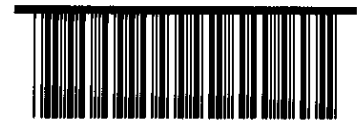


Report & Accounts 2002

SC 45554



SCT	SDSBNK6L	0388
COMPANIES HOUSE		17/04/03

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 2002.

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 £450,000

Directors

The directors during the year were as follows:

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

The director retiring by rotation is Mr S Price and, being eligible, he offers himself for re-election.

Principal Activities and Review of the Business

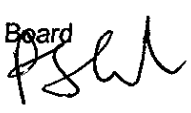
The company's principal activity is the marketing, distribution and servicing of Portakabin Limited products for sale and hire.

The company has operated successfully in what have been flat market conditions.

Auditors

During the year KPMG transferred their business to a limited liability partnership, KPMG LLP. Accordingly KPMG resigned as auditors on 21 June 2002 and in accordance with Section 394 of the Companies Act, KPMG stated that there were no circumstances connected with its ceasing to hold office which it considered should be brought to the notice of members or creditors. The directors appointed KPMG LLP to fill the vacancy arising. A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the Board


P J Clarke

Secretary

30 September 2002

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 independent auditors to the members of Paton Plant Limited

We have audited the financial statements on pages 3 to 9.

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 Auditing 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 1985. 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 directors' remuneration and transactions with the company is not disclosed.

Basis of audit 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 30 June 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG LLP

Chartered Accountants

Registered Auditor

Leeds

30 September 2002

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 and equipment	4 to 10 years

Stocks

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

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where appropriate the liability has been discounted to reflect the time value of money.

Pensions

In accordance with the transitional arrangements of FRS 17 and the continued compliance with SSAP 24, pension costs are charged on a prudent basis so as to spread the costs in a level manner over the periods which benefit from the employees' services. Any fund surpluses or deficits which arise are spread over the remaining service lives of employees.

PATON PLANT LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2002

	Note	2002 £'000	2001 £'000
Turnover		10,043	11,676
Costs and overheads less other income	1	9,580	10,745
Profit on Ordinary Activities		463	931
Taxation	2	117	304
Profit for the Financial Year		346	627
Dividends	3	450	454
Retained (Loss) Profit		(104)	173
Balance brought forward		2,083	1,910
Balance carried forward		<u>1,979</u>	<u>2,083</u>

TOTAL RECOGNISED GAINS AND LOSSES

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

PATON PLANT LIMITED

BALANCE SHEET

as at 30 June 2002

	Note	2002 £'000	2001 £'000
EMPLOYMENT OF FINANCE			
Fixed Assets			
Tangible Assets	5	1,297	1,330
Current Assets			
Stocks	6	407	297
Debtors	7	1,960	2,684
Cash at bank and in hand		613	309
		<u>2,980</u>	<u>3,290</u>
Creditors, due within one year	8	<u>2,198</u>	<u>2,382</u>
Net Current Assets		<u>782</u>	<u>908</u>
Total Assets less Current Liabilities		<u><u>2,079</u></u>	<u><u>2,238</u></u>
SOURCE OF FINANCE			
Provision for Liabilities			
Deferred taxation	9	-	55
Capital and Reserves			
Called up share capital	10	100	100
Profit and loss account		<u>1,979</u>	<u>2,083</u>
Equity Shareholders' Funds		<u>2,079</u>	<u>2,183</u>
		<u><u>2,079</u></u>	<u><u>2,238</u></u>

Signed on behalf of the Board

P M Shepherd

G Finlayson

30 September 2002

Directors

PATON PLANT LIMITED

NOTES ON THE ACCOUNTS

for the year ended 30 June 2002

1. Costs and Overheads less Other Income	2002	2001
	£'000	£'000
Purchases and direct costs	923	2,772
Other operating income	-	(1)
Employment costs		
Salaries	1,406	1,222
Social security costs	150	124
Other pension costs	67	66
Depreciation	194	192
Auditors' remuneration	11	8
Other external and operating charges	6,839	6,417
Interest receivable	(10)	(55)
	<u>9,580</u>	<u>10,745</u>

2. Taxation		
Corporation tax at 30%	180	300
Adjustments relating to previous years	(8)	-
Deferred taxation	(55)	4
	<u>117</u>	<u>304</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

Profit on ordinary activities before tax	<u>463</u>	<u>931</u>
UK Corporation Tax thereon at 30%	139	280
Effects of :		
Expenses not deductible for tax purposes	25	11
Depreciation in excess of Capital allowances	16	9
Current tax charge for the year	<u>180</u>	<u>300</u>

3. Dividends		
Proposed final dividend	<u>450</u>	<u>454</u>

4. Directors and Employees

No director received any remuneration from the company during the year. 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 77 (2001 - 70)

5. Tangible Fixed Assets

	Freehold land and buildings £'000	Plant and equipment £'000	2002 Total £'000	2001 Total £'000
COST				
1 July 2001	1,403	1,464	2,867	2,801
Additions	89	76	165	109
Disposals and transfers	43	(200)	(157)	(43)
At 30 June 2002	<u>1,535</u>	<u>1,340</u>	<u>2,875</u>	<u>2,867</u>
ACCUMULATED DEPRECIATION				
1 July 2001	641	896	1,537	1,383
Charge for the year	49	145	194	192
Disposals and transfers	8	(161)	(153)	(38)
At 30 June 2002	<u>698</u>	<u>880</u>	<u>1,578</u>	<u>1,537</u>
NET BOOK VALUE at 30 June 2002	<u>837</u>	<u>460</u>	<u>1,297</u>	<u>1,330</u>

Capital expenditure contracted for but not provided at 30 June 2002 amounted to £84,000 (2001 - Nil)

6. Stocks

	2002 £'000	2001 £'000
Raw materials and consumables	71	171
Finished goods and goods for resale	336	126
	<u>407</u>	<u>297</u>

7. Debtors

Trade debtors	1,176	2,242
Other debtors and prepayments	784	442
	<u>1,960</u>	<u>2,684</u>

8. Creditors, due within one year	2002 £'000	2001 £'000
Trade creditors	577	746
Amounts owed to group companies	291	348
Corporation tax	131	262
Other taxes and social security	138	44
Accruals and deferred income	611	528
Proposed dividend	450	454
	<u>2,198</u>	<u>2,382</u>

9. Deferred Taxation

Taxation deferred by accelerated capital allowances

Undiscounted provision for deferred tax	-	55
Discount	-	-
Discounted provision for deferred tax	<u>-</u>	<u>55</u>
Provision at 30 June 2001	55	51
Deferred tax charge in profit and loss account for the year (note 2)	(55)	4
Provision at 30 June 2002	<u>-</u>	<u>55</u>

The company has adopted FRS 19 during the year as required by the Accounting Standards Board. The effect of the adoption of this standard on the current and corresponding years is not material and, in accordance with FRS 3, the prior year has not been restated.

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 a professionally qualified independent actuary. The latest full actuarial valuation was carried out at 31 December 2000 and was updated for FRS 17 purposes to 30 June 2001 and 30 June 2002 by the actuary.

The company is unable to identify its specific share of the deficit of the group scheme relating to the defined benefit sections on a consistent and reasonable basis, therefore, as permitted by FRS 17, such sections will be accounted for as if they were on a defined contribution basis when the standard is fully adopted. At 30 June 2002 the liabilities of the group defined benefit sections, valued on the basis required by FRS 17, exceeded the value of assets held to fulfill such liabilities by 9%. This deficit will be taken into account in determining the company's future contribution rate. Further particulars of the FRS 17 disclosures and the actuarial valuation relating to the scheme are contained in the financial statements of Shepherd Building Group Ltd.

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 P 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 the 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