

## CONTENTS



	<i>Page</i>
Highlights and financial record	2
Chairman's statement	3-6
Notice of Annual General Meeting	7-8
Directors and advisors	9
Directors' report	10-13
Statement of directors' responsibilities	14
Corporate governance and auditors' review	15-17
Report of remuneration committee	18-20
Auditors' report	21
Consolidated profit and loss account	22
Consolidated balance sheet	23
Company balance sheet	24
Consolidated cash flow statement	25
Reconciliation of movements in shareholders' funds	26
Notes to the financial statements	27-48
Shareholder information	49
Five year financial record	50

## FINANCIAL CALENDAR

1998 Final results	28 September 1998
Posting of annual report	6 October 1998
Annual General Meeting	29 October 1998
Final dividend payment	27 November 1998
Interim results	March 1999
Interim dividend payment	May 1999





## ANNUAL REPORT 1998

Semple Cochrane provides engineering based support services to a range of customers including The Ministry of Defence, other UK and foreign government departments, local authorities and industrial and marine companies. The projects undertaken fall broadly into three categories:

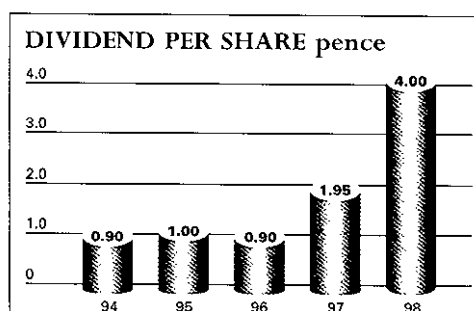
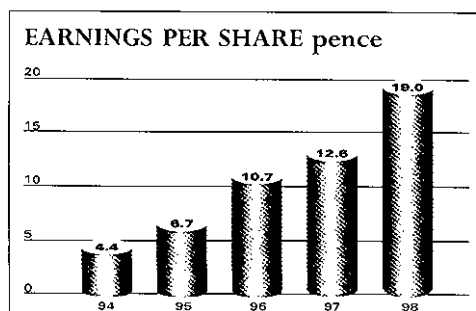
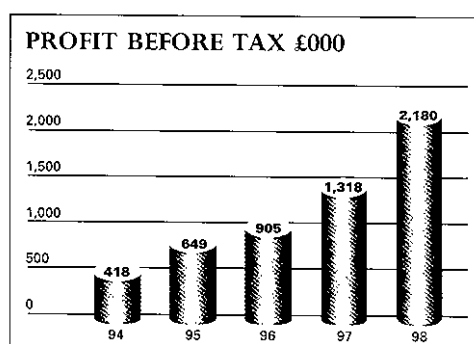
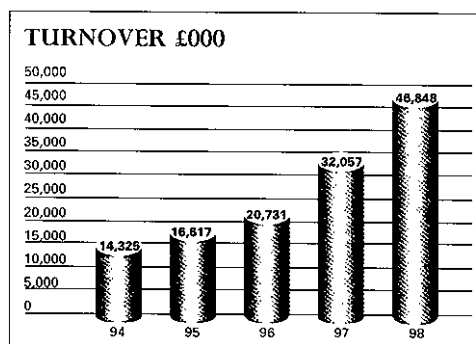
- Facilities Managed Maintenance and Development;
- Systems Engineering for safety, security, communication and transport related projects; and
- Building Engineering Services.

## HIGHLIGHTS

The Group reports:

Year ended 30 June	1998	1997	Increase %
Turnover (£000)	46,848	32,057	46.1
Operating profit (£000)	2,321	1,433	62.0
Pre-tax profit (£000)	2,180	1,318	65.4
Earnings per share	19.0p	12.6p	50.8
Dividends per share	4.00p	1.95p	105.1

## FINANCIAL RECORD



## CHAIRMAN'S STATEMENT



### Overview

I am delighted to report that 1997/98 financial year has been another year of considerable progress and development for Semple Cochrane.

The Board reports another successful year, with record profits and earnings per share demonstrating our sustained progress since our successful flotation in December 1996. Amongst our most significant achievements during this twelve month period have been:

- Financial Results – Further record turnover and profits achieved.
- Strategic Acquisitions – Forth and Garvel, acquired in October 1997, provided an immediate improvement to the quality of the Group's earnings.
- Geographic Expansion – New bases established in Manchester, Bristol and Southampton.
- People – Technical staff increased by 34%.

### Results

During the last financial year the Group has once again achieved record turnover and profits. In the 12 months to 30 June 1998, turnover increased by 46.1% to £46.8m, net profits before tax rose by 65.4% to £2.18m and fully diluted earnings per share grew by 50.8% to 19.0p.

Contribution to earnings from our Forth and Garvel acquisitions matched our internal targets and, excluding currency exchange losses of £125,000 sustained by our Far East subsidiary, the core business achieved earnings growth of 31% (1997 – 41%). In addition, net operating profit margins rose to 4.95% this year (1997 – 4.47%).

### Dividends

Your Board is recommending a final dividend of 2.67p net (1997 – 1.80p) per share making a total for the year of 4.0p net (1997 – 1.95p). The total dividend is covered 4.6 times (1997 – 3.9 times) by the earnings per ordinary share for the year. The final dividend will be payable on 27 November 1998 to shareholders on the register at the close of business on 23 October 1998.

### Balance Sheet and Cash Flow

In view of the size and nature of the projects undertaken by the Group, the Board attaches significant importance to maintaining a strong capital base. Interest cover is a healthy 16.5 times



## **CHAIRMAN'S STATEMENT**

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(1997–12.5 times). We believe that this continues to be a prudent strategy, particularly given our current rate of organic growth and the number of acquisition opportunities we currently have under consideration.

At 30 June 1998 net assets were £7.0m (1997–£5.3m) with net cash of £0.16m (1997–£0.86m). Net cash inflow from trading activities increased to £1.69m (1997–£0.66m). The Group continues to focus on the strong management of its working capital.

### **Trading Overview**

During the year to 30 June 1998, Semple Cochrane has continued to achieve significant organic growth. In particular we have increased capacity in systems engineering, adding locations in Bristol and Southampton which together with our established operation in Lichfield, near Birmingham, has significantly extended our presence in the United Kingdom.

Our systems and building engineering service activities continue to perform well and in line with the Board's expectations. Existing locations in Renfrew and Paisley have been expanded to provide additional space for future growth plans.

Due to the exceptionally strong growth in both the systems engineering and the facilities managed maintenance and development businesses (which includes our recently acquired marine support services), these two sectors now account for approximately 90% of Group turnover (1997–82%), with the balance of 10% (1997–18%) from building engineering services.

The Group strives at all times to deliver a high quality service to its customers. Two measurements in determining our success in achieving this are the level of repeat business and the number of new customers we have attracted. We are delighted to report that during the financial year ended 30 June 1998 we succeeded on both counts.

One of our key strengths remains the broad base of the business which enables us to provide engineering-led solutions to customers operating across a range of disciplines. Our success in serving our current customer base and in attracting new customers is testament to our ability to respond efficiently to their particular needs. In our efforts to continue to improve the quality of our services, we develop and refine our management and operational structures, enabling our expanding customer list to identify the division and personnel best able to provide the appropriate support.

We are delighted by the speed with which the Forth and Garvel support businesses, acquired in October 1997, have been effectively integrated into the Semple Group (including the remaining 50% of Midland Ship Repairs Limited at Grangemouth acquired in November 1997). This

## CHAIRMAN'S STATEMENT

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successful integration is due to the effort and quality of the Semple, Forth, Garvel and Midland management teams, and the effectiveness of our post acquisition support and control strategy. This is most encouraging in view of our stated acquisition strategy. The rationale for these acquisitions was the Board's assessment that strategically sited locations on the west and east coasts of Scotland would prove to be attractive to users because of the enlarged Group's ability to offer flexibility of location. That this assessment has been vindicated is demonstrated by the fact that the internal profit objectives set by the Board for these businesses have been attained and that our customer base has been enhanced. Given that these companies were our first significant acquisitions, this is particularly rewarding.

We acquired Eurosats in 1997, to increase our expertise in the field of security and communications and have recently established an operation in the North of England.

Semple Cochrane (Asia) Co Ltd (based in Bangkok) has traded at a modest level this year, in accordance with the Board's strategy of minimising exposure to exchange rate losses. Its primary focus remains niche security and communication systems projects in the Thai public sector. In view of the continuing economic uncertainty in the Far East the Company is adopting a wait and see strategy.

### **Employees**

The considerable expansion of the Group's business places heavy demands on employees at all levels. A key element of the empowerment culture which prevails within the business, is reward based on performance which, when combined with employee share schemes gives employees a strong sense of ownership, responsibility and identity. This philosophy assists in the retention of existing management and engineering staff and also acts as a catalyst to attract the proper calibre of new recruits. An important ingredient in the Group's success is the commitment, effectiveness and professionalism of its employees and we continue to believe that people are the key to our success.

### **Prospects**

The Board remains committed to a policy of expanding its range of support service activities, whether by establishing new operations or through carefully targeted acquisitions where the Board believes such acquisitions will enhance shareholder value.

As a result of the number of acquisition opportunities at present under review and since we expect carefully targeted acquisitions to form an integral part of our future growth, we now have our own corporate development team to assess potential opportunities and to manage and provide a post acquisition implementation support and ongoing monitoring service, which is an essential element of the digestion process.



## CHAIRMAN'S STATEMENT

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The Board believes that the quality of the Group's management, its industry reputation as an effective and imaginative provider and the broad range of its support service activities will enable it to continue to deliver satisfaction to its customers, shareholders and employees.

Our engineering based support service market place remains a highly dynamic environment and continues to offer opportunities for longer duration, multi activity contracts, strategic alliances, project finance and partner relationships. The Directors believe that, as the industry trend towards business process outsourcing develops, demand for the Group's services will continue to grow. Your Directors believe that the business is well positioned to exploit the growing number of core, niche and geographical opportunities from both the public and private sectors and intend to keep the Group focused on the provision of engineering support services.

Since 30 June 1998, all of the Group's operations have continued to trade well and accordingly your Directors view the next 12 months and beyond with confidence.

**Dr T A CLARK**

*Executive Chairman and Managing Director*

28 September 1998



## **NOTICE OF ANNUAL GENERAL MEETING**



NOTICE is HEREBY GIVEN that the Annual General Meeting of Semple Cochrane PLC will be held at Paisley and District Chamber of Commerce, St Andrews Drive, Glasgow Airport, Paisley on 29 October 1998 at 11 am for the following purposes:

### **ORDINARY BUSINESS**

1. To receive the Directors' report and financial statements for the Group, for the financial year ended 30 June 1998, together with the auditors' report;
2. To declare a final dividend of 2.67p net per ordinary share of the Group;
3. To re-elect Mr W W Evans and Mr R T Beaty as Directors;
4. To re-elect Mr G Hughes, Mr S Avery and Mr J Brady as Directors;
5. To re-elect Mr M N Chapman as a Director;
6. To re-appoint auditors and to authorise the Directors to fix their remuneration.

### **SPECIAL BUSINESS**

7. (a) To approve the Company's proposed new Executive Share Option Scheme, the Semple Cochrane PLC 1998 Executive Share Option Scheme ("the Executive Scheme"), the main features of which are summarised in Appendix 1 to the Chairman's letter dated 6 October 1998, and a copy of the Rules which is produced to the Meeting and initialled by the Chairman for the purpose of identification.
- (b) To approve the proposed amendments to the Semple Cochrane PLC 1996 Savings Related Share Option Scheme ("the Savings Related Scheme") which are summarised in Appendix 2 to the Chairman's letter dated 6 October 1998, and are incorporated in the copy of the Rules which is produced to the Meeting and initialled by the Chairman for the purpose of identification.
- (c) To authorise the Directors to do all such acts and things as they may consider necessary or expedient to carry the Executive Scheme into effect and to make the amendments to the Savings Related Scheme, including making such amendments as may be necessary to obtain the approval of the Inland Revenue and/or such other approvals as the Directors may consider necessary or desirable.
- (d) To authorise the Directors to vote, and be counted in the quorum, on any matter connected with the Executive Scheme and the Savings Related Scheme, notwithstanding that they may be interested in the same (except that no Director may be counted in a



## **NOTICE OF ANNUAL GENERAL MEETING**

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quorum or vote in respect of his own participation), and the prohibition on voting by interested Directors contained in the Articles of Association of the Company is relaxed accordingly.

On behalf of the Board

**W W EVANS**

*Director and Group Secretary*

Registered Office:

14 William Street

Paisley PA1 2NA

28 September 1998

### **Notes**

- A An Ordinary Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
- B A form of proxy is enclosed which, to be valid, must be completed in accordance with the instruction printed thereon and be lodged with the Company's Registrars not later than 48 hours before the time of the Meeting.
- C The Register of Directors' interests in the share capital of the Company maintained under Section 325 of the Companies Act 1985, will be available for reference at the place of the Meeting from 10.30 am until its conclusion.
- D Copies of all Directors' service contracts of more than one year's duration will be available for inspection at the Registered Office of the Company during normal business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this Notice until the date of the Meeting and at the place and date of the Meeting from 10.30 am until its conclusion.
- E Copies of the draft rules of the Semple Cochran PLC 1998 Executive Share Option Scheme and the Semple Cochran PLC 1996 Savings Related Share Option Scheme (incorporating the proposed amendments) will be available for inspection at the Registered Office of the Company and at the office of New Bridge Street Consultants, 20 Little Britain, London EC1A 7DH during normal business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this Notice until the date of the Meeting and at the place and date of the Meeting from 10.30 am until its conclusion.



## DIRECTORS AND ADVISORS



### Directors

**Dr Tom Clark (54)** is Executive Chairman and Managing Director. He joined Semple Cochrane in 1980 as one of four Directors/Shareholders who acquired the business at that time. During the last 18 years, he and the other Directors have been instrumental in developing Semple Cochrane. His principal responsibilities include the determination of Group strategy and identifying both organic growth and acquisition opportunities.

**John McKee (51)** is an Executive Director. He joined the business in 1980 with Dr Tom Clark. He is now primarily responsible for Eurosat Distribution (Scotland) Limited and TV 2000 Limited.

**Wilson Evans, C.A. (54)** was appointed Finance Director in May 1995 and was appointed Company Secretary on 1 October 1996. He is responsible for all financial matters and management information systems, and works closely with the Executive Chairman on strategic matters, acquisition opportunities and communication with investors. He was previously Finance Director of Havelock Europa PLC, one of the UK's leading store designers and shopfitters.

**Gerry Hughes (46)** was appointed an Executive Director in January 1998. He is responsible for Semple Cochrane's Marine division and joined the Group at the time of acquiring Forth Estuary Engineering Limited and its subsidiaries in October 1997. He is a Marine Engineer of 28 years' experience and has been the Managing Director of the Forth Group of companies for 13 years.

**Steve Avery (42)** was appointed an Executive Director in January 1998. He is responsible for Semple Cochrane's Road, Communications, Industrial and Commercial divisions. He is a Chartered Civil Engineer and has been with the Group for 10 years.

**John Brady (44)** was appointed an Executive Director in May 1998. He is responsible for Semple Cochrane's Rail division. He is an Electrical Engineer with 20 years' experience in project and general management.

**Bob Beaty (54)** was appointed a Non-Executive Director on 1 November 1996. He spent 27 years with IBM and was latterly a director of IBM (UK) Limited. He is a Director of Calluna plc and Renfrewshire Enterprise and holds a number of other Directorships.

**Malcolm Chapman C.A. (62)** was appointed a Non-Executive Director on 9 July 1998. He has been a Director of Chesham Amalgamations and Investments for the last 15 years.

**Registered and Head Office – 14 William Street, Paisley, Renfrewshire, PA1 2NA**  
**Company Registration No – SC 32434**

### Advisors

#### Auditors

Rutherford Manson Dowds  
Chartered Accountants  
17 Blythswood Square  
Glasgow G2 4AD

#### Stockbrokers/Financial Advisors

Williams de Broë Plc  
P.O. Box 515  
6 Broadgate  
London EC2M 2RP

#### Registrars

Independent Registrars Group  
Balfour House, 390/398 High Road  
Ilford, Essex IG1 1NQ

#### Legal Advisors

MacRoberts  
Solicitors  
27 Melville Street  
Edinburgh EH3 7JF

#### Bankers

Clydesdale Bank PLC  
Business Banking Centre  
St Rollox, 70 Cathedral Street  
Glasgow G4 0RN



## **DIRECTORS' REPORT**

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The Directors submit their annual report and financial statements for the year ended 30 June 1998.

### **Principal Activities**

Simple Cochrane's principal activities are engineering based support services and generally fall into the following broad categories:

- Facilities Managed Maintenance and Development
- Systems Engineering
- Building Engineering Services

### **Review of Activities**

A review of the development of the business and its activities during the year, of events since the year end and of future plans is given in the Chairman's Statement on pages 3 to 6.

### **Results**

The Group profit for the year after taxation amounted to £1,599,000 (1997 - £893,000). The Directors recommend a final ordinary dividend of 2.67p per ordinary share amounting to £233,000, making a total of £349,000 and 4.00p per share (1997 - £231,000 and 1.95p) for the year, which leaves a retained profit of £1,250,000 to be added to reserves.

### **Directors**

The Directors of the Group at 30 June 1998 are listed on page 9.

In accordance with the Articles of Association, Wilson Evans and Bob Beaty retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Gerry Hughes, Steve Avery and John Brady, who were appointed to the Board during the year also stand for re-election. Ian McKendrick and Dan Wright resigned as Directors during the year. Malcolm Chapman was appointed to the Board as a Non-Executive Director on 9 July 1998. Details of these Directors' service contracts or contracts of appointment are shown in the Report of the Remuneration Committee.

The Directors' interests in the shares of the Company are shown in note 5 to the financial statements. The interests of the Directors under the Share Option Schemes of the Company are shown in the Report of the Remuneration Committee.

There is no change in Directors' interests during the period 1 July 1998 to 28 September 1998.

## DIRECTORS' REPORT



### Substantial Shareholders

At 11 September 1998, other than Directors listed in note 5 to the financial statements, the following had notified an interest in 3% or over of the issued share capital:

	No of shares	Percentage
Bank of Scotland Nominees (Unit Trusts) Ltd	262,160	3.00
Chase Nominees Ltd	380,000	4.35
L Delancy	400,000	4.58
Nutraco Nominees Ltd	537,737	6.16
Popeshead Nominees Ltd SSF Acct	560,000	6.41
Vidacos Nominees Ltd	530,000	6.07

### Future Developments of the Business

The Group now has its own corporate development team to both assess potential acquisition opportunities and to manage and provide a post acquisition implementation support and appraisal service.

### Employees

The average number of employees and details of employment costs are set out in note 5 to the financial statements. The Group gives full and fair consideration to applications for employment made by disabled persons having regards to their particular aptitudes and abilities. Training is arranged for disabled persons, if appropriate, including retraining for alternative work for employees who become disabled to promote their career development within the organisation.

The Directors are committed to effective communications with employees at all levels through regular meetings to discuss sales, financial position and prospects. Opportunity is given at these meetings for senior executives to be questioned about matters which concern the employees.

### Payment to Suppliers

The Group agrees terms and conditions for its business transactions with suppliers. It aims to make payment on these terms subject to the terms and conditions being met by the suppliers.

### Political and Charitable Donations

Charitable donations amounted to £3,940. There were no political donations.



## **DIRECTORS' REPORT**

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### **Executive and Savings Related Share Option Schemes**

The Directors are to seek Shareholder approval for a new Executive Share Option Scheme (comprising two parts, an Inland Revenue approved part and an unapproved part) to replace the existing Executive Share Option Scheme and to amend the existing Savings Related Share Option Scheme. The intention is to ensure that all schemes are up to date with current practice and as consistent as possible. The new Executive Scheme will allow individuals to receive options over shares worth up to four times annual remuneration in total. Further information and a summary of the new Executive Scheme and of the proposed amendments to the Savings Related Scheme are set out in the Circular enclosed with this document.

### **Year 2000 Compliance**

Driving the business into the next millennium is a key focus of management. Year 2000 conformity shall indicate that neither performance nor functionality will be affected by dates prior to, during and after the year 2000. Key elements of our compliance activity include:

- (i) Business systems will correctly process past, current and future dates without any interruption in operation.
- (ii) Embedded logic systems will be verified as capable of operating correctly over the millennium.
- (iii) Assurance that supply chains we depend on, or are involved in, continue to operate without disruption.

A comprehensive assessment programme has been undertaken to identify issues and a series of action plans are being implemented. A Year 2000 project team has been established and will report directly to the Board.

Across all our business units we will seek to establish compliance through a systematic and structured process. This involves inventory, assessment, planning, implementation, testing and quality control.

The project team will work with the Company suppliers toward achieving Year 2000 compliance. The Company believes that there must be a joint approach to solutions and therefore formal commitments from suppliers for a resolution to Year 2000 issues.

Through our ongoing drive for improvement many of our information technology systems are undergoing replacement or renewal and as such our costs involved in achieving Year 2000 compliance have been considerably offset by this programme and are not separately distinguishable.

Regular progress reports are provided to the Executive Directors to ensure that the Group will be Year 2000 compliant.

## **DIRECTORS' REPORT**

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### **Liability Insurance for Company Officers**

As permitted by the Companies Act 1985, the Group has arranged insurance cover for the Directors and Officers against liabilities in relation to their responsibilities as Directors and Officers.

### **Auditors**

A resolution to re-appoint Rutherford Manson Dowds as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

W W EVANS

*Director and Secretary*

14 William Street

Paisley, PA1 2NA

28 September 1998



## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

### **Statement of Directors' Responsibilities**

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

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the accounts.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect material fraud and other irregularities.

## CORPORATE GOVERNANCE

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The Directors consider that the Group complies, where possible, with all aspects of the Cadbury Code of Best Practice and did so throughout the year to 30 June 1998. Areas of non-compliance are on the basis of size.

### **The Board of Directors**

The Board meets regularly throughout the year, usually monthly, and comprises the Chairman, all Executive Directors and the two Non-Executive Directors. The biographical details of each Director are set out on page 9. There is a schedule of matters specifically reserved for full Board approval and the Board has delegated authority to committees of Directors on other specific matters.

### **Financial Statements**

The Directors' responsibilities in respect of the preparation of the financial statements are set out on page 14.

### **The Audit Committee**

The Audit Committee, which consists of the two Non-Executive Directors and the Executive Chairman, is chaired by Bob Beatty and meets at least twice a year. The Committee monitors the adequacy of the Group's financial controls and at least once a year meets with the external auditors without the presence of the Executive Directors.

### **The Remuneration Committee**

The Remuneration Committee, chaired by Malcolm Chapman, consists of the two Non-Executive Directors and the Executive Chairman. It is responsible for the terms and conditions of the Executive Directors including their remuneration package. The fees for Non-Executive Directors are a matter for the Board.

### **Internal Financial Controls**

The Board of Directors has overall responsibility for the Group's system of internal financial control. The Group has established a framework of internal financial controls which are appropriately monitored. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The framework of internal financial controls comprises:

*Financial reporting:* A detailed formal budgeting process for each division of the Group is carried out on an annual basis and approved by the Board. Results of the Group are reported monthly against this budget to the Board and revised forecasts for the year are also prepared.

*Control procedures:* Operating and financial controls and procedures, which head office and the operating divisions are required to follow, have been implemented in order to provide flexibility



## CORPORATE GOVERNANCE

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in the day to day running of the business whilst also maintaining strict control over the Group's assets.

*Compliance monitoring:* The Audit Committee receives regular reports on compliance with these procedures noted above from either the designated member of the finance function or the external auditors.

*Capital Investment:* The Group has defined procedures for the appraisal of capital expenditure and proposed acquisitions. Individual projects that are greater than predetermined limits require to have specific Board approval.

The Board reviews annually the effectiveness of the internal financial control framework.

### **Going Concern**

Based on

- (a) another healthy trading performance, the cash resources at the end of the year and controls in place to monitor working capital requirements, capital expenditure and the acquisition approval process,
- (b) the budget for working capital  
and
- (c) the available bank facilities,

the Directors are confident in making the formal going concern statement that, after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.



**AUDITORS' REVIEW****RMD** Chartered Accountants**Report of the Auditors to Semple Cochrane PLC  
on Corporate Governance Matters**

In addition to our audit of the financial statements, we have reviewed the Directors' statements on pages 15 to 16 on the Group's compliance with the paragraphs of the Cadbury Code of Best Practice specified for our review by the London Stock Exchange Listing Rules and their adoption of the going concern basis in preparing the financial statements. The objective of our review is to draw attention to non-compliance with Listing Rules 12.43(j) and 12.43(v).

**Basis of Opinion**

We carried out our review in accordance with guidance issued by the Auditing Practices Board. That guidance does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Group's system of internal financial control or corporate governance procedures, nor on the ability of the Group to continue in operational existence.

**Opinion**

With respect to the Directors' statements on internal financial control and going concern on pages 15 and 16 in our opinion the Directors have provided the disclosures required by the Listing Rules, referred to above, and such statements are not inconsistent with the information of which we are aware from our audit work on the financial statements. Based on enquiry of certain Directors and Officers of the Group, and examination of relevant documents, in our opinion the Directors' statement on page 15 appropriately reflects the Group's compliance, where possible, with the other aspects of the Code specified for our review by paragraph 12.43(j) of the Listing Rules.

**RUTHERFORD MANSON DOWDS***Chartered Accountants*

Glasgow

28 September 1998

## **REPORT OF THE REMUNERATION COMMITTEE**

The Board has long recognised that it is in the interests of both shareholders and customers that the Group's employment conditions, including pay and benefit policy, should reflect best practice.

The remuneration and other emoluments of Executive Directors are determined by the Remuneration Committee which is chaired by Malcolm Chapman and comprises both Non-Executive Directors together with the Group Executive Chairman.

Apart from the composition of the Remuneration Committee, which does not wholly comprise Non-Executive Directors due to the size of the Group, the Group has throughout the year complied with the best practice provisions concerning Remuneration Committees annexed to the London Stock Exchange Listing Rules.

The objective of our Executive Remuneration Policy is to align individual reward and incentives directly with the performance of the Group and hence with the interests of our shareholders and total shareholders' return.

It is the aim of the Committee to reward Directors competitively using the broad principle that their remuneration should be based around the remuneration levels paid to senior managers in comparable public companies. For guidance the Committee makes use of surveys of executive pay and knowledge of market rates. The Group operates an annual bonus scheme for Executive Directors which is not pensionable. Annual bonuses are based on a scale related to the achievement of the Group's growth in earnings per share in excess of a base/minimum percentage increase.

The remuneration of the Non-Executive Directors is determined by the full Board with only Executive Directors voting. The Non-Executive Directors do not participate in the bonus, profit-related pay, profit sharing, share options and pension schemes.

The following tables bring together, in one place, the various elements of remuneration received by each Director during the year.

## REPORT OF THE REMUNERATION COMMITTEE

### Directors' Remuneration

	<i>Salary and Fees</i>		<i>Bonus</i>	<i>Loss of Office</i>	<i>Benefits in kind</i>	<i>Total</i>		<i>Contributions to Pension Schemes</i>	
<i>Executives</i>						1998	1997	1998	1997
Dr Tom Clark	125,000	33,800	—	—	15,530	174,330	161,377	34,432	28,752
Wilson Evans	71,875	20,150	—	—	7,710	99,735	65,444	2,400	—
John McKee	71,250	7,800	—	—	8,327	87,377	107,712	17,355	21,240
Ian McKendrick	83,750	—	—	—	17,522	101,272	103,458	12,775	22,500
Gerry Hughes	49,320	18,980	—	—	1,047	69,347	—	—	—
Steve Avery	27,500	15,600	—	—	2,348	45,448	—	2,183	—
John Brady	7,500	15,600	—	—	507	23,607	—	1,075	—
Dan Wright	6,250	—	33,000	—	—	39,250	—	—	—
	<u>442,445</u>	<u>111,930</u>	<u>33,000</u>	<u>—</u>	<u>52,991</u>	<u>640,366</u>	<u>437,991</u>	<u>70,220</u>	<u>72,492</u>
<i>Non-Executives</i>									
Bob Beaty	14,661	—	—	—	—	14,661	7,591	—	—
Dan Wright	14,678	—	—	—	—	14,678	6,252	—	—
Michael Holmes	—	—	—	—	—	—	6,320	—	—
	<u>29,339</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>29,339</u>	<u>20,163</u>	<u>—</u>	<u>—</u>
Total	<u>471,784</u>	<u>111,390</u>	<u>33,000</u>	<u>—</u>	<u>52,991</u>	<u>669,705</u>	<u>458,154</u>	<u>70,220</u>	<u>72,492</u>

On 17 June 1998 Mr D Wright resigned as Managing Director and left the Company. Dr Tom Clark, Executive Chairman, resumed the role of Managing Director of the Company on that date.

The Group introduced an Executive and Save As You Earn share option scheme on 25 November 1996. These schemes are a key factor in attracting, retaining and motivating senior employees. The Group grants share options to Directors and other senior employees on a discretionary basis, in order to reward their long term commitment to the Group. The granting of all share options is subject to the approval of the Remuneration Committee. Options under the Executive Scheme are exercisable between the 3rd and 10th anniversary of issue subject to the condition that the growth in the Group's earnings per share must exceed the growth in the retail price index in the 3 year period prior to the proposed date of exercise by 2%.

As stated in the Directors' Report on page 12 the Directors propose seeking shareholder approval for a new Executive Share Option Scheme and for amendments to the existing Savings Related Share Option Scheme. Further information is set out in the Circular enclosed with this document.

**REPORT OF THE REMUNERATION COMMITTEE**

<i>By Director</i>	<i>Exercise Price (p)</i>	<i>At</i>	<i>Granted in year</i>	<i>Leavers in year</i>	<i>At</i>	<i>Exercisable Between</i>
		<i>30 June 1997</i>			<i>30 June 1998</i>	
Dr Tom Clark	264	*11,000	—	—	*11,000	10/01/2000 – 10/01/2007
Wilson Evans	264	*11,000	—	—	*11,000	10/01/2000 – 10/01/2007
	186	†3,929	†184	—	†4,113	10/03/2000 – 10/09/2000
		14,929	184	—	15,113	
John McKee	264	*11,000	—	—	*11,000	10/01/2000 – 10/01/2007
Ian McKendrick	264	*11,000	—	*11,000	—	
Gerry Hughes	360	—	*8,000	—	*8,000	29/11/2000 – 29/11/2007
Steve Avery	264	*8,000	—	—	*8,000	10/01/2000 – 10/01/2007
	263	*3,000	—	—	*3,000	09/04/2000 – 09/04/2007
		†3,929	†184	—	†4,113	10/03/2000 – 10/09/2000
		14,929	184	—	15,113	
John Brady	263	*4,000	—	—	*4,000	09/04/2000 – 09/04/2007
	360	—	*5,000	—	*5,000	29/11/2000 – 29/11/2007
		*4,000	*5,000	—	*9,000	
Total		66,858	13,368	11,000	69,226	

\* Executive Share Options

† SAYE Share Options

The market price of the Group's shares on 30 June 1998 was 485.5p (1997–296.0p) with the high and low prices during the year to 30 June 1998 being 527.5p (1997–333.0p) and 296.5p (1997–202.0p) respectively.

**Service Contracts**

All the Executive Directors, with the exclusion of Mr G Hughes, Mr S Avery and Mr J Brady have Service Contracts of 6 months duration terminable on 6 months' notice from either party. Mr G Hughes has a 24 month service contract commencing on 31 October 1997 terminable thereafter on 6 months' notice from either party. Mr S Avery and Mr J Brady have 12 month service contracts commencing on 1 July 1998 terminable thereafter on 6 months' notice from either party.

**Non-Executive Directors**

Non-Executive Directors have letters of appointment for an initial period of 12 months which may be extended thereafter by mutual agreement. Each Non-Executive Director is entitled to a fee of £15,000 per annum for their services as Non-Executive Directors.

**MALCOLM CHAPMAN***Chairman Remuneration Committee*

28 September 1998



**AUDITORS' REPORT****RMD Chartered Accountants**
**Report of the Auditors to the shareholders  
of Semple Cochrane PLC**

We have audited the financial statements on pages 22 to 48 which have been prepared under the accounting policies set out on pages 27 to 28. We have also examined the amounts disclosed relating to emoluments and share options of the Directors which form part of the report to the Shareholders by the Remuneration Committee on pages 18 to 20.

*Respective responsibilities of directors and auditors*

As described on page 14 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

*Basis of opinion*

We conducted our audit in accordance with 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'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 of the Company as at 30 June 1998 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**RUTHERFORD MANSON DOWDS**
*Chartered Accountants*
*Registered Auditors*

Glasgow

28 September 1998

## **CONSOLIDATED PROFIT AND LOSS ACCOUNT**

For the year ended 30 June 1998

	Note	1998 £000	1997 £000
<b>Turnover</b>			
Continuing operations		40,948	32,057
Acquisitions		5,900	—
		<u>46,848</u>	<u>32,057</u>
Cost of sales	2	46,848	32,057
	3	<u>(41,562)</u>	<u>(28,745)</u>
<b>Gross Profit</b>	3	5,286	3,312
Administrative expenses	3	<u>(2,965)</u>	<u>(1,879)</u>
<b>Operating Profit</b>			
Continuing operations		1,755	1,433
Acquisitions		566	—
		<u>2,321</u>	<u>1,433</u>
Interest	4	2,321	1,433
	6	<u>(141)</u>	<u>(115)</u>
<b>Profit on ordinary activities before taxation</b>		2,180	1,318
Taxation	7	<u>(581)</u>	<u>(425)</u>
<b>Profit on ordinary activities after taxation</b>		1,599	893
Dividends	8	<u>(349)</u>	<u>(231)</u>
<b>Retained Profit for the year</b>	18	<u>1,250</u>	<u>662</u>
<b>Earnings per ordinary share</b>	9	<u>19.0p</u>	<u>12.6p</u>

### **Consolidated statement of total recognised gains and losses**

	1998 £000	1997 £000
Profit for the financial year	1,250	662
Unrealised surplus on the revaluation of fixed assets	153	—
Currency translation differences on foreign currency net investments	<u>(214)</u>	<u>(38)</u>
<b>Total recognised gains and losses relating to the year</b>	<u>1,189</u>	<u>624</u>

### **Note of historical cost profits and losses**

No note of historical cost profits and losses is given as, in accordance with Financial Reporting Standard No. 3, the Directors are of the view that the difference is not material.

## CONSOLIDATED BALANCE SHEET

As at 30 June 1998

	Note	1998 £000	1997 £000
<b>Fixed assets</b>	10	<u>1,685</u>	<u>701</u>
<b>Current assets</b>			
Stock	12	211	125
Debtors	13	16,791	12,387
Cash at bank and in hand		<u>834</u>	<u>1,490</u>
		17,836	14,002
<b>Creditors: amounts falling due within one year</b>	14	<u>(12,310)</u>	<u>(9,083)</u>
<b>Net current assets</b>		<u>5,526</u>	<u>4,919</u>
<b>Total assets less current liabilities</b>		7,211	5,620
<b>Creditors: amounts falling due outwith one year</b>	15	<u>(162)</u>	<u>(286)</u>
<b>Net assets</b>		<u>7,049</u>	<u>5,334</u>
<b>Capital and reserves</b>			
Called up share capital	17	874	778
Share premium account	18	5,049	2,484
Shares to be issued	18	1,590	—
Revaluation reserve	18	218	65
Capital redemption reserve	18	180	180
Exchange reserve	18	(252)	(38)
Other reserve	18	(3,725)	—
Capital reserve	18	257	257
Profit and Loss account	18	<u>2,858</u>	<u>1,608</u>
<b>Total equity shareholders' funds</b>		<u>7,049</u>	<u>5,334</u>

These financial statements were approved by the Board on 28 September 1998.

**DR TOM CLARK**

*Executive Chairman and Managing Director*

**W WILSON EVANS**

*Financial Director*

## COMPANY BALANCE SHEET

As at 30 June 1998

	Note	1998 £000	1997 £000
<b>Fixed assets</b>			
Tangible assets	10	1,042	629
Investments	11	4,928	350
		<u>5,970</u>	<u>979</u>
<b>Current assets</b>			
Debtors	13	14,831	11,705
Cash at bank and in hand		46	1,428
		<u>14,877</u>	<u>13,133</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(10,119)</u>	<u>(8,409)</u>
<b>Net current assets</b>		<u>4,758</u>	<u>4,724</u>
<b>Total assets less current liabilities</b>		<u>10,728</u>	<u>5,703</u>
<b>Creditors: amounts falling due outwith one year</b>	15	<u>(162)</u>	<u>(279)</u>
<b>Net assets</b>		<u>10,566</u>	<u>5,424</u>
<b>Capital and reserves</b>			
Called up share capital	17	874	778
Share premium account	18	5,049	2,484
Shares to be issued	18	1,590	—
Revaluation reserve	18	65	65
Capital redemption reserve	18	180	180
Capital reserve	18	318	318
Profit and Loss account	18	<u>2,490</u>	<u>1,599</u>
<b>Total equity shareholders' funds</b>		<u>10,566</u>	<u>5,424</u>

These financial statements were approved by the Board on 28 September 1998.

DR TOM CLARK

*Executive Chairman and Managing Director*

W WILSON EVANS

*Financial Director*



## **CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 30 June 1998

	Note	1998 £000	1997 £000
Net cash inflow from operating activities	23	1,689	661
Returns on investments and servicing of finance	24	(141)	(167)
Taxation		(928)	(299)
Capital expenditure and financial investment	24	(593)	223
Acquisitions and disposals	24	(1,697)	(203)
Equity dividends paid		(328)	(85)
<b>Cash (outflow)/inflow before use of liquid resources and financing</b>		<b>(1,998)</b>	<b>130</b>
Financing	24	1,316	2,106
<b>(Decrease)/increase in cash in the year</b>		<b>(682)</b>	<b>2,236</b>
<b>Reconciliation of net cash flow to movement in net funds</b>	25		
<b>(Decrease)/increase in cash in the year</b>		<b>(682)</b>	<b>2,236</b>
Cash outflow from decrease in debt and lease financing		219	506
Change in net debt resulting from cash flows		(463)	2,742
Finance leases acquired with subsidiary		(32)	(52)
Translation difference		(214)	(38)
<b>Movement in net funds in the year</b>		<b>(709)</b>	<b>2,652</b>
Net cash at 30 June 1997		822	(1,830)
Net cash at 30 June 1998		113	822

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 30 June 1998

	Group 1998 £000	Group 1997 £000
Profit for the financial year	1,599	893
Dividends	(349)	(231)
	<u>1,250</u>	<u>662</u>
Shares issued in year	96	773
Premium on shares issued	2,782	2,220
Expenses and cost of shares issued	(217)	(381)
Shares to be issued	1,590	—
Other recognised gains and losses for the year (net)	(61)	(38)
Goodwill written off	(3,725)	(61)
	<u>1,715</u>	<u>3,175</u>
Total movement during the year	1,715	3,175
Opening Shareholders' funds	<u>5,334</u>	<u>2,159</u>
Closing Shareholders' funds	<u>7,049</u>	<u>5,334</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **I. Accounting policies**

The principal accounting policies, which have been consistently applied, are set out below:

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules except for freehold land and buildings which are included at valuation.

#### **Basis of consolidation**

The Group financial statements consolidate the accounts of Semple Cochrane PLC and its subsidiary undertakings drawn up to 30 June each year. No profit and loss account is presented for Semple Cochrane PLC as permitted by section 230 of the Companies Act 1985. The results of subsidiary undertakings acquired during the year have been included from the date of acquisition. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which existed at the date of acquisition were recorded at their fair values reflecting their condition at that date.

#### **Goodwill**

Goodwill arising on consolidation, representing the excess of fair value of the consideration given over the fair value of identifiable net assets acquired, was eliminated from the financial statements by immediate write off on acquisition against reserves.

#### **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:

Buildings	2% straight line
Leasehold improvements	Over remaining term of lease
Office equipment	20% reducing balance
Motor vehicles	25% reducing balance
Plant and machinery	20% reducing balance

#### **Government grants**

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual instalments. Grants of a revenue nature are credited to the profit and loss account in the period to which they relate.

#### **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

## NOTES TO THE FINANCIAL STATEMENTS

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.

### Investments

Investments are included at cost less amounts written off.

### Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

### Long term contracts

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when the final outcome can be assessed with reasonable certainty. Full provision is made for losses on all contracts in the year in which they are first foreseen.

### Contributions to pension funds

The Group 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 on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

### Foreign currencies

#### *Company*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All foreign currency exchange differences are dealt with through the profit and loss account.

#### *Group*

The accounts of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **2. Turnover and Segmental analysis**

Turnover represents the amount derived from the provision of goods and services which fall within the Group's ordinary activities, principally within the United Kingdom, stated net of value added tax.

	1998 £000	1997 £000
Facilities Managed Maintenance and Development:		
Continuing operations	9,143	9,362
Acquisitions	5,900	—
Systems Engineering	27,049	16,890
Building Engineering Services	4,756	5,805
	<u>46,848</u>	<u>32,057</u>

### **Geographical segments**

	1998 £000	1997 £000
UK	46,537	31,085
Asia	311	972
	<u>46,848</u>	<u>32,057</u>

No additional information on segmental reporting is given as the Directors believe such disclosure to be prejudicial to the interests of the Group.

### **3. Cost of sales, Gross profit and Administrative expenses**

	Continuing operations £000	Acquisitions £000	1998 Total £000	1997 Total £000
Cost of sales	(37,350)	(4,212)	(41,562)	(28,745)
Gross profit	3,598	1,688	5,286	3,312
Administrative expenses	<u>(1,843)</u>	<u>(1,122)</u>	<u>(2,965)</u>	<u>(1,879)</u>

The acquisitions during 1997 are not material enough to warrant separate disclosure.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Operating profit

	1998 £000	1997 £000
Operating profit is stated after charging/(crediting):		
Staff costs	15,191	8,817
Auditors' remuneration	45	18
Fees for non-audit services	80	40
Less: Capitalised	(57)	(31)
Non-audit fees charged to profit	23	9
Depreciation of tangible fixed assets:		
Owned assets	159	59
Assets under finance leases and hire purchase contracts	15	11
Operating lease rentals:		
Lands and buildings	27	—
Others	44	—
(Profit)/loss on sale of fixed assets	(2)	68

### 5. Directors and employees

	1998 £000	1997 £000
Staff costs including Directors' emoluments:		
Wages and salaries	15,071	8,726
Pension costs	120	91
	15,191	8,817
	Number	Number
Average number employed including Executive Directors:		
Operatives	662	332
Administration staff	58	40
	720	372
	£000	£000
(a) Directors' emoluments		
Fees and other emoluments (including pension scheme contributions)	740	531
	740	531
Emoluments excluding pension scheme contributions		
Chairman and highest paid Director	174	161

Mr D Wright received £33,000 on 17 June 1998 as compensation for loss of office. This amount has been included within staff costs and Directors' emoluments above.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Directors and employees (continued)

(b) The Directors' interests, other than share options, (including their families' interests) in the ordinary shares of the Company were as follows:

	30 June 1998		30 June 1997	
	Number of		Number of	
	Ordinary Shares		Ordinary Shares	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Dr Tom A Clark	181,012	654,000	344,050	630,000
Ian D McKendrick (Resigned 11.05.98)	1,004,361	—	1,039,558	—
John E McKee	739,558	—	939,558	—
W Wilson Evans	11,000	—	5,000	—
Gerry J Hughes (Appointed 12.01.98)	80,801	—	—	—
Dan W Wright (Resigned 17.06.98)	—	—	1,111	—
Steve J Avery (Appointed 12.01.98)	2,806	—	—	—
John M Brady (Appointed 11.05.98)	—	—	—	—
Bob T Beaty	5,556	—	5,556	—

There have been no changes to the Director's shareholdings or share options since 30 June 1998.

Details of Directors' emoluments in aggregate including pension contributions and for each Director and Directors' share options are included in the Report of the Remuneration Committee on pages 19 and 20.

### 6. Interest

	1998	1997
	£000	£000
Bank loan and overdraft interest	140	92
Hire purchase and finance lease interest	6	33
	<u>146</u>	<u>125</u>
Bank interest receivable	(5)	(10)
	<u>141</u>	<u>115</u>

### 7. Tax on profit on ordinary activities

	1998	1997
	£000	£000
Corporation tax on profit on ordinary activities at 31% (1997 – 33%)		
Current year	675	425
Over provision in prior years	(94)	—
	<u>581</u>	<u>425</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Dividends

		1998 £000	1997 £000
(i) Share structure prior to flotation			
'A' Ordinary dividend – proposed		–	49
Ordinary dividend – paid		–	30
		<u>–</u>	<u>79</u>
(ii) Share structure post flotation			
Ordinary dividend – paid	1.33p (1997 – 0.15p)	116	12
– proposed	2.67p (1997 – 1.80p)	233	140
		<u>349</u>	<u>152</u>
	4.00p (1997 – 1.95p)	349	152
		<u>349</u>	<u>231</u>

A final dividend of 2.67p per share will be paid on 27 November 1998 to shareholders on the register at the close of business on 23 October 1998.

### 9. Earnings per share

Earnings per ordinary share is calculated by dividing the profit after taxation of £1,599,000 by the weighted average number of ordinary shares in issue of 8,416,005 (1997 – 7,084,973).

The fully diluted earnings per share is not materially different from the basic earnings per share in 1998 and 1997.



## NOTES TO THE FINANCIAL STATEMENTS

### 10. Tangible fixed assets

#### Group

	Land and Buildings £000	Leasehold Improvements £000	Office Equipment £000	Motor Vehicles £000	Plant and Machinery £000	Total £000
Cost or valuation						
1 July 1997	411	43	244	109	327	1,134
Additions	120	240	165	2	118	645
Acquisitions	10	—	107	200	968	1,285
Revaluation	—	—	13	41	99	153
Disposals	—	—	—	(78)	—	(78)
<b>30 June 1998</b>	<b>541</b>	<b>283</b>	<b>529</b>	<b>274</b>	<b>1,512</b>	<b>3,139</b>
Depreciation						
1 July 1997	22	3	121	67	220	433
Acquisitions	3	—	49	145	678	875
Charge for year	15	18	38	8	95	174
Disposals	—	—	—	(28)	—	(28)
<b>30 June 1998</b>	<b>40</b>	<b>21</b>	<b>208</b>	<b>192</b>	<b>993</b>	<b>1,454</b>
Net Book Value						
<b>30 June 1998</b>	<b>501</b>	<b>262</b>	<b>321</b>	<b>82</b>	<b>519</b>	<b>1,685</b>
30 June 1997	389	40	123	42	107	701

The net book value of assets held under finance lease and hire purchase contracts is £65,991 (1997 – £56,683).

On 17 April 1998 Plant and Machinery, Office Equipment and Motor Vehicles at Forth Estuary Engineering Ltd and its subsidiaries were revalued by Shirlaw Allan, Auctioneers and Valuers on an Open Market basis. The surplus arising has been transferred to a revaluation reserve.

## NOTES TO THE FINANCIAL STATEMENTS

### 10. Tangible fixed assets (continued)

Company	Land and Buildings	Leasehold Improve- ments	Office Equipment	Motor Vehicles	Plant and Machinery	Total
Cost or valuation	£000	£000	£000	£000	£000	£000
1 July 1997	411	43	140	93	327	1,014
Additions	87	234	150	—	25	496
Disposals	—	—	—	(39)	—	(39)
<b>30 June 1998</b>	<b>498</b>	<b>277</b>	<b>290</b>	<b>54</b>	<b>352</b>	<b>1,471</b>
Depreciation						
1 July 1997	22	3	79	61	220	385
Charge for year	9	16	20	—	24	69
Disposals	—	—	—	(25)	—	(25)
<b>30 June 1998</b>	<b>31</b>	<b>19</b>	<b>99</b>	<b>36</b>	<b>244</b>	<b>429</b>
Net Book Value						
<b>30 June 1998</b>	<b>467</b>	<b>258</b>	<b>191</b>	<b>18</b>	<b>108</b>	<b>1,042</b>
30 June 1997	389	40	61	32	107	629

The net book value of assets held under finance lease and hire purchase contracts is £39,164 (1997 – £41,540).

## NOTES TO THE FINANCIAL STATEMENTS

### II. Fixed Asset Investments

#### (a) Company

Investment in subsidiary undertakings:

	Shares at cost £000	Provision for diminution in value £000	Net book value £000
At 1 July 1997	412	(62)	350
Acquisitions	4,578	—	4,578
<b>At 30 June 1998</b>	<b>4,990</b>	<b>(62)</b>	<b>4,928</b>

The additions to investments during the year are in respect of Forth Estuary Engineering Ltd and its subsidiaries, Garvel Clyde Ltd and an additional investment in Semple Cochrane (Asia) Co. Ltd. All acquisitions have been accounted for by the acquisition method of accounting.

(b) Semple Cochrane PLC is the holding company of the Group and details of the principal subsidiary undertakings are detailed in note 27.

#### (c) Acquisitions

##### (i) Combined

	Book Value £000	Fair Value Adjustments £000	1998 Fair Value to the Group £000	1997 Fair Value to the Group £000
Tangible Fixed Assets	411	(1)	410	69
Stock/WIP	699	—	699	105
Debtors	1,145	(63)	1,082	582
Cash (Overdraft)	144	—	144	(38)
Creditors	(971)	(74)	(1,045)	(562)
Taxation	(276)	—	(276)	—
HP and Finance Lease obligations	(32)	—	(32)	(14)
	1,120	(138)	982	142
<b>Goodwill</b>			<b>3,725</b>	<b>61</b>
			<b>4,707</b>	<b>203</b>
<b>Satisfied by</b>				
Cash paid in year			1,674	203
Shares allotted			1,126	
Deferred Consideration—Cash within 1 year			150	
Deferred Consideration—Shares or cash due within 1 year			795	
Deferred Consideration—Shares or cash due outwith 1 year			795	
Related Acquisition costs			167	
			<b>4,707</b>	<b>203</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Fixed Asset Investments (continued)

(ii) Forth Estuary Engineering Ltd and its Subsidiaries

	Book Value £000	Fair Value Adjustments £000	Fair Value to the Group £000
Tangible Fixed Assets	102		102
Stock/WIP	199		199
Debtors	360	(34)	326
Cash	318		318
Creditors	(320)	(18)	(338)
Taxation	(173)		(173)
Finance Lease obligations	(9)		(9)
	477	(52)	425
Goodwill			2,106
			2,531
Satisfied by			
Cash			1,100
Shares allotted			250
Deferred Consideration – Cash due within 1 year			150
Deferred Consideration – Shares or cash due within 1 year			475
Deferred Consideration – Shares or cash due outwith 1 year			475
Related Cost of Acquisition			81
			2,531

On 30 October 1997 the Group acquired all the issued share capital of Forth Estuary Engineering Ltd and its Subsidiaries for a consideration of £2,450,000 satisfied by a mixture of shares and cash. The deferred consideration within 1 year will be due on 30 October 1998 and the deferred consideration outwith one year will be due on 30 October 1999. The combination of the Group has been accounted for by the acquisition method of accounting.

The subsidiaries acquired with Forth Estuary Engineering Ltd were Firth Painters Ltd (100%); Marine Propeller Services Ltd (100%); Port Electrical Services Ltd (100%); Scott Reuter Ltd (100%); Opal Marine & Engineering Ltd (60%); and Midland Ship Repairs Ltd (50%). The remaining 50% of Midland Ship Repairs Ltd was acquired on 14 November 1997.

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Fixed Asset Investments (continued)

Forth Estuary Engineering Ltd and its Subsidiaries resulted in net operating inflows of £319,000 for the Group, outflows of £18,000 in respect of returns on investments and the servicing of finance, outflows of £354,000 in respect of taxation, inflows of £11,000 in respect of capital expenditure and financial investment, outflows of £205,000 in respect of the purchase of the remaining 50% of Midland Ship Repairs Ltd, and outflows of £13,000 in respect of financing.

The last audited financial statements of Forth Estuary Engineering Ltd and its subsidiaries were prepared for the year ended 31 January 1997 and showed a profit after taxation of £385,285. The unaudited summarised profit and loss account for the 9 months ended 31 October 1997, the effective date of the acquisition, is set out below.

	£000
Turnover	2,451
Operating Profit	600
Profit before tax	610
Tax charge	20
Profit after tax	590

There were no recognised gains and losses in the 9 months ended 31 October 1997 other than the profit of £590,000 above.

Goodwill arising on the acquisition of Forth Estuary Engineering Ltd and its subsidiaries has been written off against other reserves. The investment in Forth Estuary Engineering Ltd and its subsidiaries have been included in the Company's balance sheet at its fair value at the date of acquisition.

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Fixed Asset Investments (continued)

(iii) Garvel Clyde Ltd	Book Value £000	Fair Value Adjustments £000	Fair Value to the Group £000
Tangible Fixed Assets	289		289
Stock/WIP	498		498
Debtors	682	(29)	653
Overdraft	(155)		(155)
Creditors	(619)	(48)	(667)
Taxation	(95)		(95)
Finance Lease obligations	(19)		(19)
	581	(77)	504
Goodwill			1,468
			1,972
Satisfied by			
Cash			375
Shares allotted			876
Deferred Consideration – Shares or cash due within 1 year			320
Deferred Consideration – Shares or cash due outwith 1 year			320
Related Cost of Acquisition			81
			1,972

On 30 October 1997 the Group acquired all the issued share capital of Garvel Clyde Ltd for a consideration of £1,890,000 satisfied by a mixture of shares and cash. The deferred consideration within 1 year will be due on 30 October 1998 and the deferred consideration outwith one year will be due on 30 October 1999. The purchase of Garvel Clyde has been accounted for by the acquisition method of accounting.

Garvel Clyde Ltd resulted in net operating inflows of £792,000 for the Group, outflows of £7,000 in returns on investments and the servicing of finance, outflows of £70,000 in respect of taxation, outflows of £123,000 in respect of capital expenditure and financial investment and outflows of £12,000 in respect of financing.

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Fixed Asset Investments (continued)

The last audited financial statements of Garvel Clyde Ltd were prepared for the year ended 30 June 1997 and showed a profit after taxation of £120,997. The unaudited summarised profit and loss account for the 4 months ended 31 October 1997, the effective date of the acquisition, is set out below.

	£000
Turnover	1,380
Operating Loss	(236)
Loss before tax	(245)
Tax charge	76
Loss after tax	(169)

There were no recognised gains and losses in the 4 months ended 31 October 1997 other than the loss of £169,000 above.

Goodwill arising on the acquisition of Garvel Clyde Ltd has been written off against other reserves. The Investment in Garvel Clyde Ltd has been included in the company's balance sheet at its fair value at the date of acquisition.

(iv) Midland Ship Repairs Ltd—Final 50%

	Book Value £000	Fair Value Adjustments £000	Fair Value to the Group £000
Tangible Fixed Assets	20	(1)	19
Stock/WIP	2	—	2
Debtors	103	—	103
Overdraft	(19)	—	(19)
Creditors	(32)	(8)	(40)
Taxation	(8)	—	(8)
Finance Lease obligations	(4)	—	(4)
	62	(9)	53
Goodwill			151
			204
Satisfied by			
Cash			199
Related Cost of Acquisition			5
			204

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Fixed Asset Investments (continued)

On 14 November 1997 the Group acquired the final 50% of the issued share capital of Midland Ship Repairs Ltd for a consideration of £200,000 paid in cash. The purchase of the final 50% of Midland Ship Repairs Ltd has been accounted for by the acquisition method of accounting.

The last audited financial statements of Midland Ship Repairs Ltd were prepared for the year ended 28 February 1997 and showed a profit after taxation of £19,100. The unaudited financial statements for the 8 months ended 31 October 1997 show a profit on ordinary activities after taxation of £1,572. No separate management accounts were produced for the 14 working days to 14 November 1997. There were no recognised gains and losses in the 8 months ended 31 October 1997 other than the profit of £1,572 above.

<b>12. Stocks</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Raw materials	190	81	—	—
Work in progress	21	44	—	—
	<u>211</u>	<u>125</u>	<u>—</u>	<u>—</u>

### 13. Debtors

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Amounts recoverable on long term contracts	6,657	4,083	6,177	4,154
Trade debtors	9,225	7,893	8,073	6,831
Other debtors and prepayments	323	147	27	28
ACT recoverable	586	264	386	264
Amounts due by subsidiary undertakings	—	—	168	428
	<u>16,791</u>	<u>12,387</u>	<u>14,831</u>	<u>11,705</u>

Included within amounts recoverable on long term contracts is a balance of £862,000 due outwith one year (1997 – £498,000).



## NOTES TO THE FINANCIAL STATEMENTS

### 14. Creditors: amounts falling due within one year

	Group 1998 £000	Group 1997 £000	Company 1998 £000	Company 1997 £000
Bank overdrafts	240	—	—	—
Bank loans	282	360	106	100
Payments on account in respect of long term contracts	1,331	395	1,331	467
Trade creditors	6,581	6,604	5,575	6,158
Corporation tax	671	495	554	507
Other taxation and social security	1,510	565	1,314	553
Accruals and deferred income	1,237	317	793	282
ACT payable	188	113	188	111
Obligations under finance leases and hire purchase contracts	37	22	25	19
Dividends payable	233	212	233	212
	<u>12,310</u>	<u>9,083</u>	<u>10,119</u>	<u>8,409</u>

The bank overdrafts and loans are secured by a floating charge over the assets of the Company. Performance bonds exist between the Company and various third parties under normal contractual terms.

Obligations under finance lease and hire purchase contracts are secured by the related assets.

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Creditors: amounts falling due outwith one year

	Group 1998 £000	Group 1997 £000	Company 1998 £000	Company 1997 £000
Bank loans	157	266	157	266
Obligations under finance lease and hire purchase contracts	5	20	5	13
	<u>162</u>	<u>286</u>	<u>162</u>	<u>279</u>
<b>Bank overdrafts and loans are repayable as follows:</b>				
In one year or less, or on demand	522	360	106	100
Between one and two years	105	100	105	100
Between two and five years	52	166	52	166
	<u>679</u>	<u>626</u>	<u>263</u>	<u>366</u>
<b>Obligations under finance lease and hire purchase contracts are repayable over varying periods by monthly instalments as follows:</b>				
In the next year	37	22	25	19
In the second to fifth year	5	20	5	13
	<u>42</u>	<u>42</u>	<u>30</u>	<u>32</u>

### 16. Deferred taxation

The potential liability for deferred taxation at 30 June 1998 was nil (1997 – nil).

## NOTES TO THE FINANCIAL STATEMENTS

### 17. Called up share capital

Group and Company	1998 £000	1997 £000
<b>Authorised</b>		
Ordinary shares of 10p each	<u>1,300</u>	<u>860</u>
<b>Allotted, called up and fully paid</b>		
Ordinary shares of 10p each	<u>874</u>	<u>778</u>

Details of share options are disclosed within the Report of the Remuneration Committee on pages 19 and 20.

On 30 October 1997 pursuant to resolutions passed by the Company, it was resolved that the authorised share capital of the Company be increased to £1,300,000 by the creation of 4,400,000 ordinary shares of 10p each.

Under the terms of a placing agreement dated 31 October 1997 between the Company and Williams de Brö Plc, 363,768 ordinary shares were issued at a price of £3.09 per share and 593,220 ordinary shares were placed at £2.95 per share.

The above shares issues and placing took place in order to finance the acquisitions carried out during the year.

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Reserves

Group	Share Premium £000	Shares to be issued £000	Revaluation Reserve £000	Capital Redemption Reserve £000	Exchange Reserve £000	Other Reserve £000	Capital Reserve £000	Profit and Loss Account £000
At 1 July 1997	2,484	—	65	180	(38)	—	257	1,608
Premium on shares issued								
during the year	2,782	—	—	—	—	—	—	—
Expenses and costs arising								
on issue of shares	(217)	—	—	—	—	—	—	—
Revaluation of fixed assets	—	—	153	—	—	—	—	—
Foreign exchange revaluation	—	—	—	—	(214)	—	—	—
Shares to be issued	—	1,590	—	—	—	—	—	—
Goodwill written off	—	—	—	—	—	(3,725)	—	—
Retained profit for the year	—	—	—	—	—	—	—	1,250
<b>At 30 June 1998</b>	<b>5,049</b>	<b>1,590</b>	<b>218</b>	<b>180</b>	<b>(252)</b>	<b>(3,725)</b>	<b>257</b>	<b>2,858</b>
<b>Company</b>								
At 1 July 1997	2,484	—	65	180	—	—	318	1,599
Premium on shares issued								
during the year	2,782	—	—	—	—	—	—	—
Expenses and costs arising								
on issue of shares	(217)	—	—	—	—	—	—	—
Shares to be issued	—	1,590	—	—	—	—	—	—
Retained profit for the year	—	—	—	—	—	—	—	891
<b>At 30 June 1998</b>	<b>5,049</b>	<b>1,590</b>	<b>65</b>	<b>180</b>	<b>—</b>	<b>—</b>	<b>318</b>	<b>2,490</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Contingent Liabilities and Guarantees

Certain customers of the Group have been provided with performance bonds by the Group's bankers. At 30 June 1998 the total contingent liabilities in respect of such bonds was £1,848,000 (1997 – £736,000).

The Company has provided a guarantee to a subsidiary undertaking's bankers in respect of the borrowings of that subsidiary. At 30 June 1998 the total contingent liability in respect of this guarantee was £175,000 (1997 – £475,000).

The Company has entered into cross guarantees with other Group companies as part of its banking arrangements. At 30 June 1998 there were no net borrowings.

### 20. Operating Lease Commitments

The Group has annual commitments payable in the year to 30 June 1999 under operating leases as follows:

	Land and Buildings £000	Other £000
<b>Leases expiring:</b>		
Within one year	64	47
In one to five years	42	279
After five years	135	—
	<u>241</u>	<u>326</u>

### 21. Related Party Transactions

Related Party	Sales to related party £000	Purchases from related party £000	Amounts owed to related party £000
Acumen Management Limited	—	46	—
Garvel Clyde Limited	<u>50</u>	<u>186</u>	<u>46</u>

Dr T A Clark a Director of Semple Cochrane PLC is also a Director and Shareholder of Garvel Clyde Limited. The payments to Acumen Management Limited were for accounting, information technology and acquisition related services. W W Evans a Director of Semple Cochrane PLC is also a Director and Shareholder of Acumen Management Limited.

The information provided for Garvel Clyde Limited is for the 4 months ended 31 October 1997, the date of acquisition by the Group. Acumen Management Limited was acquired by the Group on 15 July 1998 as detailed in note 26 to these accounts.

## NOTES TO THE FINANCIAL STATEMENTS

### 22. Pension Scheme

The Group operates a defined contribution pension scheme for Directors and employees.

The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions made to the scheme during the year amounted to £120,000 (1997 – £91,000). There were no contributions payable to the scheme at 30 June 1998 (1997 – £nil).

### 23. Reconciliation of operating profit to net cash flows

	1998 £000	1997 £000
Operating profit	2,321	1,433
Depreciation charges	174	70
(Profit)/loss on sale of fixed assets	(2)	68
Decrease/(increase) in stocks	613	(20)
Increase in debtors	(3,000)	(3,469)
Increase in creditors	1,583	2,579
Net cash inflow from operating activities	1,689	661

### 24. Analysis of cash flows for headings netted in the cash flow statement

	1998 £000	1997 £000
<b>Returns on investments and servicing of finance:</b>		
Interest received	5	10
Interest paid	(140)	(92)
Non-equity dividend paid	–	(52)
Interest element of hire purchase and finance lease rentals	(6)	(33)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(141)</b>	<b>(167)</b>
<b>Capital expenditure and financial investment:</b>		
Purchase of tangible fixed assets	(645)	(445)
Sale of plant and machinery	52	668
<b>Net cash (outflow)/inflow for capital expenditure and financial investment</b>	<b>(593)</b>	<b>223</b>
<b>Acquisitions and disposals:</b>		
Purchase of subsidiary undertakings	(1,841)	(203)
Net cash acquired with subsidiary undertakings	144	–
	<b>(1,697)</b>	<b>(203)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 24. Analysis of cash flows for headings netted in the cash flow statement (continued)

	1998 £000	1997 £000
<b>Financing:</b>		
Issue of ordinary share capital	1,752	2,993
Costs of share issue	(217)	(381)
<i>Debt due within one year:</i>		
Repayment of secured loan	(187)	(213)
<i>Debt due outwith a year:</i>		
Repayment of secured loan	—	(69)
Capital element of hire purchase and finance lease payments	(32)	(224)
<b>Net cash inflow from financing</b>	<u>1,316</u>	<u>2,106</u>

### 25. Analysis of net cash

	At 1 July 1997 £000	Cash flow £000	Acquisition £000	At 30 June 1998 £000
Cash in hand, at bank	1,490	(656)	—	834
Overdrafts	—	(240)	—	(240)
	<u>1,490</u>	<u>(896)</u>	<u>—</u>	<u>594</u>
Debt due within 1 year	(360)	78	—	(282)
Debt due outwith 1 year	(266)	109	—	(157)
Hire purchase and finance leases	(42)	32	(32)	(42)
	<u>(668)</u>	<u>219</u>	<u>(32)</u>	<u>(481)</u>
<b>Total</b>	<u>822</u>	<u>(677)</u>	<u>(32)</u>	<u>113</u>

### 26. Post Balance Sheet Events

On 15 July 1998 the Company purchased the entire issued share capital of Acumen Management Limited for a consideration of £200,000 payable in cash. W W Evans a Director of Semple Cochrane PLC is also a Director and shareholder of Acumen Management Limited. W W Evans received 50% of the consideration.

## NOTES TO THE FINANCIAL STATEMENTS

### 27. List of principal subsidiary undertakings as at 30 June 1998 are as follows:

Name	Principal activity	Country of incorporation	Ordinary share capital issued and fully paid	Proportion of nominal value of issued shares held by the Group
Semple Cochrane (Asia) Co. Ltd	Systems Engineering	Thailand	Bt 10 million	100%
Eurosat Distribution (Scotland) Ltd†	Wholesale of Satellite TV, CCTV and Security production	Scotland	£10,000	100%
Garvel Clyde Ltd	Ship Repairing	Scotland	£15,000	100%
Forth Estuary Engineering Ltd	Ship Repairing	Scotland	£18,000	100%
Midland Ship Repairs Ltd*	Ship Repairing	Scotland	£500	100%
Firth Painters Ltd*	Coating & protection of marine structures	Scotland	£840	100%
Marine Propeller Services Ltd*	Supply and repair of propellers	Scotland	£90	100%
Port Electrical Services Ltd*	Repair of electrical equipment	Scotland	£1,000	100%
Scott, Reuter Ltd*	Marine related joinery contracting	Scotland	£50,200	100%
Opal Marine & Engineering Ltd*	Ship Repairing	England	£500	60%
Semple & Cochrane Systems Ltd	Dormant	England	£100	100%
Semple & Cochrane (M) Sdn. Bhd**	Dormant	Malaysia	MS2	100%
Semple & Cochrane (Aberdeen) Ltd	Dormant	Scotland	£100	100%
TV 2000 Ltd	Dormant	Scotland	£40,000	100%
Eurosat Distribution (Ireland) Ltd†	Dormant	Scotland	£2	100%

\* The shareholdings in these companies are held by Forth Estuary Engineering Ltd

† The shareholdings in these companies are held by TV2000 Ltd

\*\* The shareholding in this company is held by Semple Cochrane (Asia) Co. Ltd



## SHAREHOLDER INFORMATION

### Analysis of shareholders

As at 30 June 1998

	Number of holdings	%	Number of shares held	%
<b>Ordinary shares</b>				
Individuals	346	56.0	3,699,458	42.4
Deceased Accounts	1	0.1	2,500	—
Investment Trusts	4	0.6	3,902	—
Nominee Companies	240	39.0	4,456,895	51.0
Limited Companies	20	3.0	230,661	2.7
Bank and Bank Nominees	9	1.0	342,905	3.9
Other Institutions	2	0.3	110	—
<b>TOTAL</b>	<b>622</b>	<b>100.0</b>	<b>8,736,431</b>	<b>100.0</b>
 Size of holding:				
Up to 1,000	312	50.0	162,527	2.0
1,001 to 5,000	230	37.0	549,738	6.0
5,001 to 50,000	51	8.0	929,061	11.0
Over 50,000 shares	29	5.0	7,095,105	81.0
<b>TOTAL</b>	<b>622</b>	<b>100.0</b>	<b>8,736,431</b>	<b>100.0</b>

## **FIVE YEAR FINANCIAL RECORD**

	1998 £000	1997 £000	1996 £000	1995 £000	1994 £000
<b>TURNOVER</b>	<u>46,848</u>	<u>32,057</u>	<u>20,731</u>	<u>16,617</u>	<u>14,325</u>
<b>PROFIT</b>					
Operating profit	2,321	1,433	1,013	769	528
Interest	<u>(141)</u>	<u>(115)</u>	<u>(108)</u>	<u>(120)</u>	<u>(110)</u>
Profit before tax	2,180	1,318	905	649	418
Tax	<u>(581)</u>	<u>(425)</u>	<u>(250)</u>	<u>(238)</u>	<u>(147)</u>
Profit after tax	<u>1,599</u>	<u>893</u>	<u>655</u>	<u>411</u>	<u>271</u>
% PBT to turnover	4.65	4.11	4.36	3.91	2.92
<b>CAPITAL EMPLOYED</b>					
Fixed Assets	1,685	701	993	826	701
Net Current assets	5,526	4,919	1,540	982	478
Long-term liabilities and deferred income	<u>(162)</u>	<u>(286)</u>	<u>(374)</u>	<u>(46)</u>	<u>(53)</u>
	<u>7,049</u>	<u>5,334</u>	<u>2,159</u>	<u>1,762</u>	<u>1,126</u>
Financed by:					
Equity shareholders' interests	7,049	5,334	1,005	1,662	976
Non Equity	<u>—</u>	<u>—</u>	<u>1,154</u>	<u>100</u>	<u>150</u>
Share capital and reserves	<u>7,049</u>	<u>5,334</u>	<u>2,159</u>	<u>1,762</u>	<u>1,126</u>
<b>EARNINGS PER SHARE</b>	19.0p	12.6p	10.7p	6.7p	4.4p
<b>DIVIDEND PER SHARE</b>	4.0p	1.95p	0.9p	1.0p	0.9p

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