

Pennant Plant Limited
Report and Accounts

31 December 1992

Registration SC48123



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Report of the directors

The directors have pleasure in presenting their report and the audited accounts for the year ended 31 December 1992.

Results and dividends

The results for the year are set out in the profit and loss account. The directors do not recommend payment of a dividend for the year.

Review of the business

The principal activity of the company is plant and vehicle hire and contracting. There has been no change in activity during the year and both the level of business and the year end financial position are considered satisfactory.

The directors are looking to maintain and develop both existing and new customers in 1993.

Fixed assets

Movements in fixed assets during the year are summarised in note 7 to the accounts.

Directors and directors' interests

The directors of the company during the year were:

KM Miller	(Chairman)
JWL Hadden	

The interests of Mr KM Miller are disclosed in the directors' report of The Miller Group Limited. Mr JWL Hadden did not have any interest in the share capital of the company or other group companies.

Auditors

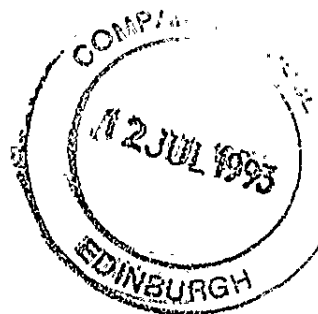
In accordance with Section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

Alan Miller

AT Miller
Secretary

Edinburgh
19 April 1993





Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

Report of the auditors to the members of
Pennant Plant Limited

We have audited the accounts on pages 3 to 9 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1992 and of its loss for the year then ended and have been properly prepared accordance with the Companies Act 1985.

KPMG Peat Marwick
Chartered Accountants
Registered Auditors

19 April 1993

Pennant Plant Limited

Profit and loss account for the year ended 31 December 1992

	Notes	1992 £	1991 £
Turnover	2	5,593,024	5,040,537
Cost of sales		(4,763,139)	(4,272,552)
Gross profit		829,885	767,985
Administrative expenses		(642,323)	(615,385)
Other operating income		272,085	327,027
Interest payable and similar charges	5	(387,727)	(403,515)
Profit on ordinary activities before taxation	3	71,920	76,112
Tax on profit on ordinary activities	6	(80,125)	(30,365)
(Loss)profit on ordinary activities after taxation		(8,205)	45,747
Proposed dividend		-	(19,053)
(Loss)profit for the year retained		(8,205)	26,694
Retained profit brought forward		1,196,229	1,169,535
Retained profit carried forward		<u>1,188,024</u>	<u>1,196,229</u>

Pennant Plant Limited

Balance sheet
at 31 December 1992

	Notes	1992 £	1991 £
Fixed assets			
Tangible assets	7	4,061,591	3,609,256
Current assets			
Stocks	8	10,227	4,865
Debtors	9	950,241	674,576
Cash in hand		121	97
		<hr/>	<hr/>
Creditors: amounts falling due within one year	10	960,589 (3,430,172)	679,538 (2,658,405)
Net current liabilities		<hr/> (2,469,583) <hr/>	<hr/> (1,978,867) <hr/>
Total assets less current liabilities		1,592,008	1,630,389
Creditors: amounts falling due after more than one year			
Obligations under finance leases		(182,533)	(209,204)
Provisions for liabilities and charges			
Deferred taxation	11	(121,451)	(124,956)
		<hr/>	<hr/>
Net assets		<u>1,288,024</u>	<u>1,296,229</u>
Capital and reserves			
Called up share capital	12	100,000	100,000
Profit and loss account		1,188,024	1,196,229
		<hr/>	<hr/>
		<u>1,288,024</u>	<u>1,296,229</u>

These accounts were approved by the board of directors on 19 April 1993 and were signed on its behalf by:

Keith M. Miller
Keith M Miller
Director

Pennant Plant Limited

Notes

(forming part of the accounts)

1. Accounting policies

Basis of accounting

All items are stated in the accounts under the historical cost basis and in accordance with applicable accounting standards.

The company is a wholly owned subsidiary of another company incorporated in Great Britain and is therefore exempt from the provisions of FRS1.

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

Depreciation

Depreciation of plant, equipment and vehicles is provided on the straight-line method over the estimated useful lives of the assets concerned. The main annual rates in use are as follows:

Heavy plant	12.5% - 33%
Coaling equipment	12.5% - 20%
Cars, vans and miscellaneous	25%
Lorries and office equipment	20%
Furniture and fittings	10%

Leasehold improvements are amortised on a straight-line basis over the shorter of the outstanding lease period and the estimated useful lives of the assets concerned.

Leasing

Assets acquired under finance leases are included in tangible fixed assets at the outright purchase price equivalent. Depreciation is provided at rates designed to write off this amount using the straight-line method over the shorter of the estimated useful lives or the period of the leases. The capital element of future rentals is treated as a liability and the interest element is charged to the profit and loss account over the period of the lease in proportion to the balances outstanding.

Expenditure on operating leases is charged to the profit and loss account on a straight-line basis over the lease period.

Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of timing differences if liabilities are likely to crystallise in the foreseeable future.

2. Turnover

This comprises invoiced sales during the year, excluding value added tax.

Turnover and profit on ordinary activities before taxation are attributable to one class of business, hire of plant and vehicles and contracting. Turnover relates entirely to sales in the United Kingdom.

Pennant Plant Limited

Notes (continued)

3. Profit on ordinary activities before taxation

	1992 £	1991 £
This is stated after charging(crediting) the following:		
Gain on sale of tangible fixed assets	(272,085)	(327,027)
Depreciation		
Assets held under finance leases	205,719	242,821
Other assets	1,430,108	1,417,153
Operating lease rentals		
Hire of plant and equipment	109,368	83,872
Other	39,000	39,000
Auditors' remuneration:		
Audit fees	6,260	6,620
Other fees	1,550	1,850
Directors' remuneration		
Fees	-	-
Emoluments	44,643	41,580
Pension contributions	4,701	4,506
	<u>49,344</u>	<u>46,086</u>
Chairman's emoluments	-	-
Highest paid director's emoluments	<u>44,643</u>	<u>41,580</u>
Directors' emoluments:	Number	Number
£nil - £ 5,000	1	2
£35,001 - £40,000	-	1
£40,001 - £45,000	<u>1</u>	<u>-</u>

4. Staff numbers and costs

The average number of persons employed by the company, including directors, during the year was as follows:

	1992 Number	1991 Number
Operators	46	49
Administration	19	19
	<u>65</u>	<u>68</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	952,879	934,861
Social security costs	80,746	79,203
Other pension costs	27,836	30,201
	<u>1,061,461</u>	<u>1,044,265</u>

Pennant Plant Limited

Notes (continued)

5. Interest payable and similar charges

	1992 £	1991 £
Bank overdraft interest	-	354,647
Interest payable to group undertaking	344,261	-
Finance charges on leased assets	43,466	48,868
	<u>387,727</u>	<u>403,515</u>

6. Tax on profit on ordinary activities

Current year:		
Corporation tax at 33% (1991 33.25%)	75,469	47,472
Transfer from deferred taxation	(46,489)	(17,086)
	<u>28,980</u>	<u>30,386</u>
Adjustments for previous years:		
Corporation tax	8,161	(21)
Deferred taxation	42,984	-
	<u>80,125</u>	<u>30,365</u>

7. Tangible fixed assets

	Leasehold improvements £	Plant, equipment and vehicles		Total £
		Leased £	Owned £	
<i>Cost</i>				
At 1 January 1992	67,136	1,413,666	6,948,665	8,449,467
Additions at cost	-	168,000	2,288,539	2,456,539
Disposals	-	(276,995)	(1,416,955)	(1,693,950)
	<u>67,136</u>	<u>1,304,671</u>	<u>7,820,249</u>	<u>9,212,956</u>
<i>At 31 December 1992</i>	<u>87,136</u>	<u>1,304,671</u>	<u>7,820,249</u>	<u>9,212,956</u>
<i>Depreciation</i>				
At 1 January 1992	8,714	680,490	4,151,007	4,840,211
Charge for year	8,714	205,719	1,421,394	1,635,827
On disposals	-	(221,208)	(1,104,365)	(1,325,573)
	<u>17,428</u>	<u>665,001</u>	<u>4,468,036</u>	<u>5,150,465</u>
<i>At 31 December 1992</i>	<u>17,428</u>	<u>665,001</u>	<u>4,468,036</u>	<u>5,150,465</u>
<i>Net book value</i>				
At 31 December 1992	<u>69,708</u>	<u>639,670</u>	<u>3,352,213</u>	<u>4,061,591</u>
At 31 December 1991	<u>78,422</u>	<u>733,176</u>	<u>2,797,658</u>	<u>3,609,256</u>

Pennant Plant Limited

Notes (continued)

8.	Stocks	1992 £	1991 £
	Consumables	<u>10,227</u>	<u>4,865</u>
9.	Debtors		
	<i>Amounts falling due within one year</i>		
	Trade debtors	254,313	175,285
	Amounts recoverable on contracts	304,624	128,624
	Amounts owed by fellow subsidiary undertakings	300,061	184,376
	Prepayments and accrued income	91,243	186,291
		<u>950,241</u>	<u>674,576</u>
10.	Creditors: amounts falling due within one year		
	Bank overdraft	2,191,413	1,834,058
	Trade creditors	542,361	259,136
	Amount owed to parent company	394,842	213,717
	Corporation tax	75,464	47,472
	Other taxes	35,611	50,262
	Obligations under finance leases	170,981	200,073
	Accruals and deferred income	19,500	34,634
	Proposed dividend	-	19,053
		<u>3,430,172</u>	<u>2,658,405</u>
11.	Deferred taxation		
	The amount provided for deferred taxation is the full potential liability at 33% (1991 33%). Of the liability, £27,019 (1991 £61,054) relates to accelerated capital allowances and £94,432 (1991 £63,902) to other timing differences.		
12.	Share capital	1992 £	1991 £
	<i>Authorised, allotted, called up and fully paid</i>		
	400,000 Ordinary shares of 25p each	<u>100,000</u>	<u>100,000</u>

Pennant Plant Limited

Notes (continued)

13. Lease commitments

The company has a commitment under an operating lease in respect of land and buildings to make payments totalling £39,000 (1991 £39,000) in the year to 31 December 1993.

14. Pensions

The company participates in The Miller Group Limited Pension Scheme, a defined benefit pension scheme providing benefits based on final pensionable earnings. Contributions to the scheme are assessed in accordance with the advice of an independent qualified actuary, on the basis of triennial valuations, using the projected unit method and are based on pension costs across the group as a whole.

Further details of the most recent actuarial valuation and the main actuarial assumptions are disclosed in the accounts of The Miller Group Limited.

15. Contingent liabilities

There are contingent liabilities in respect of inter-group guarantees of bank borrowings. At 31 December 1992 the relevant borrowings amounted to £Nil (1991 £10,755,564).

16. Ultimate parent company

The company's ultimate parent company is The Miller Group Limited, which is registered in Scotland and incorporated in Great Britain. The accounts of The Miller Group Limited can be obtained from the Registrar of Companies, Companies House, 100-102 George Street, Edinburgh EH2 3DJ.