

Report of the Directors and
Financial Statements for the Year Ended 31 December 2011
for
Parker Plant Limited

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for the Year Ended 31 December 2011

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Parker Plant Limited
Company Information
for the Year Ended 31 December 2011

DIRECTORS:

R D Sciville
G B Dalby
A K Butler
G J Wheeler

SECRETARY:

S P Wilkinson

REGISTERED OFFICE.

Viaduct Works
Canon Street
Leicester
Leicestershire
LE4 6GH

REGISTERED NUMBER:

04908756 (England and Wales)

AUDITORS:

Torr Waterfield Limited
Park House
37 Clarence Street
Leicester
Leicestershire
LE1 3RW

Report of the Directors
for the Year Ended 31 December 2011

The directors present their report with the financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of design, manufacture and sale of crushing and screening plant, asphalt plant and concrete batching plant and conveyor systems

REVIEW OF BUSINESS

Despite the challenging trading conditions the company's sales for the year are only slightly lower than the previous year. The directors took the decision not to reduce selling prices to try to secure orders and as a result the company was able to increase its gross margin compared with 2010. Operating costs include a significant amount of exceptional expenditure, details of which are explained in Note 5 to the accounts. Excluding the effect of these exceptional items operating costs are around 4% higher than 2010 and this increase is attributable to the company's attendance at a number of international trade exhibitions during 2011.

The directors use a number of performance indicators, both financial and non-financial, to evaluate the company's performance. However, gross margin and operating profit are of particular importance in the management of the company.

DIVIDENDS

During the year the directors declared an interim dividend of £nil (2010: £500,000) and no final dividend is proposed.

FUTURE DEVELOPMENTS

The directors believe that in the short term the markets in which the company operates will remain competitive. Nevertheless given the extensive product offering and service levels the company is well placed to deliver future growth.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report.

R D Sciville
G B Dalby
A K Butler
G J Wheeler

The company has arranged insurance in respect of any liabilities of the directors or officers of the company arising from their duties in that role.

FINANCIAL INSTRUMENTS

The company does not actively use financial instruments as part of its risk management. It is only exposed to the usual credit risk and cash flow risk associated with selling on credit in the UK since all export sales are underpinned either by irrevocable letters of credit or substantial forward deposits and payments prior to despatch.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the principal risks and uncertainties include the current challenging economic conditions as well as increased competition from low cost manufacturers. These risks are managed by ensuring that the company continues to develop new markets for the quality products which we produce.

RESEARCH AND DEVELOPMENT

The company continues to invest significant amounts in research and development.

Report of the Directors
for the Year Ended 31 December 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent,
- 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



S P Wilkinson - Secretary

14 March 2012

Report of the Independent Auditors to the Members of
Parker Plant Limited

We have audited the financial statements of Parker Plant Limited for the year ended 31 December 2011 on pages five to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, 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 members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Torr Waterfield Limited

Mark Andrew Torr (Senior Statutory Auditor)
for and on behalf of Torr Waterfield Limited, Statutory Auditor
Park House
37 Clarence Street
Leicester
Leicestershire
LE1 3RW

14 March 2012

Parker Plant Limited (Registered number: 04908756)

Profit and Loss Account
for the Year Ended 31 December 2011

	Notes	31 12 11 £	31 12 10 £
TURNOVER	2	15,607,401	15,872,705
Cost of sales		10,277,262	10,513,313
GROSS PROFIT		5,330,139	5,359,392
Administrative expenses		4,580,762	3,814,876
OPERATING PROFIT	4	749,377	1,544,516
Loss on sale of tangible fixed assets	5	16,810	-
		732,567	1,544,516
Interest receivable and similar income		190	1,390
		732,757	1,545,906
Interest payable and similar charges	6	6,864	6,658
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		725,893	1,539,248
Tax on profit on ordinary activities	7	163,995	448,221
PROFIT FOR THE FINANCIAL YEAR		561,898	1,091,027

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

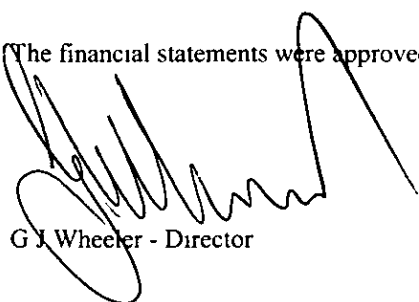
The company has no recognised gains or losses other than the profits for the current year or previous year

Parker Plant Limited (Registered number: 04908756)

Balance Sheet
31 December 2011

	Notes	31 12 11		31 12 10	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		762,373		1,031,102
Tangible assets	10		915,688		335,976
			<hr/>		<hr/>
			1,678,061		1,367,078
CURRENT ASSETS					
Stocks	11	7,991,209		5,859,168	
Debtors	12	1,838,474		1,462,648	
Cash at bank and in hand		651,972		1,327,512	
		<hr/>		<hr/>	
		10,481,655		8,649,328	
CREDITORS					
Amounts falling due within one year	13	6,931,106		5,286,650	
		<hr/>		<hr/>	
NET CURRENT ASSETS			3,550,549		3,362,678
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,228,610		4,729,756
CREDITORS					
Amounts falling due after more than one year	14		(128,837)		(256,259)
PROVISIONS FOR LIABILITIES	16		(141,953)		(77,575)
			<hr/>		<hr/>
NET ASSETS			4,957,820		4,395,922
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	17		200,000		200,000
Profit & loss account	18		4,757,820		4,195,922
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS	23		4,957,820		4,395,922
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors on 14 March 2012 and were signed on its behalf by



G J Wheeler - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2011

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax and trade discounts. Revenue is recognised at the point of despatch.

Intangible fixed assets

Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Goodwill	- 10% on cost
Intellectual property	- 20% on cost

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery	- 10% - 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is based on the estimated selling price, allowing for all further costs of disposal.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	31 12 11 £	31 12 10 £
Home sales	4,075,767	4,091,110
Export sales	11,531,634	11,781,595
	<u>15,607,401</u>	<u>15,872,705</u>

3 STAFF COSTS

	31 12 11 £	31 12 10 £
Wages and salaries	3,137,731	3,151,191
Social security costs	289,804	289,962
Other pension costs	81,226	62,665
	<u>3,508,761</u>	<u>3,503,818</u>

The average monthly number of employees during the year was as follows

	31 12 11	31 12 10
Production	113	115
Management and administration	20	19
Sales	14	12
	<u>147</u>	<u>146</u>

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31 12 11 £	31 12 10 £
Depreciation - owned assets	170,838	176,214
(Profit)/Loss on disposal of fixed assets	(48,579)	3,359
Goodwill amortisation	92,500	92,500
Intellectual property amortisation	201,229	198,313
Auditors' remuneration	13,475	13,725
Foreign exchange differences	(7,922)	50,708
Hire of plant and machinery	51,348	38,593
Operating lease - property rent	600,000	145,890
Rent receivable	<u>(300,000)</u>	<u>-</u>
Directors' remuneration	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

5 EXCEPTIONAL ITEMS

	31 12 11 £	31 12 10 £
Site redevelopment costs	200,593	-
Restructuring costs	71,378	-
Fine and legal fees	206,166	-
Consultancy costs	122,317	-
	<hr/>	<hr/>
	600,454	-
Loss on disposal of fixed assets	16,810	-
	<hr/>	<hr/>
	617,264	-
	<hr/>	<hr/>

The premises from which the company operates are leased from a fellow subsidiary company. During the year the company undertook certain work to modernise the factory and to redevelop the site.

During the year the company took the decision to close the machining department and the associated redundancy and other restructuring costs are included above.

The Health & Safety Executive brought a prosecution against the company in respect of an accident which occurred at the company's premises in December 2008 and a fine was imposed. The amount of the fine together with the associated legal costs incurred in defending the prosecution amounted to £206,166.

During the year the company engaged two consultants to develop new geographical markets for the company's products. Despite identifying a number of opportunities it was decided, due to current economic conditions, not to enter these markets at the present time.

The net loss on disposal of fixed assets includes a loss of £204,058 on disposal of cranes as part of the redevelopment of the site less a profit of £187,248 in respect of the disposal of the plant and equipment from the machining department.

6 INTEREST PAYABLE AND SIMILAR CHARGES

	31 12 11 £	31 12 10 £
Bank interest	364	140
Corporation tax interest	6,500	6,518
	<hr/>	<hr/>
	6,864	6,658
	<hr/>	<hr/>

7 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31 12 11 £	31 12 10 £
Current tax		
UK corporation tax	130,176	460,428
Corporation tax prior year	(14,268)	(201)
	<hr/>	<hr/>
Total current tax	115,908	460,227
Deferred tax	48,087	(12,006)
	<hr/>	<hr/>
Tax on profit on ordinary activities	163,995	448,221
	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

7 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	31 12 11 £	31 12 10 £
Profit on ordinary activities before tax	<u>725,893</u>	<u>1,539,248</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.493% (2010 - 28%)	192,311	430,989
Effects of		
Expenses not allowable for tax	58,714	12,513
Prior period adjustment to corporation tax	(14,268)	(201)
Deferred tax movement - accelerated capital allowances	(54,752)	22,688
Deferred tax movement - other timing differences	1,746	(10,682)
Deferred tax asset not provided	(4,920)	4,920
Research and development	(65,236)	-
Rate differences	<u>2,313</u>	<u>-</u>
Current tax charge	<u>115,908</u>	<u>460,227</u>

8 DIVIDENDS

	31 12 11 £	31 12 10 £
Interim	<u>-</u>	<u>500,000</u>

9 INTANGIBLE FIXED ASSETS

	Goodwill £	Intellectual property £	Totals £
COST			
At 1 January 2011	925,000	991,563	1,916,563
Additions	<u>-</u>	<u>25,000</u>	<u>25,000</u>
At 31 December 2011	<u>925,000</u>	<u>1,016,563</u>	<u>1,941,563</u>
AMORTISATION			
At 1 January 2011	670,622	214,839	885,461
Amortisation for year	<u>92,500</u>	<u>201,229</u>	<u>293,729</u>
At 31 December 2011	<u>763,122</u>	<u>416,068</u>	<u>1,179,190</u>
NET BOOK VALUE			
At 31 December 2011	<u>161,878</u>	<u>600,495</u>	<u>762,373</u>
At 31 December 2010	<u>254,378</u>	<u>776,724</u>	<u>1,031,102</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2011**

10 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2011	1,057,516	41,903	41,308	394,356	1,535,083
Additions	982,104	-	17,999	4,678	1,004,781
Disposals	(511,546)	-	-	-	(511,546)
At 31 December 2011	1,528,074	41,903	59,307	399,034	2,028,318
DEPRECIATION					
At 1 January 2011	775,283	30,234	39,775	353,815	1,199,107
Charge for year	127,186	8,215	3,408	32,029	170,838
Eliminated on disposal	(257,315)	-	-	-	(257,315)
At 31 December 2011	645,154	38,449	43,183	385,844	1,112,630
NET BOOK VALUE					
At 31 December 2011	882,920	3,454	16,124	13,190	915,688
At 31 December 2010	282,233	11,669	1,533	40,541	335,976

11 STOCKS

	31 12 11 £	31 12 10 £
Raw materials & consumables	1,539,979	2,036,961
Work-in-progress	5,877,517	3,289,519
Finished goods	573,713	532,688
	<u>7,991,209</u>	<u>5,859,168</u>

12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 11 £	31 12 10 £
Trade debtors	1,294,583	518,688
Amounts owed by group undertakings	-	41,603
Other debtors	146,925	539,467
VAT	167,841	259,262
Prepayments	229,125	103,628
	<u>1,838,474</u>	<u>1,462,648</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 11 £	31 12 10 £
Trade creditors	1,414,941	1,568,992
Amounts owed to group undertakings	3,600,000	1,441,636
Corporation tax	576,336	460,428
Social security & other tax	61,672	79,043
Other creditors	135,297	374,838
Accruals and deferred income	1,142,860	1,361,713
	<u>6,931,106</u>	<u>5,286,650</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2011**

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 12 11	31 12 10
	£	£
Other creditors	128,837	256,259
	<u> </u>	<u> </u>

15 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	31 12 11	31 12 10	31 12 11	31 12 10
	£	£	£	£
Expiring				
Between one and five years	600,000	-	30,000	1,958
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16 PROVISIONS FOR LIABILITIES

	31 12 11	31 12 10
	£	£
Deferred tax		
Accelerated capital allowances	71,554	16,802
Other timing differences	(23,467)	(16,802)
	<u> </u>	<u> </u>
	48,087	-
	<u> </u>	<u> </u>
Other provisions		
Warranty provision	93,866	77,575
	<u> </u>	<u> </u>
Aggregate amounts	141,953	77,575
	<u> </u>	<u> </u>
	Deferred	Warranty
	tax	provision
	£	£
Balance at 1 January 2011	-	77,575
Net additional provision	-	16,291
Accelerated capital allowances	71,554	-
Other timing differences	(23,467)	-
	<u> </u>	<u> </u>
Balance at 31 December 2011	48,087	93,866
	<u> </u>	<u> </u>

17 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			31 12 11	31 12 10
Number	Class	Nominal value	£	£
200,000	Ordinary	£1	200,000	200,000
			<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

18 RESERVES

	Profit & loss account £
At 1 January 2011	4,195,922
Profit for the year	561,898
	<hr/>
At 31 December 2011	4,757,820
	<hr/>

19 ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is Phoenix Parker Holdings Limited. Copies of the group accounts are available from Companies House, Cardiff CF4 3UZ.

20 CONTINGENT LIABILITIES

The company has guaranteed a hire purchase liability of a fellow subsidiary company, Phoenix Transworld Limited. At 31 December 2011 the balance outstanding under the contract was £47,844 (2010 £319,646). On 20 February 2012 the hire purchase liability was settled in full and the company was released from its obligations under this guarantee.

21 RELATED PARTY DISCLOSURES

During the year the company purchased goods amounting to £1,336,814 (2010 £468,376) and sold goods amounting to £596,871 (2010 £210,950) from/to Striker Crushing & Screening Sdn Bhd, an associated company. The debtor balance outstanding at the year end was £5,211 (2010 £Nil) and the creditor balance outstanding at the year end was £371 (2010 £Nil).

During the year the company purchased goods amounting to £1,559,485 from 3D Steelwork Ltd, an associated company. The balance outstanding at the year end was £141,329.

Transactions with other group undertakings are not disclosed as the consolidated financial statements for the group are publicly available.

22 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mrs P L Dalby by virtue of her interest in the holding company.

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 11 £	31 12 10 £
Profit for the financial year	561,898	1,091,027
Dividends	-	(500,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	561,898	591,027
Opening shareholders' funds	4,395,922	3,804,895
	<hr/>	<hr/>
Closing shareholders' funds	4,957,820	4,395,922
	<hr/>	<hr/>