

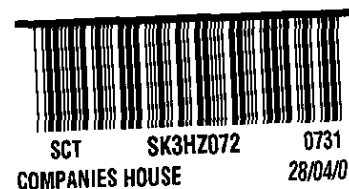
Advanced Computer Installations Limited

Report and Accounts

For the 14 months ended
30 June 2000

Registered No. SC103713

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Advanced Computer Installations Limited

Registered No. SC103713

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Advanced Computer Installations Limited

Registered No. SC103713

DIRECTORS

A Ritchie (resigned 10 March 2000)
M Ritchie (resigned 5 February 2000)
S Avery (appointed 3 August 1999, resigned 20 June 2000)
I Kirkpatrick (appointed 17 March 2000, resigned 12 March 2001)
R J Hynd (appointed 17 March 2000)
M Smith (appointed 12 March 2001)
T A Clark (appointed 3 August 1999, resigned 24 March 2000)
W W Evans (appointed 3 August 1999, resigned 24 March 2000)
A Davidson

SECRETARY

R J Hynd (appointed 3 August 1999)
M Ritchie (resigned 3 August 1999)

AUDITORS

Ernst & Young
George House
50 George Square
Glasgow
G2 1RR

BANKERS

Bank of Scotland
110 St Vincent Street
Glasgow
G2 5EJ

SOLICITORS

MacLay Murray & Spens
151 St Vincent Street
Glasgow
G2 5NJ

REGISTERED OFFICE

Unit 1, Inner City Trading Estate
Kyle Street
Glasgow
G4 0DL

Advanced Computer Installations Limited

DIRECTORS' REPORT

for the 14 months ended 30 June 2000

The directors present their report and accounts for the 14 months ended 30 June 2000.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £339,000 (1999 - profit for the year £221,000). The directors are unable recommend a dividend (1999 - £100,000) and accordingly the loss of £339,000 has been transferred to reserves.

PRINCIPAL ACTIVITY

The company's principal activity during the period continued to be the provision of data and voice cabling and the supply, maintenance & configuration of network products.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

On 3 August 1999 the Company was acquired by Semple Cochrane PLC. Accordingly the Company's year end has been changed to 30 June 2000 in order to be coterminous with the holding company's year end.

The Directors consider that the results for the year were disappointing, however, they are confident of a return to profitability.

DIRECTORS AND THEIR INTERESTS

The present membership of the board is set out on page 1.

The directors who held shares during the year were as follows:

	At 30 June 2000	At 1 May 1999
A Ritchie	-	38,900
M Ritchie	-	38,900
A Davidson	-	-

At 30 June 2000, A Davidson held 10,358 shares (1 May 1999 - nil) in the ultimate parent company, Semple Cochrane PLC.

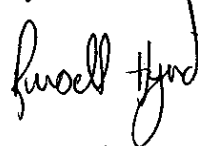
The interests of the other directors in the ultimate parent company, Semple Cochrane PLC, are disclosed in that company's financial statements.

AUDITORS

Ernst & Young were appointed by the directors during the year as a result of the acquisition of the company. Accordingly, a resolution concerning their appointment will be proposed at the Annual General Meeting.

Ernst & Young has stated that, during 2001, it is intending to transfer its business to a limited liability partnership, incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP. If this happens, it is the current intention of the Directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

By order of the board



R J Hynd
Secretary

20 April 2001

Advanced Computer Installations Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Advanced Computer Installations Limited

REPORT OF THE AUDITORS

to the shareholders of Advanced Computer Installations Limited

We have audited the accounts on pages 5 to 13, which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

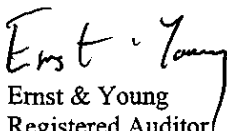
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the accounts concerning the basis of preparation. The accounts have been prepared on a going concern basis the validity of which is dependent on the company's bankers not demanding payment from the company under certain cross guarantees. The accounts do not include any adjustments that would result from such a demand. Details of the circumstances relating to this fundamental uncertainty are described in note 1. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 June 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Registered Auditor
Glasgow

20 April 2001

Advanced Computer Installations Limited

PROFIT AND LOSS ACCOUNT for the 14 months ended 30 June 2000

	<i>Notes</i>	<i>14 months 2000 £000</i>	<i>12 months 1999 £000</i>
TURNOVER	3	4,135	4,483
Cost of sales		(3,008)	(2,816)
GROSS PROFIT		1,127	1,667
Administrative expenses		(1,452)	(1,217)
OPERATING (LOSS)/PROFIT	4	(325)	450
Interest payable	7	(10)	(18)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(335)	432
Tax on (loss)/profit on ordinary activities	8	(4)	(111)
Dividends	9	-	(100)
(LOSS)/PROFIT RETAINED FOR THE FINANCIAL YEAR		(339)	221

The company has no recognised gains and losses, other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

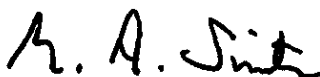
Advanced Computer Installations Limited

BALANCE SHEET

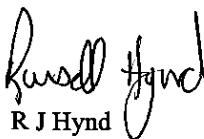
at 30 June 2000

	Notes	30 June 2000 £000	30 April 1999 £000
FIXED ASSETS			
Tangible assets	10	179	251
		<u>179</u>	<u>251</u>
CURRENT ASSETS			
Stocks	11	266	221
Debtors	12	980	942
Cash at bank and in hand		1	289
		<u>1,247</u>	<u>1,452</u>
CREDITORS: amounts falling due within one year	13	(1,035)	(963)
		<u>212</u>	<u>489</u>
NET CURRENT ASSETS			
		<u>391</u>	<u>740</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>377</u>	<u>716</u>
CREDITORS: amounts falling due after more than one year	14	(14)	(24)
		<u>377</u>	<u>716</u>
CAPITAL AND RESERVES			
Called up share capital	17	90	90
Profit and loss account	18	287	626
		<u>377</u>	<u>716</u>

The financial statements on pages 5 to 14 were approved by the board of Directors on 20 April 2001 and were signed on its behalf by:



M Smith
Director



R J Hynd
Director

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS

at 30 June 2000

1. FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

As described in note 20, the company has entered into cross guarantees with other group companies as part of its banking arrangements. At 30 June 2000 the group had net borrowings of £14,174,000. No provision has been made in the accounts for this potential liability.

The validity of the going concern basis is dependent on the group's bankers not demanding payment from the company under these cross guarantees.

On 8 January 2001, the shareholders of the company's ultimate parent undertaking, Semple Cochrane PLC, passed the resolutions required to effect the conversion of £12 million of existing debt due to the Governor and Company of the Bank of Scotland "the Bank" into share capital in Semple Cochrane PLC. The Bank also agreed to provide the group with additional banking facilities of £9 million, giving the group term loan and guarantee facilities of £13.45 million and short term working capital facilities of £8 million. At 20 April 2001, the value of group net borrowings under cross guarantee amounted to £10.8 million.

The future availability of banking facilities is dependent upon the ultimate parent company's bankers continuing to support the Semple Cochrane PLC Group as a going concern, in accordance with the ultimate parent company's business strategy. This strategy has been discussed with and reviewed by the ultimate parent company's bankers, whose support is based on that strategy.

If the group were unable to trade satisfactorily and the group's banking facilities were withdrawn, the company would have to honour its commitment under the cross guarantees. In this event, it is unlikely that the company would be able to continue in operational existence and adjustments would have to be made to reduce the balance sheet values to their recoverable amount and provide for further liabilities that might arise.

In view of the new funding arrangements with the Bank referred to above, the directors of the company believe that the group is capable of operating within the level of its existing facilities. Together with the improvement in group trading that they believe will materialise, the directors of the company consider that it is appropriate to prepare the accounts on a going concern basis.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements are prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets over their estimated useful lives. The rates generally applicable are:

Fixtures and Fittings	20% reducing balance
Motor Vehicles	25% reducing balance
Plant and Machinery	20% reducing balance

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS

at 30 June 2000

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability. Rentals paid under operating leases are charged to the profit and loss account in equal amounts over the period of the leases.

Stock

Stocks and work in progress are valued at the lower of cost and estimated net realisable value. Cost comprises the actual cost of raw materials and an appropriate proportion of labour and direct overheads in the case of work in progress.

Turnover and profit is not recognised on short-term contracts until these are complete.

The net realisable value of long-term contracts has been arrived at having regard to estimated cost to completion. A prudent level of profit attributable to the contract activity is taken if the final outcome of such contracts can be reliably assessed.

On all contracts, full provision is made for any losses in the year in which they are first foreseen.

Contributions to Pension Funds

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred Taxation

Deferred taxation is provided at the relevant tax rate on differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, to the extent that it is probable that a liability or asset will crystallise in the future.

3. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to the principal activity of the company.

Turnover is entirely generated within the United Kingdom.

4. OPERATING (LOSS)/PROFIT

This is stated after charging:

	<i>14 months to 30 June 2000</i>	<i>12 months to 30 April 1999</i>
	<i>£000</i>	<i>£000</i>
Depreciation of tangible fixed assets		
Owned assets	17	16
Leased assets	30	43
Loss on disposal of fixed assets	11	7
Auditors' remuneration	7	4
	<u> </u>	<u> </u>

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS

at 30 June 2000

5. DIRECTORS' EMOLUMENTS

	<i>14 months to 30 June 2000</i>	<i>12 months to 30 April 1999</i>
	<i>£000</i>	<i>£000</i>
Emoluments	143	93
Company contributions paid to money purchase pension schemes	14	15
	<i>2000</i>	<i>1999</i>
	<i>No.</i>	<i>No.</i>
Members of money purchase pension schemes	3	3

6. STAFF COSTS

	<i>14 months to 30 June 2000</i>	<i>12 months to 30 April 1999</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	1,956	2,042
Social security costs	181	6
Other pension costs	28	28
	2,165	2,076

The monthly average number of employees during the year was as follows:

	<i>2000</i>	<i>1999</i>
	<i>No.</i>	<i>No.</i>
Administration	24	24
Production	66	66
	90	90

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS

at 30 June 2000

7. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>14 months to 30 June 2000 £000</i>	<i>12 months to 30 April 1999 £000</i>
Bank loans and overdrafts	4	4
Finance charges payable under finance leases and hire purchase contracts	6	14
	<u>10</u>	<u>18</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>14 months to 30 June 2000 £000</i>	<i>12 months to 30 April 1999 £000</i>
UK Corporation tax	4	111
	<u>4</u>	<u>111</u>

9. DIVIDENDS

	<i>14 months to 30 June 2000 £000</i>	<i>12 months to 30 April 1999 £000</i>
Equity dividend paid	-	100
	<u>-</u>	<u>100</u>

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS

at 30 June 2000

10. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £000	Motor Vehicles £000	Plant and Machinery £000	Total £000
Cost or valuation:				
At 1 May 1999	72	258	120	450
Additions	1	-	4	5
Disposals	-	(89)	-	(89)
At 30 June 2000	73	169	124	366
Depreciation:				
At 1 May 1999	34	113	52	199
Provided during the year	6	30	11	47
Disposals	-	(59)	-	(59)
At 30 June 2000	40	84	63	187
Net book value:				
At 30 June 2000	33	85	61	179
At 1 May 1999	38	145	68	251

The net book value of plant and machinery and motor vehicles above includes an amount of £9,509 and £63,930 respectively (1999 - plant and machinery of £15,000 and motor vehicles of £144,000) in respect of assets held under hire purchase contracts.

11. STOCKS

	30 June 2000 £000	30 April 1999 £000
Stock	71	36
Work in progress	195	185
	266	221

12. DEBTORS

	30 June 2000 £000	30 April 1999 £000
Trade debtors	891	918
Amounts owed by group undertakings	45	-
Other debtors and prepayments	44	24
	980	942

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS

at 30 June 2000

13. CREDITORS: amounts falling due within one year

	30 June 2000 £000	30 April 1999 £000
Bank overdraft	190	-
Obligations under finance leases and hire purchase contracts	19	44
Trade creditors	528	376
Amounts owed to other group undertakings	102	-
Directors' current account	-	88
Other taxes and social security costs	88	208
Taxation	-	111
Accruals and deferred income	108	136
	<u>1,035</u>	<u>963</u>

The bank overdraft is secured by a floating charge over the assets of the company together with a letter of cross guarantee and offset from all group companies.

14. CREDITORS: amounts falling due after more than one year

	30 June 2000 £000	30 April 1999 £000
Obligations under finance leases and hire purchase contracts	14	24
	<u>14</u>	<u>24</u>

15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

	30 June 2000 £000	30 April 1999 £000
Amounts payable:		
Within one year	19	44
In two to five years	14	24
	<u>33</u>	<u>68</u>
Less finance charges	(5)	(9)
	<u>28</u>	<u>59</u>

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS

at 30 June 2000

16. OTHER FINANCIAL COMMITMENTS

(a) Operating leases

At 30 June 2000 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>		<i>Other</i>	
	<i>30 June 2000</i>	<i>30 April 1999</i>	<i>30 June 2000</i>	<i>30 April 1999</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Operating leases which expire:				
Within one year	17	-	11	-
In two to five years	20	-	76	63
In over five years	13	18	-	-
	<u>50</u>	<u>18</u>	<u>87</u>	<u>63</u>

17. SHARE CAPITAL

	<i>Authorised</i>	
	<i>2000</i>	<i>1999</i>
	<i>£000</i>	<i>£000</i>
100,000 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

	<i>Allotted, called up and fully paid</i>			
	<i>30 June 2000</i>	<i>30 April 1999</i>	<i>30 June 2000</i>	<i>30 April 1999</i>
	<i>No.</i>	<i>No.</i>	<i>£000</i>	<i>£000</i>
Ordinary shares of £1 each	<u>90,200</u>	<u>90,200</u>	<u>90</u>	<u>90</u>

18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 30 April 1999	90	626	716
Loss for the year	-	(339)	(339)
At 30 June 2000	<u>90</u>	<u>287</u>	<u>377</u>

NOTES TO THE ACCOUNTS

at 30 June 2000

19. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's ultimate parent undertaking and controlling party is Semple Cochrane PLC which is incorporated in Scotland. Copies of its group accounts, which include the company, are available from the registered office of the group at 14 William Street, Paisley, Renfrewshire, PA1 2NA.

20. CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The company is a wholly-owned subsidiary of Semple Cochrane PLC and is included in the consolidated financial statements of Semple Cochrane PLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Semple Cochrane PLC group.

21. CROSS GUARANTEES

The company has entered into cross guarantees with other group companies as part of its banking arrangements. At 30 June 2000 the group had net borrowings of £14,174,000 (1999 £3,682,000).