

ADVANCED COMPUTER INSTALLATIONS LIMITED

Report and Accounts

30 June 2002



Advanced Computer Installations Limited

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Advanced Computer Installations Limited

DIRECTORS

A Davidson
G Miller (appointed 31 January 2003)
D F Sutherland (appointed 7 August 2002, resigned 31 January 2003)
G Fraser (appointed 7 August 2002, resigned 31 January 2003)
R G McKie (appointed 11 September 2002, resigned 31 January 2003)
E Hegarty (appointed 11 September 2002, resigned 31 January 2003)
M Smith (resigned 7 August 2002)
R J Hynd (resigned 3 August 2001)
M J Whiteford (appointed 7 August 2002, resigned 26 September 2002)

SECRETARY

A Davidson

AUDITORS

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

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 2002.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £169,000 (2001 - £363,000 loss). The directors are unable recommend a dividend (2001 - £Nil) and accordingly the loss of £169,000 (2001 - £363,000 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. Subsequent to the year end, on 31 January 2003 the business was sold by the parent company. Trading has been satisfactory during 2003.

DIRECTORS AND THEIR INTERESTS

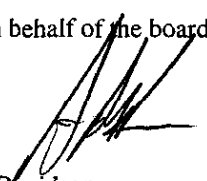
The present membership of the board is set out on page 1.

At 30 June 2002, A Davidson held 10,358 shares (30 June 2001 - 10,358) in the ultimate parent company, Semple Cochrane PLC. The interests of the other directors in the ultimate parent company at 30 June 2002, are disclosed in that company's financial statements.

AUDITORS

A resolution to appoint McLay, McAlister & McGibbon as the company's auditors will be put to the forthcoming Annual General Meeting.

On behalf of the board


A Davidson
Director

4 July 2003

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ADVANCED COMPUTER INSTALLATIONS LIMITED

We have audited the company's accounts for the year ended 30 June 2002 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 21. These accounts have been prepared on the basis of 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 auditors' 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

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 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.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 June 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script that reads 'Ernst & Young LLP'.
Ernst & Young LLP
Registered Auditor
Glasgow

4 July 2003

Advanced Computer Installations Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2002

	<i>Notes</i>	<i>2002 £000</i>	<i>2001 £000</i>
TURNOVER	3	2,557	3,288
Cost of sales		(2,088)	(2,679)
GROSS PROFIT		469	609
Administrative expenses		(702)	(942)
OPERATING LOSS	4	(233)	(333)
Interest payable	7	(8)	(12)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(241)	(345)
Tax on loss on ordinary activities	8	72	(18)
LOSS FOR THE FINANCIAL YEAR	17	(169)	(363)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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 2002

	Notes	2002 £000	2001 £000
FIXED ASSETS			
Tangible assets	9	60	142
CURRENT ASSETS			
Stocks	10	117	69
Debtors	11	485	458
		602	527
CREDITORS: amounts falling due within one year	12	(816)	(654)
NET CURRENT LIABILITIES		(214)	(127)
TOTAL ASSETS LESS CURRENT LIABILITIES		(154)	15
CREDITORS: amounts falling due after more than one year	13	(1)	(1)
		(155)	14
CAPITAL AND RESERVES			
Called up share capital	16	90	90
Profit and loss account	17	(245)	(76)
EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS		(155)	14



A Davidson

4 July 2003

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS

at 30 June 2002

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 future availability of banking facilities is dependent upon the bankers continuing to support the company as a going concern. The directors consider that the company will be able to operate within its banking facilities and will continue to have the support of its bankers. Additionally, following the sale of the company on 31 January 2003 (note 21) amounts owed to other group undertakings were waived. Therefore, the directors believe that the business is able to meet its liabilities as they fall due and 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	10% straight line
Motor Vehicles	25% straight line
Plant and Machinery	15% straight line

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 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.

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS at 30 June 2002

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:

	2002 £000	2001 £000
Depreciation of tangible fixed assets		
Owned assets	56	24
Leased assets	22	10
Loss on disposal of fixed assets	1	13
Auditors' remuneration	7	7
	<u> </u>	<u> </u>

5. DIRECTORS' EMOLUMENTS

	2002 £000	2001 £000
Emoluments	47	50
	<u> </u>	<u> </u>
Company contributions paid to money purchase pension schemes	5	5
	<u> </u>	<u> </u>
	No.	No.
Members of money purchase pension schemes	1	1
	<u> </u>	<u> </u>

6. STAFF COSTS

	2002 £000	2001 £000
Wages and salaries	1,145	1,141
Social security costs	84	105
Other pension costs	8	14
	<u>1,237</u>	<u>1,260</u>

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

	No.	No.
Administration	18	17
Production	42	44
	<u>60</u>	<u>61</u>

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS at 30 June 2002

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £000	2001 £000
Bank loans and overdrafts	6	9
Finance charges payable under finance leases and hire purchase contracts	2	3
	<u>8</u>	<u>12</u>

8. TAX ON LOSS ON ORDINARY ACTIVITIES

	2002 £000	2001 £000
UK Corporation tax credit/(charge)	72	(18)
	<u>72</u>	<u>(18)</u>
The differences between the tax credit in the year and credit as the standard rate of corporation tax is explained as follows:		
Loss on ordinary activities before taxation	241	345
	<u>241</u>	<u>345</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	72	103
Group relief/losses brought forward	(72)	(103)
Adjustment to tax charge in respect of prior periods	72	(18)
	<u>72</u>	<u>(18)</u>
Tax credit/(charge) in current period	72	(18)
	<u>72</u>	<u>(18)</u>

9. TANGIBLE FIXED ASSETS

	<i>Fixtures and Fittings</i> £000	<i>Motor Vehicles</i> £000	<i>Plant and Machinery</i> £000	<i>Total</i> £000
Cost or valuation:				
At 30 July 2001	85	129	124	338
Additions	-	-	-	-
Disposals	-	(10)	-	(10)
	<u>85</u>	<u>119</u>	<u>124</u>	<u>328</u>
At 30 June 2002	85	119	124	328
Depreciation:				
At 30 July 2001	46	78	72	196
Provided during the year	15	37	26	78
Disposals	-	(6)	-	(6)
	<u>61</u>	<u>109</u>	<u>98</u>	<u>268</u>
At 30 June 2002	61	109	98	268
Net book value:				
At 30 June 2002	24	10	26	60
	<u>24</u>	<u>10</u>	<u>26</u>	<u>60</u>
At 30 June 2001	39	51	52	142
	<u>39</u>	<u>51</u>	<u>52</u>	<u>142</u>

The net book value of plant and machinery and motor vehicles above includes an amount of £2,757 and £7,800 respectively (2001 - plant and machinery of £2,871 and motor vehicles of £29,004) in respect of assets held under hire purchase contracts. Depreciation charged for the year on these assets amounted to £21,509 (2001 - £10,000).

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS at 30 June 2002

10. STOCKS AND WORK IN PROGRESS

	2002 £000	2001 £000
Stock	69	41
Work in progress	48	28
	<u>117</u>	<u>69</u>

11. DEBTORS

	2002 £000	2001 £000
Trade debtors	389	336
Amounts owed by group undertakings	28	46
Other debtors and prepayments	68	76
	<u>485</u>	<u>458</u>

12. CREDITORS: amounts falling due within one year

	2002 £000	2001 £000
Bank overdraft	119	87
Obligations under finance leases and hire purchase contracts	1	14
Trade creditors	383	276
Amounts owed to other group undertakings	260	202
Other taxes and social security costs	57	51
Accruals and deferred income	(4)	24
	<u>816</u>	<u>654</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

	2002 £000	2001 £000
Obligations under finance leases and hire purchase contracts	<u>1</u>	<u>1</u>

Advanced Computer Installations Limited

NOTES TO THE ACCOUNTS at 30 June 2002

17. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total shareholders' funds £000</i>
At 1 July 2000	90	287	377
Loss for the year	-	(363)	(363)
At 30 June 2001	90	(76)	14
Loss for the year	-	(169)	(169)
At 30 June 2002	90	(245)	(155)

18. PARENT UNDERTAKING AND CONTROLLING PARTY

Until 31 January 2003 the company's ultimate parent undertaking and controlling party was Semple Holdings Ltd, which is incorporated in Scotland. Copies of its group accounts, which include the company, are available from the registered office of the group at 11 Fullarton Court, Drumhead Place, Cambuslang, Glasgow G32 8EY.

19. CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The company was a wholly owned subsidiary of Semple PLC and is included in the consolidated financial statements of Semple PLC, which are available from Companies House. 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 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 2002 the group had net borrowings of £24,215,000 (2001 - £10,615,000).

21. POST BALANCE SHEET EVENT

On 7 August 2002, the entire issued share capital of Semple Cochrane PLC was acquired by Semple Holdings Ltd (formerly RTT Holdings Ltd). On this date the shares in Semple Cochrane PLC were removed from the Official List of the London Stock Exchange. On 16 October 2002, the name of Semple Cochrane PLC was changed to Semple PLC.

On 31 January 2003 the company was sold and ceased to be part of Semple Holdings Ltd. The company was released from group cross guarantees (note 20) on that date.