

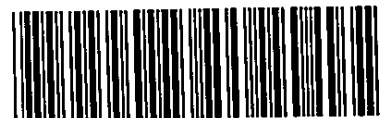
**Company Registration No. 252221**

**Interserve Holdings Limited**

**Report and Financial Statements**

**31 December 2010**

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# **Interserve Holdings Limited**

## **Annual report and financial statements 2010**

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# **Interserve Holdings Limited**

## **Annual report and financial statements 2010**

### **Officers and professional advisers**

#### **Directors**

T Bradbury  
A M Ringrose  
J H Vyse

#### **Secretary**

T Bradbury

#### **Registered Office**

Interserve House  
Ruscombe Park  
Twyford  
Reading  
Berkshire  
RG10 9JU

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory  
Auditor  
London

# **Interserve Holdings Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

### **Business review and principal activity**

The Company is a wholly-owned direct subsidiary of Interserve Group Holdings Limited. 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 6 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 directors consider that the Company's key performance indicator is profit before taxation. The Company's profit from ordinary activities before taxation was £17,228,000 (2009 £3,200,000). The results of the Company are as set out in the financial statements and notes on pages 7 to 14. An interim dividend of £16,000,000 (2009 £3,800,000) was paid during the year under review. The directors do not recommend payment of a final dividend.

### **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 2010, which does not form part of this Directors' Report.

### **Directors and their interests**

The following have been directors throughout the year, except where indicated.

T C Jones	(resigned 15 October 2010)
T Bradbury	(appointed 15 October 2010)
A M Ringrose	
J H Vyse	

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.

# **Interserve Holdings Limited**

## **Directors' report (continued)**

### **Directors' indemnities**

Interserve Plc has made qualifying third party indemnity provisions for the benefit of Messrs Ringrose and Vyse that were in force throughout 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

### **Statement on information to auditor**

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

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- 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 auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

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



T Bradbury  
Secretary

24 May 2011

# **Interserve Holdings Limited**

## **Directors' responsibilities statement**

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 financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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 auditor's report to the members of Interserve Holdings Limited**

We have audited the financial statements of Interserve Holdings Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

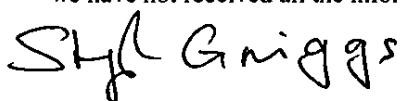
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Interserve Holdings Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Stephen Griggs (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

25 May 2011

## Interserve Holdings Limited

### Profit and loss account Year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Administrative income/ (expense)		960	(10,881)
<b>Operating profit /(loss)</b>	2	960	(10,881)
Income from fixed asset investments	3	16,268	14,081
<b>Profit on ordinary activities before taxation</b>		17,228	3,200
Tax credit on profit on ordinary activities	4	2,000	305
<b>Profit on ordinary activities after taxation</b>		19,228	3,505

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 2010

	Notes	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Investments			
Subsidiary undertakings	6	16,883	18,954
Associate undertakings	6	17,208	12,177
		<u>34,091</u>	<u>31,131</u>
<b>Current assets</b>			
Debtors amounts falling due within one year	7	1,559	76
Debtors amounts falling due after more than one year	7	-	15,638
Cash at bank		-	5,791
		<u>1,559</u>	<u>21,505</u>
<b>Creditors: amounts falling due within one year</b>	8	-	(36,952)
<b>Net current assets/(liabilities)</b>		<u>1,559</u>	<u>(15,447)</u>
<b>Creditors: amounts falling due after more than one year</b>	9	(16,929)	(191)
<b>Net assets</b>		<u>18,721</u>	<u>15,493</u>
<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	14,457	11,229
<b>Shareholders' funds</b>	12	<u>18,721</u>	<u>15,493</u>

These financial statements were approved by the Board of Directors on *24 May* 2011

Signed on behalf of the Board of Directors



A M Ringrose

Director

Company number 252221

# **Interserve Holdings Limited**

## **Notes to the accounts Year ended 31 December 2010**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below and have been consistently applied in the current and prior year.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Going concern**

The directors have made enquiries and have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

#### **Investments and investment income**

Investments are stated at cost less provision for any impairment in value. Investment income represents dividend income from subsidiary undertakings.

#### **Cash flow statement**

The Company has taken advantage of the Financial Reporting Standard No. 1 (revised) exemption for wholly-owned subsidiaries included in group financial statements not to prepare a cash flow statement.

#### **Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling 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 profit/(loss)**

The operating profit/(loss) is stated after crediting £1,255,044 for disposal of subsidiaries.

The audit fee of £1,000 (2009 £1,000) for the current and preceding year was borne by the ultimate parent company.

There were no employees during the year (2009 none). John Vyse received £1,000 for his services to the Company during the year (2009 £740).

# Interserve Holdings Limited

## Notes to the accounts Year ended 31 December 2010

### 3. Income from fixed asset investments

	2010 £'000	2009 £'000
Dividends from subsidiary and associated undertakings	16,268	14,081

### 4 Tax credit on profit on ordinary activities

	2010 £'000	2009 £'000
Current UK corporation tax at 28% (2009 28%)	(676)	1
Adjustments relating to prior years	2,536	494
	1,860	495
Deferred tax – origination and reversal of timing differences	140	(190)
	2,000	305

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

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	17,228	3,200
Tax on profit on ordinary activities at standard UK corporation tax rate of 28% (2009 28%)	(4,824)	(896)
Higher tax rates on overseas earnings	-	(75)
Double taxation relief	-	130
Non-taxable dividends from subsidiaries	940	2,295
Non-taxable dividends from associates	3,615	1,592
Provisions against investments and investment write offs	-	(2,946)
Expenses not deductible for tax purposes	-	(99)
Deferred tax timing differences	140	(190)
Other non-taxable income	272	-
Tax payable on Controlled Foreign Company income	(679)	-
Prior year adjustment	2,536	494
Tax credit for the period	2,000	305

The Company has been advised that Group tax relief is available and that payment will be made at the standard rate of 28% (2009 28%) of the amount of tax losses surrendered

### 5. Dividends paid

	2010 £'000	2009 £'000
Amounts recognised as distributions to holders in the period		
Interim dividend paid	16,000	3,800

# Interserve Holdings Limited

## Notes to the accounts Year ended 31 December 2010

### 6. Investments in associate and subsidiary undertakings

#### Subsidiary undertakings

	Shares £'000	Loans £'000	Total £'000
<b>Cost.</b>			
At 1 January 2010	31,272	306	31,578
Acquisitions	776	256	1,032
Disposals/repayments	(12,470)	(306)	(12,776)
At 31 December 2010	19,578	256	19,834
<b>Provisions:</b>			
At 1 January 2010	(12,624)	-	(12,624)
Disposals	9,673	-	9,673
At 31 December 2010	(2,951)	-	(2,951)
<b>Net book value:</b>			
At 31 December 2010	16,627	256	16,883
At 31 December 2009	18,648	306	18,954

On 8 December 2010, a further investment of £775,541 was made in RMD Saudi Arabia LLC. During the year the Company liquidated RMD Kwikform Korea Co., Ltd resulting in proceeds of £4,050,958. Due to a provision against the investment the Company made a profit on disposal of £1,255,056. The Company also liquidated Douglas Contractors Overseas Limited and Douglas International Limited resulting in a loss of £12 net of provisions.

The following companies were in liquidation at 31 December 2010, were fully provided for and have since been dissolved:

Douglas Environmental Engineering Limited	11 February 2011
Douglas Homes Limited	8 February 2011
Douglas Plant Limited	8 February 2011

#### Associate undertakings

	Shares £'000	Loans £'000	Total £'000
<b>Cost and net book value:</b>			
At 1 January 2010	3,191	8,986	12,177
Acquisitions	5,031	-	5,031
At 31 December 2010	8,222	8,986	17,208

A further investment in Khansaheb Group LLC of £262,275 was made on 14 April 2010. On 14 July 2010 the Company acquired a 49% shareholding in SSPDL Interserve Private Ltd for an investment of £4,769,188.

# Interserve Holdings Limited

## Notes to the accounts

### Year ended 31 December 2010

#### 6 Investments in associate and subsidiary undertakings (continued)

Listed below are the principal subsidiaries and associated undertakings. None of the shares held relate to a listed investment. Unless otherwise indicated all subsidiary undertakings are wholly-owned. Shareholdings in companies marked \* are indirectly held.

Name of subsidiary	Principal activity
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) 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 (South Africa) (Proprietary) Ltd (incorporated in South Africa)	Equipment hire and sales
Tilbury Douglas Projects Ltd (incorporated in Great Britain)	Property development
RMD Kwikform Middle East LLC (49%) (incorporated in Emirate of Sharjah)	Equipment hire and sales
RMD Kwikform (Al Maha) Qatar WLL (49%) (incorporated in Qatar)	Equipment hire and sales
RMD Kwikform Almoayed Bahrain W L L (49%) (incorporated in Bahrain)	Equipment hire and sales
RMD Kwikform Saudi Arabia LLC (90%) (incorporated in the Kingdom of Saudi Arabia)	Equipment hire and sales
Name of associate	Principal activity
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
Interserve Investments Ltd (21.66%)	Investment holding
United Industrial Services WLL (49%) (incorporated in Qatar)	Industrial support services
SSPDL Interserve Private Limited (49%) (incorporated in India)	Civil engineering and building
Khansaheb Group LLC (49%) (incorporated in Emirate of Dubai)	Facilities management and maintenance services

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.

# Interserve Holdings Limited

## Notes to the accounts Year ended 31 December 2010

### 7. Debtors

	2010 £'000	2009 £'000
<b>Amounts falling due within one year:</b>		
Corporation tax	1,206	76
Amounts owed by Group companies	353	-
	<u>1,559</u>	<u>76</u>
 <b>Amounts falling due after more than one year:</b>		
Amounts owed by Group companies	-	15,638

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

	2010 £'000	2009 £'000
Amounts owed to Group companies	-	36,952

### 9 Creditors: amounts falling due after more than one year

	2010 £'000	2009 £'000
Bank loans and overdrafts	8,409	-
Amounts owed to Group companies	8,471	-
Deferred taxation	49	191
	<u>16,929</u>	<u>191</u>

The intercompany loan facility expires within 2 to 3 years of the balance sheet date During the year, interest was not charged on amounts owed

### 10. Called up share capital

	2010 £'000	2009 £'000
<b>Authorised:</b>		
Under the Companies Act 2006, companies are no longer required to have an authorised share capital and a resolution was passed by shareholders on 24 September 2010 to take advantage of the deregulating measure The Company, therefore, no longer has an authorised share capital (2009 20,000,000 ordinary shares of 25p each)	N/A	5,000
<b>Called up, allotted and fully paid</b>		
15,761,018 ordinary shares of 25p each	3,940	3,940

# Interserve Holdings Limited

## Notes to the accounts Year ended 31 December 2010

### 11. Reserves

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2010	3,940	324	11,229	15,493
Retained profit for the year	-	-	19,228	19,228
Dividend paid (note 5)	-	-	(16,000)	(16,000)
At 31 December 2010	<u>3,940</u>	<u>324</u>	<u>14,457</u>	<u>18,721</u>

### 12 Reconciliation of movement in shareholders' funds

	2010 £'000	2009 £'000
Profit for the financial year	19,228	3,505
Dividends paid (note 5)	(16,000)	(3,800)
Net increase/(reduction) in shareholders' funds	<u>3,228</u>	<u>(295)</u>
Opening shareholders' funds	15,493	15,788
Closing shareholders' funds	<u>18,721</u>	<u>15,493</u>

### 13. Contingent liabilities

In the ordinary course of business of the Company, the Company has given guarantees covering bank overdrafts and syndicated loans to its fellow subsidiary undertakings. At 31 December 2010 these amounted to £85,000,000 (2009 £90,791,000)

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

The Company's immediate parent company is Interserve Group Holdings Limited, a company registered in England and Wales. The Company's 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 wholly owned Group companies.