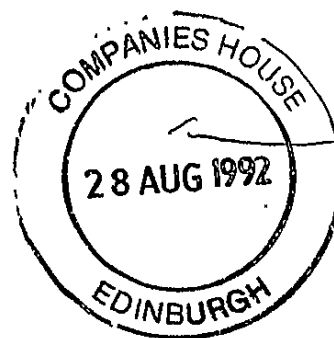


Pennant Plant Limited
Report and Accounts

31 December 1991

Registration SC48123



Pennant Plant Limited

Report of the directors

The directors have pleasure in presenting their report together with the accounts of the company for the year ended 31 December 1991.

Business Review and Future Developments

The principal activity of the company is plant and vehicle hire. 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 1992.

Results and Dividends

The results for the year are set out in the profit and loss account on page 3.

The directors recommend payment of a dividend for the year of £19,053.

Directors

The directors of the company during the year were:

KM Miller	(Chairman)
JWL Hadden	
GRC Scott	(resigned 29 August 1991)

None of the directors had any interests in the shares of the company during the year. The interests of Mr KM Miller in shares of The Miller Group Limited, the parent company, are shown in the accounts of that company.

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

Secretary

Edinburgh
27 April 1992

Saltaire 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 10 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 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ally Peat Marwick

Chartered Accountants
Registered Auditor

27 April 1992

Pennant Plant Limited

Profit and loss account for the year ended 31 December 1991

	Notes	1991 £	1990 £
Turnover	2	5,040,537	5,695,280
Cost of sales		(4,272,552)	(4,619,103)
Gross profit		767,985	1,076,177
Administrative expenses		(615,385)	(532,125)
Other operating income		327,027	356,385
Interest payable and similar charges	5	(403,515)	(524,530)
Profit on ordinary activities before taxation	3	76,112	375,907
Tax on profit on ordinary activities	6	(30,365)	(131,529)
Profit on ordinary activities after taxation		45,747	244,378
Proposed dividend		(19,053)	93,977
Profit for the year retained		26,694	150,401
Retained profit brought forward		1,169,535	1,019,134
Retained profit carried forward		<u>1,196,229</u>	<u>1,169,535</u>

The notes on pages 6 to 10 form part of these accounts.

Pennant Plant Limited

Balance sheet at 31 December 1991

	Notes	1991 £	1990 £
Fixed assets			
Tangible assets	7	3,609,256	5,030,315
Current assets			
Stocks	8	4,865	7,994
Debtors	9	674,576	641,616
Cash in hand		97	130
		<u>679,538</u>	<u>649,740</u>
Creditors: Amounts falling due within one year	10	(2,658,405)	(4,203,665)
Net current liabilities		<u>(1,978,867)</u>	<u>(3,553,925)</u>
Total assets less current liabilities		<u>1,630,389</u>	<u>1,476,390</u>
Creditors: Amounts falling due after more than one year			
Obligations under finance leases		(209,204)	(64,813)
Provisions for liabilities and charges			
Deferred taxation	11	(124,956)	(142,042)
Net assets		<u>1,296,229</u>	<u>1,269,535</u>
Capital and reserves			
Called up share capital	12	100,000	100,000
Profit and loss account		1,196,229	1,169,535
		<u>1,296,229</u>	<u>1,269,535</u>

The notes on pages 6 to 10 form part of these accounts.

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

27 April

1992

Leith M. Haller
Director

Pennant Plant Limited

Statement of source and application of funds for the year ended 31 December 1991

	1991 £	1990 £
Source of funds		
Profit on ordinary activities before taxation	76,112	375,907
Adjustments for items not involving the movement of funds:		
Depreciation	1,659,974	1,880,750
Gain on sale of tangible fixed assets	(327,027)	(356,385)
	<hr/>	<hr/>
Funds generated from operations	1,409,059	1,900,272
Funds from other sources		
Proceeds of sale of tangible fixed assets	1,814,508	988,299
	<hr/>	<hr/>
	3,223,567	2,888,571
	<hr/>	<hr/>
Application of funds		
Corporation tax paid less recovered	214,366	15,221
Dividend paid	93,977	66,566
Acquisition of tangible fixed assets	1,726,396	2,504,902
(Increase)decrease in creditors falling due after more than one year	(144,391)	179,335
	<hr/>	<hr/>
	1,890,348	2,766,024
	<hr/>	<hr/>
Increase in working capital	<u>1,333,219</u>	<u>122,547</u>
Components of increase in working capital		
Stocks	(3,129)	(67,957)
Debtors	32,960	252,343
Creditors falling due within one year	218,930	(261,462)
	<hr/>	<hr/>
	248,761	(77,076)
	<hr/>	<hr/>
Movement in net liquid funds:		
Decrease in bank overdraft	1,084,491	200,053
Decrease in cash at bank and in hand	(33)	(430)
	<hr/>	<hr/>
	1,084,458	199,623
	<hr/>	<hr/>
	<u>1,333,219</u>	<u>122,547</u>

Pennant Plant Limited

Notes to 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.

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. Turnover relates entirely to sales in the United Kingdom.

Pennant Plant Limited

Notes to the accounts (Contd)

3. Profit on ordinary activities before taxation

	1991 £	1990 £
This is stated after charging(crediting) the following:		
Gain on sale of tangible fixed assets	(327,027)	(356,385)
<i>Depreciation</i>		
Assets held under finance leases	242,821	256,104
Other assets	1,417,153	1,624,546
<i>Operating lease rentals</i>		
Hire of plant and equipment	83,872	77,526
Other	39,000	22,467
Auditors' remuneration	<u>6,620</u>	<u>6,400</u>
<i>Directors' remuneration</i>		
Fees	-	-
Emoluments	41,580	38,823
Pension contributions	4,506	4,063
	<u>46,086</u>	<u>42,886</u>
Chairman's emoluments	-	-
Highest paid director's emoluments	<u>41,580</u>	<u>38,823</u>
Directors' emoluments:	Number	Number
£nil - £ 5,000	2	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:

	1991 Number	1990 Number
Operators	49	48
Administration	19	16
	<u>68</u>	<u>64</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	934,861	843,808
Social security costs	79,203	74,239
Other pension costs	30,201	12,677
	<u>1,044,265</u>	<u>930,724</u>

Pennant Plant Limited

Notes to the accounts (Contd)

5.

Interest payable and similar charges

	1991 £	1990 £
Bank overdraft interest	354,647	476,601
Finance charges on leased assets	48,868	47,929
	<u>403,515</u>	<u>524,530</u>

6.

Tax on profit on ordinary activities

Current year:		
Corporation tax at 33.25% (1990, 34.25%)	47,472	214,387
Transfer from deferred taxation	(17,086)	(94,280)
	<u>30,386</u>	<u>120,107</u>
Adjustments for previous years:		
Corporation tax	(21)	-
Deferred taxation	-	11,422
	<u>30,365</u>	<u>131,529</u>

7.

Tangible fixed assets

	Leaschold improvements £	Plant, equipment and vehicles		Total £
		Leased £	Owned £	
Cost				
At 1 January 1991	87,136	1,208,230	8,470,445	9,765,811
Additions at cost	-	512,436	1,213,960	1,726,396
Disposals	-	(307,000)	(2,735,740)	(3,042,740)
	<u>87,136</u>	<u>1,413,666</u>	<u>6,948,665</u>	<u>8,449,467</u>
At 31 December 1991	87,136	1,413,666	6,948,665	8,449,467
Depreciation				
At 1 January 1991	-	693,588	4,041,908	4,735,496
Charge for year	8,714	242,821	1,408,439	1,659,974
On disposals	-	(255,919)	(1,299,340)	(1,555,259)
	<u>8,714</u>	<u>680,490</u>	<u>4,151,007</u>	<u>4,840,211</u>
At 31 December 1991	8,714	680,490	4,151,007	4,840,211
Net book value				
At 31 December 1991	<u>78,422</u>	<u>733,176</u>	<u>2,797,658</u>	<u>3,609,256</u>
At 31 December 1990	<u>87,136</u>	<u>514,642</u>	<u>4,428,537</u>	<u>5,030,315</u>

Pennant Plant Limited

NOTES TO THE ACCOUNTS (Contd)

8.	Stocks	1991	1990
		£	£
	Consumables	<u>4,865</u>	<u>7,994</u>
9.	Debtors		
	<i>Amounts falling due within one year</i>		
	Trade debtors	175,285	135,089
	Amounts recoverable on contracts	128,624	213,583
	Amounts owed by fellow subsidiary undertakings	184,376	123,163
	Prepayments and accrued income	186,291	89,692
		<hr/>	<hr/>
		674,576	561,527
	<i>Amounts falling due after more than one year</i>		
	Trade debtors	-	80,089
		<hr/>	<hr/>
		<u>674,576</u>	<u>641,616</u>
10.	Creditors: Amounts falling due within one year		
	Bank overdraft	1,834,058	2,918,549
	Trade creditors	259,136	405,432
	Amount owed to parent company	213,717	217,041
	Corporation tax	47,472	214,387
	Other taxes	50,262	26,717
	Obligations under finance leases	200,073	285,853
	Accruals and deferred income	34,634	41,709
	Proposed dividend	19,053	93,977
		<hr/>	<hr/>
		<u>2,658,405</u>	<u>4,203,665</u>
11.	Deferred taxation		
	The amount provided for deferred taxation is the full potential liability at 33% (1990, 33%). Of the liability, £61,054 (1990, £130,913) relates to accelerated capital allowances and £63,902 (1990, £11,129) to other timing differences.		
12.	Share capital	1991	1990
		£	£
	<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 to the accounts (Contd)

13. Lease commitments

The company has a commitment under an operating lease in respect of land and buildings to make payments totalling £39,000 (1990, £39,000) in the year to 31 December 1992.

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 1991 the relevant borrowings amounted to £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.