

Bernard Brogan Limited
Directors' report and financial statements
31 May 1995
Registered number 29521



Bernard Brogan Limited

Directors' report and financial statements

Contents

Page

Directors' report	1 - 2
Statement of directors' responsibilities	3
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes	7 - 14

Bernard Brogan Limited

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 May 1995.

Principal activities

The company is principally engaged in access platform hire, fuel distribution, haulage contracting, industrial fabrication, ironmongery supplies and motor engineering.

Business review

The loss for the year after taxation amounted to £7,549 (1994: loss £82,521). No dividend is proposed and the loss after tax will be deducted from reserves.

Directors and directors' interests

The directors who held office during the year and their interests in the ordinary share capital of the company were as follows :

		Note	1995	1994 or date of appointment
Edward Brogan			13,125	13,125
James Brogan	(chairman)	1	13,125	13,125
Robert Brogan	(resigned 18 May 1995)	1	13,125	13,125
John Brogan		1	7,125	7,125
J McCaig			Nil	Nil
C Mauchline			Nil	Nil
W Taylor			Nil	Nil
S Duff	(resigned 30 June 1995)		Nil	Nil
F Lemka			Nil	Nil
CB Brogan	(appointed 1 November 1994)		1,969	1,969
AH Tait	(appointed 1 November 1994)		1,969	1,969

Note 1: In addition to their shareholdings these directors had a non beneficial interest at 31 May 1995 in 8,531 ordinary shares (1994: 23,625) held by a trust of which they are trustees.

Fixed assets

All movements in fixed assets are shown in notes 7 and 8 to the financial statements.

In the opinion of the directors the company's freehold properties have a market value in excess of book value.

Bernard Brogan Limited

Directors' report (*continued*)

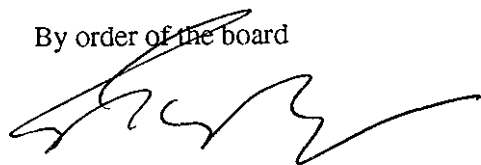
Donations

During the year the company made political and charitable donations of £458 (1994: £890).

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the Annual General Meeting.

By order of the board



CB Brogan
Secretary

Nethan Street
Motherwell
ML1 3TF

6 November 1995

Bernard Brogan Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to (a) select suitable accounting policies and then apply them consistently, (b) make judgements and estimates that are reasonable and prudent, (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Report of the auditors to the members of Bernard Brogan Limited

We have audited the financial statements on pages 4 to 14.

Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. 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 directors 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 and performed 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'KPMG'.

KPMG
Chartered Accountants
Registered Auditors

24 Blythswood Square
Glasgow
G2 4QS

13 November 1995



Bernard Brogan Limited

Profit and loss account for the year ended 31 May 1995

	<i>Note</i>	1995 £	1994 £
Turnover	2	19,172,015	14,707,931
Cost of sales		(18,061,286)	(13,854,015)
Gross profit		1,110,729	853,916
Administrative expenses		(1,033,894)	(954,853)
Operating profit/(loss)		76,835	(100,937)
Interest receivable		-	250
Interest payable	4	(82,630)	(41,143)
Loss on ordinary activities before taxation	2-3	(5,795)	(141,830)
Tax (charge)/credit on loss on ordinary activities	6	(1,754)	59,309
Loss on ordinary activities after taxation		(7,549)	(82,521)
Profit and loss account brought forward		1,584,007	1,666,528
Profit and loss account carried forward		1,576,458	1,584,007

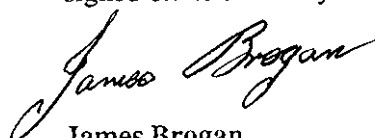
There have been no recognised gains or losses other than the loss for the financial year.

Bernard Brogan Limited

Balance sheet at 31 May 1995

	Note	£	1995 £	£	1994 £
Fixed assets					
Tangible assets	7		1,919,414		1,595,219
Investment	8		2,498		2,498
			<u>1,921,912</u>		<u>1,597,717</u>
Current assets					
Stocks	9	430,998		388,888	
Debtors	10	3,313,305		2,636,750	
Cash in hand		1,300		1,300	
		<u>3,745,603</u>		<u>3,026,938</u>	
Creditors: amounts falling due within one year	11	<u>(3,591,966)</u>		<u>(2,731,859)</u>	
Net current assets			<u>153,637</u>		<u>295,079</u>
Total assets less current liabilities			<u>2,075,549</u>		<u>1,892,796</u>
Creditors: amounts falling due after more than one year	11		(305,978)		(110,089)
Provision for liabilities and charges					
Deferred taxation	12		<u>(109,113)</u>		<u>(114,700)</u>
Net assets			<u>1,660,458</u>		<u>1,668,007</u>
Capital and reserves					
Called up equity share capital	13		84,000		84,000
Profit and loss account			<u>1,576,458</u>		<u>1,584,007</u>
Equity shareholders' funds			<u>1,660,458</u>		<u>1,668,007</u>

These financial statements were approved by the board of directors on 6 November 1995 and were signed on its behalf by:


James Brogan
Director

Bernard Brogan Limited

Cash flow statement for the year ended 31 May 1995

	Note	£	1995 £	£	1994 £
Net cash inflow from operating activities	14		338,591		285,147
Returns on investments and servicing of finance					
Interest received		-		250	
Interest paid		(82,630)		(41,143)	
Net cash outflow from returns on investments			(82,630)		(40,893)
Taxation					
Corporation tax recovered			36,012		59,495
Investing activities					
Payments to acquire tangible fixed assets		(846,785)		(500,721)	
Receipts from sales of tangible fixed assets		157,700		143,850	
Net cash outflow from investing activities			(689,085)		(356,871)
Net cash outflow before financing			(397,112)		(53,122)
Financing					
Capital element of finance lease rental payments	17	267,508		(5,054)	
Movement in director's loan account	17	(92,973)		(206)	
Net cash inflow/(outflow) from financing			174,535		(5,260)
Decrease in cash and cash equivalents	15		(222,577)		(58,382)

Bernard Brogan Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The financial statements have been prepared under the historical cost convention and comply with all applicable Accounting Standards.

Turnover

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers for services provided and goods supplied as a principal, excluding VAT and trade discounts.

Depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful lives. Depreciation is calculated on the reducing balance method.

The rates applicable are:

Buildings	-	2%
Plant	-	25%
Vehicles	-	25%
Furniture	-	15%
Oil Tanks	-	10%

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred tax

Deferred tax is the corporation tax attributable to timing differences between profits or losses as computed for tax purposes and results as stated in the financial statements. Deferred tax is provided to the extent that it is probable that a liability will crystallise. Deferred tax is calculated at the rates at which it is estimated that corporation tax will be paid when the timing differences reverse.

Pension costs

The company's pension costs are charged to the profit and loss account so as to spread the cost of pensions evenly over the estimated average service lives of the employees who are members of the company's pension scheme.

Leasing

Assets held under finance leases are recorded at cost, with an equivalent liability shown within creditors due within or after one year as appropriate. Each asset is depreciated over the shorter of the lease period and the asset's useful economic life. The interest element represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

Rental payments due under operating lease arrangements are charged to the profit and loss account in the period to which they relate.

Bernard Brogan Limited

Notes (continued)

2 Turnover and loss on ordinary activities before taxation

Turnover represents sales of goods and services by the company within the UK.

The following is an analysis of turnover and loss before tax by activity:

	Turnover		Profit/(loss) before tax	
	1995	1994	1995	1994
	£	£	£	£
Fuel distribution	17,569,236	13,220,372	607,728	495,349
Haulage contracting	573,098	585,335	29,434	(79,151)
Access platform hire	822,232	780,494	84,638	139,077
Ironmongery supplies	774,375	766,746	64,267	24,362
Industrial fabrication	221,176	97,007	22,630	(10,990)
Motor engineering	210,423	206,479	13,545	22,352
	<u>20,170,540</u>	<u>15,656,433</u>	<u>822,242</u>	<u>590,999</u>
Trading between activities	(998,525)	(948,502)	-	-
Overheads	-	-	(828,037)	(732,829)
	<u>19,172,015</u>	<u>14,707,931</u>	<u>(5,795)</u>	<u>(141,830)</u>

3 Loss on ordinary activities before taxation

*Loss on ordinary activities before
taxation is stated
after charging*

	1995	1994
	£	£
Auditors' remuneration	14,858	13,937
Payments to auditors for other services	3,925	5,500
Depreciation - owned assets	317,942	350,401
- finance leases	48,825	2,501
Staff costs	1,531,283	1,506,895
Hire of plant and machinery under operating leases	89,032	45,352

The total amount charged to revenue for the hire of plant and machinery amounted to £150,368 (1994:£49,286). This comprises rentals payable under operating leases as well as depreciation on plant and machinery held under finance leases together with the related finance charges.

4 Interest payable

	1995	1994
	£	£
On bank overdraft wholly repayable within five years	70,119	39,710
On finance leases	12,511	1,433
	<u>82,630</u>	<u>41,143</u>

Bernard Brogan Limited

Notes (continued)

5 Directors and employees

The average number of employees of the company during the year and their aggregate emoluments are shown below:

	1995 £	1994 £
Wages and salaries	1,342,516	1,315,347
Social security	129,220	129,809
Pension costs	59,547	61,739
	<u>1,531,283</u>	<u>1,506,895</u>

Average number of employees during the year, analysed by category, was

Directors and administrative staff	28	26
Clerical and distribution	68	70
	<u>96</u>	<u>96</u>

Remuneration in respect of directors is as follows:

	£	£
Emoluments (including benefits in kind)	286,441	255,946
Pension costs	30,578	27,017
	<u>317,019</u>	<u>282,963</u>

The emoluments, excluding pension contributions, of the chairman were £46,699 (1994: £43,559) and of the highest paid director were £77,720 (1994: £74,003). The emoluments, excluding pension contributions, of all directors fell within the following ranges:

	1995	1994
£0 - £5,000	2	1
£15,001 - £20,000	2	1
£20,001 - £25,000	3	3
£25,001 - £30,000	2	2
£40,001 - £45,000	-	1
£45,001 - £50,000	1	-
£70,001 - £75,000	-	1
£75,001 - £80,000	1	-
	<u>=</u>	<u>=</u>

Bernard Brogan Limited

Notes (continued)

6 Tax (charge)/credit on loss on ordinary activities

	1995 £	1994 £
UK corporation tax (charge)/recoverable at 25% (1994: 25%)	(7,397)	35,956
Deferred tax release/(charge)	5,628	(4,235)
Prior year - Corporation tax recoverable/(charge)	56	(2,289)
- Deferred tax (charge)/credit	(41)	29,877
	<u>(1,754)</u>	<u>59,309</u>

7 Tangible fixed assets

	Freehold properties £	Plant £	Vehicles £	Furniture £	Oil tanks £	Total £
<i>Cost</i>						
At beginning of year	430,910	250,917	2,741,082	165,843	72,352	3,661,104
Additions	134,400	705	611,698	93,645	6,337	846,785
Disposals	-	(144,875)	(523,007)	(85,684)	-	(753,566)
At end of year	<u>565,310</u>	<u>106,747</u>	<u>2,829,773</u>	<u>173,804</u>	<u>78,689</u>	<u>3,754,323</u>
<i>Depreciation</i>						
At beginning of year	65,621	188,916	1,665,260	105,310	40,778	2,065,885
Provided in the year	8,409	12,501	331,916	10,615	3,326	366,767
Disposals	-	(124,904)	(417,888)	(54,951)	-	(597,743)
At end of year	<u>74,030</u>	<u>76,513</u>	<u>1,579,288</u>	<u>60,974</u>	<u>44,104</u>	<u>1,834,909</u>
<i>Net book value</i>						
At 31 May 1995	<u>491,280</u>	<u>30,234</u>	<u>1,250,485</u>	<u>112,830</u>	<u>34,585</u>	<u>1,919,414</u>
At 31 May 1994	<u>365,289</u>	<u>62,001</u>	<u>1,075,822</u>	<u>60,533</u>	<u>31,574</u>	<u>1,595,219</u>

Vehicles include assets held under finance leases which had a net book value of £294,149 at 31 May 1995 (1994: £7,504).

Bernard Brogan Limited

Notes (continued)

8 Fixed asset investment

The investment is in Lemka Fabrications Limited which is a wholly owned subsidiary undertaking of Bernard Brogan Limited. As the company did not trade during the year consolidated financial statements have not been prepared.

9 Stocks

	1995 £	1994 £
Finished goods and goods for resale	430,998	388,888

10 Debtors

	1995 £	1994 £
<i>All falling due within one year</i>		
Trade debtors	3,103,550	2,531,280
Corporation tax recoverable	-	35,956
Prepayments	209,755	69,514
	<u>3,313,305</u>	<u>2,636,750</u>

11 Creditors

	1995		1994	
	Due within one year £	Due after one year £	Due within one year £	Due after one year £
Bank overdraft	858,786	-	636,209	-
Trade creditors	2,570,023	107,383	1,939,136	107,383
Other creditors including taxation and social security:				
Social security and other taxes	79,156	-	49,751	-
Other creditors	198	-	105	-
Accruals and deferred income	10,227	-	11,728	-
Obligations under finance leases	73,576	196,028	1,957	139
Loan from director	-	-	92,973	-
Amounts owed to subsidiary undertaking	-	2,567	-	2,567
	<u>3,591,966</u>	<u>305,978</u>	<u>2,731,859</u>	<u>110,089</u>

Bernard Brogan Limited

Notes (continued)

11 Creditors (continued)

The bank overdraft is secured by a standard security over properties owned by the company together with a bond and floating charge over the whole assets of the company.

The obligations under finance leases due after one year are due within two to five years.

12 Deferred taxation

Deferred taxation fully provided in the financial statements at 25% (1994: 25%) is set out below:

	1995 £	1994 £
Accelerated capital allowances	173,904	113,012
Other timing differences	(64,791)	1,688
	<u>109,113</u>	<u>114,700</u>

13 Share capital

	1995 £	1994 £
<i>Authorised</i>		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<i>Allotted, called up and fully paid:</i>		
84,000 ordinary shares of £1 each	<u>84,000</u>	<u>84,000</u>

14 Reconciliation of operating loss to net cash inflow from operating activities

	1995 £	1994 £
Operating profit/(loss)	76,835	(100,937)
Depreciation charged	366,767	352,902
Profit on sale of tangible fixed assets	(1,877)	(7,744)
Increase in stocks	(42,110)	(125,367)
Increase in debtors	(712,511)	(523,483)
Increase in creditors	<u>651,487</u>	<u>689,776</u>
Net cash inflow from operating activities	<u>338,591</u>	<u>285,147</u>

Bernard Brogan Limited

Notes (continued)

15 Analysis of changes in cash and cash equivalents during the year

	1995 £	1994 £
Balance at 1 June	(634,909)	(576,527)
Net cash outflow	(222,577)	(58,382)
Balance at 31 May	(857,486)	(634,909)

16 Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1995 £	1994 £	Change in year £
Cash at bank and in hand	1,300	1,300	-
Bank overdraft	(858,786)	(636,209)	(222,577)
	(857,486)	(634,909)	(222,577)

17 Analysis of changes in financing during the year

	Finance leases £	Director's loans £	Total £
Balance at 1 June 1994	2,096	92,973	95,069
Cash outflow/(inflow)	267,508	(92,973)	174,535
Balance at 31 May 1995	269,604	-	269,604

Bernard Brogan Limited

Notes (continued)

18 Commitments

- (i) Capital commitments at 31 May 1995, for which no provision has been made were as follows:

	1995 £	1994 £
Contracted	171,843	348,000
Authorised, but not contracted	-	55,767
	<u>171,843</u>	<u>403,767</u>

- (ii) Operating leases

At the end of the year the company had commitments under non-cancellable operating leases as follows:

	1995 £	1994 £
Operating leases which expire:		
In the second to fifth years inclusive	42,557	27,467
	<u>42,557</u>	<u>27,467</u>

19 Pension costs

The company operates a pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the company, being invested with Scottish Mutual Assurance plc. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method modified by a 20 year control period. The most recent valuation was carried out with an effective date of 1 December 1991. The assumptions which have the most significance are those relating to the rate of return on pensions. It was assumed that the investment returns would be 8.5% per annum and that salary increases would average 7% per annum and that pensions in excess of the guaranteed minimum pension (GMP) would increase at the rate of 3% per annum.

The most recent actuarial valuation showed that the value of the scheme's assets was £1,789,900 and that the actuarial value of those assets represented 119% of the benefits that had accrued to members, after allowing for revaluation at 7% per annum on benefits in excess of the GMP and statutory revaluation on the GMP. The contributions of the company and employees will remain at 8.2% and 2% of earnings for staff and 19.2% and 3% of earnings for directors respectively.

The next triennial valuation of the scheme with an effective date of 1 December 1994 is currently being prepared by the fund's actuary but will not be available until after the completion of these statutory accounts.

The pension charge for the year was £59,547 (1994: £61,739).

Prepaid pension contributions at 31 May 1995 amounted to £10,440 (1994: (£8,848)).