

Report & Accounts 2005



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 2005.

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)
Mr G Finlayson	(Managing Director)
Mr P M Shepherd	

The director retiring by rotation is Mr S Price 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

7 September 2005

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 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.

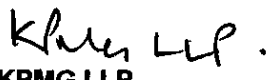
Basis of audit opinion

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 2005 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

7 September 2005

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 50 years
Plant and equipment	3 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.

Pension contributions

In accordance with the transitional arrangements of FRS17 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 2005

	Note	2005 £'000	2004 £'000
Turnover		11,992	10,589
Costs and overheads less other income	1	10,569	9,356
Profit on Ordinary Activities		1,423	1,233
Taxation	2	447	357
Profit for the Financial Year		976	876
Dividends	3	400	400
Retained Profit		576	476
Balance brought forward		2,459	1,983
Balance carried forward		3,035	2,459

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 2005

	Note	2005 £'000	2004 £'000
EMPLOYMENT OF FINANCE			
Fixed Assets			
Tangible Assets	5	1,366	1,399
Current Assets			
Stocks	6	444	217
Debtors	7	1,672	1,261
Cash at bank and in hand		2,143	2,246
		<u>4,259</u>	<u>3,724</u>
Creditors, due within one year	8	<u>2,490</u>	<u>2,564</u>
Net Current Assets		<u>1,769</u>	<u>1,160</u>
Total Assets less Current Liabilities		<u><u>3,135</u></u>	<u><u>2,559</u></u>
SOURCE OF FINANCE			
Capital and Reserves			
Called up share capital	9	100	100
Profit and loss account		3,035	2,459
Equity Shareholders' Funds		<u>3,135</u>	<u>2,559</u>
		<u><u>3,135</u></u>	<u><u>2,559</u></u>

Signed on behalf of the Board

S Price

S. Price

G Finlayson

7 September 2005

G Finlayson

Directors

PATON PLANT LIMITED
NOTES ON THE ACCOUNTS
for the year ended 30 June 2005

1. Costs and Overheads less Other Income	2005 £'000	2004 £'000
Purchases and direct costs	3,180	2,450
Employment costs		
Salaries	1,892	1,684
Social security costs	200	175
Other pension costs	139	110
Depreciation	197	185
Auditors' remuneration	9	8
Other external and operating charges	5,032	4,815
Interest receivable	(80)	(71)
	<u>10,569</u>	<u>9,356</u>

2. Taxation

Corporation tax at 30%	450	385
Adjustments relating to previous years	(3)	(28)
	<u>447</u>	<u>357</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>1,423</u>	<u>1,233</u>
UK Corporation Tax thereon at 30%	427	370
Effects of :		
Expenses not deductible for tax purposes	5	8
Depreciation in excess of Capital allowances	18	7
	<u>450</u>	<u>385</u>
Current tax charge for the year		

3. Dividends

Proposed final dividend	<u>400</u>	<u>400</u>
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PATON PLANT LIMITED

NOTES ON THE ACCOUNTS

for the year ended 30 June 2005

4. Directors and Employees

No director received any remuneration from the company during the year in respect of their duties as directors. 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 (2004 - 87).

5. Tangible Fixed Assets

	Freehold land and buildings £'000	Plant and equipment £'000	2005 Total £'000	2004 Total £'000
COST				
1 July 2004	1,424	1,854	3,278	3,047
Additions	30	138	168	284
Disposals and transfers	(15)	(4)	(19)	(53)
At 30 June 2005	<u>1,439</u>	<u>1,988</u>	<u>3,427</u>	<u>3,278</u>
ACCUMULATED DEPRECIATION				
1 July 2004	673	1,206	1,879	1,735
Charge for the year	57	140	197	185
Disposals and transfers	(12)	(3)	(15)	(40)
At 30 June 2005	<u>718</u>	<u>1,343</u>	<u>2,061</u>	<u>1,880</u>
NET BOOK VALUE at 30 June 2005	<u>721</u>	<u>645</u>	<u>1,366</u>	<u>1,399</u>

Capital expenditure contracted for but not provided at 30 June 2005 amounted to £113,000 (2004 - £51,000)

6. Stocks

	2005 £'000	2004 £'000
Raw materials and consumables	96	89
Finished goods and goods for resale	<u>348</u>	<u>128</u>
	<u>444</u>	<u>217</u>

7. Debtors

Trade debtors	875	788
Other debtors and prepayments	<u>797</u>	<u>473</u>
	<u>1,672</u>	<u>1,261</u>

PATON PLANT LIMITED
NOTES ON THE ACCOUNTS
for the year ended 30 June 2005

8. Creditors, due within one year	2005	2004
	£'000	£'000
Trade creditors	862	788
Amounts owed to group companies	243	534
Corporation tax	197	264
Other taxes and social security	488	315
Accruals and deferred income	300	263
Proposed dividend	400	400
	<u>2,490</u>	<u>2,564</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 2005 by the actuary.

At 30 June 2005 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 2005 the Company's annual contribution to these sections has increased from 15.5% to 16.5% 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 Limited.

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 £106,720 (2004 £96,000) payable to defined benefit arrangements and £32,510 (2004 £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.

PATON PLANT LIMITED
NOTES ON THE ACCOUNTS

for the year ended 30 June 2005

11. Operating lease commitments

At 30th June 2005 the group was committed to making the following payments during the next year in respect of operating leases on land and buildings:

	2005	2004
	£'000	£'000
Leases which expire:		
Within one year	40	-
Within two to five years	15	55
After Five years	31	31
	<u>86</u>	<u>86</u>

12. Contingent Liability

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

13. Parent Company and Directors' Interests

The immediate parent company and smallest group for which consolidated accounts are drawn up is Portakabin Limited, incorporated in the United Kingdom.

The ultimate parent company and largest group for which consolidated accounts are drawn up is Shepherd Building Group Limited, incorporated in the United Kingdom. The consolidated accounts of these groups are available to the public and may be obtained from Companies House.

Only Mr P M Shepherd is a director of Shepherd Building Group Ltd and his interest in its shares are shown in the Shepherd Building Group Limited directors' report. No other director has interests in the shares of the ultimate or intermediate 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.