

IMRIE STEWART PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

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IMRIE STEWART PLC

COMPANY INFORMATION

Directors D Lloyd Davies
Ian KI Stewart

Secretary D Lloyd Davies

Company Number 3196818

Registered Office Prince Consort House
Albert Embankment
London
SE1 7TJ

Auditors Price Firman
Prince Consort House
Albert Embankment
London
SE1 7TJ

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Bankers National Westminster Bank PLC
Enfield Business Centre
43-45 Silver Street
Enfield
Middlesex
EN1 3TP

Investment Advisers Lloyd Davies Trustees
Suite 2.4
111-117 Victoria Street
Bristol
BS1 6AX

Solicitors Memery Crystal & Co
31 Southampton Row
London
WC1B 5HT

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IMRIE STEWART PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report and financial statements for the year ended 31 December 2001.

Principal Activities and Review of the Business

The group's principal activity is that of building services.

Results

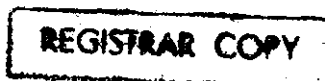
The group's profit for the period after taxation was £14,650 (2000 £66,924).

The directors do not recommend the payment of a dividend.

Directors and Directors' Interests

The directors who served during the period were: -

Ian KI Stewart
D Lloyd Davies



Ian KI Stewart had an interest in the whole of the issued share capital of the company at the beginning and end of the year. DL Davies has no interest in the share capital of the company.

Payment of Creditors

It is the policy of all group companies concerning the payment of trade creditors to: settle payment terms when agreeing the terms of each transaction; ensure suppliers are made aware of the terms of payment and; pay in accordance with the company's contractual and legal obligations.

At 31 December 2001 trade creditors represented 52 days (2000 49 days) purchases.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Price Firman be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to :-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the financial statements.

IMRIE STEWART PLC

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2001**

Directors' Responsibilities (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

DL Davies

DL Davies
Secretary

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10 July 2002

IMRIE STEWART PLC

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF IMRIE STEWART PLC**

We have audited the financial statements of Imrie Stewart plc on pages 4 to 15 for the year ended 31 December 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 1 and 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if in our opinion, the Directors' Report is not consistent with the financial statements, 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.

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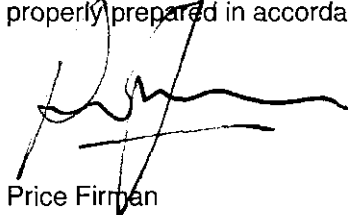
Basis of opinion

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the group and companies' circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the group and the company as at 31 December 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Firman

10 July 2002

Chartered Accountants
Registered Auditors

Prince Consort House
Albert Embankment
London
SE1 7TJ

IMRIE STEWART PLC

**GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	2001 £	2000 £
Turnover	2	12,588,460	16,014,663
Cost of sales		(10,664,598)	(13,996,313)
Gross Profit		1,923,862	2,018,350
Distribution costs		(255,842)	(205,110)
Administrative expenses		(1,631,467)	(1,750,197)
Operating Profit	3	36,553	63,043
Interest receivable	5	42,155	46,069
Profit on ordinary activities before taxation		78,708	109,112
Tax on profit on ordinary activities	6	(64,058)	(42,188)
Profit on ordinary activities after taxation		14,650	66,924

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The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

IMRIE STEWART PLC

GROUP BALANCE SHEET
AS AT 31 DECEMBER 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	7		120,392		116,075
Current assets					
Stocks and work in progress	9	31,224		23,270	
Debtors	10	3,234,260		2,659,900	
Cash at bank and in hand		542,490		1,582,750	
		3,807,974		4,265,920	
Creditors					
Amounts falling due within one year	11	(2,993,572)		(3,475,200)	
Net current assets			814,402		790,720
Total assets less current liabilities			934,794		906,795
Creditors					
Amounts falling due after more than one year	11		(447,646)		(460,366)
			487,148		446,429
			=====		=====
Capital and reserves					
Called up share capital	12		260,000		260,000
Profit and loss account	13		164,780		124,061
Other Reserve	13		62,368		62,368
Shareholders' funds (including non-equity interests)			487,148		446,429
			=====		=====

The financial statements were approved by the Board on 10 July 2002

Ian KI Stewart
Director

IMRIE STEWART PLC

**BALANCE SHEET
AS AT 31 DECEMBER 2001**

	Notes	£	2001 £	£	2000 £
Fixed assets					
Investments	8		571,750		571,850
Current assets					
Debtors	10	13,218		56,876	
Cash at bank and in hand		155,580		72,643	
		168,798		129,519	
Creditors					
Amounts falling due within one year	11	(255,297)		(201,782)	
Net current liabilities			(86,499)		(72,263)
Total assets less current liabilities			485,251		499,587
Creditors					
Amounts falling due after more than one year	11		(447,646)		(460,366)
			37,605		39,221
			=====		=====
Capital and reserves					
Called up share capital	12		260,000		260,000
Profit and loss account	13		(222,395)		(220,779)
Shareholders funds (including non-equity interest)			37,605		39,221
			=====		=====

The profit and loss account of the company is not presented in accordance with the provisions of Section 230 Companies Act 1985. The company made a loss of £1,616 during the year (2000 Loss £20,370).

Ian K. I. Stewart
Ian KI Stewart
Director

IMRIE STEWART PLC

**GROUP CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	2001 £	2000 £
Net cash (outflow)/inflow from operating activities	1	(937,106)	1,599,847
Returns on investments and servicing of finance			
Interest received		42,155	46,069
Taxation			
Corporation tax paid		(73,942)	(33,888)
Capital expenditure			
Purchase of tangible fixed assets	(58,647)		(81,112)
Receipts from sales of tangible fixed assets	-		23,813
Net cash outflow from capital expenditure		(58,647)	(57,299)
Net cash inflow before management of liquid resources and financing			1,554,729
Financing			
(Decrease) in long term creditors		(12,720)	(1,139,900)
Increase/(decrease) in cash and cash equivalents	2	(1,040,260)	414,829

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IMRIE STEWART PLC

**NOTES TO CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001**

1. Reconciliation of operating profit to net cash inflow from operating activities :

	2001 £	2000 £
Operating profit	36,553	63,043
Depreciation charge	54,330	60,307
Loss on sale of fixed assets	-	(2,063)
(Increase)/decrease in stock and work-in-progress	(7,954)	1,144,294
Increase in debtors	(574,360)	(174)
(Decrease)/increase in creditors within one year	(445,675)	334,440
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(937,106)	1,599,847
	=====	=====

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**2. Analysis of net funds and reconciliation to net cash flow :
Cash at Bank**

	£
Balance at 1 January 2001	1,582,750
Net cash outflow	(1,040,260)
	<hr/>
Balance at 31 December 2001	542,490
	=====

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention.

1.2 Consolidation

The group financial statements include the financial statements of the company and its subsidiary undertakings. They include the results of subsidiaries acquired during the year from the dates of acquisition and those disposed of up to the dates of disposal. Any excess of the fair value of the net assets acquired over the cost of acquisition is taken to Other Reserves.

1.3 Turnover

Turnover represents the amounts receivable for goods and services, net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful life, as follows :-

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Leasehold improvements

over 10 years

Fixtures, fittings and equipment

over 3 to 5 years

1.5 Fixed asset investments

Fixed assets investments are stated at cost less provision for diminution in value.

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Stocks and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value.

1.8 Long term contracts

Long term contract balances are stated at net cost less foreseeable losses and payments on account on a contract by contract basis. When cumulative turnover exceeds total payments on account, the balance is included in debtors as amounts recoverable on contracts. When total payments exceed cumulative turnover, the balance is offset against long term contract balances and any excess is disclosed separately in creditors.

1.9 Deferred taxation

Deferred tax is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.10 Pensions

The group operates a defined contribution scheme for certain employees whereby companies pay contributions to the employees' own personal pension plans. The charge against profit equals the amount of contributions payable in respect of the accounting period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

2. Turnover

The turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3. Operating profit

	2001	2000
	£	£
Operating profit is stated after charging :		
Depreciation on tangible assets	54,330	60,307
Auditors' remuneration - audit	8,800	14,000
- other services	-	2,000
Operating lease rentals	282,031	278,530
	=====	=====

4. Staff costs and directors' remuneration**Staff costs comprise :**

	2001	2000
	£	£
Salaries and wages	2,710,271	2,439,998
Social security costs	273,148	249,681
Other pension costs	119,863	91,094
	=====	=====
	3,103,282	2,780,773
	=====	=====

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Average number of employees - building services	85	83
	==	==

The directors did not receive any emoluments during the year.

5. Interest receivable

	2001	2000
	£	£
Bank interest receivable	42,155	46,069
	=====	=====

6. Taxation

	2001	2000
	£	£
Current year taxation		
United Kingdom corporation tax at 30% (2000 30%)	48,586	57,000
Prior years		
United Kingdom corporation tax	15,472	(14,812)
	=====	=====
	64,058	42,188
	=====	=====

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IMRIE STEWART PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

**7. Tangible fixed assets
Group**

	Leasehold improvements £	Fixtures fittings and equipment £	Total £
Cost			
At 1 January 2001	30,560	361,420	391,980
Additions	15,735	42,912	58,647
At 31 December 2001	46,295	404,332	450,627
Depreciation			
At 1 January 2001	7,422	268,483	275,905
Charge for the period	3,395	50,935	54,330
At 31 December 2001	10,817	319,418	330,235
Net book value			
At 31 December 2001	35,478	84,914	120,392
At 31 December 2000	23,138	92,937	116,075

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**8. Fixed asset investments
Company**

	£
Shares in subsidiary undertakings (unlisted)	
Cost at 1 January 2001	571,850
Disposals	(100)
At 31 December 2001	571,750

Shares in subsidiary undertakings include :

Company	Principal Activity	Class of Shares	Proportion Held
Maxwell Stewart PLC	Building Services	Ordinary	100%
		Redeemable	
		Preference	100%

The company is registered in England and Wales.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

9.	Stock and work-in-progress Group	2001 £	2000 £
	Work in progress	31,224	23,270
		<u>31,224</u>	<u>23,270</u>
		=====	=====
10.	Debtors	2001	2000
	Group	£	£
	Trade debtors	1,254,141	1,513,380
	Amounts recoverable on contracts	1,855,027	1,019,308
	Other debtors	45,317	39,487
	Prepayments and accrued income	79,775	87,725
		<u>3,234,260</u>	<u>2,659,900</u>
		=====	=====
	Company		
	Amounts owed by group undertakings	13,218	56,575
	Other debtors		301
		<u>13,218</u>	<u>56,876</u>
		=====	=====
11.	Creditors	2001 £	2000 £
	Group		
	Amounts falling due within one year		
	Trade creditors	750,169	1,176,615
	Taxation	48,586	57,000
	Other taxes and social security	315,657	417,896
	Accruals and deferred income	1,641,283	1,629,405
	Amounts owed by group undertakings	237,877	194,284
		<u>2,993,572</u>	<u>3,475,200</u>
		=====	=====
	Amounts due after more than one year :		
	Other creditors	447,646	460,366
		<u>447,646</u>	<u>460,366</u>
		=====	=====
	Company :		
	Amounts falling due within one year :		
	Amounts owed to group undertakings	251,168	198,282
	Accruals and other creditors	4,129	3,500
		<u>255,297</u>	<u>201,782</u>
		=====	=====
	Amounts due after more than one year :		
	Other creditors	447,646	460,366
		<u>447,646</u>	<u>460,366</u>
		=====	=====

Amounts due after more than one year are repayable after more than five years, no interest is charged on these amounts. They are due to companies in which Ian KI Stewart has an interest.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

12. Share capital

	2001	2000
	£	£
Authorised :		
50,000 Ordinary shares of £1 each (non-voting)	50,000	50,000
10,000 Preferred ordinary shares of £1 each (voting)	10,000	10,000
200,000 Redeemable preference shares of £1 each	200,000	200,000
	<hr/>	<hr/>
	260,000	260,000
	=====	=====
Allotted, called up and fully paid :		
	£	£
50,000 Ordinary shares of £1 each	50,000	50,000
10,000 Preferred ordinary shares of £1 each	10,000	10,000
200,000 Redeemable preference shares of £1 each	200,000	200,000
	<hr/>	<hr/>
	260,000	260,000
	=====	=====

The redeemable preference shares which have no rights to dividends and no voting rights and are redeemable at par on or after 1 January 2001, at the company's option. On a winding up or other capital reduction and after payment of liabilities, holders of preferred ordinary shares will be paid at par in priority to holders of redeemable preference shares who will be paid in priority to holders of ordinary shares. They are classified as non-equity.

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13. Statement of movement on reserves

	Profit and Loss Account	Other Reserve
	£	£
Group		
At 1 January 2001	124,061	62,368
Disposal of subsidiary	26,069	
Profit for the year	14,650	
	<hr/>	<hr/>
At 31 December 2001	164,780	62,368
	=====	=====
Company		
At 1 January 2001	(220,779)	
Loss for the year	(1,616)	
	<hr/>	
At 31 December 2000	(222,395)	
	=====	

14. Reconciliation of movements in shareholders funds

	Group	Company
	£	£
At 1 January 2001	446,429	39,221
Disposal of subsidiary	26,069	
Profit/(Loss) for the year	14,650	(1,616)
	<hr/>	<hr/>
At 31 December 2001	487,148	37,605
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

14. Reconciliation of movements in shareholders funds (continued)

Analysis of Shareholders' funds :

	Group £	Company £
Equity interest	287,148	
Non-equity interest	200,000	37,605
	<hr/>	<hr/>
	487,148	37,605
	=====	=====

15. Segmental analysis

15.1 Net assets comprise	2001 £	2000 £
Building services	1,021,293	1,005,027
Property development	-	(25,969)
Medium term funding	(534,145)	(532,629)

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15.2 Profit/(Loss) before tax comprises :

Building services	78,794	151,708
Property development	-	(19,226)
Other	(86)	(23,370)
	<hr/>	<hr/>
	78,708	109,112
	=====	=====

16. Pension costs

A group company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

17. Contingent liabilities

A group company has provided performance bonds at the year end in the aggregate amount of £1,928,257 (2000 £951,752) in respect of contracts in the course of completion.

1900-1901