

**COMPANY NUMBER: 03782911**

**PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2018**



# **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

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# **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

## **COMPANY INFORMATION**

Directors	P H Walker D Clements C C Powell S Moore T Rice (resigned 24 September 2018) G R Barnes (appointed 1 April 2018)
Secretary	D Clements
Registered office	Pennant Court Staverton Technology Park Cheltenham Gloucestershire GL51 6TL
Auditors	Mazars LLP 45 Church Street Birmingham B3 2RT
Bankers	Barclays Bank Plc 4 <sup>th</sup> Floor Bridgewater House Counterslip Finzels Reach Bristol BS1 6BX

# **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

## **STRATEGIC REPORT**

### **Principal activities**

The Company did not trade during the period.

### **Review of business**

On 1 January 2018 the assets and undertakings of Pennant Support and Developments Services Limited were transferred to Pennant International Limited (formerly Pennant Training Systems Limited). The Company is dormant and did not trade during the period.

Approved by the Board on 30 September 2019  
and signed on its behalf



P H Walker  
Director

## **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

### **REPORT OF THE DIRECTORS**

**COMPANY NUMBER: 03782911**

The directors present their report and the financial statements for the year ended 31 December 2018.

#### **Directors**

The directors set out below have held office during the whole of the period from 1 January 2018 to the date of this report unless otherwise stated.

P H Walker  
D Clements  
C C Powell  
S Moore  
T Rice (resigned 24 September 2018)  
G R Barnes (Appointed 1 April 2018)

No director had an interest in the shares of the Company or in the shares of the other subsidiary companies within the Group. Their interests in the shares of the parent company are disclosed in the accounts of that company.

#### **Results & Dividends**

The company made a loss for the year of £nil (2017: Profit of £628,305). The directors do not recommend the payment of a dividend (2017: £NIL).

#### **Future Development**

The company will remain dormant for the foreseeable future.

#### **Responsibilities of the directors**

The directors are responsible for preparing the Strategic Report, the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

## **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

### **REPORT OF THE DIRECTORS (continued)**

#### **Responsibilities of the directors (continued)**

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

#### **Brexit**

The potential impact of Brexit has been considered and the directors are of the opinion that no significant impact is expected to be felt.

#### **Directors' indemnity**

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company.

Appropriate directors' and officers' liability insurance cover is in place in respect of all the Company's directors.

#### **Statement as to disclosure of information to auditors**

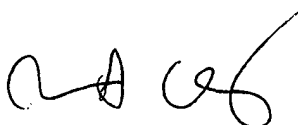
As far as the directors are aware, they have taken all necessary steps to make the auditors aware of any relevant audit information and to establish that they are aware of that information.

As far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware.

#### **Auditors**

The directors intend to reappoint Mazars LLP as auditors for the year ending 31 December 2019.

Approved by the Board on 30 September 2019  
and signed on its behalf



D Clements  
Secretary

## **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

#### **Opinion**

We have audited the financial statements of Pennant Support & Development Services Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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. We are independent of the 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.

#### **The impact of uncertainties due to the United Kingdom exiting the European Union on our audit**

The Directors' view on the impact of Brexit is disclosed on page 4.

The terms on which the United Kingdom may withdraw from the European Union, currently due to occur on 31 October 2019, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Group's and Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Group and Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Group's and company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit

## **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

#### **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 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this 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 the Directors' Report have been prepared in accordance with applicable legal requirements.



## **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 3, 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 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 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

**Use of the audit report**

This report is made solely to the company's member 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 member 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 for our audit work, for this report, or for the opinions we have formed.



Timothy Hudson (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
45 Church Street  
Birmingham  
B3 2RT

Date: 30 September 2019.

# PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

Discontinued operations	Notes	2018 £	2017 £
Revenue	3	-	4,503,424
Cost of sales		-	( 2,833,115)
<b>Gross profit</b>		-	1,670,309
Administrative expenses		-	( 943,991)
<b>Operating profit</b>	5	-	726,318
Finance costs	7	-	( 1,275)
<b>Profit before taxation</b>		-	725,043
Taxation (charge)	8	-	( 96,738)
<b>Profit after taxation</b>		-	628,305
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		-	628,305

All total comprehensive income is attributed to discontinued activities

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital £	Retained Profit £	Total £
At 1 January 2017	750,000	287,959	1,037,959
Total comprehensive income for the year	-	628,305	628,305
At 1 January 2018	750,000	916,264	1,666,264
Total comprehensive income for the year	-	-	-
At 31 December 2018	750,000	916,264	1,666,264

**PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

**STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018**  
**COMPANY NUMBER: 03782911**

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	<b>Notes</b>		
<b>Non-current assets</b>			
Goodwill	9	-	254,857
Intangible assets	10	-	35,126
Property, plant and equipment	11	-	43,123
Deferred tax assets	16	-	24,495
Total non-current assets		-	357,601
<b>Current assets</b>			
Trade and other receivables	13	1,666,264	2,450,656
Cash and cash equivalents	14	-	2,229
Total current assets		1,666,264	2,452,885
<b>Total assets</b>		1,666,264	2,810,486
<b>Current liabilities</b>			
Trade and other payables	15	-	276,935
Bank overdraft		-	867,287
Total current liabilities		-	1,144,222
<b>Net current assets</b>		1,666,264	1,308,663
<b>Net assets</b>		1,666,264	1,666,264
<b>Equity</b>			
Share capital	17	750,000	750,000
Retained profit		916,264	916,264
<b>Total equity</b>		1,666,264	1,666,264

Approved by the Board and authorised for issue on 30 September 2019.



G R Barnes  
 Director

# **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

### **1. General information**

Pennant Support & Development Services Limited is a private limited company which is limited by shares and incorporated in England & Wales under the Companies Act. The address of the registered office is Pennant Court, Staverton Technology Park, Cheltenham, GL51 6TL.

These financial statements cover the individual entity and have been presented in pound sterling as this is the functional currency of the company. All values are rounded to the nearest Pound except where otherwise stated.

The Company is dormant.

The Company's parent company is Pennant International Group plc which has the same registered office as the Company.

### **2. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The recognition, measurement and disclosure requirements (except for certain disclosure exemptions detailed below) of Financial Reporting Standards as adopted by the EU (EU-adopted IFRSs) have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410 ('Regulations').

The financial statements have been prepared on the historical cost basis, except where stated otherwise. The principal accounting policies set out below have been consistently applied to all periods presented.

#### **Going concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they have continued to adopt the going concern basis of accounting in preparing the financial statements.

#### **Construction contracts**

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

## **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **2. Accounting policies (continued)**

##### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

##### **Foreign currency**

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at rates of exchange prevailing on the dates of the transactions. At the reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items earned at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such monetary items, any exchange component of the gain or loss is also recognised directly in equity.

##### **Goodwill**

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses. Goodwill recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deduction of all its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

##### **Retained earnings**

This represents the accumulated realised earnings from the prior and current periods as reduced by losses and dividends from time to time.

##### **Financial instruments**

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset or a financial liability.

## **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **2. Accounting policies (continued)**

##### **Trade and other receivables**

Trade and other receivables are measured at initial recognition at fair value, and subsequently measured at amortised cost using the effective interest method. A provision is established based on the lifetime expected loss model. The amount of any provision is recognised in profit or loss.

##### **Cash and cash equivalents**

Cash and cash equivalents are recognised as financial assets. They comprise cash held by the Company and short-term bank deposits with an original maturity date of three months or less.

##### **Trade payables**

Trade payables are initially recognised as financial liabilities measured at fair value, and subsequent to initial recognition measured at amortised cost.

##### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the net profits as reported on the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that the taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or at least realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **2. Accounting policies (continued)**

##### **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged to write off the cost of assets over their estimated useful lives on the following bases:

Plant and equipment	10% to 25% of cost per annum
Computers	33.33% of cost per annum

##### **Disclosure exemptions applied**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS101 paragraph 8:

- (i) The requirement of IFRS 7 'Financial Instruments: Disclosures' relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- (ii) The requirement of IFRS 13 'Fair Value Measurement' paragraphs 91 to 99 relating to the fair value measurement disclosures of financial assets and financial liabilities that are measured at fair value, such as the available for sale investments and derivative financial instruments;
- (iii) The applicable requirements of IAS 36 'Impairment of Assets' relating to the disclosures of estimates used to measure recoverable amounts;
- (iv) The applicable requirements of IAS 1 'Presentation of Financial Statements' relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79a,iv), the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73e) and the reconciliation of the carrying amount of intangible assets (IAS 18.118e).
- (v) The requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;
- (vi) The requirements of IAS 7 'Statement of Cash Flows' and IAS 1 'Presentation of Financial Statements' paragraph 10(d), 111 relating to the presentation of a Cash Flow Statement;
- (vii) The requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective; and
- (viii) The requirements of IAS 24 'Related Party Disclosures' paragraph 17 relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the Company and other wholly-owned subsidiaries of the group.
- (ix) The requirements of the second sentence of paragraph 110 and paragraphs 113a, 114, 115, 118, 119a-c, 120-127 and 129 of IFRS 15 Revenue From Contracts With Customers.

For the disclosure exemptions listed in points i to iii, the equivalent disclosures are included in the consolidated financial statements of the group, Pennant International Group PLC, which the Company is consolidated into and that are publicly available from Pennant Court, Staverton Technology Park, Cheltenham, Gloucestershire, GL51 6TL.



## **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **2. Accounting policies (continued)**

##### **Standards, amendments and interpretations adopted in the current financial year ended 31 December 2018**

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the Company's financial statements for the year ended 31 December 2018:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers' IFRS
- 2 'Share-based Payment' that clarify the classification and measurement of share-based payment transactions.
- 'Transfers of Investment Property (Amendments to IAS 40)'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'
- Annual Improvements to IFRSs (2014 - 2016): Clarification of the scope of IFRS 12 Disclosure of Interests in Other Entities and amendments to IFRS 1 and IAS 28

The adoption of the following mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Company's financial statements:

'Annual Improvements to IFRS Standards 2015–2017 Cycle,' 2019.	1	January
'Prepayment Features with Negative Compensation (Amendments to IFRS 9)' 2019.	1	January
'Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)' 2019.	1	January
'Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)' 2019.	1	January
IFRIC 23 'Uncertainty over Income Tax Treatments' 2019	1	January
IFRS 16 'Leases' 2019	1	January
'Definition of a Business (Amendments to IFRS 3)' 2020.	1	January
'Definition of Material (Amendments to IAS 1 and IAS 8)' 2020.	1	January
IFRS 17 'Insurance Contracts' 2021.	1	January

##### **Critical accounting judgements and key sources of estimation uncertainty**

There are no key judgements or accounting estimates following the transfer of the trade and assets to Pennant International Ltd.

# PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
<b>3. Revenue</b>		
An analysis of the Company's revenue is as follows:		
Revenue from construction contracts	-	4,503,424
The geographical segments of revenue are as follows:		
United Kingdom	-	4,193,672
USA	-	309,752
	-	4,503,424

	2018 £	2017 £
<b>4. Staff costs</b>		
Wages and salaries	-	1,076,358
Social security costs	-	121,903
Pension costs	-	53,656
	-	1,251,917

The average number of persons, including executive directors, employed by the Company during the year was:

	Number	Number
Office and management	-	3
Production	-	23
Selling	-	1
	-	27

The directors received total remuneration of £624,978 from Pennant International Group Plc during the year, but it is not practicable to allocate this between their services as executives of Pennant International Group Plc and their services as directors of the subsidiaries of the group, Pennant International Limited, Pennant Support & Development Services Limited and Pennant Software Services Limited.

# **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>5.</b>	<b>Operating profit for the year</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	<b>Operating profit for the year has been arrived at after charging:</b>		
	Net foreign exchange loss	-	3,277
	Research and development costs	-	99,572
	Amortisation of intangible assets	-	21,665
	Depreciation of property, plant and equipment	-	14,272
	Staff costs (Note 4)	-	1,251,917
		<u></u>	<u></u>

### **6. Auditor's remuneration**

Fees payable to the Company's auditors for the audit of the Company's annual accounts were £NIL (2017: £12,000). The fees are paid by Pennant International Group Plc.

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
<b>7.</b>	<b>Finance costs</b>		
	Interest on financial liabilities	-	1,275
		<u></u>	<u></u>

# PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 8. Taxation

#### Recognised in the income statement

Deferred tax credit relating to origination and reversal of temporary differences	-	96,738
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Total tax charge in income statement	-	96,738
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#### Reconciliation of effective tax rate

Profit before tax	-	725,043
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Tax at the applicable tax rate of 19.25% (2017: 19.25%)	-	139,570
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Tax effect of expenses not deductible for tax	-	2,608
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Additional deduction for R&D expenditure	-	( 24,914)
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Effect of change of deferred tax rate	-	( 20,526)
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Total tax charge	-	96,738
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There are no factors which will affect future tax charges.

### 9. Goodwill

The carrying amount of goodwill at 31 December 2017 was £254,857, this has been transferred to Pennant International Limited during 2018.

**PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**10. Intangible assets**

	Software £	Development costs £	Total £
Cost			
At 1 January 2018	94,676	34,088	128,764
Transfer of tangible assets to Pennant International Ltd	( 94,676)	( 34,088)	( 128,764)
At 31 December 2018	-	-	-
Amortisation			
At 1 January 2018	93,638	-	93,638
Transfer of tangible assets to Pennant International Ltd	( 93,638)	-	( 93,638)
At 31 December 2018	-	-	-
Carrying amount			
At 31 December 2018	-	-	-
At 31 December 2017	1,038	34,088	35,126

**PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Fixtures, fittings, equipment & computers £
<b>11. Property, plant and equipment</b>	
Cost or valuation	
At 1 January 2018	186,924
Transfer of tangible assets to Pennant International Ltd	(186,924)
At 31 December 2018	-
Depreciation	
At 1 January 2018	143,801
Transfer of tangible assets to Pennant International Ltd	(143,801)
At 31 December 2018	-
Carrying amount	
At 31 December 2018	-
At 31 December 2017	43,123

# **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
<b>12. Construction contracts</b>		
Contracts in progress at the balance sheet date:		
Contract Assets	-	385,734
Contract Liabilities	-	(7,009)
	<u>-</u>	<u>378,725</u>
Contract costs incurred plus recognised profits less recognised losses to date	-	6,627,541
Less: progress billings	-	(6,248,816)
	<u>-</u>	<u>378,725</u>
<b>13. Trade and other receivables</b>		
Trade receivables	-	189,705
Amount due from parent company	1,666,264	1,817,250
Contract Assets (Note 12)	-	385,734
Prepayments and accrued income	-	57,967
	<u>1,666,264</u>	<u>2,450,656</u>
<b>14. Cash and cash equivalents</b>		
Bank	-	541
Cash	-	1,688
	<u>-</u>	<u>2,229</u>

**PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
<b>15. Trade and other payables</b>		
Contract Liabilities (Note 12)	-	7,009
Trade creditors	-	50,424
Taxes and social security costs	-	111,039
Accruals and deferred income	-	108,463
	<hr/>	<hr/>
	-	276,935
	<hr/>	<hr/>

**16. Deferred tax**

**Recognised deferred tax assets and liabilities**

Deferred tax assets and (liabilities) recognised by the Company and the movements thereon during the current and prior period:

	Tax losses £
At 1 January 2017	121,233
(Charge) to income	( 96,738)
	<hr/>
At 1 January 2018	24,495
Deferred Tax transfer	( 24,495)
	<hr/>
At 31 December 2018	-
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# PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
<b>17. Share capital</b>		
Issued and fully paid 750,000 Ordinary shares of £1 each	<u>750,000</u>	<u>750,000</u>

The Company has one class of ordinary shares which carry no right to fixed income.

## **18. Employee benefits**

### **Defined contribution**

The Company contributes to a defined contribution pension scheme operated by the parent company. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund.

	2018 £	2017 £
Contributions payable by the Company for the year	<u>-</u>	<u>53,656</u>

## **19. Operating lease arrangements**

Minimum lease payments under operating leases recognised as an expense in the year

	<u>-</u>	<u>70,009</u>
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At 31 December 2018 the Company had no commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2018 £	2017 £	2018 £	2017 £
Within one year	-	51,135	-	22,086
In the second to fifth years	-	55,396	-	27,833
	<u>-</u>	<u>106,531</u>	<u>-</u>	<u>49,919</u>

## **PENNANT SUPPORT & DEVELOPMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **20. Control**

The Company is controlled by Pennant International Group plc, incorporated in England & Wales, which owns 100% of the Company's shares.

#### **21. Capital commitments**

At 31 December 2018 and 31 December 2017, the Company had no capital commitments.

#### **22. Contingent liability**

The Company is party to a group registration for the purposes of Value Added Tax (VAT). Members of the group are jointly and severally liable for the total tax due. The amount of VAT payable by the group registration and not accrued in the statement of financial position was £NIL (2017: £62,537).