

**IMRIE STEWART PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

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**IMRIE STEWART PLC**

**COMPANY INFORMATION**

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**Directors** D Lloyd Davies  
Ian KI Stewart

**Secretary** D Lloyd Davies

**Company Number** 3196818

**Registered Office** Prince Consort House  
Albert Embankment  
London  
SE1 7TJ

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

**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

**Corporate 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 2000

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The directors present their report and financial statements for the year ended 31 December 2000.

### Principal Activities and Review of the Business

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

### Results

The group's profit for the period after taxation was £66,924 (1999 £47,653).

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

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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 contractual and legal obligations.

At 31 December 2000 trade creditors represented 49 days (1999 45 days) purchased..

### 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.

### 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.

**IMRIE STEWART PLC**

**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2000**

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**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  
Secretary

25 June 2001

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

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We have audited the financial statements of Imrie Stewart plc on pages 4 to 15. 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 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 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 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 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 2000 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**

**25 June 2001**

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 2000**

	Notes	2000 £	1999 £
<b>Turnover</b>	<b>2</b>	16,014,663	13,360,014
Cost of sales		(13,996,313)	(11,673,079)
<b>Gross Profit</b>		2,018,350	1,686,935
Distribution costs		(205,110)	(197,096)
Administrative expenses		(1,750,197)	(1,423,286)
<b>Operating Profit/(Loss)</b>	<b>3</b>	63,043	66,553
Interest receivable	<b>5</b>	46,069	28,540
<b>Profit/(Loss) on ordinary activities before taxation</b>		109,112	95,093
Tax on profit on ordinary activities	<b>6</b>	(42,188)	(47,440)
<b>Profit/(Loss) on ordinary activities after taxation</b>		66,924	47,653

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 2000

	Notes	£	2000 £	£	1998 £
<b>Fixed Assets</b>					
Tangible assets	7		116,075		117,290
<b>Current Assets</b>					
Stocks and work in progress	9	23,270		1,167,564	
Debtors - due within one year	10	2,659,900		2,659,456	
Cash at bank and in hand		1,582,750		1,167,921	
		4,265,920		4,994,941	
<b>Creditors</b>					
Amounts falling due within one year	11	(3,475,200)		(3,132,460)	
<b>Net Current Assets</b>			790,720		1,862,481
<b>Total Assets Less Current Liabilities</b>			906,795		1,979,771
<b>Creditors</b>					
Amounts falling due after more than one year	11		(460,366)		(1,600,266)
			446,429		379,505
<b>Capital and Reserves</b>					
Called up share capital	12		260,000		260,000
Profit and loss account	13		124,061		57,137
Other Reserve	13		62,368		62,368
<b>Shareholders' Funds</b> (including non-equity interests)			446,429		379,505

The financial statements were approved by the Board on 25 June 2001.

Ian KI Stewart  
Director



**IMRIE STEWART PLC**

**BALANCE SHEET  
AS AT 31 DECEMBER 2000**

	Notes	£	2000 £	£	1999 £
<b>Fixed Assets</b>					
Investments	8		571,850		571,850
<b>Current Assets</b>					
Debtors - due within one year	10	56,876		33,342	
Cash		72,643		63,172	
		129,519		96,514	
<b>Creditors</b>					
Amounts falling due within one year	11	(201,782)		(148,407)	
<b>Net Current (Liabilities)/Assets</b>			(72,263)		(51,893)
<b>Total Assets less Current Liabilities</b>			499,587		519,957
<b>Creditors</b>					
Amounts falling due after more than one year	11		(460,366)		(460,366)
			39,221		59,591
<b>Capital and Reserves</b>					
Called up share capital	12		260,000		260,000
Profit and Loss Account	13		(220,779)		(200,409)
<b>Shareholders Funds</b> (including non-equity interest)			39,221		59,591

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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 £20,370 during the year (1999 Loss £13,966).

*Ian KI Stewart*

*A T K I S*

Ian KI Stewart  
Director

**IMRIE STEWART PLC**

**GROUP CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2000**

	£	2000 £	£	1999 £
<b>Net cash inflow from operating activities</b>		1,599,847		389,322
<b>Returns on investments and servicing of finance</b>				
Interest received		46,069		28,540
<b>Taxation</b>				
Corporation tax paid		(33,888)		(7,940)
<b>Capital Expenditure</b>				
Purchase of tangible fixed assets	(81,112)		(78,556)	
Receipts from sales of tangible fixed assets	23,813		600	
<b>Net cash outflow from capital expenditure</b>		(57,299)		(77,956)
<b>Net cash inflow before management of liquid resources and financing</b>		1,554,729		331,966
<b>Financing</b>				
(Decrease) in long term creditors		(1,139,900)		-
<b>Increase in cash and cash equivalents</b>		414,829		331,966

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NOTES TO CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2000

1. Reconciliation of operating profit/(loss) to net cash inflow from operating activities :

	2000 £	1999 £
Operating profit	63,043	66,553
Depreciation charge	60,307	57,242
(Profit) on sale of fixed assets	(2,063)	(71)
Decrease/(Increase) in stock and work-in-progress	1,144,294	(21,668)
(Increase)/Decrease in debtors	(174)	485,475
Increase/(Decrease) within one year	334,440	(198,209)
	<hr/>	<hr/>
Net cash inflow from operating activities	1,599,847	389,322
	=====	=====

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

	£
Balance at 1 January 2000	1,167,921
Net cash inflow	414,829
	<hr/>
Balance at 31 December 2000	1,582,750
	=====

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000**

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**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 :-

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.

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**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 2000**

**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**

	2000	1999
	£	£
Operating profit is stated after charging :		
Depreciation on tangible assets	60,307	57,242
Auditors' remuneration - audit	14,000	14,347
- other services	2,000	2,000
Operating lease rentals	278,530	311,937
	=====	=====

**4. Staff Costs and Directors' Remuneration**

	2000	1999
	£	£
<b>Staff costs comprise :</b>		
Salaries and wages	2,439,998	2,334,720
Social security costs	249,681	236,320
Other pension costs	91,094	79,164

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2,780,773	2,650,204
=====	=====

Average number of employees - building services

83	82
==	==

The directors did not receive any emoluments during the year.

**5. Interest Receivable**

	2000	1999
	£	£
Bank interest receivable	46,069	28,540
	=====	=====

**6. Taxation**

	2000	1999
	£	£
<b>Current Year Taxation</b>		
United Kingdom corporation tax at 30% (1999 30%)	57,000	48,700
<b>Prior Years</b>		
United Kingdom corporation tax	(14,812)	(1,260)
	=====	=====
	42,188	47,440
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**7. Tangible Fixed Assets Group**

	Leasehold Improvements	Fixtures Fittings and Equipment	Total
Cost	£	£	£
At 1 January 2000	25,869	313,913	339,782
Additions	4,691	76,152	80,843
Disposals	-	(28,645)	(28,645)
At 31 December 2000	30,560	361,420	391,980
<b>Depreciation</b>			
At 1 January 2000	4,873	217,619	222,492
Charge for the period	2,549	57,758	60,307
On disposals	-	(6,894)	(6,894)
At 31 December 2000	7,422	268,483	275,905
<b>Net Book Value</b>			
At 31 December 2000	23,138	92,937	116,075
At 31 December 1999	20,996	96,294	117,290

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**8. Fixed Asset Investments Company**

	£
<b>Shares in subsidiary undertakings (unlisted)</b>	
Cost at 1 January and 31 December 2000	571,850

**Shares in subsidiary undertakings include :**

Company	Principal Activity	Class of Shares	Proportion Held
Maxwell Stewart PLC	Building Services	Ordinary Redeemable Preference	100%
Stewart (I.O.W.) Developments Limited	Property Development	Ordinary	100%

All companies are registered in England and Wales.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000

9.	<b>Stock and Work-in-Progress</b>	<b>2000</b>	<b>1999</b>
	<b>Group</b>	<b>£</b>	<b>£</b>
	Trading properties	-	1,138,563
	Work in progress	23,270	29,001
		<hr/>	<hr/>
		23,270	1,167,564
		<hr/>	<hr/>
10.	<b>Debtors</b>	<b>2000</b>	<b>1999</b>
	<b>Due within one year</b>		
	<b>Group</b>	<b>£</b>	<b>£</b>
	Trade debtors	1,513,380	1,068,569
	Amounts recoverable on contracts	1,019,308	1,508,426
	Other debtors	39,487	19,795
	Prepayments and accrued income	87,725	62,666
		<hr/>	<hr/>
		2,659,900	2,659,456
		<hr/>	<hr/>
	<b>Company</b>		
	Amounts owed by group undertakings	56,575	33,036
	Other debtors	301	306
		<hr/>	<hr/>
		56,876	33,342
		<hr/>	<hr/>
11.	<b>Creditors</b>	<b>2000</b>	<b>1999</b>
	<b>Group : Amounts falling due within one year</b>	<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year</b>		
	Trade creditors	1,176,615	1,485,110
	Taxation	57,000	48,700
	Other taxes and social security	417,896	343,574
	Accruals and deferred income	1,629,405	1,119,362
	Amounts owed by group undertakings	194,284	135,714
		<hr/>	<hr/>
		3,475,200	3,132,460
		<hr/>	<hr/>
	<b>Amounts due after more than one year :</b>		
	Other creditors	460,366	1,600,266
		<hr/>	<hr/>
	<b>Company : Amounts falling due within one year :</b>		
	Amounts owed to group undertakings	198,282	145,407
	Accruals	3,500	3,000
		<hr/>	<hr/>
		201,782	148,407
		<hr/>	<hr/>
	<b>Amounts due after more than one year :</b>		
	Other creditors	460,366	460,366
		<hr/>	<hr/>

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000

14. Reconciliation of Movements in Shareholders Funds (continued)

Analysis of Shareholders' Funds :

	Group £	Company £
Equity interest	246,429	-
Non-equity interest	200,000	39,221
	<u>446,429</u>	<u>39,221</u>
	=====	=====

15. Segmental Analysis

15.1 Net assets comprise

	2000 £	1999 £
Building services	1,005,027	898,508
Property development	(25,969)	(6,744)
Medium term funding	(532,629)	(512,259)

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15.2 Profit/(Loss) before tax comprises :

Building services	151,708	115,607
Property development	(19,226)	(2,991)
Other	(23,370)	(17,523)
	<u>109,112</u>	<u>95,093</u>
	=====	=====

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 £951,752 (1999 £995,285) in respect of contracts in the course of completion.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**18. Financial Commitments :**

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

	<b>Land and Buildings</b>			<b>Other</b>
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expiring within one year	11,500	-	64,924	74,702
Expiring between two and five years	-	11,500	142,782	147,282
	<u>11,500</u>	<u>11,500</u>	<u>207,706</u>	<u>221,984</u>
	=====	=====	=====	=====

**19. Control**

The directors regard Transatlantic Holdings Management Incorporated, a company incorporated in the British Virgin Islands, as being the ultimate parent company.

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