

McBains Cooper (Scotland) Limited

FINANCIAL STATEMENTS

for the year ended

30th June 2004



McBains Cooper (Scotland) Limited

DIRECTORS AND OFFICERS

DIRECTORS

A D Cormack
M L Ritchie
P A J Currie
M A Thirkettle

SECRETARY

P A J Currie

COMPANY NUMBER

SC187484 (Scotland)

REGISTERED OFFICE

40 South Methven Street,
Perth,
PH1 5NU

AUDITORS

Baker Tilly
46 Clarendon Road
Watford
Herts.
WD17 1JJ

McBains Cooper (Scotland) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of McBains Cooper (Scotland) Limited for the year ended 30th June 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of the provision of quantity surveying services within the property and construction industry.

REVIEW OF THE BUSINESS

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £ 41,483.

The directors do not recommend payment of an ordinary dividend.

DIRECTORS

The following directors have held office since 1 July 2003:-

A D Cormack

M L Ritchie

P A J Currie

M A Thirkettle (Appointed 11th July 2003)

DIRECTORS' INTERESTS IN SHARES

No directors had any interest in the shares of the company during the year. The directors' interests in the shares of the ultimate holding company; McBains Cooper PLC, are disclosed in that company's accounts.

AUDITORS

A resolution to re-appoint Baker Tilly, Chartered Accountants will be put to the members at the Annual General Meeting.

On behalf of the board



P A J Currie
Director

Date: 6 July 2005

McBains Cooper (Scotland) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
McBAINS COOPER (SCOTLAND) LIMITED**

We have audited the financial statements on pages 5 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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

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

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Director's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.


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 company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company as at 30th June 2004 and the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BAKER TILLY
Registered Auditor
Chartered Accountants
46 Clarendon Road
Watford
Herts. WD17 1JJ

Date: 6 July 2005

McBains Cooper (Scotland) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30th June 2004

	<i>Notes</i>	2004 £	2003 £
TURNOVER	1	482,319	519,653
Cost of Sales		(223,465)	(305,524)
Gross Profit		<u>258,854</u>	<u>214,129</u>
Other operating expenses	2	(205,969)	(210,895)
OPERATING PROFIT / (LOSS)		<u>52,885</u>	<u>3,234</u>
Interest payable	3	(3)	(16)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>52,882</u>	<u>3,219</u>
Taxation	6	(11,398)	(1,012)
RETAINED PROFIT / (LOSS) FOR THE YEAR	13	<u><u>41,483</u></u>	<u><u>2,207</u></u>

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

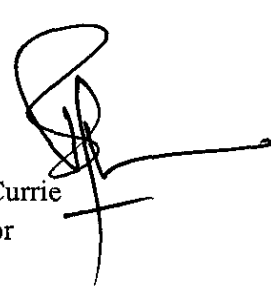
McBains Cooper (Scotland) Limited

BALANCE SHEET

as at 30th June 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Intangible assets	7	9,293	9,840
Tangible assets	8	685	8,278
		<u>9,978</u>	<u>18,118</u>
CURRENT ASSETS			
Work in Progress	9	102,671	69,782
Debtors	10	215,543	109,717
Cash at bank and in hand		2,010	8,961
		<u>320,224</u>	<u>188,459</u>
CREDITORS: Amounts falling due within one year	11	(168,326)	(86,185)
NET CURRENT ASSETS		<u>151,898</u>	<u>102,275</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>161,876</u>	<u>120,393</u>
CREDITORS: Amounts falling due after more than one year		-	-
		<u>161,876</u>	<u>120,393</u>
CAPITAL AND RESERVES			
Called up share capital	12	707	707
Share premium account		84,993	84,993
Profit and loss account	13	76,176	34,693
SHAREHOLDERS' FUNDS	14	<u>161,876</u>	<u>120,393</u>

Approved by the board on 6 July 2005


P A J Currie
Director

McBains Cooper (Scotland) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

GOING CONCERN

The accounts have been prepared on a going concern basis based on the directors' projections of future trading performance.

GOODWILL

Goodwill representing the excess of the purchase price compared with the fair value of assets acquired is capitalised and written off over 20 years as in the opinion of the directors, this represents the period over which the goodwill is effective.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Computer equipment	33% Straight line
Fixtures, fittings & equipment	25% Straight line
Motor vehicles	25% Straight line

WORK IN PROGRESS

Work in progress is valued at cost by taking an appropriate proportion of the sales value of work completed on each contract. Provision is made for irrecoverable amounts.

DEFERRED TAXATION

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of services provided to customers.

McBains Cooper (Scotland) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2004

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

2. OTHER OPERATING EXPENSES

2004	2003
£	£

Administrative expenses	205,969	210,895
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3. INTEREST PAYABLE

2004	2003
£	£

On bank loans and overdrafts	3	16
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4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

2004	2003
£	£

Profit on ordinary activities before taxation is stated after charging / (crediting):

Amortisation of intangible assets	547	547
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Depreciation of tangible assets:

Charge for the year:

owned assets	7,160	3,012
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Loss on disposals	518	3,010
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Auditors' remuneration	3,675	2,800
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5. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:	2004	2003
	No.	No.

Professional	4	5
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Administrative	1	2
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	5	7
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	£	£
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Staff costs for the above persons:

Wages and salaries	192,317	187,630
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Social security costs	20,769	19,912
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	213,086	207,542
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McBains Cooper (Scotland) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2004

DIRECTORS' REMUNERATION		2004	2003
		£	£
Emoluments for qualifying services		<u>100,879</u>	<u>101,431</u>
6. TAXATION		2004	2003
		£	£
Based on the profit for the year:			
U.K. Corporation tax		<u>11,398</u>	<u>1,012</u>
Factors affecting the tax charge for the year:			
Profit on ordinary activities before taxation		<u>52,882</u>	<u>3,219</u>
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19% (2003: 30%)		<u>10,048</u>	<u>965</u>
Effects of:			
Non-deductible expenses		580	1,362
Depreciation in excess of capital allowances		771	(48)
Other tax adjustments		-	(1,267)
		<u>1,351</u>	<u>47</u>
Current tax charge		<u>11,398</u>	<u>1,012</u>
7. INTANGIBLE FIXED ASSETS			
			<i>Goodwill</i>
			£
Cost			
1 July 2003			10,934
Additions			-
30 June 2004			<u>10,934</u>
Provision for diminution in value			
1 July 2003			1,094
Charge in the year			547
30 June 2004			<u>1,641</u>
Net Book Value			
30 June 2004			<u>9,293</u>
30 June 2003			<u>9,840</u>

McBains Cooper (Scotland) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2004

8. TANGIBLE FIXED ASSETS

	<i>Computer Equipment</i>	<i>Fixtures, Fittings & Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
1 July 2003	6,981	2,739	13,746	23,466
Transfers within Group	-	-	13,290	13,290
Disposals	-	-	(13,746)	(13,746)
30 June 2004	<u>6,981</u>	<u>2,739</u>	<u>13,290</u>	<u>23,010</u>
Accumulated Depreciation				
1 July 2003	4,654	1,370	9,164	15,188
Charge in the year	2,327	685	4,149	7,160
Transfers within Group	-	-	12,005	12,005
Disposals	-	-	(12,028)	(12,028)
30 June 2004	<u>6,981</u>	<u>2,054</u>	<u>13,290</u>	<u>22,325</u>
Net Book Value				
30 June 2004	<u>-</u>	<u>685</u>	<u>-</u>	<u>685</u>
30 June 2003	<u>2,327</u>	<u>1,370</u>	<u>4,582</u>	<u>8,278</u>

9. WORK IN PROGRESS

	2004	2003
	£	£
Work in progress	<u>102,671</u>	<u>69,782</u>

10. DEBTORS

	2004	2003
	£	£
Due within one year		
Trade debtors	210,509	107,102
Other debtors	-	700
Prepayments and accrued income	5,034	1,915
	<u>215,543</u>	<u>109,717</u>

McBains Cooper (Scotland) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2004

11. CREDITORS: Amounts falling due within one year	2004	2003
	£	£
Trade creditors	1,615	4,361
Amounts owed to group undertakings	128,911	26,413
Corporation tax	11,066	877
Other taxes and social security costs	26,734	46,534
Accruals and deferred income	-	8,000
	<u>168,326</u>	<u>86,185</u>
12. SHARE CAPITAL	2004	2003
	£	£
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid		
707 Ordinary shares of £1 each	<u>707</u>	<u>707</u>
13. STATEMENT OF MOVEMENT ON RESERVES		
	Profit and Loss Account	
	2004	2003
	£	£
1st July	34,693	32,486
Retained profit /(loss) for the year	41,482	2,207
30th June	<u>76,175</u>	<u>34,693</u>
14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2004	2003
	£	£
Profit / (loss) for the financial year	41,482	2,207
Net addition / (depletion) to shareholders' funds	<u>41,482</u>	<u>2,207</u>
Opening shareholders' funds	120,393	118,186
Closing shareholders' funds	<u>161,875</u>	<u>120,393</u>
15. CONTINGENT LIABILITIES		

A number of loans and overdrafts of the McBains Cooper group of companies are cross guaranteed. This amounts to a potential liability of £ 75,768 for McBains Cooper (Scotland) Limited (2003 - £886,577).

McBains Cooper (Scotland) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2004

16. CONTROL

The directors are of the opinion that at 30 June 2004 the ultimate controlling party was McBains Cooper PLC, a company incorporated in England & Wales.

17. RELATED PARTY TRANSACTIONS

The company rents an office property from Mr. A. Cormack, a director of the company. During the year, rent totalling £8,000 was paid to Mr. A. Cormack (2003 - £8,000).

The company has taken advantage of the exemptions conferred by the Financial Reporting Standard No. 8 from the requirement to make disclosures concerning group companies on the basis that it is a wholly owned subsidiary of a company that prepares consolidated accounts.