

Financial Statement & Five Year Review

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I am pleased to report that this year the Bowmer and Kirkland Group again achieved a solid financial performance.

Turnover for the year was £938m (2017: £928m) and our pre-tax profit for the year was £54.5m (2017: £64.4m).

Net assets grew to £436m (2017: £401m) and we continue to maintain a healthy cash balance - our end of year net cash position was £409m (2017: £316m).

I am extremely proud of all our staff whose talent, energy and enthusiasm have enabled us to achieve these results. They deserve our appreciation. Our employees remain our greatest asset and are essential to the future of our business. We remain dedicated to helping them develop their full potential through encouragement and training schemes.

Our construction businesses under Paul Lomas's exemplary leadership again performed well in all sectors and in all regions. Our forward order book is strong, and we are grateful for the ongoing trust of clients, both long-standing and new.

We recognise the importance of working in partnership with our supply chain in order to deliver our projects together and we are committed to treating them fairly and building relations for the long term.

We continue to grow our construction services division organically and through acquisition. This year saw the completion of our purchase of Munro Building Services, a market-leading mechanical and electrical company based in Cambridge with a satellite office in Chelmsford. We are proud to welcome them to the Bowmer and Kirkland Group.

This year also saw the sale of Decatur Electronics Inc, enabling us to fully focus on and grow the AEP Group in the United States, as well as the sale of an investment property and the subsequent paying down of debt secured on that property, meaning the business is now completely debt free.

Property development is an important part of our business, especially through joint ventures, and once again this has been a key contribution to our strong performance. We continue to seek out equity funding opportunities and our strong cash position enables us to act quickly.

Bowmer and Kirkland is fortunate to have Ralph Jones running our development and house building operations as well as serving as a main board director and we were all pleased that he was recognised externally too by being given the Lifetime Achievement Award at the East Midlands Property Dinner in 2018.

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I would like to end this, my first Chairman's statement, by paying tribute to my father, Mr John Kirkland and my uncle, Mr Robert Kirkland who took a step back from day-to-day activities within the business on 1 January 2019, although they remain involved as Life Presidents.

My father joined the family business in 1967 and shortly afterwards, together with his father (who was then managing director) mortgaged themselves up to the maximum to prevent the company from going public and instead guaranteeing it was 100 per cent owned by the Kirkland family – something my cousins and I will ensure will always be the case.

My uncle Robert joined the business in 1975 and was instrumental in many areas in the business but in particular in establishing our London office in the 1980s and developing the Southern region so that we became a truly national contractor.

The growth of the business since my father and uncle joined has been nothing short of phenomenal. In 1978 our turnover was £8.3m; 10 years later it was £148m; this year it is approaching a billion. Every single subsidiary company reported on in this set of accounts was established or acquired since my father and my uncle joined the company.

They would both be the first to say that this is not down to them but to our people. They would be right that the people who work at Bowmer and Kirkland are fantastic, but I think they are wrong to be so modest. Their drive and determination have been instrumental to our success, particularly when we were smaller, and as we have grown their values – an unrelenting focus on client satisfaction, ambition, optimism and genuine care for others – have shaped our culture.

I, my cousins Michael and Christopher and the rest of the board look forward to building on their legacy.

Our success is a testament to the quality, expertise and commitment of our staff, our corporate stability and our collaborative approach to business and we are confident that with our exceptional staff and strong balance sheet, the Group is in a very good position to take advantage of the opportunities and withstand any challenges in the years ahead.



J A C Kirkland
Chairman

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	2014	2015	2016	2017	2018
	£'000	£'000	£'000	£'000	£'000
Turnover	733,091	848,187	930,668	928,252	937,573
Operating Profit	30,211	41,082	52,659	57,813	55,922
Other Income/Expenditure	(3,128)	(2,260)	8,814	6,627	(1,386)
Profit before taxation	27,083	40,187	61,473	64,440	54,536
Taxation	(6,438)	(8,658)	(13,376)	(13,936)	(11,015)
Profit after taxation	20,645	31,529	48,097	50,504	43,521
Fixed Assets	138,035	142,124	139,970	139,462	94,706
Current Assets	541,029	613,575	623,411	669,198	740,307
Current Liabilities	(338,525)	(424,351)	(394,421)	(394,410)	(435,726)
Liabilities falling due after more than one year	(69,878)	(40,703)	(40,628)	(40,552)	-
Pension Asset	7,592	31,281	35,307	31,512	42,617
Capital and reserves	278,253	320,012	359,880	400,722	435,718

