

ASCO UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the Year Ended 31 December 2003

Registered No: SC029934



ASCO UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 December 2003

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ASCO UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	A H Mallett C P Lloyd
Registered Office	Regent Centre Regent Road Aberdeen AB11 5NS
Company Secretary	W S Kennedy
Auditors	PricewaterhouseCoopers LLP Chartered Accountants 32 Albyn Place Aberdeen AB10 1YL
Solicitors	Paul & Williamsons Solicitors Investment House 6 Union Row Aberdeen AB10 1DQ
Bankers	Bank of Scotland 54 John Street Aberdeen AB25 1LL

ASCO UK LIMITED

DIRECTORS' REPORT

For the Year Ended 31 December 2003

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2003.

Principal Activities

The company's principal activities are the provision of distribution and support services to oil companies engaged in both upstream and downstream activity. These include property, transport, the provision of personnel, marine services and at Peterhead, Aberdeen and Great Yarmouth the operation of a service base. The bases offer a comprehensive service to the oil related North Sea operators from extensive quay and back-up facilities.

Review of Business and Future Prospects

The directors are satisfied with the results for the year and are confident of the future prospects for the company.

Results and Dividends

The profit for the year after taxation amounted to £1,972,000 (2002: £8,217,000). No dividends were proposed or paid during the year (2002: £ nil). The directors recommend that the retained profit of £1,972,000 (2002: £8,217,000) is transferred to reserves.

Directors and their Interests

The present membership of the Board is set out on page 1.

ST Marples and CB Manderson resigned as Directors on 17 July 2003 and 27 November 2003 respectively. AK Mair was appointed as a Director on 8 April 2003 and resigned 9 January 2004. AH Mallett was appointed as a Director on 12 January 2004.

No director held any direct interest in the shares of the company at 31 December 2003.

Details of the interests of the directors in the shares and any share options of ASCO plc the ultimate parent company, are disclosed in that company's financial statements.

Charitable Donations

Donations for charitable purposes amounted to £16,904 (2002: £6,982).

DIRECTORS' REPORT (Continued)

Employee Involvement

Employees are provided with information on matters of concern to them, principally through the operation of monthly team briefings given to every employee.

In the field of consultation, the group has well-developed procedures with the appropriate trade unions, where they are recognised, and it is through such procedures and the union representatives involved that the views of the employees are taken into account in making decisions which are likely to affect their interests. Elsewhere, views of employees are sought as appropriate through the management structure.

Internal communication systems have been developed to inform all managers and staff throughout the group of significant events.

Disabled Persons

Although much of the company's work is unsuitable for disabled persons, positive efforts are made to recruit and train disabled persons for appropriate work. Arrangements are made, whenever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

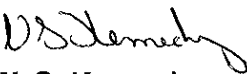
Creditor Payment Policy

The policy of the company is to pay its suppliers in accordance with the terms of trade which may be agreed at the time of order. At the year end, the amount owed to trade creditors by the company was equivalent to 56 days of purchases from suppliers.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution to re-appoint the auditors, PricewaterhouseCoopers LLP, will be proposed at the Annual General Meeting.

By Order of the Board


W. S. Kennedy
Secretary

29th November 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

ASCO UK LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ASCO UK LIMITED

We have audited the financial statements on pages 6 to 20, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or is to whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

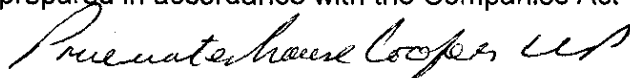
Basis of audit opinion

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 the affairs of the company as at 31 December 2003 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Aberdeen
29th November 2004

ASCO UK LIMITED

Profit and Loss Account

For the Year Ended 31 December 2003

	Note	2003 £'000	2002 £'000
TURNOVER	2	178,685	264,571
Cost of sales	3	(166,725)	(244,671)
		<hr/>	<hr/>
GROSS PROFIT		11,960	19,900
Administrative expenses	4	(8,278)	(7,402)
		<hr/>	<hr/>
OPERATING PROFIT		3,682	12,498
Net interest payable	6	(28)	(15)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,654	12,483
Tax on profit on ordinary activities	7	(1,682)	(4,266)
		<hr/>	<hr/>
RETAINED PROFIT FOR THE YEAR		1,972	8,217
		<hr/>	<hr/>

All of the company's activities relate to continuing operations.

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

NOTE OF HISTORICAL COST PROFITS AND LOSSES

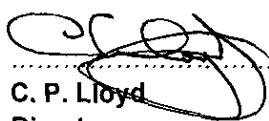
	2003 £'000	2002 £'000
<i>Reported profit on ordinary activities before taxation</i>	3,654	12,483
<i>Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount.</i>	360	360
	<hr/>	<hr/>
<i>Historical cost profit on ordinary activities before taxation</i>	4,014	12,843
	<hr/>	<hr/>
<i>Historical cost profit for the year retained after taxation and dividends</i>	2,332	8,577
	<hr/>	<hr/>

ASCO UK LIMITED

Balance Sheet as at 31 December 2003

	Note	2003 £'000	2002 £'000
FIXED ASSETS			
Intangible assets	8	5,592	5,991
Tangible assets	9	38,267	40,766
Investments	10	35	35
		<hr/> 43,894	<hr/> 46,792
CURRENT ASSETS			
Stock	11	482	411
Debtors	12	24,504	42,135
Cash at bank and in hand		20,267	19,038
		<hr/> 45,253	<hr/> 61,584
CREDITORS: Amounts falling due within one year	13	(56,407)	(76,929)
NET CURRENT LIABILITIES		<hr/> (11,154)	<hr/> (15,345)
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 32,740	<hr/> 31,447
CREDITORS: Amounts falling due outwith one year	14	(67)	(277)
PROVISION FOR LIABILITIES AND CHARGES	15	(1,987)	(2,456)
NET ASSETS		<hr/> 30,686	<hr/> 28,714
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	16	750	750
Revaluation reserve	17	16,471	16,831
Profit and loss account	17	13,465	11,133
EQUITY SHAREHOLDER'S FUNDS	18	<hr/> 30,686	<hr/> 28,714
		=====	=====

These financial statements on pages 6 to 20 were approved by the board of directors on 29th November 2004, and were signed on its behalf by:



C. P. Lloyd
 Director

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2003

1 ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards in the United Kingdom.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in business. The company has received assurance from its ultimate parent company that financial and other support will be provided so that it can meet its obligations as they fall due. The directors therefore consider it appropriate to prepare the financial statements on the going concern basis.

Associates

Entities, other than subsidiaries, in which the company has an investment comprising an interest of not less than 20% of the voting capital and over which it exerts significant influence are defined as associated undertakings. These investments are held at cost less provision for any permanent diminution in value.

Fixed Assets and Depreciation

Interests in land and buildings are held at valuation. Valuations were carried out by independent, professionally qualified persons every five years, with interim valuations every three years. The company has adopted the transitional rules of Financial Reporting Standard No. 15 "Tangible Fixed Assets" and valuations will not be updated in subsequent years. The cost of other fixed assets is their purchase cost, together with any directly related costs of acquisition. Tangible fixed assets are stated at cost less aggregate depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at annual rates calculated to write off the cost on a straight line basis over the expected useful economic lives of the assets. The rates of depreciation are as follows:

Heritable property	50 years
Leasehold property	Over the period of the lease
Plant and office equipment	2-12 years

Stocks

Stocks are stated at the lower of cost and net realisable value.

Leases & Hire Purchase Agreements

Assets held under finance leases and hire purchase agreements are capitalised at their fair value on the inception of the leases and hire purchase agreements and depreciated over their estimated useful lives. Finance charges are allocated over the periods of the leases and hire purchase agreements in proportion to the capital amounts outstanding.

Rentals paid under operating leases are charged to the profit and loss on a straight line basis over the length of the lease. Income in respect of operating leases is credited on a straight line basis over the length of the lease. The related assets are recorded as fixed assets within land and buildings and are depreciated over their estimated useful lives.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2003

Deferred Taxation

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 that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured on a non-discounted basis.

Pensions

The company has adopted the transitional arrangements of FRS17 "Post Retirement Benefits" in these financial statements.

The group operates defined benefit schemes for certain employees providing benefits based on final pensionable salary. The group schemes are run on a basis that does not enable individual companies within the group to identify their share of the underlying assets and liabilities. Therefore the disclosures required under FRS17 are provided in the accounts of ASCO PLC, the company's parent company.

Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives. Any difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

The group also operates a money purchase scheme. The payments to this scheme are charged to the profit and loss account in the period to which they relate.

Intangible Assets

The company capitalises goodwill arising on acquisitions of businesses and amortises it on a straight line basis over its useful economic life of no more than 20 years, which is the period over which the directors estimate that the value of the business acquired is expected to exceed the value of the underlying assets.

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange rate gains and losses are reflected in the profit and loss account.

ASCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2003

Financial Instruments

The company uses derivative financial instruments in the form of interest rate swaps and forward foreign exchange contracts to hedge its exposures to fluctuations in interest and foreign exchange rates. Instruments accounted for as hedges are designated as a hedge at the inception of contracts. A derivative instrument is considered to be used for hedging purposes when it alters the risk profile of an existing underlying exposure of the company in line with the company's risk management policies. Receipts and payments on interest rate instruments are recognised on an accruals basis, over the life of the instrument. Gains and losses on foreign currency hedges are recognised on maturity of the underlying transaction, other than translational hedges of foreign currency investments which are taken to reserves. Gains and losses arising from retiming of foreign exchange transactional cover are deferred to match the maturity of the underlying exposure. Gains or losses arising on hedging instruments which are cancelled due to the termination of underlying exposure are taken to the profit and loss account immediately. Finance costs associated with debt issued are charged to the profit and loss account over the life of the instruments.

Revenue Recognition

Logistics services

Revenue derived from the supply of logistics services is recognised upon provision of the services. Revenue derived from the supply of fuels and lubricants is recognised upon dispatch when the risks and rewards of ownership pass to the customer.

Long term service contracts

The company enters into long term service contracts for the supply of logistics services. Revenue is recognised on the basis of services provided to date and revenue is deferred in circumstances where it has not yet been earned. Costs incurred on providing the services in terms of these contracts are recognised in the period in which they are incurred.

Group Financial Statements, Cash Flow Statement and Related Party Disclosures

The company is a wholly owned subsidiary of ASCO plc, a company incorporated in Scotland, and is included in the consolidated financial statements of ASCO plc, which are publicly available. The company is therefore exempt from the requirement to prepare group financial statements and 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 ASCO plc group.

ASCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2003

2 TURNOVER

Turnover is derived from the company's principal activities and is stated net of value added tax. All turnover is in relation to sales in the UK.

No further analysis of turnover, operating profit or net assets is provided as the directors believe that this may be prejudicial to the best interests of the company.

3 COST OF SALES

	2003 £'000	2002 £'000
Depreciation -owned assets	1,721	1,497
Depreciation -assets held under hire purchase contracts	63	66
Loss/(gain) on sale of tangible fixed assets	921	(10)
Operating lease rentals:		
Land and Buildings	2,318	2,359
Plant and Machinery	58,165	72,961
Other costs	103,537	167,798
	<hr/> 166,725 <hr/>	<hr/> 244,671 <hr/>

4 ADMININSTRATIVE EXPENSES

	2003 £'000	2002 £'000
Goodwill amortisation	399	399
Depreciation -owned assets	298	392
Operating lease rentals:		
Equipment	122	142
Land & buildings	949	1,160
Other expenses	6,510	5,309
	<hr/> 8,278 <hr/>	<hr/> 7,402 <hr/>

Auditors' remuneration in respect of both audit and non audit services is met by the ultimate parent company, ASCO plc.

ASCO UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2003

5 EMPLOYEE INFORMATION

	2003 £'000	2002 £'000
Staff costs		
Wages and salaries	17,063	17,228
Social security costs	1,658	1,626
Pension costs	857	751
	<u>19,579</u>	<u>19,605</u>
	=====	=====
Average number of persons employed <i>(including executive directors)</i>	Number	Number
By activity:		
Administration	148	143
Operations	497	463
	<u>645</u>	<u>606</u>
	=====	=====

Details of remuneration paid to the directors are disclosed in the ASCO plc accounts.

6 NET INTEREST PAYABLE

	2003 £'000	2002 £'000
Interest payable on finance leases	(28)	(15)
	=====	=====

ASCO UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2003

7 TAXATION

	2003 £'000	2002 £'000
Charged against profit for the year		
Corporation tax		
- current year at 30.0% (2002: 30.0%)	2,101	4,103
- prior year	50	19
	<u>2,151</u>	<u>4,122</u>
Deferred tax		
- current year	(542)	152
- prior year	73	(8)
	<u>1,682</u>	<u>4,266</u>
	=====	=====
	2003 £'000	2002 £'000
Reconciliation of tax charged to statutory rate		
Profit on ordinary activities before tax	3,654	12,483
	=====	=====
Statutory tax rate	30.0%	30.0%
	=====	=====
Expected tax charge	1,096	3,744
Actual tax charge	2,151	4,122
	<u>1,055</u>	<u>377</u>
	=====	=====
Permanent differences		
Depreciation on non-qualifying assets	-	188
Expenses not deductible for tax purposes	176	193
	<u>176</u>	<u>381</u>
Other differences		
Release of prior years' tax provision	49	19
Unwinding of discount on deferred taxation provision	287	126
Capital allowances in excess of depreciation	829	(21)
Deferred tax not provided	(286)	(128)
	<u>1,055</u>	<u>202</u>
	=====	=====

ASCO UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2003

8 INTANGIBLE ASSETS

	Goodwill £'000
Cost	
At 1 January 2003 and 31 December 2003	7,987
Accumulated Amortisation	
At 1 January 2003	1,996
Amortisation for year	399
At 31 December 2003	2,395
Net book value	
At 31 December 2003	5,592
At 31 December 2002	5,991

9 TANGIBLE FIXED ASSETS

	Land & Buildings £'000	Plant & Equipment £'000	Total £'000
Cost or valuation			
At 1 January 2003	39,164	15,922	55,086
Additions	-	850	850
Disposals	-	(2,290)	(2,290)
At 31 December 2003	39,164	14,482	53,646
Depreciation			
At 1 January 2003	5,588	8,732	14,320
Charge for the year	861	1,221	2,082
On disposals	-	(1,023)	(1,023)
At 31 December 2003	6,449	8,930	15,379
Net book value			
At 31 December 2003	32,715	5,552	38,267
At 31 December 2002	33,576	7,190	40,766
Consisting of:			
Heritable	25,560		
Long leasehold	4,020		
Short leasehold	3,135		
	32,715		

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2003

9 TANGIBLE FIXED ASSETS (continued)

	2003 £'000	2002 £'000
Analysis of land and buildings at cost or valuation:		
At cost	5,064	5,064
At 1996 valuation	34,100	34,100
	<u>39,164</u>	<u>39,164</u>
	=====	=====

Land and buildings were valued on an open market basis by external valuers, H.G. Stewart, Chartered Surveyors in December 2001 and under the transitional rules of Financial Reporting Standard No. 15 "Tangible Fixed Assets" the valuation has not been updated.

	2003 £'000	2002 £'000
If land and buildings had not been revalued, they would be included at the following amounts:		
Cost	23,527	23,527
Aggregate Depreciation	6,726	6,275
	<u>16,801</u>	<u>17,252</u>
	=====	=====

	2003 £'000	2002 £'000
Assets held under hire purchase contracts and capitalised in plant and machinery:		
Cost	306	568
Aggregate Depreciation	108	97
	<u>198</u>	<u>471</u>
	=====	=====

ASCO UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2003

10 INVESTMENTS HELD AS FIXED ASSETS

	Associated undertakings £'000	Subsidiary undertakings £'000	Total £'000
Cost			
At 1 January 2003 and 31 December 2003	25	7,955	7,980
Amounts written off			
At 1 January 2003 and 31 December 2003	0	7,945	7,945
Net book value			
At 31 December 2003	25	10	35
At 31 December 2002	25	10	35

The company has the following interests in subsidiary and associated undertakings:

	Class of Shares	% owned	Country of Registration	Nature of Business
ASCO Offshore Ltd	Ordinary	100	Scotland	Non-trading
Woodacon Oil Ltd	Ordinary	100	Scotland	Non-trading
Aberdeen Cargo Handling Services Ltd	Ordinary	50	Scotland	Non-trading

11 STOCK

	2003 £'000	2002 £'000
Raw materials and consumables	482	411

12 DEBTORS

	2003 £'000	2002 £'000
Trade debtors	13,208	24,471
Prepayments and accrued income	7,402	15,617
Amounts due from fellow subsidiaries	2,389	1,165
Other debtors	1,505	882
	24,504	42,135

ASCO UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2003

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£'000	£'000
Trade creditors	7,201	19,069
Corporation tax	545	1,549
Other taxation and social security	1,995	1,746
Other creditors	2,791	2,736
HP/Finance lease creditor	56	117
Amounts due to parent company	25,338	23,379
Amounts due to fellow subsidiaries	114	160
Amounts due to subsidiaries	10	10
Accruals and deferred income	18,357	28,163
	<u>56,407</u>	<u>76,929</u>
	=====	=====

The bank facility is secured by a bond and floating charge over the assets of the company and standard securities over certain properties of the company. Cross guarantees also exist with other group companies.

14 CREDITORS: AMOUNTS FALLING DUE OUTWITH ONE YEAR

	2003	2002
	£'000	£'000
HP/Finance lease creditor	67	277
	<u>=====</u>	<u>=====</u>
Split as follows:		
Repayable 1-2 years	44	110
Repayable 2-5 years	23	167
	<u>67</u>	<u>277</u>
	=====	=====

ASCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year Ended 31 December 2003

15 PROVISION FOR LIABILITIES AND CHARGES

The amounts of deferred taxation provided are as follows:	2003 £'000	2002 £'000
Accelerated capital allowances	2,599	3,428
Other timing differences	(130)	(204)
	<hr/>	<hr/>
Undiscounted provision for deferred tax	2,469	3,224
Discount	(482)	(768)
	<hr/>	<hr/>
Discounted provision for deferred tax	1,987	2,456
	<hr/>	<hr/>
The movement on the provision for deferred tax is as follows:	2003 £'000	2002 £'000
At 1 January	2,456	2,312
Transferred to profit and loss account	(469)	144
	<hr/>	<hr/>
At 31 December	1,987	2,456
	<hr/>	<hr/>

16 CALLED UP SHARE CAPITAL

	2003 £'000	2002 £'000
Authorised		
1,500,000 ordinary shares of £1 each	1,500	1,500
	<hr/>	<hr/>
Allotted, called up and fully paid		
750,000 ordinary shares of £1 each	750	750
	<hr/>	<hr/>

17 RESERVES

	Revaluation Reserve £'000	Profit & Loss Account £'000
At 1 January 2003	16,831	11,133
Profit for the financial year	-	1,972
Transfer	(360)	360
	<hr/>	<hr/>
At 31 December 2003	16,471	13,465
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2003

18 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2003 £'000	2002 £'000
Profit for the financial year	1,972	8,217
Opening shareholder's funds	28,714	20,497
Closing shareholder's funds	30,686	28,714

19 OPERATING LEASE COMMITMENTS

At 31 December 2002 the company had non cancelable commitments under operating leases which will result in the following payments falling due in the next twelve months.

	Land & Buildings 2003 £'000	Plant and Machinery 2003 £'000	Vessels 2003 £'000	Land & Buildings 2002 £'000	Plant and Machinery 2002 £'000	Vessels 2002 £'000
On leases which expire:						
Within one year	123	1,175	4,224	123	242	8,517
Within two to five years	531	1,096	14,064	538	1,265	18,727
After five years	1,505	545	-	1,526	966	-
	2,159	2,816	18,288	2,187	2,473	27,244

The majority of the company's leases of land and buildings are subject to rent review periods of five years.

20 CAPITAL COMMITMENTS

	2003 £'000	2002 £'000
Contracted but not provided in the accounts	-	360

21 GUARANTEES

The Bank of Scotland holds standard securities over North and South bases, Peterhead and Upperton Industrial Estate and Damhead, Peterhead in addition to a floating charge over the company's assets, as security over the bank facility.

The company has other guarantees at 31 December 2003 of £40,000 (2002: £40,000).

ASCO UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2003

22 PENSION COMMITMENTS

The group operates three pension schemes, one defined benefit and two defined contribution.

The company participates in the group schemes. Details in relation to these schemes, including the disclosures required under FRS17 "Post Retirement Benefits", are set out in the financial statements of ASCO plc for the year ended 31 December 2003.

The pension charge shown in Note 5 represents contributions payable by the company to the funds and amounted to £517,000 (2002 - £544,000) to the defined benefit scheme and £340,000 (2002 - £207,000) to the money purchase scheme.

23 ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party is ASCO plc a company registered in Scotland. Copies of the ASCO plc accounts can be obtained from the Company Secretary at Regent Centre, Regent Road, Aberdeen, AB11 5NS.