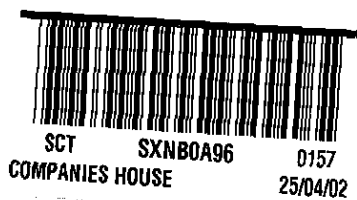


ADVANCED COMPUTER INSTALLATIONS LIMITED

Report and Accounts

30 June 2001

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Advanced Computer Installations Limited

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DIRECTORS

I Kirkpatrick (resigned 12 March 2001)
R J Hynd (resigned 3 August 2001)
M Smith (appointed 12 March 2001)
A Davidson

SECRETARY

R J Hynd

AUDITORS

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

BANKERS

Bank of Scotland
Level 8
123 St Vincent Street
Glasgow
G2 5EA

SOLICITORS

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

REGISTERED OFFICE

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

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 June 2001.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £363,000 (2000 - £339,000 loss). The directors are unable recommend a dividend (2000 - £Nil) and accordingly the loss of £363,000 (2000 - £339,000 loss) has been deducted from 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

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.

At 30 June 2001, A Davidson held 10,358 shares (30 June 2000 - 10,358) 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

On 28 June 2001, Ernst & Young the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The Directors consented to treating the appointment of Ernst & Young LLP as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the board



M Smith
Director

17 April 2002

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;
- 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
ADVANCED COMPUTER INSTALLATIONS LIMITED**

We have audited the company's accounts for the year ended 30 June 2001 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 20. These accounts have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 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 United Kingdom 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 financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

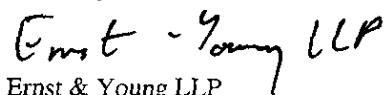
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. 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 continued financial support of the company's bankers and the company's ultimate parent, which in turn is contingent upon the group's bankers continuing to support the group headed by the company's ultimate parent undertaking. The accounts do not include any adjustments that would result from the removal of this support. 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 financial statements give a true and fair view of the state of affairs of the company as at 30 June 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Glasgow

17 April 2002

Advanced Computer Installations Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2001

			14 months ended 30 June
	Notes	2001 £000	2000 £000
TURNOVER	3	3,288	4,135
Cost of sales		(2,679)	(3,008)
GROSS PROFIT		609	1,127
Administrative expenses		(942)	(1,452)
OPERATING LOSS	4	(333)	(325)
Interest payable	7	(12)	(10)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(345)	(335)
Tax on loss on ordinary activities	8	(18)	(4)
LOSS FOR THE FINANCIAL YEAR	17	(363)	(339)

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 2001

	Notes	2001 £000	2000 £000
FIXED ASSETS			
Tangible assets	9	142	179
CURRENT ASSETS			
Stocks	10	69	266
Debtors	11	458	980
Cash at bank and in hand		-	1
		527	1,247
CREDITORS: amounts falling due within one year	12	(654)	(1,035)
NET CURRENT (LIABILITIES)/ASSETS		(127)	212
TOTAL ASSETS LESS CURRENT LIABILITIES		15	391
CREDITORS: amounts falling due after more than one year	13	(1)	(14)
		14	377
CAPITAL AND RESERVES			
Called up share capital	16	90	90
Profit and loss account	17	(76)	287
EQUITY SHAREHOLDERS' FUNDS		14	377

ERNST & YOUNG

M. A. Smith

M Smith
Director

17 April 2002

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS

at 31 June 2001

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.

The company is dependent on continuing financial support being made available by its bankers and ultimate parent undertaking, Semple Cochrane PLC, to enable it to continue operating and meet its liabilities as they fall due. The ultimate parent undertaking has agreed to provide sufficient funds to the company for these purposes; it has also agreed not to recall the amounts advanced to the company, which at 30 June 2001 amounted to £191,000 until all other creditors have been met.

The ability of the ultimate parent undertaking to provide this continuing financial support is dependent on the continuation of its own banking facilities.

The future availability of banking facilities is dependent upon the ultimate parent undertaking's bankers continuing to support the Semple Cochrane PLC Group as a going concern. The directors of the ultimate parent undertaking have recently prepared forecasts which showed the group's working capital requirements for the period ending 30 April 2003. The group's bank facilities are in accordance with these forecasts. Whilst there can be no certainty that the group will achieve its forecasts, the directors of the ultimate parent undertaking still consider that the group will be able to operate within its banking facilities and will continue to have the support of its bankers.

In view of the bank facilities available to the group referred to above, the directors of the company believe that the ultimate parent undertaking is capable of honouring its agreement to provide sufficient funds to enable the company to continue to meet its liabilities as they fall due. Accordingly, the directors consider that it is appropriate to prepare the accounts of the company on a going concern basis.

If the group were unable to trade satisfactorily and the group's banking facilities were withdrawn, continuing financial support may not be available from the ultimate parent undertaking. 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 amounts to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

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	15% reducing balance
Motor Vehicles	25% reducing balance
Plant and Machinery	15% reducing balance

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.

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS

at 31 June 2001

2. ACCOUNTING POLICIES (continued)

Stock and work in progress

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

This is stated after charging:

	<i>14 months ended 30 June</i>	
	<i>2001</i>	<i>2000</i>
	<i>£000</i>	<i>£000</i>
Depreciation of tangible fixed assets		
Owned assets	24	17
Leased assets	10	30
Loss on disposal of fixed assets	13	11
Auditors' remuneration	7	7

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS at 31 June 2001

5. DIRECTORS' EMOLUMENTS

	<i>14 months ended 30 June</i>	
	<i>2001</i>	<i>2000</i>
	<i>£000</i>	<i>£000</i>
Emoluments	50	143
Company contributions paid to money purchase pension schemes	5	14
	<i>No.</i>	<i>No.</i>
Members of money purchase pension schemes	1	3

6. STAFF COSTS

	<i>14 months ended 30 June</i>	
	<i>2001</i>	<i>2000</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	1,141	1,956
Social security costs	105	181
Other pension costs	14	28
	1,260	2,165

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

	<i>No.</i>	<i>No.</i>
Administration	17	24
Production	44	66
	61	90

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS

at 31 June 2001

7. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>14 months ended</i>	
	<i>30 June</i>	
	<i>2001</i>	<i>2000</i>
	<i>£000</i>	<i>£000</i>
Bank loans and overdrafts	9	4
Finance charges payable under finance leases and hire purchase contracts	3	6
	<u>12</u>	<u>10</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>14 months ended</i>	
	<i>30 June</i>	
	<i>2001</i>	<i>2000</i>
	<i>£000</i>	<i>£000</i>
UK corporation tax	18	4

9. TANGIBLE FIXED ASSETS

	<i>Fixtures and motor fittings</i>	<i>Plant and motor vehicles</i>	<i>Machinery</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost or valuation:				
At 30 July 2000	73	169	124	366
Additions	12	-	-	12
Disposals	-	(40)	-	(40)
At 30 June 2001	<u>85</u>	<u>129</u>	<u>124</u>	<u>338</u>
Depreciation:				
At 30 July 2000	40	84	63	187
Provided during the year	6	19	9	35
Disposals	-	(25)	-	(25)
At 30 June 2001	<u>46</u>	<u>78</u>	<u>72</u>	<u>196</u>
Net book value:				
At 30 June 2001	<u>39</u>	<u>51</u>	<u>52</u>	<u>142</u>
At 30 June 2000	<u>33</u>	<u>85</u>	<u>61</u>	<u>179</u>

The net book value of plant and machinery and motor vehicles above includes an amount of £2,871 and £29,004 respectively (2000 - plant and machinery of £9,509 and motor vehicles of £63,930) in respect of assets held under hire purchase contracts. Depreciation charged for the year on these assets amounted to £10,000 (2000 - £30,000).

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS at 31 June 2001

10. STOCKS AND WORK IN PROGRESS

	2001 £000	2000 £000
Stock	41	71
Work in progress	28	195
	<u>69</u>	<u>266</u>

11. DEBTORS

	2001 £000	2000 £000
Trade debtors	336	891
Amounts owed by group undertakings	46	45
Other debtors and prepayments	76	44
	<u>458</u>	<u>980</u>

12. CREDITORS: amounts falling due within one year

	2001 £000	2000 £000
Bank overdraft	87	190
Obligations under finance leases and hire purchase contracts	14	19
Trade creditors	276	528
Amounts owed to other group undertakings	202	102
Other taxes and social security costs	51	88
Accruals and deferred income	24	108
	<u>654</u>	<u>1,035</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.

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

	2001 £000	2000 £000
Obligations under finance leases and hire purchase contracts	1	14

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS at 31 June 2001

14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

	2001 £000	2000 £000
Amounts payable:		
Within one year	16	21
In two to five years	1	17
	<u>17</u>	<u>38</u>
Less finance charges	(2)	(5)
	<u>15</u>	<u>33</u>
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations (note 12)	14	19
Non-current obligations	1	14
	<u>15</u>	<u>33</u>

15. OTHER FINANCIAL COMMITMENTS

Operating leases

At 30 June 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>		<i>Other</i>	
	2001 £000	2000 £000	2001 £000	2000 £000
Operating leases which expire:				
Within one year	-	17	32	11
In two to five years	52	20	39	76
In over five years	2	13	-	-
	<u>54</u>	<u>50</u>	<u>71</u>	<u>87</u>

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS at 31 June 2001

16. SHARE CAPITAL

	2001 £000	Authorised 2000 £000
100,000 Ordinary shares of £1 each	100	100

	2001 No.	2000 No.	Allotted, called up and fully paid 2001 £000	2000 £000
Ordinary shares of £1 each	90,200	90,200	90	90

17. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 May 1999	90	626	716
Loss for the year	-	(339)	(339)
At 30 June 2000	90	287	377
Loss for the year	-	(363)	(363)
At 30 June 2001	90	(76)	14

18. 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.

19. 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.

20. CROSS GUARANTEES

The company has entered into cross guarantees with other group companies as part of its banking arrangements. At 30 June 2001 the group had net borrowings of £10,615,000 (2000 - £14,174,000).