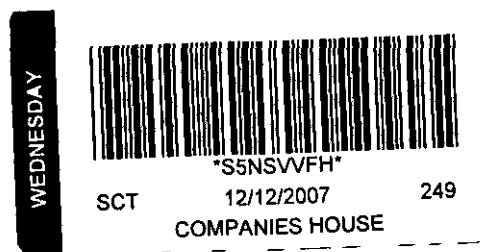


Report & Accounts 2007



Paton Plant Limited
Company Number SCO45554

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 2007

Results

The results and appropriations for the year are set out in the profit and loss account on page 5

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 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 had a strong year in it's Hire and Sales businesses, in particular in the public sector. The key challenge going forward is maintaining/growing the public sector volume whilst increasing order numbers from the private sector

Auditors

The directors who held office at the date of approval of this director's report confirm that, so far as they are each aware, there is no relevant information of which the company's auditors are unaware, and each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

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

By order of the Board

P J Clarke
Secretary



5 September 2007

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

Statement of directors' responsibilities in respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing the Directors' Report 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 estimates that are reasonable and prudent,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and,

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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

PATON PLANT LIMITED

REPORT OF THE AUDITORS

Independent auditors' report to the members of Paton Plant Limited

We have audited the financial statements of Paton Plant Ltd for the year ended 30 June 2007 which comprise of the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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' responsibilities for preparing the financial statements in accordance with applicable law and the UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements.



KPMG LLP
Chartered Accountants
Registered Auditor
Leeds

5 September 2007

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 (excluding value added tax) 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

Pensions are accounted for in accordance with FRS17 as described in note 12

PATON PLANT LIMITED
PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2007

	Note	2007 £'000	2006 £'000
Turnover		15,053	13,421
Costs and overheads less other income	1	13,063	11,929
Profit on Ordinary Activities		1,990	1,492
Taxation	2	615	465
Profit for the Financial Year		1,375	1,027

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 2007

	Note	2007 £'000	2006 £'000
EMPLOYMENT OF FINANCE			
Fixed Assets			
Tangible Assets	5	9,821	8,490
Current Assets			
Stocks	6	468	282
Debtors	7	3,535	2,868
Cash at bank and in hand		2,403	1,801
		<u>6,406</u>	<u>4,951</u>
Creditors, due within one year	8	<u>5,380</u>	<u>3,907</u>
Net Current Assets		<u>1,026</u>	<u>1,044</u>
Total Assets less Current Liabilities		<u><u>10,847</u></u>	<u><u>9,534</u></u>
SOURCE OF FINANCE			
Creditors, due in over one year	9	3,500	3,500
Provision for Liabilities			
Deferred Taxation	10	810	472
Capital and Reserves			
Called up share capital	11	1,500	1,500
Profit and loss account		5,037	4,062
Equity Shareholders' Funds		<u>6,537</u>	<u>5,562</u>
		<u><u>10,847</u></u>	<u><u>9,534</u></u>

Signed on behalf of the Board

S Price

G Finlayson

5 September 2007

Directors

PATON PLANT LIMITED
NOTES ON THE ACCOUNTS

for the year ended 30 June 2007

1 Costs and Overheads less Other Income	2007 £'000	2006 £'000
Purchases and direct costs	2,900	3,122
Employment costs		
Salaries	2,358	2,087
Social security costs	243	208
Other pension costs	162	153
Depreciation	1,324	410
Auditors' remuneration	9	10
Other external and operating charges	5,949	6,015
Interest payable	118	(76)
	<u>13,063</u>	<u>11,929</u>

2. Taxation

Corporation tax at 30%	290	
Adjustments relating to previous years	<u>(13)</u>	<u>(7)</u>
	277	(7)
Deferred Tax (see note 10)	338	472
	<u>615</u>	<u>465</u>

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

Profit on ordinary activities before tax	<u>1,990</u>	<u>1,492</u>
UK Corporation Tax thereon at 30%	597	448
Adjustments relating to previous years	(13)	(7)
Effects of		
Expenses not deductible for tax purposes	7	27
Profit on sale of fixed assets	(87)	
Capital allowances in excess of depreciation	(227)	(475)
Current tax charge for the year	<u>277</u>	<u>(7)</u>

PATON PLANT LIMITED
NOTES ON THE ACCOUNTS

for the year ended 30 June 2007

3. Dividends	2007 £'000	2006 £'000
Dividends paid	<u>400</u>	<u>400</u>

A final dividend of £400,000 is proposed for the year ended 30 June 2007 (30 June 2006 £400,000)

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 97 (2006 91)

5. Tangible Fixed Assets

	Freehold land and buildings £'000	Plant and equipment £'000	2007 Total £'000	2006 Total £'000
COST				
1 July 2006	1,463	9,281	10,744	3,427
Additions	82	2,734	2,816	7,568
Disposals and transfers		(286)	(286)	(251)
At 30 June 2007	<u>1,545</u>	<u>11,729</u>	<u>13,274</u>	<u>10,744</u>
ACCUMULATED DEPRECIATION				
1 July 2006	757	1,497	2,254	2,061
Charge for the year	68	1,257	1,324	410
Disposals and transfers		(125)	(125)	(218)
At 30 June 2007	<u>825</u>	<u>2,629</u>	<u>3,453</u>	<u>2,254</u>
NET BOOK VALUE at 30 June 2007	<u>720</u>	<u>9,101</u>	<u>9,821</u>	<u>8,490</u>

Capital expenditure contracted for but not provided at 30 June 2007 amounted to £54,657 (2006 £27,945)

6. Stocks	2007 £'000	2006 £'000
Raw materials and consumables	148	131
Finished goods and goods for resale	<u>320</u>	<u>151</u>
	<u>468</u>	<u>282</u>

PATON PLANT LIMITED
NOTES ON THE ACCOUNTS

for the year ended 30 June 2007

	2007 £'000	2006 £'000
7. Debtors		
Trade debtors	2,510	1,766
Corporation tax		210
Other debtors and prepayments	<u>1,025</u>	<u>892</u>
	<u><u>3,535</u></u>	<u><u>2,868</u></u>
8. Creditors, due within one year		
Trade creditors	1,191	696
Amounts owed to group companies	1,122	876
Corporation tax	152	0
Other taxes and social security	567	526
Accruals and deferred income	<u>2,348</u>	<u>1,809</u>
	<u><u>5,380</u></u>	<u><u>3,907</u></u>
9. Creditors, due in over one year		
Amounts owed to Group companies	<u><u>3,500</u></u>	<u><u>3,500</u></u>
10. Deferred tax		
Taxation deferred by accelerated capital allowances		
Undiscounted provision for deferred tax	810	472
Discount		
Discounted provision for deferred tax	<u>810</u>	<u>472</u>
Provision at 30 June 2006	472	
Deferred tax charge in profit and loss account for the year (note 2)	<u>338</u>	<u>472</u>
Provision at 30 June 2007	<u><u>810</u></u>	<u><u>472</u></u>
11 Called Up Share Capital		
The authorised share capital of the company is £1,500,000 divided into ordinary shares of £1 each, all of which are allotted and fully paid		

PATON PLANT LIMITED
NOTES ON THE ACCOUNTS

for the year ended 30 June 2007

12 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 2006 but it has not yet been approved by the Pension Fund Trustee. However, the provisional 2006 valuation was updated for FRS 17 to 30 June 2007 by the actuary.

At 30 June 2007 the assets of the group defined benefit sections, valued on the basis required by FRS 17, exceeded the value of liabilities of that section. The Company is unable to identify its specific share of the surplus on a consistent and reasonable basis, therefore, as permitted by FRS 17, such sections are accounted for as if they were on a defined contribution basis. The Company's annual contribution to these sections increased to 18.5% of pensionable salaries from 1 July 2007 in line with the current schedule of contributions. It is anticipated that a new schedule of contributions will be agreed once the 2006 actuarial valuation has been approved. 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 £127,364 (2006 £114,926) payable to defined benefit arrangements and £34,640 (2006 £37,598) payable to defined contribution arrangements. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

13. Contingent Liability

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

14. Parent Company

The 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.

Transactions with related group entities are not disclosed, in accordance with paragraph 3 of FRS 8.