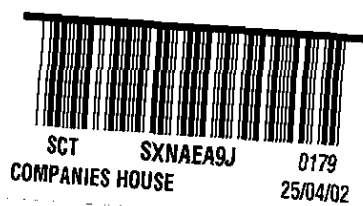


SCOTT REUTER LIMITED

Report and Accounts

30 June 2001



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# Scott Reuter Limited

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**DIRECTORS**

R J Hynd (resigned 3 August 2001)  
I Kirkpatrick (resigned 12 March 2001)  
R Lundy (resigned 21 May 2001)  
M Smith (appointed 12 March 2001)

**SECRETARY**

R J Hynd

**AUDITORS**

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

**BANKERS**

Bank of Scotland  
Level 8  
123 St Vincent Street  
Glasgow  
G2 5EA

**SOLICITORS**

Maclay Murray & Spens  
151 St Vincent Street  
Glasgow  
G2 5NJ

**REGISTERED OFFICE**

14 William Street  
Paisley  
Renfrewshire  
PA1 2NA

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 June 2001.

**RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £104,000 (2000 – profit £42,000). The directors are unable recommend a dividend and accordingly the loss of £104,000 (2000 – profit £42,000) has been transferred to reserves.

**PRINCIPAL ACTIVITY**

The company's principal activity during the year continued to be that of marine related joinery contracting.

**REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The Directors consider that the results for the year to 30 June 2001 are disappointing. On 30 April 2001, the trade and assets of the Company were transferred to its parent company, Forth Estuary Engineering Ltd at book value.

The company ceased trading at that date.

**DIRECTORS AND THEIR INTERESTS**

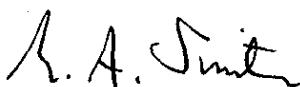
The present membership of the board is set out on page 1. No director had any interest in the share capital of the company during the year.

The interests of the Directors in the ultimate parent company, Semple Cochrane plc, are disclosed in that company's accounts.

**AUDITORS**

On 28 June 2001, Ernst & Young the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The Directors consented to treating the appointment of Ernst & Young LLP as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the board



M Smith  
Director

17 April 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
SCOTT REUTER LIMITED**

We have audited the company's accounts for the year ended 30 June 2001 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 15. These accounts have been prepared on the basis of the accounting policies set out therein. The accounts have been prepared on the break-up basis.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

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

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

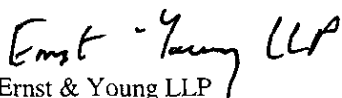
**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young LLP  
Registered Auditor  
Glasgow

17 April 2002

# Scott Reuter Limited

## PROFIT AND LOSS ACCOUNT for the year ended 30 June 2001

	Notes	2001 £000	2000 £000
<b>TURNOVER</b>	2	441	521
Cost of sales		(466)	(422)
<b>GROSS (LOSS)/PROFIT</b>		(25)	99
Administrative expenses		(76)	(81)
<b>OPERATING (LOSS)/PROFIT</b>	3	(101)	18
Interest (payable)/receivable	6	(3)	2
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(104)	20
Tax on (loss)/profit on ordinary activities	7	-	22
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	12	(104)	42

The company has no recognised gains and losses, other than the loss (2000 – profit) above and therefore no separate statement of total recognised gains and losses has been presented.

# Scott Reuter Limited

## BALANCE SHEET at 30 June 2001

	Notes	2001 £000	2000 £000
<b>FIXED ASSETS</b>			
Tangible assets	8	-	22
<b>CURRENT ASSETS</b>			
Work in progress		-	39
Debtors	9	40	260
		40	299
<b>CREDITORS: amounts falling due within one year</b>	10	-	(177)
<b>NET CURRENT ASSETS</b>		40	122
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		40	144
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	50	50
Revaluation Reserve	12	-	10
Profit and loss account	12	(10)	84
<b>EQUITY SHAREHOLDERS' FUNDS</b>		40	144

*M. A. Smith*

M Smith  
Director

17 April 2002



NOTES TO THE ACCOUNTS  
at 30 June 2001

1. ACCOUNTING POLICIES

*Basis of preparation*

The accounts have been prepared under a break-up basis because the company has ceased trading. Accordingly adjustments have been made to reduce the balance sheet values to their recoverable amounts and to provide for further liabilities that might arise.

*Depreciation*

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets over their estimated useful lives. The rates generally applicable are:

Fixtures and Fittings	20% reducing balance
Motor Vehicles	25% reducing balance
Plant and Machinery	20% reducing balance

*Operating leases*

Rentals paid under operating leases are charged to the profit and loss account in equal amounts over the period of the leases.

*Work in progress*

Work in progress is valued at the lower of cost and estimated net realisable value. Cost comprises the actual cost of raw materials and an appropriate proportion of labour and direct overheads.

Turnover and profit is not recognised on short-term contracts until these are complete.

The net realisable value of long-term contracts has been arrived at having regard to estimated cost to completion. A prudent level of profit attributable to the contract activity is taken if the final outcome of such contracts can be reliably assessed.

On all contracts, full provision is made for any losses in the year in which they are first foreseen.

*Deferred taxation*

Deferred taxation is provided at the relevant tax rate on differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, to the extent that it is probable that a liability or asset will crystallise in the future.

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, except in respect of long-term contracts where turnover represents the sales value of work done in the year, including estimates in respect of amounts not invoiced. Turnover in respect of long-term contracts is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract.

Turnover is attributable to the principal activity of marine related joinery contracting.

Turnover is entirely generated within the United Kingdom.

NOTES TO THE ACCOUNTS  
at 30 June 2001

3. **OPERATING PROFIT**

This is stated after charging:

	2001 £000	2000 £000
Depreciation of owned tangible fixed assets	3	3
Auditors' remuneration	3	2
Operating lease rentals — other	3	5

4. **DIRECTORS' EMOLUMENTS**

	2001 £000	2000 £000
Emoluments	-	-

All directors have been remunerated through Semple Cochrane plc. These amounts are disclosed in the group accounts.

5. **STAFF COSTS**

	2001 £000	2000 £000
Wages and salaries	300	271
Social security costs	29	27
	329	298

The monthly average number of employees up to 30 April 2001 and in the year to 30 June 2000 was as follows:

	No.	No.
Production	14	13

6. **INTEREST PAYABLE AND RECEIVABLE**

	2001 £000	2000 £000
Bank loans and overdrafts	(3)	-
Bank interest receivable	-	2
	(3)	2

# Scott Reuter Limited

## NOTES TO THE ACCOUNTS at 30 June 2001

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £000	2000 £000
UK Corporation tax (group relief credit)/charge at 30% (2000 30%) based on the profit for the period.	-	(22)

### 8. TANGIBLE FIXED ASSETS

	<i>Fixtures and fittings £000</i>	<i>Motor vehicles £000</i>	<i>Plant and machinery £000</i>	<i>Total £000</i>
Cost or valuation:				
At 1 July 2000	17	23	10	50
Disposals	(17)	(23)	(10)	(50)
At 30 June 2001	-	-	-	-
Depreciation:				
At 1 July 2000	12	12	4	28
Charge for the year	-	2	1	3
Disposals	(12)	(14)	(5)	(31)
At 30 June 2001	-	-	-	-
Net book value:				
At 30 June 2001	-	-	-	-
At 1 July 2000	5	11	6	22

### 9. DEBTORS

	2001 £000	2000 £000
Trade debtors	-	26
Other debtors	-	5
Corporation tax	-	4
Amounts due from other group undertakings	40	225
	40	260

### 10. CREDITORS: amounts falling due within one year

	2001 £000	2000 £000
Bank overdraft	-	38
Trade creditors	-	26
Amounts owed to other group undertakings	-	54
Other taxes and social security costs	-	36
Accruals and deferred income	-	12
Other creditors	-	11
	-	177

NOTES TO THE ACCOUNTS  
at 30 June 2001

11. SHARE CAPITAL

	2001 £000	2000 £000
Authorised:		
80,000 Ordinary shares of £1 each	80	80
	<hr/>	<hr/>
	2001 £000	2000 £000
Allotted, called up and fully paid:		
50,200 Ordinary shares of £1 each	50	50
	<hr/>	<hr/>

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £000	Revaluation reserve £000	Profit and loss account £000	Total share- holders' funds £000
At 1 July 1999	50	10	42	102
Profit for the year	-	-	42	42
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2000	50	10	84	144
Loss for the year	-	-	(104)	(104)
Transfer	-	(10)	10	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2001	50	-	(10)	40
	<hr/>	<hr/>	<hr/>	<hr/>

13. OTHER FINANCIAL COMMITMENTS

*Operating lease commitments*

At 30 June 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	2001 £000	2000 £000
Operating leases which expire:		
In two to five years	-	4
	<hr/>	<hr/>

14. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent company is Forth Estuary Engineering Limited, a company registered in Scotland.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Semple Cochrane plc which is incorporated in Scotland. Copies of its group accounts, which include the company, are available from the registered office of the group at 14 William Street, Paisley, Renfrewshire, PA1 2NA.

NOTES TO THE ACCOUNTS  
at 30 June 2001

**15. CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES**

The company is a wholly owned subsidiary of Semple Cochrane plc and is included in the consolidated financial statements of Semple Cochrane plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Semple Cochrane plc group.