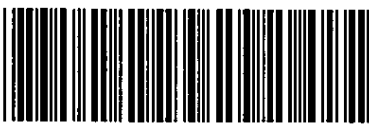


Abbreviated Accounts
for the Year Ended 31st May 2007
for
B.M.W. CONSTRUCTION LIMITED



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B.M W. CONSTRUCTION LIMITED

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for the Year Ended 31st May 2007

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B.M.W. CONSTRUCTION LIMITED

Company Information
for the Year Ended 31st May 2007

DIRECTOR: W Wheale

SECRETARY Mrs J Wheale

REGISTERED OFFICE. The Business Centre
Green Lane
Patricroft
Eccles
Manchester
M30 0RJ

REGISTERED NUMBER: 2144435 (England and Wales)

AUDITORS: Ford Campbell LLP
City Wharf
New Bailey Street
Manchester
M3 5ER

B M.W. CONSTRUCTION LIMITED

Report of the Director for the Year Ended 31st May 2007

The director presents his report with the accounts of the company for the year ended 31st May 2007

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of quarrying and civil engineering

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts

Turnover has increased by 23% whilst gross margin has decreased by 2%. The company operates in sites run by third parties and demand constraints impact on operating efficiencies and resulting margins. The margins have been affected by the requirement for extractions of product in smaller batches which require more flexibility in staff and plant availability, thereby increasing labour and machinery costs.

The director monitors the business, reviewing daily outputs, machine performance and levels of repair. Preventative maintenance reviews are performed on the plant to minimise unexpected repair costs and inefficiencies. The industry is subject to increasing regulatory and environmental issues which also impact on the profit margins.

The board anticipate and continually seek operating efficiencies and new areas for growth within the industry.

DIVIDENDS

No dividends will be distributed for the year ended 31st May 2007

DIRECTOR

W Wheale held office during the whole of the period from 1st June 2006 to the date of this report

COMPANY'S POLICY ON PAYMENT OF CREDITORS

It is the company's policy to comply with the agreed credit terms of its suppliers. At the year end the company had an average 34 days creditors outstanding, (2005 33 days)

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

B.M.W. CONSTRUCTION LIMITED

Report of the Director
for the Year Ended 31st May 2007

AUDITORS

The auditors, Ford Campbell LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD



W Wheale - Director

Date 27. 3. 08

Report of the Independent Auditors to
B.M.W. Construction Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages six to fourteen, together with the financial statements of B M W Construction Limited for the year ended 31st May 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Other information

On 28th March 2008 we reported, as auditors to the shareholders of the company on the financial statements for the year ended 31st May 2007 prepared under Section 226 of the Companies Act 1985, and our report was as follows:

"We have audited the financial statements of B.M.W. Construction Limited for the year ended 31st May 2007 on pages six to fifteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Director is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Report of the Director and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

Report of the Independent Auditors to
B.M.W. Construction Limited
Under Section 247B of the Companies Act 1985

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, due to management's failure to obtain a third party valuation of stock, the nature of the stock and the company's records, we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities of stock and work-in-progress at 31st May 2007

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found necessary had we been able to obtain sufficient evidence concerning the stock at 31st May 2007, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985

In our opinion the information given in the Report of the Director is consistent with the financial statements "

Ford Campbell LLP

Ford Campbell LLP
City Wharf
New Bailey Street
Manchester
M3 5ER

Date

28 March 2008

B.M W. CONSTRUCTION LIMITED

Abbreviated Profit and Loss Account
for the Year Ended 31st May 2007

	Notes	31 5 07 £	31 5 06 £
GROSS PROFIT		1,847,145	1,722,250
Administrative expenses		<u>1,335,909</u>	<u>1,397 595</u>
OPERATING PROFIT	3	511,236	324,655
Interest payable and similar charges	4	<u>179,850</u>	<u>154 579</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		331,386	170,076
Tax on profit on ordinary activities	5	<u>139,570</u>	<u>21,240</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>191,816</u>	<u>148,836</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these abbreviated accounts

B.M.W CONSTRUCTION LIMITED

Abbreviated Balance Sheet
31st May 2007

	Notes	31 5 07		31 5 06	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		2,720,434		2 417 751
CURRENT ASSETS					
Stocks	7	1,657,850		1,667,730	
Debtors	8	634,706		553,131	
Cash at bank and in hand		<u>232</u>		<u>15</u>	
		2,292,788		2,220,876	
CREDITORS					
Amounts falling due within one year	9	<u>2,510,918</u>		<u>2,322,029</u>	
NET CURRENT LIABILITIES			<u>(218,130)</u>		<u>(101,153)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,502,304		2,316,598
CREDITORS					
Amounts falling due after more than one year	10		(1,332,778)		(1,389,134)
PROVISIONS FOR LIABILITIES	14		<u>(175,175)</u>		<u>(124,929)</u>
NET ASSETS			<u>994,351</u>		<u>802,535</u>
CAPITAL AND RESERVES					
Called up share capital	15		100		100
Profit and loss account	16		<u>994,251</u>		<u>802,435</u>
SHAREHOLDERS' FUNDS	18		<u>994,351</u>		<u>802,535</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The financial statements were approved by the director on 24 03 08 and were signed by



W Wheale - Director

The notes form part of these abbreviated accounts

B.M.W. CONSTRUCTION LIMITED

Notes to the Abbreviated Accounts for the Year Ended 31st May 2007

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The company relies on the support of its creditors in order to continue to trade. The director has prepared the financial statements on a going concern basis as he believes this support will continue for the foreseeable future. The financial statements do not include any adjustments that would result from the withdrawal of the support of the creditors.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 10% - 25% on cost or reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2 STAFF COSTS

	31 5 07	31 5 06
	£	£
Wages and salaries	696,354	621,292
Social security costs	<u>70,473</u>	<u>59,454</u>
	<u>766,827</u>	<u>680,746</u>

B.M.W. CONSTRUCTION LIMITED

Notes to the Abbreviated Accounts - continued
for the Year Ended 31st May 2007

2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	31 5 07	31 5 06
Operators	21	17
Administration	<u>1</u>	<u>1</u>
	<u>22</u>	<u>18</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31 5 07	31 5 06
	£	£
Plant hire, tipping and repairs	7,893,903	8,057,219
Depreciation - owned assets	12,144	25,340
Depreciation - assets on hire purchase contracts	548,977	795,959
Profit on disposal of fixed assets	(90,134)	(94,417)
Auditors remuneration	5,000	8,005
Auditors' remuneration for non audit work	<u>8,565</u>	<u>4 748</u>
Director's emoluments	<u>61,040</u>	<u>46,271</u>

Auditors remuneration for non audit services consist of fees in respect of taxation services of £2,615 (2006 £500), fees in respect of accountancy services £nil (2006 £4,248) and fees in respect of consultancy services of £5,950 (2006 £nil)

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 5 07	31 5 06
	£	£
Bank interest	5,225	6,123
Bank loan interest	994	1,338
Interest on overdue corporation tax	17,988	-
Hire purchase	<u>155,643</u>	<u>147,118</u>
	<u>179,850</u>	<u>154,579</u>

B.M.W CONSTRUCTION LIMITED

Notes to the Abbreviated Accounts - continued
for the Year Ended 31st May 2007

5 **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31 5 07	31 5 06
	£	£
Current tax		
UK corporation tax	30,476	5,415
Under provision in respect of prior years	<u>58,848</u>	<u>-</u>
Total current tax	89,324	5,415
Deferred tax	<u>50,246</u>	<u>15 825</u>
Tax on profit on ordinary activities	<u>139,570</u>	<u>21,240</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	31 5 07	31 5 06
	£	£
Profit on ordinary activities before tax	<u>331,386</u>	<u>170 076</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 19%)	99,416	32 314
Effects of		
Expenses not deductible for tax purposes	(42,831)	7 171
Capital allowances (in excess of)/less than depreciation	(16,212)	(34,070)
Marginal relief	(9,897)	-
Under provision in prior years	<u>58,848</u>	<u>-</u>
Current tax charge	<u>89,324</u>	<u>5,415</u>

B.M.W. CONSTRUCTION LIMITED

Notes to the Abbreviated Accounts - continued
for the Year Ended 31st May 2007

6 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1st June 2006	4,167,940	6,508	95,725	4,270,173
Additions	1,387,500	808	6,950	1,395,258
Disposals	<u>(1,364,000)</u>	<u>-</u>	<u>(6,999)</u>	<u>(1,370,999)</u>
At 31st May 2007	<u>4,191,440</u>	<u>7,316</u>	<u>95,676</u>	<u>4,294,432</u>
DEPRECIATION				
At 1st June 2006	1,807,910	4,411	40,101	1,852,422
Charge for year	546,953	403	13,765	561,121
Eliminated on disposal	<u>(836,640)</u>	<u>-</u>	<u>(2,905)</u>	<u>(839,545)</u>
At 31st May 2007	<u>1,518,223</u>	<u>4,814</u>	<u>50,961</u>	<u>1,573,998</u>
NET BOOK VALUE				
At 31st May 2007	<u>2,673,217</u>	<u>2,502</u>	<u>44,715</u>	<u>2,720,434</u>
At 31st May 2006	<u>2,360,030</u>	<u>2,097</u>	<u>55,624</u>	<u>2,417,751</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1st June 2006	3,684,619	95,725	3,780,344
Additions	1,339,000	-	1,339,000
Disposals	(930,000)	(6,999)	(936,999)
Transfer to ownership	<u>(214,000)</u>	<u>-</u>	<u>(214,000)</u>
At 31st May 2007	<u>3,879,619</u>	<u>88,726</u>	<u>3,968,345</u>
DEPRECIATION			
At 1st June 2006	1,472,588	40,101	1,512,689
Charge for year	538,179	10,798	548,977
Eliminated on disposal	(537,454)	(2,905)	(540,359)
Transfer to ownership	<u>(214,000)</u>	<u>-</u>	<u>(214,000)</u>
At 31st May 2007	<u>1,259,313</u>	<u>47,994</u>	<u>1,307,307</u>
NET BOOK VALUE			
At 31st May 2007	<u>2,620,306</u>	<u>40,732</u>	<u>2,661,038</u>
At 31st May 2006	<u>2,212,031</u>	<u>55,624</u>	<u>2,267,655</u>

7 STOCKS

	31,507	31,506
	£	£
Finished goods	1,611,987	1,621,867
Work-in-progress	<u>45,863</u>	<u>45,863</u>
	1,657,850	1,667,730

B M W. CONSTRUCTION LIMITED

Notes to the Abbreviated Accounts - continued
for the Year Ended 31st May 2007

8	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		31 5 07	31 5 06
		£	£
	Trade debtors	390,689	462,137
	Other debtors	111,634	90,763
	Directors' loan accounts	131,120	-
	Prepayments and accrued income	<u>1,263</u>	<u>231</u>
		<u>634,706</u>	<u>553,131</u>
9	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		31 5 07	31 5 06
		£	£
	Bank loans and overdrafts (see note 11)	156,120	280,815
	Hire purchase contracts (see note 12)	829,611	888,288
	Trade creditors	530,727	522,445
	Corporation tax	92,364	38,853
	Social security and other taxes	535,355	435,916
	Other creditors	27,512	8,793
	Amounts due to related companies	243,234	66,013
	Directors' current accounts	-	3,448
	Accrued expenses	<u>95,995</u>	<u>77,458</u>
		<u>2,510,918</u>	<u>2,322,029</u>
10	CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
		31 5 07	31 5 06
		£	£
	Hire purchase contracts (see note 12)	1,331,028	1,387,384
	Loans	-	1,750
	Accruals and deferred income	<u>1,750</u>	<u>-</u>
		<u>1,332,778</u>	<u>1,389,134</u>
11	LOANS		
	An analysis of the maturity of loans is given below		
		31 5 07	31 5 06
		£	£
	Amounts falling due within one year or on demand		
	Bank overdrafts	<u>156,120</u>	<u>280,815</u>
12	OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS		
		31 5 07	31 5 06
		£	£
	Net obligations repayable		
	Within one year	829,611	888,288
	Between one and five years	<u>1,331,028</u>	<u>1,387,384</u>
		<u>2,160,639</u>	<u>2,275,672</u>

B.M.W. CONSTRUCTION LIMITED

Notes to the Abbreviated Accounts - continued
for the Year Ended 31st May 2007

13 **SECURED DEBTS**

The following secured debts are included within creditors

	31 5 07	31 5 06
	£	£
Bank overdrafts	156,120	280,815
Hire purchase & finance leases	<u>2,160,639</u>	<u>1,691,591</u>
	<u>2,316,759</u>	<u>1,972,406</u>

The bank overdraft is secured by a debenture over the assets of the company

Finance lease and hire purchase liabilities are secured on the underlying assets to which the finance relates

A cross guarantee and mortgage debenture exists between the company and B M W Contract Crushing Limited, a related party

14 **PROVISIONS FOR LIABILITIES**

	31 5 07	31 5 06
	£	£
Deferred tax	<u>175,175</u>	<u>124,929</u>
		Deferred tax
		£
Balance at 1st June 2006		124,929
Movement in year		<u>50,246</u>
Balance at 31st May 2007		<u>175,175</u>

15 **CALLED UP SHARE CAPITAL**

Authorised			31 5 07	31 5 06
Number	Class	Nominal value	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid			31 5 07	31 5 06
Number	Class	Nominal value	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

B.M.W CONSTRUCTION LIMITED

Notes to the Abbreviated Accounts - continued
for the Year Ended 31st May 2007

16 **RESERVES**

	Profit and loss account £
At 1st June 2006	802,435
Profit for the year	<u>191,816</u>
At 31st May 2007	<u><u>994,251</u></u>

17 **TRANSACTIONS WITH DIRECTOR**

The following loan to directors subsisted during the years ended 31st May 2007 and 31st May 2006

	31 5 07 £	31 5 06 £
W Wheale		
Balance outstanding at start of year	(3,448)	(8,772)
Balance outstanding at end of year	131,120	(3,448)
Maximum balance outstanding during year	<u>131,120</u>	<u>2,769</u>

The loan is interest free and repayable on demand

W Wheale has provided an unlimited personal guarantee to Barclays Bank Plc on behalf of the company

18 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 5 07 £	31 5 06 £
Profit for the financial year	<u>191,816</u>	<u>148,836</u>
Net addition to shareholders' funds	191,816	148,836
Opening shareholders' funds	<u>802,535</u>	<u>653,699</u>
Closing shareholders' funds	<u><u>994,351</u></u>	<u><u>802,535</u></u>

19 **ULTIMATE CONTROLLING PARTY**

The company is controlled by W Wheale by virtue of his control of the issued share capital