

**INTERSERVE HOLDINGS LIMITED**  
**(formerly Interserve Holdings Plc)**  
**FINANCIAL STATEMENTS**

**31 DECEMBER 2006**

**REGISTERED NUMBER: 252221**

**TUESDAY**



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**A24**

**23/10/2007**

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**COMPANIES HOUSE**

# **INTERSERVE HOLDINGS LIMITED**

## **REPORT OF THE DIRECTORS**

The directors of Interserve Holdings Limited present their report and the audited financial statements for the year ended 31 December 2006

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITY**

The Company is a wholly-owned subsidiary of Interserve Plc. The principal activity of the Company is that of an investment holding company. The principal subsidiary undertakings affecting the profits or net assets of the Company in the year are listed in note 7 to the financial statements.

There has been no significant change in the Company's principal activity in the year under review. The directors are not aware, at the date of this report, of any likely significant changes in the Company's activities in the next financial year.

The Company was re-registered under the Companies Act 1985 as a private company on 16 November 2006.

The directors consider that the Company's key performance indicator is profit before taxation. The Company's profit from ordinary activities before taxation was £10,284,000 (2005: profit of £9,870,000). The results of the Company are as set out in the financial statements and notes on pages 6 to 12. The directors do not recommend payment of a final dividend (2005: £nil).

The balance sheet on page 7 of the financial statements shows that the Company's financial position at the year end is, in net asset terms, consistent with the prior year. During the year the Company increased its equity and loan investment in subsidiary and associate undertakings.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Company has exposure to a variety of risks which are managed with the purpose of minimising any potential adverse effect on the Company's performance and net assets. The directors have policies for managing each of these risks and they are summarised below.

A principal risk that the Company faces is that the carrying values of its investments decline. The directors review comprehensive monthly trading reports of the Company's operating subsidiaries, with a comparison against budget or forecast.

As stated in note 13 to the financial statements, the Company has given guarantees covering bank overdrafts to its fellow subsidiaries.

The directors are satisfied that, given the nature of this Company, there are no other principal risks and uncertainties to consider.

Group risks are discussed in the Annual report and financial statements of Interserve Plc for the year ended 31 December 2006, which does not form part of this Report of the Directors.

The increase in profit from ordinary activities before taxation is as a result of the increased dividend income from subsidiary companies. Profit on ordinary activities before taxation also includes a provision against the cost of the investment in its subsidiary undertaking RMD Thailand.

### **DIRECTORATE AND DIRECTORS' INTERESTS**

The following have been directors throughout the year:

T C Jones  
A M Ringrose  
J H Vyse

In accordance with the articles of association, Mr A M Ringrose retires by rotation at the next Annual General Meeting and, being eligible, offers himself for re-election.

None of the directors has, or has had, a material interest, directly or indirectly, at any time during the year under review in any contract significant to the Company's business.

### **DIRECTORS' INDEMNITIES**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

### **GOING CONCERN BASIS**

After making enquiries, the directors have formed a judgement, at the time of approving these financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

## INTERSERVE HOLDINGS LIMITED

### REPORT OF THE DIRECTORS (continued)

#### CREDITOR PAYMENT POLICY

It is the Company's normal practice to agree payment terms with its suppliers and abide by those terms. Payment becomes due when it can be confirmed that goods and/or services have been provided in accordance with the relevant contractual conditions. The Company's trade creditors at 31 December 2006, calculated in accordance with the requirements of the Companies Act 1985, were nil days (2005: nil days). This represents the ratio, expressed in days, between the amounts invoiced to the Company in the year by its suppliers and the amounts due, at the year end, to trade creditors falling due for payment within one year.

#### STATEMENT ON INFORMATION TO AUDITORS

Each person who is a director at the date of approval of this report confirms that

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

#### AUDITORS

Resolutions to re-appoint Deloitte & Touche LLP as the Company's auditors and to authorise the directors to determine their remuneration will be proposed at the forthcoming AGM.

Interserve House  
Ruscombe Park  
Twyford  
Reading  
Berkshire  
RG10 9JU

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



T Bradbury  
Company Secretary  
15 October 2007

## **INTERSERVE HOLDINGS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each 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 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

The directors are responsible for keeping proper accounting records which 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

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

## INTERSERVE HOLDINGS LIMITED

We have audited the financial statements of Interserve Holdings Limited for the year ended 31 December 2006 which comprise the profit and loss account, balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report for the above year 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and of the Company's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London

15 October 2007

**INTERSERVE HOLDINGS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2006**

	Notes	2006 £ '000	2005 £ '000
Administrative expenses		-	(36)
<b>Operating loss</b>	<b>2</b>		<b>(36)</b>
Provision against cost of investment		(1,185)	-
Income from fixed asset investments	3	11,469	9,917
Interest payable and similar charges	4	-	(11)
<b>Profit on ordinary activities before taxation</b>		<b>10,284</b>	<b>9,870</b>
Tax (charge)/credit on profit on ordinary activities	5	(479)	228
<b>Profit on ordinary activities after taxation</b>	<b>12</b>	<b>9,805</b>	<b>10,098</b>

All activities are derived from continuing operations

A statement of total recognised gains and losses is not presented as there have been no recognised gains or losses other than the profit for the year and for the preceding year set out above

# INTERSERVE HOLDINGS LIMITED

## BALANCE SHEET

31 DECEMBER 2006

	Notes	2006 £ '000	2005 £ '000
<b>Fixed assets</b>			
Investments			
Subsidiary undertakings	7	27,515	14,890
Associate undertakings	7	3,993	3,993
		31,508	18,883
<b>Current assets</b>			
Debtors	8	9,510	9,495
Cash at bank and in hand		-	703
		9,510	10,198
<b>Creditors falling due within one year</b>	9	(29,031)	(14,600)
<b>Net current liabilities</b>		(19,521)	(4,402)
<b>Net assets</b>		11,987	14,481
<b>Capital and reserves</b>			
Called up share capital	10	3,940	3,940
Share premium account	11	324	324
Profit and loss account	11	7,723	10,217
<b>Shareholders' funds</b>	12	11,987	14,481

These financial statements were approved by the Board of Directors on **15 October** 2007

Signed on behalf of the Board of Directors

*T C Jones*

T C Jones  
Director

# INTERSERVE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2006

#### 1) Accounting Policies

The financial statements have been prepared in accordance with applicable law and United Kingdom accounting standards and with the Companies Act 1985. The accounting policies have been applied consistently throughout the year and the previous year.

The particular policies adopted by the directors are described below.

#### *Basis of accounting*

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

#### *Investments*

Investments are stated at cost less provision for any impairment in value.

#### *Cash flow statement*

The Company has taken advantage of the Financial Reporting Standard No. 1 (revised) exemption for 90% subsidiaries not to prepare a cash flow statement.

#### *Foreign currency*

Transactions denominated in foreign currency are translated at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit for the year.

#### *Taxation*

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries or associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### 2) Operating loss

The audit fee of £1,000 (2005: £1,000) for the current and preceding year was borne by the ultimate parent company.

There were no employees during the year (2005: nil). None of the directors received any remuneration for their services to the Company during the year (2005: nil).

#### 3) Income from fixed asset investments

2006 £ '000	2005 £ '000
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Dividends from subsidiary and associated undertakings	11,469	9,917
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#### 4) Interest payable and similar charges

2006 £ '000	2005 £ '000
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Inland Revenue	-	(11)
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# **INTERSERVE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued**

### **FOR THE YEAR ENDED 31 DECEMBER 2006**

<b>5) Tax (charge)/credit on profit on ordinary activities</b>	<b>2006 £ '000</b>	<b>2005 £ '000</b>
Current UK corporation tax at 30% (2005 30%)	(610)	(423)
Adjustments relating to prior years	131	651
	<b>(479)</b>	<b>228</b>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	<b>2006 £ '000</b>	<b>2005 £ '000</b>
<b>Profit on ordinary activities before tax</b>	<b>10,284</b>	<b>9,870</b>
Tax on profit on ordinary at standard UK corporation tax rate of 30% (2005 30%)	(3,085)	(2,961)
Expenses not deductible for tax purposes	(355)	(14)
Dividend income not taxable and double taxation relief	2,830	2,552
Adjustments to tax charge in respect of previous periods	131	651
<b>Current tax (charge)/credit for the period</b>	<b>(479)</b>	<b>228</b>

The Company has been advised that Group tax relief is available and that payment will be made at the standard rate of 30% (2005 30%) of the amount of tax losses surrendered

<b>6) Dividends paid</b>	<b>2006 £ '000</b>	<b>2005 £ '000</b>
Amounts recognised as distributions to equity holders in the period		
Final dividend for the year ended 31 December 2004	-	4,001
Interim dividend	12,300	4,504
	<b>12,300</b>	<b>8,505</b>

# **INTERSERVE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued**

### **FOR THE YEAR ENDED 31 DECEMBER 2006**

#### **7) Investments in associate and subsidiary undertakings**

	Associate undertakings		Subsidiary undertakings		Total £ '000
	Shares £ '000	Loans £ '000	Shares £ '000	Loans £ '000	
<b>Cost</b>					
1 January 2006	3,588	405	18,413	1,628	24,034
Acquisitions and advances	-	-	13,170	640	13,810
<b>31 December 2006</b>	<b>3,588</b>	<b>405</b>	<b>31,583</b>	<b>2,268</b>	<b>37,844</b>
<b>Provisions</b>					
1 January 2006	-	-	(5,151)	-	(5,151)
Provided during the year	-	-	(1,185)	-	(1,185)
<b>31 December 2006</b>		<b>-</b>	<b>(6,336)</b>	<b>-</b>	<b>(6,336)</b>
<b>Net book value</b>					<b>£ '000</b>
<b>31 December 2006</b>					<b>31,508</b>
<b>31 December 2005</b>					<b>18,883</b>

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

<b>Name of subsidiary</b>	<b>Principal activity</b>
Interserve Insurance Company Limited (incorporated in Guernsey)	Insurance
Rapid Metal Developments (Australia) Pty Limited* (incorporated in Australia)	Equipment hire and sales
Rapid Metal Developments (NZ) Pty Limited (incorporated in New Zealand)	Equipment hire and sales
RMD Kwikform Chile S A (incorporated in Chile)	Equipment hire and sales
RMD Kwikform Ireland Limited (incorporated in Ireland)	Equipment hire and sales
RMD Kwikform Korea Co , Ltd (incorporated in Korea)	Equipment hire and sales
Tilbury Douglas Projects Ltd	Property development

<b>Name of associate</b>	<b>Principal activity</b>
Douglas OHI LLC (49%) (incorporated in Sultanate of Oman)	Civil engineering and building
Khansaheb Civil Engineering LLC (45%) (incorporated in Emirate of Dubai)	Civil engineering and building
Khansaheb Hussain LLC (49%) (incorporated in Emirate of Abu Dhabi)	Civil engineering and building
RMD Kwikform Middle East LLC (49%) (incorporated in Emirate of Sharjah)	Equipment hire and sales
United Industrial Services WLL (49%) (incorporated in Qatar)	Industrial support services

# **INTERSERVE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

### **7) Investments in associate and subsidiary undertakings (continued)**

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 ultimate parent undertaking, Interserve Plc, which is 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 the Company's subsidiary undertakings is not less than the total amount at which they are stated in the balance sheet.

<b>8) Debtors</b>	<b>2006 £ '000</b>	<b>2005 £ '000</b>
<b>Amounts falling due after more than one year</b>		
Amounts owed by subsidiary undertakings	9,495	9,495
Other debtors	15	-
	<b>9,510</b>	<b>9,495</b>

<b>9) Creditors falling due within one year</b>	<b>2006 £ '000</b>	<b>2005 £ '000</b>
Amounts owed to Group companies	18,603	12,949
Bank overdraft	8,964	-
Other creditors	42	37
Corporation tax	1,422	1,614
	<b>29,031</b>	<b>14,600</b>

<b>10) Share capital</b>	<b>2006 £ '000</b>	<b>2005 £ '000</b>
<b>Authorised</b>		
20,000,000 ordinary shares of 25p each (2005: 20,000,000 shares of 25p each)	5,000	5,000
<b>Called up, allotted and fully paid</b>		
15,761,018 ordinary shares of 25p each (2005: 15,761,018 shares of 25p each)	3,940	3,940

<b>11) Reserves</b>	<b>Share premium</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
1 January 2006	324	10,217	10,541
Retained loss for the year	-	(2,495)	(2,495)
31 December 2006	324	7,722	8,046

# INTERSERVE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued

### FOR THE YEAR ENDED 31 DECEMBER 2006

12) Reconciliation of movement in shareholders' funds	2006 £ '000	2005 £ '000
Profit for the financial year attributable to the members of Interserve Holdings Limited	9,805	10,098
Dividends paid	(12,300)	(8,505)
Net (reduction in)/addition to shareholders' funds	(2,495)	1,593
Opening shareholders' funds - equity interest	14,481	12,888
Closing shareholders' funds - equity interest	11,986	14,481

### 13) Contingent liabilities

At 31 December 2006 there were guarantees given in the ordinary course of business of the Company. The Company has given guarantees covering bank overdrafts to its fellow subsidiary undertakings. At 31 December 2006 these amounted to £140,703,000 (2005 £44,080,000).

### 14) Ultimate parent undertaking and related party transactions

The Company's immediate and ultimate parent company and controlling party, and parent company of the largest and smallest group which includes the Company and for which group financial statements are prepared, is Interserve Plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the Group financial statements of Interserve Plc are available from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.

The Company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" not to report transactions with other Group companies.