally undertaken at the start of every significant contract, with adjustments made to selected activity pricing to reflect current market value.

The Group finances projects through a combination of bank funds and financing from other group entities. New projects are evaluated with regard to these financing arrangements. Live projects are monitored continuously with regular forecasting, to identify any deviation early and ensure managers take corrective action, thus minimising financial risk. This ensures that any observable evidence of impairment for loss-making contracts can be identified as early as possible. No significant uncovered risks were identified for the period presented in this report, or at the time this report was approved by directors.

The Group's principal financial liabilities comprise trade and other payables and amounts due to customers under construction contracts. The main purpose of these financial liabilities is as a consequence of its operations within a traditional property business. The Group's principal financial assets include trade and other payables, deferred tax and provisions that arrive directly from its operations.

13. Financial assets and liabilities (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Year ended 31 December 2019	Carrying amount	<1 year
Non- recourse property financing	**–**	**–**
Amounts due to immediate parent	**47,628**	**47,628**
Amounts due to group undertakings	**4,640**	**4,640**
Trade and other payables	**242**	**242**
	52,510	**52,510**

Year ended 31 December 2018	Carrying amount	<1 year
Non- recourse property financing	–	–
Amounts due to immediate parent	24,500	24,500
Amounts due to group undertakings	2,265	2,265
Trade and other payables	689	689
	27,454	27,454

Fair values of financial assets and liabilities

There are no material differences between the book values and fair values for any of the Group's financial instruments carried at amortised cost.

14. Called up share capital

	2019 **£000**	2018 £000
Authorised, allotted, called up and fully paid:		
30,000,000 ordinary shares of £1 each	**30,000**	30,000

15. 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 2019 there were overdraft balances in a number of group companies in the cash pooling facility amounting to £nil (2018: £nil). The net overdraft position in the cash pooling facility as at 31 December 2019 was £nil (2018: £nil). This guarantee is not expected to give rise to any loss.

Notes to the financial statements (continued)

16. Related party transactions

The Group identifies subsidiaries, associates and joint arrangements as related parties. Transactions with related parties are conducted at arms length, on terms comparable to those for transactions with third parties.

Apart from transactions with related Group entities, no other related party transactions were recorded for 2019 (2018: nil).

No director or employee of the BAM Properties Limited Group of companies has entered, either directly or through a closely related party, into a non-employment related commercial transactions with any Royal BAM Group company during the period. Transactions with related parties include the following:

	2019 £000	2018 £000
Amounts due from:		
BAM Connislow Limited (joint venture) – loan @ 7%, repayable on demand	**–**	52
BAM TCP Atlantic Square Limited (joint venture) - loan @ 5% repayable on demand	**6,765**	4,528

During 2019 BAM Connislow Limited became a 100% subsidary understaking.

	2019 £000	2018 £000
Management fees paid within the year:		
BAM Construct UK Limited		630

	2019 £000	2018 £000
Amounts due to:		
BAM Construct UK Limited (immediate parent) – loan @ LIBOR + 2%, repayable on demand	**47,628**	24,500
BAM Construction Limited (fellow subsidiary) - interest free, repayable on demand	**4,640**	2,265
Total amount outstanding at 31 December	**52,268**	26,765

For the year ended 31 December 2019, the Group recorded a reversal of impairment of amounts due from group undertakings of £88,000 (2018: impairment of £212,000).

Details about guarantees provided to banks for loans made to related Group entities are included in Note 15.

17. 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.

18. Subsequent event COVID-19

The recent outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a pandemic on 11 March 2020, has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries.

The impact of COVID-19 has led to significant volatility and declines in the global public equity markets and it is uncertain how long this volatility will continue. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

The identification of the virus after 31 December 2019 as a new coronavirus, and its subsequent spread, is considered a non-adjusting event after the reporting period. As a result of the virus, the Group closed its construction sites from 26 March to 30 March to enable detailed reviews of the working practices necessary to reduce the risks of Covid-19, however all sites reopened, and the majority of sites have remained open since. The Directors continue to consider the impact of COVID 19 and the impact on future operating performance of the Company and the uncertainties that this event creates.

There have been no other material events arising after the reporting date.

BAM Construct UK Limited
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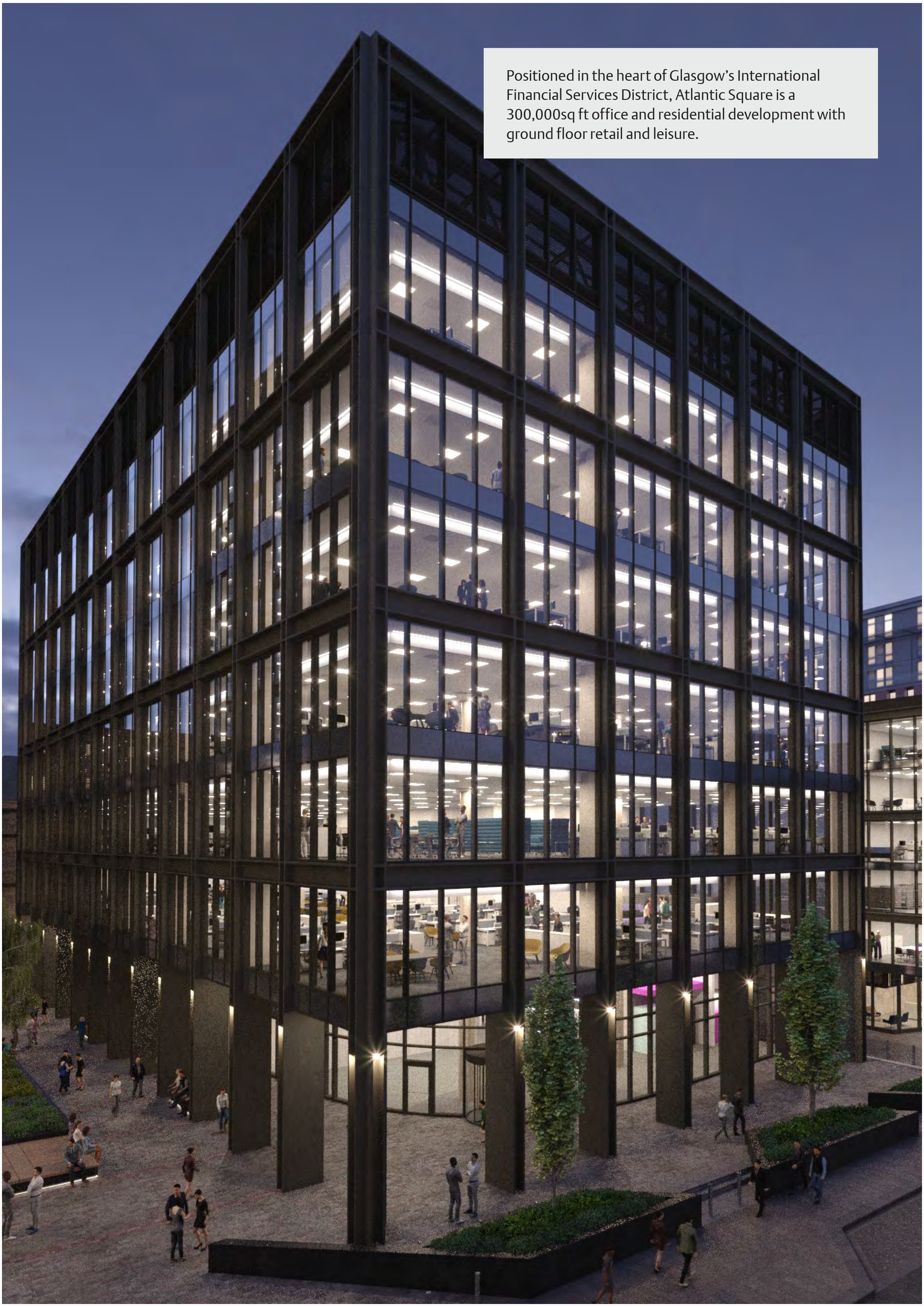
Registered number
3283033



Positioned in the heart of Glasgow's International Financial Services District, Atlantic Square is a 300,000sq ft office and residential development with ground floor retail and leisure.

www.bam.co.uk
Here you will find downloadable PDFs of:
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BAM Properties Limited Report and Accounts
BAM FM Limited Report and Accounts

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