

Report & Accounts 2001

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Paton Plant Limited

PATON PLANT LIMITED

REPORT OF THE DIRECTORS

The directors submit their report together with the accounts of the company for the year ended 30 June 2001.

Results

The results and appropriations for the year are set out in the profit and loss account on page 4.

Final Dividend

The directors recommend payment of a final dividend for the year of £454,000.

Directors

The directors during the year were as follows:

Mr Patrick M Shepherd	(Chairman)
Mr G Finlayson	(Managing Director)
Mr S Price	

The director retiring by rotation is Mr P M Shepherd and, being eligible, he offers himself for re-election.

Principal Activities and Review of the Business

The company's principal activity is the marketing, distribution and servicing of Portakabin Limited products for sale and hire.

The company performed well across all of its operations and produced satisfactory results.

Auditors

Creers resigned as auditors during the year. In accordance with Section 392 of the Companies Act, Creers stated that there were no circumstances connected with its resignation which it considered should be brought to the notice of members or creditors.

A resolution to appoint KPMG as the company's auditors will be proposed at the forthcoming Annual General Meeting.

By order of the Board


P J Clarke

Secretary

25 September 2001

Fulford Moor House
Fulford Road
York YO10 4EY

Registered Office
Whistleberry Road
Hamilton ML3 0EJ
Registered in Scotland under Number SCO45554

PATON PLANT LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT AND REPORT OF THE AUDITORS

Directors' Responsibility Statement

The directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period. The financial statements must be prepared in accordance with applicable accounting standards and on a going concern basis unless it is inappropriate to do so. In addition, the directors are required to formulate suitable accounting policies and to apply them consistently and to make judgements and estimates that are reasonable and prudent.

The directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for taking reasonable steps to prevent and detect fraud and other irregularities.

Report of the auditors to the members of Paton Plant Limited

We have audited the financial statements on pages 3 to 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described above, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Accounting Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the directors' remuneration and transactions with the company is not disclosed.

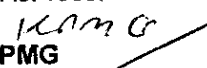
Basis of opinion

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 the 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 30 June 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG

Chartered Accountants
Registered Auditors
Leeds
25 September 2001

PATON PLANT LIMITED

STATEMENT OF ACCOUNTING POLICIES

Accounting Standards and Convention

The accounts have been prepared in accordance with applicable accounting standards and using the historical cost convention.

Turnover

Turnover reflects the sales value of products delivered and includes hire income.

Depreciation of Fixed Assets

Depreciation is provided against the original cost of all fixed assets except freehold land. Provision is made by way of equal annual instalments over the estimated useful lives of the assets, which are mainly as

Buildings	9 to 25 years
Plant, equipment and vehicles	4 to 10 years

Stocks

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

Deferred taxation

Deferred taxation is accounted for, using the liability method, in respect of tax reductions arising from the incidence of capital allowances and other timing differences, except where it can be demonstrated with reasonable probability that the tax reductions will continue for the foreseeable future.

PATON PLANT LIMITED
PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2001

	Note	2001 £'000	2000 £'000
Turnover		11,676	8,482
Costs and overheads less other income	1	10,745	7,242
Profit on Ordinary Activities		931	1,240
Taxation	2	304	384
Profit for the Financial Year		627	856
Dividends	3	454	425
Retained Profit		173	431
Balance brought forward		1,910	1,479
Balance carried forward		<u>2,083</u>	<u>1,910</u>

TOTAL RECOGNISED GAINS AND LOSSES

All recognised gains and losses are included in the profit and loss account for the year.

PATON PLANT LIMITED

BALANCE SHEET

as at 30 June 2001

	Note	2001 £'000	2000 £'000
EMPLOYMENT OF FINANCE			
Fixed Assets			
Tangible Assets	5	1,330	1,418
Current Assets			
Stocks	6	297	196
Debtors	7	2,684	1,323
Cash at bank and in hand		309	797
		<u>3,290</u>	<u>2,316</u>
Creditors, due within one year	8	<u>2,382</u>	<u>1,673</u>
Net Current Assets		<u>908</u>	<u>643</u>
Total Assets less Current Liabilities		<u><u>2,238</u></u>	<u><u>2,061</u></u>
SOURCE OF FINANCE			
Provision for Liabilities			
Deferred taxation	9	55	51
Capital and Reserves			
Called up share capital	10	100	100
Profit and loss account		<u>2,083</u>	<u>1,910</u>
		<u>2,183</u>	<u>2,010</u>
		<u><u>2,238</u></u>	<u><u>2,061</u></u>

Signed on behalf of the Board

Patrick M Shepherd

G Finlayson

25 September 2001

Directors

PATON PLANT LIMITED
NOTES ON THE ACCOUNTS

for the year ended 30 June 2001

1. Costs and Overheads less Other Income	2001	2000
	£'000	£'000
Purchases and direct costs	2,772	2,410
Other operating income	(1)	(2)
Employment costs		
Salaries	1,222	931
Social security costs	124	93
Other pension costs	66	73
Depreciation	192	196
Auditors' remuneration	8	5
Other external and operating charges	6,417	3,586
Interest receivable	(55)	(50)
	<u>10,745</u>	<u>7,242</u>
2. Taxation		
Corporation tax at 30%	300	385
Deferred taxation	4	10
Adjustments relating to previous years	-	(11)
	<u>304</u>	<u>384</u>
3. Dividends		
Interim dividend paid	-	75
Proposed final dividend	454	350
	<u>454</u>	<u>425</u>

4. Directors and Employees

The directors received no remuneration from the company during the year. In the previous year one director received £1,250 in respect of his duties as a director. The directors of the company are employees of the ultimate parent company and receive their emoluments in that capacity.

The average number of employees engaged in the company's activities during the year was 70 (2000 - 55).

5. Tangible Fixed Assets

	Freehold land and buildings £'000	Plant and equipment £'000	2001 Total £'000	2000 Total £'000
COST				
1 July 2000	1,409	1,392	2,801	2,513
Additions	(6)	115	109	298
Disposals and transfers	-	(43)	(43)	(10)
At 30 June 2001	<u>1,403</u>	<u>1,464</u>	<u>2,867</u>	<u>2,801</u>
ACCUMULATED DEPRECIATION				
1 July 2000	573	810	1,383	1,197
Charge for the year	69	123	192	196
Disposals and transfers	-	(38)	(38)	(10)
At 30 June 2001	<u>642</u>	<u>895</u>	<u>1,537</u>	<u>1,383</u>
NET BOOK VALUE at 30 June 2001	<u>761</u>	<u>569</u>	<u>1,330</u>	<u>1,418</u>

Capital expenditure contracted for but not provided at 30 June 2001 amounted to Nil (2000 - Nil).

6. Stocks

	2001 £'000	2000 £'000
Raw materials and consumables	171	169
Finished goods	<u>126</u>	<u>27</u>
	<u>297</u>	<u>196</u>

7. Debtors

Trade debtors	2,242	994
Other debtors and prepayments	<u>442</u>	<u>329</u>
	<u>2,684</u>	<u>1,323</u>

8. Creditors, due within one year

Trade creditors	746	461
Amounts owed to group companies	348	448
Corporation tax	262	290
Other taxes and social security	44	33
Accruals and deferred income	528	91
Proposed dividend	<u>454</u>	<u>350</u>
	<u>2,382</u>	<u>1,673</u>

9. Deferred Taxation	2001	2000
	£'000	£'000
Taxation deferred in respect of capital allowances (fully provided for)	<u>55</u>	<u>51</u>

10 Called Up Share Capital

The authorised share capital of the company is £100,000 divided into ordinary shares of £1 each, all of which are allotted and fully paid.

11. Pensions

The company's employees (where eligible) are members of a group pension scheme that provides benefits on both a defined benefit and defined contribution basis. The funds of the scheme are independent of the group's finances and are administered by a trustee.

The trustee and the company agree contribution levels in light of recommendations by an external actuary. The company is unable to identify its specific share of the surplus of the group scheme, however at 30 June 2001 the assets of the scheme exceeded its liabilities on the basis prescribed by FRS 17. This surplus is taken in to account in determining the company's future contribution rate. Further particulars of the actuarial valuation of the scheme are contained in the financial statements of Shepherd Building Group Limited.

12. Contingent Liability

The company has entered into joint guarantees to secure bank borrowings by other group companies.

13. Parent Company and Directors' Interests

Group accounts are prepared by Shepherd Building Group Limited, the ultimate parent company. Only Mr Patrick M Shepherd is a director of that company and his interests in its shares are shown in the parent company's directors' report. No other director has interests in shares of the parent company or any other body corporate in the group. Transactions with related group entities are not disclosed in accordance with paragraph 3 of FRS 8