Report & Accounts 2017



Portakabin (Scotland) Limited

Company number SC045554

Report and Accounts 2017 Contents

Strategic Report	1
Report of the Directors	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report to the members of Portakabin (Scotland) Limited	4
Profit and Loss Account	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes on the Accounts	9
Corporate Information	20

PORTAKABIN (SCOTLAND) LIMITED

Strategic Report

for the year ended 31 December 2017

Principal Activities

The company's principal activity is the hire, sale and installation of modular and portable buildings.

Business Review and Results

The results for the year are set out in the Profit and Loss Account on page 6.

Key Performance Indicators

The business monitors itself against a number of performance indicators. The key indicators are as follows:

Financial Measures	**Year ended 31 December 2017**	Year ended 31 December 2016	Annualised Measure
Turnover	**£20,342k**	£22,716k	10% reduction
Profit Before Tax	**£4,557k**	£3,774k	21% growth
EBITDA	**£7,493k**	£7,071k	6% growth

As required by FRS 102, management regularly review all accounting estimates in use. During the year, the estimates around the economic life of fleet assets were reviewed, together with the classification of revenue fittings. The impacts of the changes made as a result of this review are shown in Notes 3 and 10. The revised estimates increased reported EBITDA by £2.4m (2016: £1.9m) and profit before tax by £0.8m (2016: £Nil).

Principal Risks and Uncertainties

The key challenge for the business is to maintain and grow volumes in a challenging commercial and economic environment.

To mitigate this risk, the company regularly reviews potential market sectors in which to generate growth and continues to focus on delivering excellent customer outcomes through service and product enhancements.

Future Developments

The company will apply commercial focus on maintaining and growing the positive levels and values of hire and sales orders in 2018.

By order of the Board

M I Goforth
Secretary
27 March 2018

PORTAKABIN (SCOTLAND) LIMITED

Report of the Directors

for the year ended 31 December 2017

The directors submit their report together with the accounts for the year ended 31 December 2017 and the balance sheet as at that date.

In accordance with section 414C(11) of the Companies Act 2006, information required in the Directors' Report has been set out in the company's Strategic Report in respect of the company's principal activities, business review and results, key performance indicators, principal risks and uncertainties and future developments.

Dividend

A dividend of £3,000,000 (year ended 31 December 2016: £7,000,000) has been paid in respect of the financial year.

Directors

Mr D P Carter	
Mr J M Collins	
Mr R Burrell	(appointed on 9 March 2018)
Mr P Duncan	(resigned on 30 November 2017)

Provision of Information to Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

M I Goforth
Secretary
27 March 2018

Yorkon House
New Lane
Huntington
York YO32 9PT

Registered Office
Whistleberry Road
Hamilton ML3 0EJ

Registered in Scotland under Number SC045554

PORTAKABIN (SCOTLAND) LIMITED

Statement of Directors' Responsibilities in Respect of the Strategic Report, Report of the Directors' and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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 period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORTAKABIN (SCOTLAND) LIMITED

We have audited the financial statements of Portakabin (Scotland) Limited for the year ended 31 December 2017 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in notes 2 and 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover these reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibili ties.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Chris Hearld (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
28 March 2018

PORTAKABIN (SCOTLAND) LIMITED

Profit and Loss Account

for the year ended 31 December 2017

	Note	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Turnover	4	**20,342**	22,716
Costs and overheads less other income	5	**(15,794)**	(19,053)
Operating Profit		**4,548**	3,663
Interest receivable	6	**9**	119
Interest payable	6	**-**	(8)
Profit before taxation		**4,557**	3,774
Tax on profit	9	**(870)**	(749)
Profit after tax		**3,687**	3,025

The company has no recognised gains or losses other than those disclosed in the profit and loss account and therefore no separate statement of comprehensive income has been prepared.

The notes on pages 9 to 19 form part of the financial statements.

PORTAKABIN (SCOTLAND) LIMITED

Balance Sheet

as at 31 December 2017

	Note	31 December 2017 £'000	£'000	31 December 2016 £'000	£'000 as restated
Fixed Assets					
Tangible assets	10	**13,934**		12,777	
Total Fixed Assets			**13,934**		12,777
Current Assets					
Stocks	11	**545**		309	
Debtors	12	**2,567**		4,646	
Cash at bank and short term deposits		**3,592**		2,656	
Total Current Assets		**6,704**		7,611	
Creditors due within one year	13	**(4,897)**		(5,354)	
Net Current Assets			**1,807**		2,257
Total Assets less Current Liabilities			**15,741**		15,034
Provision for Liabilities					
Deferred taxation	14		**(77)**		(57)
NET ASSETS			**15,664**		14,977
Capital and Reserves					
Called up share capital	17	**1,500**		1,500	
Profit and loss account	18	**14,164**		13,477	
SHAREHOLDER'S FUNDS			**15,664**		14,977

Signed on behalf of the Board

D P Carter

Directors

J M Collins

27 March 2018
Company number SC045554

The notes on pages 9 to 19 form part of the financial statements.

PORTAKABIN (SCOTLAND) LIMITED

Statement of Changes in Equity

for the year ended 31 December 2017

		Called-up share capital	Profit and loss account	Total
		£'000	£'000	£'000
At 1 January 2016		1,500	17,452	18,952
Profit for the financial year		-	3,025	3,025
Dividends paid during the year		-	(7,000)	(7,000)
At 31 December 2016 and 1 January 2017		1,500	13,477	14,977
Profit for the financial year		-	3,687	3,687
Dividends paid during the year	8	-	(3,000)	(3,000)
At 31 December 2017		**1,500**	**14,164**	**15,664**

PORTAKABIN (SCOTLAND) LIMITED

Notes on the Accounts

for the year ended 31 December 2017

1 COMPANY INFORMATION

Portakabin (Scotland) Limited is a private company limited by shares, incorporated in Scotland. Its registered office and principal place of business is Whistleberry Road, Hamilton, ML3 0EJ.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

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

Group accounts are also prepared by the ultimate parent company and controlling entity, Shepherd Building Group Limited, a company incorporated in the United Kingdom. Its registered office is Yorkon House, New Lane, Huntington, York, YO32 9PT. A copy of those consolidated accounts can be obtained from Companies House.

The Company's parent undertaking, Portakabin Limited, includes the company in its consolidated financial statements prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The consolidated financial statements of Portakabin Limited are available to the public and may be obtained from Companies House. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Portakabin Limited include the disclosures equivalent to those required by FRS 102, the company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

As related party transactions are only between other members of the group these transactions are not required to be disclosed. Sales and purchases between related parties are made at an arm's length basis. Outstanding balances at the year end are disclosed in notes 12 and 13. There were no related party transactions outside the group.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The accounting policies set out in the note below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

3 ACCOUNTING POLICIES

Turnover
Turnover from rental income is recognised in the period to which the rental relates, on a straight line basis over the hire contract period.

Turnover on long-term contracts is recognised according to the stage of completion of the contract.

Turnover from sales activities reflects the sales value of the products delivered, recognised at practical completion.

Other turnover includes installation, dismantling and transport relating to hire contracts.

Operating lease
Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable
Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method and unwinding of the discount on provisions.

Other interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Tangible fixed assets
Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided against the original cost of all fixed assets except freehold land at rates calculated to write off the cost of each asset to its residual value on a straight line basis over its estimated useful life, as follows:

Buildings	50 years
Hire fleet plant and equipment	3 to 12 years
Other plant and equipment	3 to 10 years

3 ACCOUNTING POLICIES (continued)

Impairment of assets
At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is any indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, then the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the Profit and Loss Account.

If an impairment loss subsequently reverses, the carrying amount of the affected asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined for the asset had not impairment loss been recognised in previous years. A reversal of impairment loss is recognised immediately in the Profit and Loss Account.

Stock and work-in-progress
Stock and work-in-progress are valued at the lower of cost and net realisable value. The value of work-in-progress and finished goods includes production costs and other appropriate overheads which are attributable to the stage of manufacture which has been reached.

Revenue fittings
Where client specified items are incorporated into hire fleet units, the cost of those items are charged to the profit and loss account on a straight line basis over the period of the initial hire contract. Any such costs which have not yet been charged to the profit and loss account at the balance sheet date are included in debtors.

During the year, revenue fittings have been reclassified from current to fixed assets. The impact of this reclassification is to increase the value of fixed assets as at 31 December 2017 by £1.8m (as at 31 December 2016: £1.9m) and to classify £1.9m of amortisation of revenue fittings as depreciation (2016: £1.9m), prior year comparatives have been restated accordingly. There is no impact on the overall reported profit as a result of this reclassification.

Amounts recoverable on long term contracts
Amounts recoverable under long term contracts are included in debtors at cost incurred plus attributable profit, less foreseeable losses and after deducting cash received on account.

Where cash received on individual contracts exceeds the value attributed to that contract, the difference is included in creditors.

Taxation
The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences which have arisen but not reversed by the balance sheet date, except as otherwise required by section 29 of FRS 102.

Pensions
The Company participates in a Group Pension Scheme providing benefits on both a final salary and defined contribution basis. The defined benefit sections of the scheme were closed to future accrual on 30 June 2011. The Company's employees are members of a group wide defined contribution pension plan. There is a stated policy that Portakabin Limited, the Company's immediate parent, is responsible for the scheme. The net defined contribution cost of the pension plan and the net defined contribution liability is recognised fully by Portakabin Limited. The Company then recognises a cost equal to its contribution payable for the period.

3 ACCOUNTING POLICIES (continued)

Classification of financial instruments issued by the group
In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments
Trade and other debtors / creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

4 ANALYSIS OF TURNOVER

All revenue is earned in the United Kingdom.

By activity	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Hire income	**11,398**	10,656
Sales income	**4,563**	7,127
Other	**4,381**	4,933
	20,342	22,716

5 COSTS AND OVERHEADS LESS OTHER INCOME

		Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000 *as restated*
Change in stocks of finished goods and W.I.P.		**(241)**	(489)
Other operating income		**(36)**	(54)
Raw materials and consumables		**3,287**	5,438
Employment costs (see note 7)		**4,663**	4,808
Depreciation (see note 10)		**2,945**	3,408
Operating lease costs	- Plant and machinery	**108**	193
	- Other	**466**	447
Auditor's fees for the audit of these financial statements		**15**	28
Other external and operating charges		**4,587**	5,274
		15,794	19,053

6 INTEREST

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Bank interest receivable	**9**	119
Group interest payable	**-**	(8)
Net interest receivable	**9**	111

7 DIRECTORS AND EMPLOYEES

Employment costs during the year were as follows:	**Year ended 31 December 2017 £'000**	Year ended 31 December 2016 £'000
Wages and salaries	**4,001**	4,141
Social security costs	**437**	409
Contributions to defined contribution schemes	**225**	258
	4,663	4,808

The average number of persons employed by the company during the year was:

	2017 £'000	2016 £'000
Operations	**115**	117
Administration	**8**	8
	123	125

The directors of the company were paid by the immediate parent company.

The amount of £237,000 (year ended 31 December 2016: £196,000) has been apportioned to this company for their services as directors for this company.

The remuneration of the highest paid director who is employed by the immediate parent company amounted to £127,000 (year ended 31 December 2016: £115,000) excluding pension costs of £9,000 (2016: £10,000).

During the year 3 directors (year ended 31 December 2016 - 3) participated in the group pension scheme.

8 DIVIDENDS

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Dividend paid	**3,000**	7,000

A dividend of £3,000,000 (2016: £7,000,000) was paid during the year.

9 TAXATION

	Year ended 31 December 2017		Year ended 31 December 2016	
	£'000	**£'000**	£'000	£'000
i) Analysis of charge for the period				
Current tax:				
UK tax	**937**		858	
Adjustment relating to previous periods	**(87)**		(11)	
Total current tax		**850**		847
Deferred tax:				
Origination and reversal of timing differences	**(63)**		(98)	
Adjustment relating to previous periods	**83**		-	
Total deferred tax (note 14)		**20**		(98)
Tax on profit on ordinary activities		**870**		749

9 TAXATION (continued)

ii) Factors affecting tax charge for the period

The tax assessed for the period is lower (2016: lower) than the standard rate of corporation tax in the UK of 19.25% (2016: 20.0%). The differences are explained below:

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Profit after tax	**3,687**	3,025
Tax charge	**870**	749
Profit before tax	**4,557**	3,774
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 19.25% (2016: 20%)	**877**	755
Effects of:		
Expenses not deductible for tax purposes	**5**	6
Adjustments in respect of prior periods	**(4)**	(11)
Deferred tax rate change	**(9)**	2
Other	**1**	(3)
Total tax charge for the year	**870**	749

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) was enacted on 15 September 2016. This will reduce the company's future current tax charge accordingly.

10 TANGIBLE ASSETS

	Hire Fleet £'000	Land and Buildings £'000	Plant and Equipment £'000	Total £'000
Cost	*as restated*			*as restated*
At 31 December 2016	26,674	2,591	1,052	**30,317**
Additions	4,076	-	81	**4,157**
Disposals & transfers	(119)	-	-	**(119)**
At 31 December 2017	30,631	2,591	1,133	**34,355**
Depreciation				
At 31 December 2016	15,563	1,097	880	**17,540**
Charge for the period	2,869	26	50	**2,945**
Disposals & transfers	(64)	-	-	**(64)**
At 31 December 2017	18,368	1,123	930	**20,421**
Net Book Value at 31 December 2017	**12,263**	**1,468**	**203**	**13,934**
Net Book Value at 31 December 2016	11,111	1,494	172	12,777

Rental income received during the year was £11,398,000 (year ended 31 December 2016: £10,656,000).

During the year, estimates around the whole life costs of certain fleet assets have been reviewed, including useful life, residual values and period of consumption of refurbishment costs. This review has resulted in a revision of accounting estimates and the impact has therefore been recognised prospectively. The impact in the 2017 financial statements (relative to the estimate previously used) is to increase the book value of fleet assets by £0.8m and to increase profit before tax by £0.8m.

11 STOCKS

	2017 £'000	2016 £'000
Raw materials and consumables	**209**	214
Work-in-progress and finished goods	**336**	95
	545	309

12 DEBTORS

	2017 £'000	2016 £'000 *as restated*
Trade debtors	**1,757**	4,125
Amounts recoverable on contracts	**729**	379
Amounts due from group companies	**16**	101
Other debtors, prepayments and accrued income	**65**	41
	2,567	4,646

Amounts due from group companies are trade balances and are repayable on demand.

13 CREDITORS DUE WITHIN ONE YEAR

	2017 £'000	2016 £'000
Trade creditors	**297**	533
Amounts due to group companies	**1,833**	1,180
Corporation tax	**480**	394
Other taxes and social security	**862**	1,134
Accruals and deferred income	**1,425**	2,113
	4,897	5,354

Amounts due to group companies are trade balances and are repayable on demand.

14 DEFERRED TAXATION

	2017 £'000	2016 £'000
Provision for accelerated capital allowances	**77**	57
	77	57
Opening provision for deferred tax	**57**	155
Deferred tax charge/(credit) in profit and loss account	**20**	(98)
Closing deferred tax liability	**77**	57

15 FINANCIAL INSTRUMENTS

	2017 £'000	2016 £'000
Financial assets measured at amortised cost		
Cash at bank and in hand	**3,592**	2,656
Trade debtors	**1,757**	4,125
Other debtors	**810**	521
	6,159	7,302

	2017 £'000	2016 £'000
Financial liabilities measured at amortised cost		
Trade creditors	**297**	533
Accruals	**1,425**	2,113
Other liabilities	**3,175**	2,708
	4,897	5,354

16 FINANCIAL RISK MANAGEMENT

The company has exposure to two main areas of risk - liquidity risk and customer credit exposure.

Liquidity risk

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the company has credit facilities available.

Customer credit exposure

The company may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and by robust credit checking and credit control procedures.

17 SHARE CAPITAL

	2017	2016
	£'000	£'000
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	**1,500**	1,500

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

18 RESERVES

Profit and loss account
This includes all current and prior period retained profits and losses.

19 PENSIONS

Group Defined benefit pension scheme
During the period, the company's employees (where eligible) were members of a Group Pension Scheme providing benefits based on a defined contribution basis. In previous years some employees also accrued benefits on a defined benefit basis. The defined benefit sections of the scheme are now closed to future accrual. The funds of the scheme are independent of the company's finances and are administered by a Trustee.

There is a Group policy in place under which the parent company, Portakabin Limited, has full responsibility in relation to the pension deficit and therefore the company has accounted for the scheme as if it were a defined contribution scheme as permitted under FRS102 s28.

The latest full actuarial valuation of the scheme was carried out at 31 December 2015 which indicated a deficit of £43 million. A recovery plan including monthly payment of deficit contributions has been agreed with the Trustee and has been filed with The Pensions Regulator.

Additionally, as required by FRS102, a separate valuation as at 31 December 2017 has been undertaken by an independent qualified actuary. The valuation on the FRS102 basis showed a deficit in the scheme after tax of £17m (2016 - £23m). Full details of the FRS 102 valuation are disclosed within the financial statements of the parent Portakabin Limited.

19 PENSIONS (continued)

Defined contribution scheme
The company also makes payments on behalf of eligible employees to third party schemes, all of which provide benefits on a defined contribution basis.

The pension charge for the period can be analysed as follows:

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Standard employer contributions	**16**	49
Salary sacrifice contributions	**209**	209
	225	258

20 OPERATING LEASE COMMITMENTS

At 31 December 2017 the company's future minimum operating lease payments under non-cancellable operating leases are payable as follows:

	2017 £'000	2016 £'000
Within one year	**304**	332
Between one and five years	**654**	508
	958	840

21 CONTINGENT LIABILITIES

The company has entered into joint guarantees to secure bank borrowings by other group companies. No liability is expected to arise under these guarantees. Drawdowns on group facilities are shown in the statutory accounts of the ultimate parent undertaking, Shepherd Building Group Limited.

PORTAKABIN (SCOTLAND) LIMITED

Corporate Information

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Mr R Burrell

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