

Company Registration Number 3196818 (England and Wales)

IMRIE STEWART PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002



Imrie Stewart plc

COMPANY INFORMATION

Directors	RMF Stewart JP Sheehy PR Morgan JD Stolliday
Secretary	JD Stolliday
Company Number	2661542
Registered Office	Prince Consort House Albert Embankment London SE1 7TJ
Auditors	Price Firman Prince Consort House Albert Embankment London SE1 7TJ
Bankers	National Westminster Bank PLC 37 Green Lane Northwood Middlesex HA6 3AF
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

IMRIE STEWART PLC

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IMRIE STEWART PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2002

The directors present their report and financial statements for the year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The group's principal activity is that of building services, during the year it began the provision of media communication equipment.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were :-

Ian KI Stewart - resigned 1 January 2003
D Lloyd Davies - resigned 1 January 2003
PR Morgan - appointed 1 January 2003
JP Sheehy - appointed 1 January 2003
RMF Stewart - appointed 1 January 2003
JD Stolliday - appointed 1 January 2003

Ian KI Stewart had an interest in the whole of the issued share capital of the company at the beginning and end and end of the year. No other directors had an interest in the share capital of the company.

RESULTS AND DIVIDENDS

The results for the year are set out on page 4.

The directors do not recommend the payment of a dividend.

CREDITOR PAYMENT POLICY

It is the policy of all group companies to :-

- settle payment terms when agreeing the terms of each transaction.
- to ensure suppliers are made aware of the terms of payment.
- to abide by the terms of payment.

At 31 December 2002 trade creditors were paid within 54 days (2001 within 52 days).

AUDITORS

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

IMRIE STEWART PLC

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2002**

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 judgments 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group and 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 of 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 of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



JD Stolliday
Secretary

29 October 2003

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 16 for the year ended 31 December 2002. These financial statements have been prepared under the historical cost convention and 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 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.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 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.

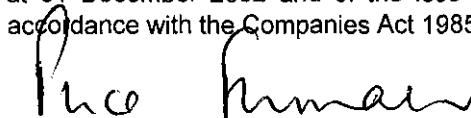
Basis of audit opinion

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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 financial statements 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 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 2002 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Firman

Chartered Accountants

29 October 2003

Prince Consort House
Albert Embankment
London
SE1 7TJ

IMRIE STEWART PLC

**GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002**

	Notes	2002 £	2001 £
Turnover	2		
Continuing operations		15,818,733	12,588,460
Acquisitions		581,449	0
		<u>16,400,182</u>	<u>12,588,460</u>
 Cost of sales		 (14,406,932)	 (10,664,598)
		<u>1,993,250</u>	<u>1,923,862</u>
Gross profit			
Administration expenses		(2,467,037)	(1,887,309)
Operating (loss)/profit	3	<u>(473,787)</u>	<u>36,553</u>
Continuing operations		(399,620)	36,553
Acquisitions		<u>(74,167)</u>	<u>0</u>
 Interest receivable		 1,492	 42,155
Interest payable	5	(3,754)	0
		<u>(2,262)</u>	<u>42,155</u>
(Loss)/profit on ordinary activities before taxation		<u>(476,049)</u>	<u>78,708</u>
 Tax on (loss)/profit on ordinary activities	6	 91,586	 (64,058)
		<u>91,586</u>	<u>(64,058)</u>
(Loss)/profit on ordinary activities after taxation		<u><u>(384,463)</u></u>	<u><u>14,650</u></u>

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

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 2002**

	Notes	£	2002 £	£	2001 £
Fixed Assets					
Tangible assets	7		133,359		120,392
Current Assets					
Stocks and work in progress	9	60,340		31,224	
Debtors	10	5,318,200		3,234,260	
Cash at bank and in hand		799,302		542,490	
		<u>6,177,842</u>		<u>3,807,974</u>	
Creditors: amounts falling due within one year	11	(5,914,820)		(2,993,572)	
Net current assets			263,022		814,402
Total assets less current liabilities			<u>396,381</u>		<u>934,794</u>
Creditors: amounts falling due after more than one year	11		<u>(344,021)</u>		<u>(447,646)</u>
			<u>52,360</u>		<u>487,148</u>
Capital and reserves					
Called up share capital	12		260,000		260,000
Profit and loss account	13		(219,683)		164,780
Other reserve	13		12,043		62,368
Shareholders' Funds (including non-equity interests)			<u>52,360</u>		<u>487,148</u>

The financial statements were approved by the Board on 29 October 2003.


PR Morgan
Director


JD Stolliday
Director

IMRIE STEWART PLC

**BALANCE SHEET
AS AT 31 DECEMBER 2002**

	Notes	£	2002 £	£	2001 £
Fixed assets					
Investments	8		571,750		571,750
Current assets					
Debtors	10	13,218		13,218	
Cash at bank and in hand		102,956		155,580	
		<u>116,174</u>		<u>168,798</u>	
Creditors: amounts falling due within one year	11	<u>(276,859)</u>		<u>(255,297)</u>	
Net current assets			<u>(160,685)</u>		<u>(86,499)</u>
Total assets less current liabilities			411,065		485,251
Creditors: amounts falling due after more than one year	11		<u>(344,021)</u>		<u>(447,646)</u>
			<u>67,044</u>		<u>37,605</u>
Capital and reserves					
Called up share capital	12		260,000		260,000
Profit and loss account	13		(192,956)		(222,395)
Shareholders funds (including non-equity interests)			<u>67,044</u>		<u>37,605</u>

The company's profit for the year amounted to £29,439 (2001 loss £1,616). The profit and loss account of the company is not presented in accordance with the provisions of Section 230 Companies Act 1985.

The financial statements were approved by the Board on 29 October 2003.

PR Morgan
Director

JD Stolliday
Director

IMRIE STEWART PLC

GROUP CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	£	2002 £	£	2001 £
Net cash outflow/(inflow) from operating activities	1		512,011		(937,106)
Returns on investments and servicing of finance					
Interest received		1,492		42,155	
Interest paid		<u>(3,754)</u>		<u>0</u>	
			(2,262)		42,155
Taxation					
Corporation tax paid			(53,060)		(73,942)
Capital expenditure					
Purchase of tangible fixed assets		<u>(71,123)</u>		<u>(58,647)</u>	
Net cash outflow from capital expenditure			(71,123)		(58,647)
Acquisitions and disposals					
Purchase of subsidiary		(5,000)		0	
Loans and overdrafts acquired with subsidiary		<u>(36,205)</u>		<u>0</u>	
Net cash outflow from acquisitions and disposals			<u>(41,205)</u>		<u>0</u>
Net cash inflow/(outflow) before management of liquid resources and financing			344,361		(1,027,540)
Financing					
(Decrease) in long term creditors			(103,625)		(12,720)
Decrease in cash and cash equivalents	2		<u>240,736</u>		<u>(1,040,260)</u>

IMRIE STEWART PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

**1 Reconciliation of operating profit to net cash inflow
from operating activities**

	2002	2001
	£	£
Operating (loss)/profit	(473,787)	36,553
Depreciation charge	58,156	54,330
(Increase) in stock and work in	(29,116)	(7,954)
(Increase) in debtors	(1,980,880)	(574,360)
Increase/(decrease) in creditors	2,937,638	(445,675)
Net cash inflow/(outflow) from operating activities	<u>512,011</u>	<u>(937,106)</u>

**2 Analysis of net funds and reconciliation to net cash flow
Cash at bank less bank overdraft**

Balance at 31 December 2001		542,490
Purchase of subsidiary	2,027	
Continuing operations	<u>238,709</u>	
Net cash inflow		<u>240,736</u>
Balance at 31 December 2002		<u>783,226</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

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 Group accounts

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 date of disposal. Any excess of the fair value of the net assets acquired over the cost of acquisition is taken to Other Reserve.

1.3 Turnover

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

1.4 Research and development

Research is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.5 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 :-

Leasehold improvements	over 10 years
Fixtures, fittings and equipment	over 3 to 5 years

1.6 Fixed asset investments

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

1.7 Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

1.8 Long term contracts

Long term contracts 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 taxation is provided in full in respect of taxation deferred between the treatment of certain items for taxation and accounting purposes. Deferred tax balances are not discounted.

1.10 Leasing

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

IMRIE STEWART PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

1 Accounting policies (continued)

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. All differences are taken to the profit and loss account.

1.12 Pensions

The group operates a defined contribution scheme for certain employees whereby the company pays contributions to employees own personal pension plans. The charge to the profit and loss account represents contributions payable in the year.

2 Turnover

The turnover of the group for the year has been derived from:

	2002 £	2001 £
Building services	15,733,733	12,541,460
Communication equipment	581,449	0
Other	85,000	47,000
	<u>16,400,182</u>	<u>12,588,460</u>

All of which occurred in the United Kingdom.

3 Operating Profit

	2002 £	2001 £
Operating profit is stated after charging		
Depreciation of tangible assets	58,156	54,330
Auditors' remuneration	13,603	8,800
Operating lease rentals	<u>194,474</u>	<u>282,031</u>

4 Staff costs and directors' remuneration

	2002 £	2001 £
Staff costs comprise :		
Salaries and wages	3,082,486	2,710,271
Social security costs	306,678	273,148
Pension costs	107,663	119,863
	<u>3,496,827</u>	<u>3,103,282</u>

The average number of employees was : 101 85

The directors did not receive any remuneration during the year.

5 Interest Payable

	2002 £	2001 £
Bank interest	<u>3,754</u>	<u>0</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

6 Taxation	2002 £	2001 £
Current year taxation		
United Kingdom corporation tax at 30% (2001 30%)	(46,060)	48,586
Adjustment for prior years	<u>4,474</u>	<u>15,472</u>
	(41,586)	64,058
Deferred taxation		
Deferred taxation credit	(50,000)	0
	<u>(91,586)</u>	<u>64,058</u>
Factors affecting the current tax charge		
(Loss)/profit on ordinary activities before taxation	<u>(476,049)</u>	<u>78,708</u>
(Loss)/profit on ordinary activities before taxation multiplied by the standard rate of UK tax of 30% (2002 30%)	<u>(142,815)</u>	<u>23,612</u>
Effects of		
Non deductible expenses	27,203	26,693
Depreciation added back	17,447	16,359
Capital allowances	(15,482)	(14,404)
Losses carried forward	60,600	0
Adjustment for prior years	4,474	15,472
Other tax adjustments	<u>(6,987)</u>	<u>3,674</u>
	(41,586)	64,058

The group has estimated tax losses of £286,000 (2001 £ nil) available for carry forward against future trading profits. A deferred tax asset of £50,000 (2001 £ nil) has been provided during the year, through the profit and loss account, in respect of tax losses to be carried forward against future profits computed at the current corporation tax rate (included in note 10).

7 Tangible Fixed Assets

Group	Leasehold improve- ments	Fixtures, fittings and equipment	Motor vehicles	Total
Cost	£	£	£	£
At 31 December 2001	46,295	404,332	0	450,627
Acquisition of subsidiary	0	9,128	3,366	12,494
Additions	21,377	38,680	0	60,057
At 31 December 2002	<u>67,672</u>	<u>452,140</u>	<u>3,366</u>	<u>523,178</u>
Depreciation				
At 31 December 2001	10,817	319,418	0	330,235
Acquisition of subsidiary	0	1,096	332	1,428
Charge for the year	5,923	51,392	841	58,156
At 31 December 2002	<u>16,740</u>	<u>371,906</u>	<u>1,173</u>	<u>389,819</u>
Net Book Value				
At 31 December 2002	<u>50,932</u>	<u>80,234</u>	<u>2,193</u>	<u>133,359</u>
At 31 December 2001	<u>35,478</u>	<u>84,914</u>	<u>0</u>	<u>120,392</u>

IMRIE STEWART PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

8 Fixed asset investments

Company

Shares in subsidiary undertakings (unlisted)

At 31 December 2001 £

571,750

At 31 December 2002

571,750

Shares in subsidiary undertakings at 31 December 2002 include :

	Principal activity	Class of shares	Proportion held
Maxwell Stewart PLC	Building services	Ordinary	100%
		Redeemable preference	100%
One Media Communication Limited	Communication equipment	Ordinary	75%

The companies are registered in England and Wales.

One Media Communication Limited is held through a subsidiary.

9 Stock and Work in Progress

2002

2001

£

£

Group

Finished goods

39,061

0

Work in progress

21,279

31,224

60,340

31,224

10 Debtors

2002

2001

£

£

Group

Trade debtors

2,052,652

1,254,141

Amounts recoverable on contracts

3,006,548

1,855,027

Corporation tax recoverable

53,060

0

Other debtors

40,661

45,317

Prepayments and accrued income

115,279

79,775

Deferred tax asset

50,000

0

5,318,200

3,234,260

The deferred taxation asset has been provided during the year in respect of tax losses to be carried forward against future profits computed at the current corporation tax rate.

Company

Amounts due from parent and fellow subsidiaries

13,218

13,218

13,218

13,218

IMRIE STEWART PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

11	Creditors	2002	2001
		£	£
	Group		
	Amounts falling due within one year		
	Bank loans and overdrafts	16,076	0
	Trade creditors	1,350,013	750,169
	Taxation	0	48,586
	Other taxes and social security	393,496	315,657
	Accruals and deferred income	3,614,494	1,641,283
	Amounts due to parent and fellow subsidiaries	540,741	237,877
		<u>5,914,820</u>	<u>2,993,572</u>
	Amounts falling due after more than one year		
	Other creditors	<u>344,021</u>	<u>447,646</u>
	Company		
	Amounts falling due within one year	£	£
	Amounts due to parent and fellow subsidiaries	271,730	251,168
	Accruals and deferred income	5,129	4,129
		<u>276,859</u>	<u>255,297</u>
	Amounts falling due after more than one year		
	Other creditors	<u>344,021</u>	<u>447,646</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.

The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the subsidiary undertakings.

IMRIE STEWART PLC
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

12	Share Capital Authorised	2002 £	2001 £
	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
		<u>260,000</u>	<u>260,000</u>

Allotted, called up and fully paid

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
	<u>260,000</u>	<u>260,000</u>

The redeemable preference shares, which have no rights to dividends and no voting rights, are redeemable at par 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 redeemable preference shares who will be paid in priority to holders of ordinary shares. They are classified as non-equity.

13 Statement of movement on reserves

Group	Profit and loss account £	Other Reserve £
At 31 December 2001	164,780	62,368
Loss for the year	(384,463)	0
Acquisition of subsidiary	0	(50,325)
At 31 December 2002	<u>(219,683)</u>	<u>12,043</u>
Company		
At 31 December 2001	(222,395)	
Profit for the year	29,439	
At 31 December 2002	<u>(192,956)</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002

	Group £	Company £
At 31 December 2001	487,148	37,605
(Loss)/profit for the year	(420,463)	41,586
At 31 December 2002	<u>66,685</u>	<u>79,191</u>

Equity interest	0	0
Non-equity interest	66,685	79,191
	<u>66,685</u>	<u>79,191</u>

2002	2001
£	£

Building services	635,312	1,021,293
Communication equipment	(123,246)	0
Medium term funding	(509,706)	(534,145)
	<u>2,360</u>	<u>487,148</u>

Building services	(364,688)	78,794
Communication equipment	(77,921)	0
Medium term funding	36,439	(86)
	<u>(406,170)</u>	<u>78,708</u>

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

	2002	2001
	£	£
Contributions payable	106,765	119,863

IMRIE STEWART PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

17 Contingent liabilities

A group company has provided performance bonds at the year end in aggregate amount of £1,723,030 (2001 £1,928,257) in respect of contracts in the course of completion.

18 Financial commitments

The group has annual commitments under non-cancellable operating leases :-

	2002	2001
	£	£
Expiring within one year	41,992	86,182
Expiring between two and five years	128,940	92,877
	<u>170,932</u>	<u>179,059</u>

20 Control

The ultimate parent company is Transatlantic Holding Management Inc, a company incorporated in the British Virgin Islands.

IMRIE STEWART PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002

	2002 £	2001 £
Rent received	85,000	47,000
Rent paid	<u>(45,000)</u>	<u>(45,000)</u>
	40,000	2,000
Bank charges	(61)	(55)
Audit and accountancy	(3,500)	(1,500)
General expenses	0	(431)
Loss on disposals	0	(100)
	<u>36,439</u>	<u>(86)</u>