

Registered Company Number 252221

INTERSERVE INVESTMENTS PLC
(formerly Tilbury Douglas Investments Plc)

31 December 2000



REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31 December 2000.

ACTIVITY

The principal activity of the company is that of a holding company. This activity is expected to continue for the foreseeable future.

RESULTS

The results of the company are as set out in the accounts on pages 4 to 10. The directors propose a final dividend for the year ended 31 December 2000 of £6,700,000 in addition to the interim dividend paid of £392,000 (1999: final £6,000,000).

DIRECTORS

The directors who served throughout the year and who remain directors at the date of this report are set out below:-

M C Bottjer
M S Lee
A R Hannah
G J Wentzell

In accordance with the Articles of Association Mr Wentzell retires by rotation at the next Annual General Meeting and, being eligible, offers himself for re-election.

The directors are also directors of the ultimate parent undertaking and their interests in the share capital of that company are disclosed in the accounts of that company.

No directors had any interest beneficial or non beneficial, in the share capital of the company or had a material interest during the year in any significant contract with the company, or any subsidiary (1999: £nil).

CHANGE OF NAME

The company changed its name from Tilbury Douglas Investments Plc to Interserve Investments Plc on 7 March 2001.

AUDITORS

A resolution will be proposed at the Annual General Meeting to reappoint Deloitte & Touche as auditors to the company and to authorise the directors to fix their remuneration.

Interserve House
Ruscombe Park
Twyford
Reading
Berkshire
RG10 9JU

Approved by the Board of Directors and
signed on behalf of the Board by



T BRADBURY
Secretary

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 state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors of the company 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; 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 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.

AUDITORS' REPORT TO THE MEMBERS OF TILBURY DOUGLAS INVESTMENTS PLC

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hill House
1 Little New Street
London EC4A 3TR

Deloitte & Touche
DELOITTE & TOUCHE
Chartered Accountants and
Registered Auditors

6 June 2001

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 £000	1999 £000
Administrative expenses		2	(438)
Other income	3	450	-
Income from investments	4	<u>7,349</u>	<u>7,197</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	7,801	6,759
Tax on profit on ordinary activities	5	<u>(853)</u>	<u>(618)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION ATTRIBUTABLE TO MEMBERS OF INTERSERVE INVESTMENTS PLC		6,948	6,141
Dividend	6	<u>(7,092)</u>	<u>(6,000)</u>
RETAINED (LOSS)/PROFIT FOR THE YEAR	13	<u>(144)</u>	<u>141</u>

All activities are continuing as defined under FRS3: Reporting Financial Performance.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2000**

	2000 £000	1999 £000
Profit for the financial year attributable to members of Interserve Plc	6,948	6,141
Currency translation differences	<u>(212)</u>	<u>-</u>
	<u>6,736</u>	<u>6,141</u>

BALANCE SHEET AT 31 DECEMBER 2000

	Note	2000		1999	
		£000	£000	£000	£000
FIXED ASSETS					
Investment in associated and subsidiary undertakings	7		18.605		16.446
CURRENT ASSETS					
Debtors	8	6.471		5.101	
CREDITORS: Amounts falling due within one year					
Sundry creditors	9	<u>20.193</u>		<u>12.922</u>	
NET CURRENT LIABILITIES			<u>(13.722)</u>		<u>(7.821)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4.883		8.625
PROVISIONS FOR LIABILITIES AND CHARGES	10		<u>-</u> <u>4.883</u>		<u>(3.386)</u> <u>5.239</u>
CAPITAL AND RESERVES					
Called up share capital	11		3.940		3.940
Share premium account	12		324		324
Profit and loss account	13		<u>619</u>		<u>975</u>
Equity shareholders' funds			<u>4.883</u>		<u>5.239</u>

These financial statements were approved by the Board of Directors on 05.vi - 2001.

Signed on behalf of the Board of Directors.



M.S. Lee
Director

5 June 2001

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

a) CONVENTION

These financial statements have been prepared in accordance with the historical cost convention.

b) FIXED ASSET INVESTMENTS

Investments and loans to subsidiary and associated undertakings are stated at cost less provision for any material impairment in value.

c) DEFERRED TAXATION

Provision is made and relief is taken at projected rates of taxation for timing differences between the treatment of certain items for taxation and for accounting purposes to the extent that liabilities or assets are likely to crystallise in the foreseeable future. Advance corporation tax which is available to reduce the corporation tax payable on future profits is deducted from the provision for deferred taxation.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company had no employees during the current or preceding year other than the directors. The directors of the company did not receive remuneration for services to the company during the year (1999: £nil).

The audit fee for the company is borne by the ultimate parent company.

3. OTHER INCOME

Provision against investment in associates undertaking no longer required

2000	1999
£000	£000

<u>450</u>	<u>-</u>
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4. INCOME FROM INVESTMENTS

Dividends from subsidiary and associated undertakings

Income from share of Group undertakings

7,349	7,112
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<u>-</u>	<u>85</u>
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<u>7,349</u>	<u>7,197</u>
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000 (continued)

	2000 £000	1999 £000
5. TAX ON PROFIT ON ORDINARY ACTIVITIES		
UK corporation tax at 30% (1999 : 30.25%) on profit for the year	(586)	(522)
Overseas tax	(150)	-
Adjustment in respect of prior years	<u>(117)</u>	<u>(96)</u>
	<u>(853)</u>	<u>(618)</u>

6. DIVIDENDS

Interim dividend paid at 2.487p per share (1999:nil)	392	-
Proposed final dividend at 42.51p per share (1999 : 38.07p)	<u>6.700</u>	<u>6.000</u>
	<u>7.092</u>	<u>6.000</u>

7. INVESTMENT IN ASSOCIATED AND SUBSIDIARY UNDERTAKINGS

Associated undertakings:		
Shares at cost less provisions	3,601	3,588
Loans less provisions	1,948	405
Subsidiary undertakings:		
Shares at cost	<u>13,056</u>	<u>12,453</u>
	<u>18,605</u>	<u>16,446</u>

	Associated Undertakings		Subsidiary Undertakings
	Shares £000	Loans £000	Shares £000
Cost:			
At 1 January 2000	4,225	1,910	12,453
Additions and advances	<u>13</u>	<u>1,093</u>	<u>603</u>
At 31 December 2000	<u>4,238</u>	<u>3,003</u>	<u>13,056</u>
Provisions:			
At 1 January 2000	(637)	(1,505)	-
Released during year to profit and loss account	<u>-</u>	<u>450</u>	<u>-</u>
At 31 December 2000	<u>(637)</u>	<u>(1,055)</u>	<u>-</u>
Net book value:			
At 31 December 2000	<u>3,601</u>	<u>1,948</u>	<u>13,056</u>
At 31 December 1999	<u>3,588</u>	<u>405</u>	<u>12,453</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000 (continued)

7. INVESTMENT IN ASSOCIATED AND SUBSIDIARY UNDERTAKINGS (continued)

The principal subsidiary and associated undertakings are set out below. None of the shares relate to a listed investment. Unless otherwise indicated the subsidiary undertakings are wholly owned and incorporated in England and Wales. Shareholdings in companies marked * are indirectly held.

Tilbury Douglas Developments Ltd - property development

Tilbury Douglas Projects Ltd - " "

* Tilbury Phoenix Ltd - " "

Rapid Metal Developments (Australia) Pty. Ltd - equipment hire and sales
(incorporated in Australia)

RMD Kwikform Ireland Ltd - " "
(incorporated in Ireland)

Rapid Metal Developments (NZ) Ltd - " "
(incorporated in New Zealand)

Rapid Metal Developments (UAE) LLC (49%) - " "
(incorporated in the Emirate of Sharjah)

RMD Kwikform Korea Ltd - (incorporated in Korea) " "

RMD (Thailand) Ltd - (incorporated in Thailand) " "

RMD (Taiwan) Ltd - (incorporated in Taiwan) " "

RMD Kwikform Chile SA - (incorporated in Chile) " "

RMD Philippines Inc - (incorporated in the Philippine " "

RMD Argentina SA - (incorporated in Argentina) " "

Rapid Metal Development Singapore Pte Ltd " "
(incorporated in Singapore)

RMD Sweden AB - (incorporated in Sweden) " "

Gulf Housing and Construction Company WLL (49%)- civil engineering and building
(incorporated in Qatar - total issued capital of 1,000,000 Qatar Rials divided into ordinary shares of 1,000 Qatar Rials each)

Khansaheb Civil Engineering LLC (45%) - civil engineering and building
(incorporated in Emirate of Dubai - total issued capital UAE Dirhams 11,000,000 divided into ordinary shares of UAE Dirham 1000 each).

* Douglas OHI LLC (33%)- civil engineering and building
(incorporated in Sultanate of Oman - total issued capital 251,000 Omani rials divided into shares of 10 Omani rials each)

In accordance with the provisions of Section 228 of The Companies Act 1985 the company is exempt from the obligation to prepare and deliver group accounts as the company is included in the audited consolidated accounts of its parent undertaking, Interserve Plc, which is incorporated in Great Britain and registered in England and Wales. Accordingly these financial statements present information about the company as an individual undertaking and not as a group.

In the opinion of the directors the aggregate value of the shares in and amounts owing from subsidiary undertakings is not less than the amounts at which they are stated in the balance sheet.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000 (continued)

	2000 £000	1999 £000
8. DEBTORS		
Amount owed by subsidiary undertaking	1.182	1.182
Dividends receivable	<u>5,289</u>	<u>3,919</u>
	<u>6,471</u>	<u>5,101</u>
9. SUNDRY CREDITORS		
Amount owed to parent undertaking	9,770	6,598
Other creditors	3,386	-
Corporation tax	337	324
Dividends proposed	<u>6,700</u>	<u>6,000</u>
	<u>20,193</u>	<u>12,922</u>
10. PROVISIONS FOR LIABILITIES AND CHARGES		
Other provisions		
At 1 January 2000	3,386	
Transfer to creditor	<u>(3,386)</u>	
At 31 December 2000	<u>-</u>	
The provision has been transferred to creditors as the liability was settled in January 2001 at the amount provided.		
11. CALLED UP SHARE CAPITAL		
Authorised		
20,000,000 ordinary shares of 25p each	<u>5,000</u>	<u>5,000</u>
Called up, allotted and fully paid	<u>3,940</u>	<u>3,940</u>
15,761,018 ordinary shares of 25p each		
12. SHARE PREMIUM ACCOUNT		
1 January 2000 and 31 December 2000	<u>324</u>	<u>324</u>
13. PROFIT AND LOSS ACCOUNT		
1 January 2000	975	
Loss retained for the year	(144)	
Currency translation differences	<u>(212)</u>	
31 December 2000	<u>619</u>	
14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Profit attributable to shareholders	6,948	6,141
Dividends	<u>(7,092)</u>	<u>(6,000)</u>
Other recognised gains and losses for the year	(144)	141
Other recognised gains and losses	(212)	-
Opening shareholders' funds	<u>5,239</u>	<u>5,098</u>
Closing shareholders' funds	<u>4,883</u>	<u>5,239</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000 (continued)

15. CONTINGENT LIABILITIES

At 31 December 2000 there were contingent liabilities in respect of guarantees given in the ordinary course of business.

The company has given guarantees covering banking facilities made available to the ultimate parent, fellow subsidiary and associated undertakings. At 31 December 2000 these amounted to £75,857,000 (1999: £85,131,000).

16. ULTIMATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The company's immediate and ultimate parent undertaking and controlling party is Interserve Plc (formerly Tilbury Douglas Plc), which is registered in England and Wales. The group accounts of Interserve Plc (formerly Tilbury Douglas Plc) are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 - Related Party Disclosures not to report transactions with Interserve Group related parties, which are disclosed in the consolidated financial statements of Interserve Plc (formerly Tilbury Douglas Plc).