

45554
Report & Accounts 2004



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 2004

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 £400,000.

Directors

The directors during the year were as follows:

Mr S Price	(Chairman 1.7.03)
Mr G Finlayson	(Managing Director)
Mr P M Shepherd	

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

Principal Activities and Review of the Business

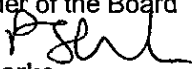
The company's principal activity is the marketing, distribution and servicing of Portakabin Limited products for sale and hire.

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

Auditors

The Company's Auditors, KPMG LLP, have indicated their willingness to be re-appointed.

By order of the Board


P J Clarke

Secretary

20 September 2004

Huntington House
Jockey lane
Huntington House
York YO32 9XW

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.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 an auditor's report 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

The directors are responsible for preparing the directors' report and, as described on 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.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

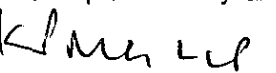
Basis of audit opinion

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG LLP
Leeds
Chartered Accountants
Registered Auditor

20 September 2004

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 follows:

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.

PATON PLANT LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2004

	Note	2004 £'000	2003 £'000
Turnover		10,589	10,008
<i>Costs and overheads</i> less other income	1	9,356	9,155
Profit on Ordinary Activities		1,233	853
Taxation	2	357	249
Profit for the Financial Year		876	604
Dividends	3	400	600
Retained Profit		476	4
Balance brought forward		1,983	1,979
Balance carried forward		<u>2,459</u>	<u>1,983</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 2004

	Note	2004 £'000	2003 £'000
EMPLOYMENT OF FINANCE			
Fixed Assets			
Tangible Assets	5	1,399	1,313
Current Assets			
Stocks	6	217	177
Debtors	7	1,261	1,446
Cash at bank and in hand		2,246	1,427
		<u>3,724</u>	<u>3,050</u>
Creditors, due within one year	8	<u>2,564</u>	<u>2,280</u>
Net Current Assets		<u>1,160</u>	<u>770</u>
Total Assets less Current Liabilities		<u><u>2,559</u></u>	<u><u>2,083</u></u>
SOURCE OF FINANCE			
Capital and Reserves			
Called up share capital	9	100	100
Profit and loss account		<u>2,459</u>	<u>1,983</u>
Equity Shareholders' Funds		<u><u>2,559</u></u>	<u><u>2,083</u></u>
		<u><u>2,559</u></u>	<u><u>2,083</u></u>

Signed on behalf of the Board

S Price

G Finlayson

20 September 2004

Directors

PATON PLANT LIMITED

NOTES ON THE ACCOUNTS

for the year ended 30 June 2004

1. Costs and Overheads less Other Income	2004 £'000	2003 £'000
Purchases and direct costs	2,450	1,290
Employment costs		
Salaries	1,684	1,523
Social security costs	175	144
Other pension costs	110	83
Depreciation	185	175
Auditors' remuneration	8	9
Other external and operating charges	4,815	5,960
Interest receivable	(71)	(29)
	<u>9,356</u>	<u>9,155</u>

2. Taxation		
Corporation tax at 30%	385	265
Adjustments relating to previous years	(28)	(16)
	<u>357</u>	<u>249</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>1,233</u>	<u>853</u>
UK Corporation Tax thereon at 30%	370	256
Effects of :		
Expenses not deductible for tax purposes	8	3
Depreciation in excess of Capital allowances	7	6
	<u>385</u>	<u>265</u>
Current tax charge for the year		

3. Dividends		
Proposed final dividend	<u>400</u>	<u>600</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 87 (2003 - 80).

5. Tangible Fixed Assets

	Freehold land and buildings £'000	Plant and equipment £'000	2004 Total £'000	2003 Total £'000
COST				
1 July 2003	1,350	1,697	3,047	2,875
Additions	91	193	284	191
Disposals and transfers	(17)	(37)	(53)	(20)
At 30 June 2004	<u>1,424</u>	<u>1,854</u>	<u>3,278</u>	<u>3,046</u>
ACCUMULATED DEPRECIATION				
1 July 2003	614	1,120	1,735	1,578
Charge for the year	59	126	185	174
Disposals and transfers	-	(40)	(40)	(19)
At 30 June 2004	<u>673</u>	<u>1,206</u>	<u>1,880</u>	<u>1,733</u>
NET BOOK VALUE at 30 June 2004	<u>751</u>	<u>648</u>	<u>1,399</u>	<u>1,313</u>

Capital expenditure contracted for but not provided at 30 June 2004 amounted to £51,000 (2003 - £53,000).

6. Stocks

	2004 £'000	2003 £'000
Raw materials and consumables	89	68
Finished goods and goods for resale	<u>128</u>	<u>109</u>
	<u>217</u>	<u>177</u>

7. Debtors

Trade debtors	788	597
Other debtors and prepayments	<u>473</u>	<u>849</u>
	<u>1,261</u>	<u>1,446</u>

8. Creditors, due within one year	2004 £'000	2003 £'000
Trade creditors	788	582
Amounts owed to group companies	534	316
Corporation tax	264	158
Other taxes and social security	315	321
Accruals and deferred income	263	303
Proposed dividend	400	600
	<u>2,564</u>	<u>2,280</u>

9. 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.

10. 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 2003 and was updated for FRS 17 purposes to 30 June 2004 by the actuary.

At 30 June 2004 the liabilities of the group defined benefit sections, valued on the basis required by FRS 17, exceeded the value of assets held to fulfil such liabilities. The Company is unable to identify its specific share of the deficit 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. From 1 July 2004 the Company's annual contribution to these sections has increased from 13.5% to 15.5% of pensionable salaries in accordance with a new Schedule of Contributions which was agreed with the Trustee of the scheme following the actuarial valuation. Further particulars of the FRS 17 disclosures and the actuarial valuations relating to the scheme are contained in the financial statements of Shepherd Building Group Ltd.

The Company also makes payments on behalf of eligible employees to certain industry based schemes. The payments to these arrangements are on a defined contribution basis.

The pension charge for the period represents contributions of £96,000 (2003 - £65,000) payable to defined benefit arrangements and £18,000 (2003 - £18,000) payable to defined contribution arrangements. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

11. Contingent Liability

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

12. 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 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.