

**Scoot Local Limited**  
**(formerly Loot International Limited)**  
**Annual Report and Financial Statements**  
**for the year ended to 31 December 2001**



**Scoot Local Limited**  
**(formerly Loot International Limited)**

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**Scoot Local Limited**  
**(formerly Loot International Limited)**

**Directors and administration**

<b>Country of registration</b>	England
<b>Registered number</b>	3180797
<b>Registered office</b>	Beaufort House Cricket Field Road Uxbridge Middlesex UB8 1QG
<b>Directors</b>	T.E. Martin G.P.J. Dudley
<b>Company secretary</b>	S.M. Temple-Morris
<b>Auditors</b>	Arthur Andersen 180 Strand London WC2R 1BL
<b>Solicitors</b>	Charles Russell 8-10 New Fetter Lane London EC4A 1RS

**Scoot Local Limited**  
**(formerly Loot International Limited)**

**Report of the directors**

The directors present their annual report on the affairs of the company together with the audited financial statements for the year ended 31 December 2001.

**Change of name**

On 9 October 2001, the company changed its name from Loot International Limited to Scoot Local Limited.

**Consolidated financial statements**

Consolidated financial statements have not been prepared because the company is a wholly-owned subsidiary of another company incorporated in Great Britain.

**Principal activity and business review**

The company is an investment holding company.

The investment in B & S Limited was sold to a subsidiary of the Daily Mail on 1 October 2001.

The investment in Loot Llc, held through a subsidiary company, was sold to its management with effect from the beginning of November 2001.

**Results and dividends**

The profit for year, mainly resulting from the disposal of certain subsidiaries, was £2,569,419 (2000: loss of £3,564,166).

The directors do not recommend the payment of a dividend.

**Directors**

The directors of the company during the year were:

	Date of appointment	Date of resignation
D. Landau		16 March 2001
C.M. Lightfoot		10 April 2001
R.H. Dorjee		19 November 2001
A. Gueroult		24 September 2001
T.E. Martin	24 September 2001	
G.P.J. Dudley	19 November 2001	

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**Report of the directors (continued)**

**Directors' interests**

The company is a wholly-owned subsidiary of Scoot.com plc and consequently none of the directors have any interest in the shares of the company.

The following director, who was not also a director of the company's ultimate holding company at 31 December 2001, was interested in the ordinary 2p shares of Scoot.com plc at the end of the year as indicated below:

	<b>31 December 2001</b>	
	<b>Shares</b>	<b>Share options</b>
G.P.J. Dudley	-	-

Mr.T.E. Martin is a director of Scoot.com plc, the ultimate holding company, and his interests are disclosed in the financial statements of that company.

The share options referred to above relate to options granted under the Scoot.com plc Unapproved 1999 share option scheme to subscribe for ordinary 2p shares of Scoot.com plc.

**Cash flow statement and related party transactions**

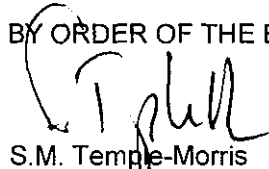
Under the provisions of Financial Reporting Standard No. 1 (Revised), the company has not presented a cash flow statement because its ultimate holding company has prepared consolidated financial statements which include the company and which contain a cash flow statement.

Under the provisions of Financial Reporting Standard No. 8, the company has not disclosed details of inter-group transactions because its ultimate holding company has prepared consolidated financial statements which include the company and are available to the public.

**Auditors**

Arthur Andersen have indicated their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

  
S.M. Temple-Morris  
Secretary  
31 May 2002

**Scoot Local Limited**  
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**Directors' responsibilities**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that 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. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors confirm that these financial statements comply with these requirements.

**Scoot Local Limited**  
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**Independent auditors' report**

To the Shareholders of Scoot Local Limited (formerly Loot International Limited)

We have audited the financial statements of Scoot Local Limited for the year ended 31 December 2001 which comprise the profit and loss account, the balance sheet, accounting policies and the related notes numbered 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

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

**Basis of opinion**

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

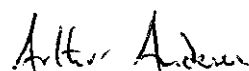
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

**Going concern**

In forming our opinion, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the uncertainty as to the Company's future funding. In view of the significance of this uncertainty we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 2001 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen  
Chartered Accountants and Registered Auditors  
180 Strand  
London, UK  
31 May 2002

**Scoot Local Limited**  
**(formerly Loot International Limited)**

**Profit and loss account for year ended 31 December 2001**

	Notes	2001 £	17 months to 31 December 2000 £
<b>Operating loss</b>	2	<b>(2,376,535)</b>	<b>(3,747,495)</b>
Interest receivable	3	<b>202,863</b>	183,329
Net profit on disposal of investments	4	<b>4,743,091</b>	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>2,569,419</b>	<b>(3,564,166)</b>
Taxation	5	-	-
<b>Retained profit/(loss) for the period</b>	10	<b>2,569,419</b>	<b>(3,564,166)</b>
<b>Accumulated loss, at beginning of period</b>		<b>(3,564,166)</b>	-
<b>Accumulated loss, at end of period</b>		<b>(994,747)</b>	<b>(3,564,166)</b>

The results are derived from discontinued activities.

There are no recognised gains and losses other than those shown in the profit and loss account above.

The accompanying notes and statement of accounting policies form part of this profit and loss account.



**Scoot Local Limited**  
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**Balance sheet as at 31 December 2001**

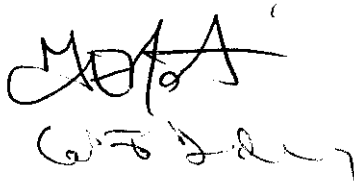
	Notes	2001 £	2000 £
<b>Fixed assets</b>			
Investments	6	-	331,207
<b>Current assets</b>			
Debtors	7	-	812,603
Cash at bank and in hand		-	720
		-	813,323
<b>Creditors: amounts falling due within one year</b>	8	(194,323)	(3,908,272)
<b>Net current liabilities</b>		(194,323)	(3,094,949)
<b>Net liabilities</b>		(194,323)	(2,763,742)
<b>Capital and reserves</b>			
Called-up share capital	9	800,424	800,424
Profit and loss account		(994,747)	(3,564,166)
<b>Equity shareholders' funds - deficit</b>	10	(194,323)	(2,763,742)

T.E. Martin )

DIRECTORS

G.P.J. Dudley )

31 May 2002



The accompanying notes and statement of accounting policies form part of this balance sheet.

## **Notes to the financial statements**

### **1. Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting and financial reporting standards. The accounting policies have been applied consistently throughout the year and during the preceding 17 month period.

#### **Going concern**

The company is dependent upon its ultimate holding company, Scoot.com plc, for its funding requirements and to be able to continue as a going concern. Scoot.com plc made the following statement in its preliminary results for the year ended 31 December 2001, published on 30 April 2002.

" In the year ended 31 December 2001 the Group has made operating losses of £28.7m, before operating exceptional items and goodwill amortisation, and experienced a cash outflow from operating activities of £35.5m. The Company had free cash of £4.4m at 26 April 2002 and, the directors believe, has sufficient working capital on a stand-alone basis until at least August 2002.

The directors have significantly reduced the Company's cash burn, and continue to monitor trading performance and the working capital available to the Group while implementing the strategic options for the Scoot business which include:

- (i) the sale of Scoot or its business;
- (ii) securing a strategic partner; and
- (iii) continuing to trade as a stand-alone entity.

A number of measures are being implemented to increase revenues and cut costs further in the Scoot business which, if successful, will allow the Company to trade profitably. However, there can be no guarantee that they will succeed.

The directors believe that the sale of Scoot or securing a strategic partner will maximise stakeholder value, and would enable the Company to continue to develop its business. Accordingly, the directors are pursuing these options vigorously.

In the event that a suitable buyer or partner is not secured within the next few months then the directors will evaluate trading progress against their current plan on a stand-alone basis. If, based on this evaluation, the Company does not believe it can achieve operating profitability within an acceptable timeframe, and additional funding is not available, the directors would need to consider seeking the protection of insolvency proceedings.

The directors are unable to predict which of the various outcomes described above will in fact be realised but are confident that the business will be sold or continue to trade and, accordingly, have adopted the going concern basis in the preparation of these financial statements. Accordingly, the financial statements do not include any of the adjustments which might be necessary if the business were to cease trading."

On the basis of the potential fund raising options above, the directors of Scoot.com plc are confident that they can secure adequate resources to continue to fund the company. The directors of the company therefore consider it appropriate to prepare these financial statements on a going concern basis. Accordingly, the financial statements do not include any of the adjustments that might be necessary if the company was to cease trading.

#### **Investments**

Fixed asset investments are stated at cost less any provision for impairment.

**Scoot Local Limited**  
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**Notes to the financial statements (continued)**

**1. Accounting policies (continued)**

**Taxation**

Corporation tax is provided on the taxable profits at the rate current during the year.

Deferred taxation is provided, using the liability method, in respect of tax allowances for fixed assets in excess of depreciation provided in the financial statements and other timing differences only to the extent that it is probable that an actual liability will crystallise in the foreseeable future.

**2. Operating loss**

	2001 £	2000 £
This is stated after charging:		
Auditors' remuneration	-	2,000
Exceptional items:		
Write-down of investments in subsidiary companies	-	597,707
Provision against amount due from ultimate holding company	2,375,577	-
Provision against amount due from subsidiary companies	693	2,498,973
Write-down of investment in associated undertaking	-	60,729
Provision for disposal of investments	-	500,000
	<hr/>	<hr/>

**3. Interest receivable**

	2001 £	2000 £
Interest received from subsidiary companies	<u>202,863</u>	<u>183,329</u>

**4. Net profit on disposal of investments**

	2001 £	2000 £
Profit on disposal of B & S Limited	6,196,139	-
Loss on disposal of Loot Llc	<u>(1,453,048)</u>	<u>-</u>
	<u>4,743,091</u>	<u>-</u>

The sale of B & S Limited to a subsidiary of the Daily Mail and General Trust plc was completed on 1 October 2001.

Loot Llc was sold to its management with effect from the beginning of November 2001.

**5. Taxation**

No taxation liability arises during the year (2000: £Nil) due to the availability of group relief.

**Scoot Local Limited**  
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**Notes to the financial statements (continued)**

**6. Investments**

	Subsidiaries £	Associated undertaking £	Total £
Cost:			
At beginning of year	928,914	60,729	<b>989,643</b>
Disposals	(928,310)	-	<b>(928,310)</b>
	<u>604</u>	<u>60,729</u>	<u><b>61,333</b></u>
Provisions against investments:			
At beginning of year	(597,707)	(60,729)	<b>(658,436)</b>
Disposals	597,103	-	<b>597,103</b>
	<u>(604)</u>	<u>(60,729)</u>	<u><b>(61,333)</b></u>
At end of year	<u>-</u>	<u>-</u>	<u>-</u>

The company's subsidiaries at 31 December 2001 were:

<u>Company</u>	<u>Country of registration</u>	<u>% holding</u>	<u>Business</u>
Insidemarket Limited	England	100%	Holding company
Basement Database Marketing Limited	Mauritius	100%	Holding company
Basement Publishing Llc	USA	100%	Holding company

**7. Debtors**

	2001 £	2000 £
Amounts due from fellow subsidiary companies	<u>-</u>	<u>812,603</u>

**8. Creditors: amounts falling due within one year**

	2001 £	2000 £
Amount due to fellow subsidiary company	<b>1,023</b>	3,406,272
Accruals	-	2,000
Other creditors	<b>193,300</b>	500,000
	<u><b>194,323</b></u>	<u>3,908,272</u>

The amount due to fellow subsidiary company has no fixed repayment term and is interest free.

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**Notes to the financial statements *(continued)***

**9. Called-up share capital**

	<b>2001 and 2000</b>	
	Authorised	Allotted, called-up and fully paid
	£	£
Ordinary shares of £1 each	<b><u>4,000,000</u></b>	<b><u>800,424</u></b>

**10. Reconciliation of movements in equity shareholders' funds**

	<b>2001</b>	<b>2000</b>
	£	£
Profit/(loss) for the financial period after taxation	<b>2,569,419</b>	(3,564,166)
Issue of share capital during the period	-	800,422
Shareholders' funds, at beginning of period	<b><u>(2,763,742)</u></b>	<u>2</u>
Shareholders' funds, at end of period	<b><u>(194,323)</u></b>	<b><u>(2,763,742)</u></b>

**11. Ultimate holding company**

The company's ultimate holding company is Scoot.com plc, which heads the smallest and largest group in which the financial statements are consolidated. These consolidated financial statements are available to the public and may be obtained from their registered office at Beaufort House, Cricket Field Road, Uxbridge, Middlesex UB8 1QG.