

REGISTERED COMPANY NUMBER – 518298

HOW ENGINEERING SERVICES SOUTHERN LIMITED

31 DECEMBER 2000



REPORT OF THE DIRECTORS

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

ACTIVITY

The Company was dormant during the year.

STATE OF AFFAIRS

The state of the Company's affairs is as set out in the balance sheet on page 2.

DIRECTORS

The following have served as directors during the year:-

B Bracknall	(appointed 17 February 2000, resigned 16 October 2000)
T Bradbury	(appointed 16 October 2000)
G C Honeyball	(appointed 16 October 2000)
G G R Ludlow	(resigned 17 February 2000)
J Matthews	(resigned 16 October 2000)
M J Stock	(resigned 17 March 2000)

In accordance with the Articles of Association, directors are not required to retire by rotation.

The interests of the directors at 31 December 2000 in the capital of the ultimate parent undertaking are stated below:

Director	Ordinary Shares of 10p each		Options over Shares of 10p each		Exercise Price	Period of Exercise
	01.01.00	31.12.00	Number of Options 01.01.00	31.12.00		
T Bradbury	2,980	2,980	14,150	14,150	212.0p	07.10.01-06.10.08
			850	850	212.0p	07.10.01-06.10.05
			-	25,000	346.0p	14.06.03-13.06.07
G Honeyball	8,482	8,482	15,000	15,000	212.0p	07.10.01-06.10.05
			8,657	8,657	199.2p	01.01.03-30.06.03
			-	8,670	346.0p	14.06.03-13.06.10
			-	1,330	346.0p	14.06.03-13.06.07

During the year, the mid-market share price of Interserve Plc (formerly Tilbury Douglas Plc) fluctuated between 252p and 510p per share. The mid-market price on 31 December 2000 was 495p.

No directors had any interest, beneficial or non-beneficial, in the share capital of the Company or had a material interest during the period in any significant contract with the Company.

AUDITORS

In accordance with Section 250 Companies Act 1985, the Company, being a dormant company, does not propose to appoint an Auditor at the Annual General Meeting.

SECRETARY

Mr M J Stock resigned as Secretary of the Company on 17 March 2000 and Mr M Jones was appointed in his place. Mr M Jones resigned as Secretary on 16 October 2000 and Mrs V A Lynch was appointed in his place.

Interserve House
Ruscombe Park
Twyford, Reading
Berkshire RG10 9JU

By order of the Board

Valerie Lynch

V A LYNCH

Secretary

28-09- 2001

BALANCE SHEET
31 December 2000

		31 December 2000 £	31 December 1999 £
CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR	2	(267,342)	(267,342)
REPRESENTED BY:			
CAPITAL AND RESERVES			
Called up share capital	3	10,000	10,000
Other reserves		37,651	37,651
Profit and loss account		(314,993)	(314,993)
EQUITY SHAREHOLDERS' DEFICIT		(267,342)	(267,342)

1. For the year ended 31 December 2000 the Company was entitled to exemption under section 249AA (1) of the Companies Act 1985.
2. Members have not required the Company to obtain an audit of its accounts for the year in question in accordance with subsection (2) of 249B.
3. The directors acknowledge their responsibility for:
 - i. ensuring the Company keeps accounting records which comply with section 221; and
 - ii. preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The financial statement was approved by the board of directors on 26 September 2001.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS



T BRADBURY

28 September 2001

NOTES

1. ACCOUNTING POLICY

The financial statement has been prepared in accordance with applicable accounting standards.

The financial statement has been prepared in accordance with the historical cost convention.

The parent undertaking, How Engineering Services Limited, has informed the Company that it intends to make available the finance necessary to satisfy all agreed creditors reflected in the Balance Sheet at 31 December 2000.

2. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Amounts owed to Group undertakings	267,342 =====	267,342 =====

3. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised, allotted and fully paid: 10,000 ordinary shares of £1 each	10,000 =====	10,000 =====

4. ULTIMATE PARENT COMPANY

The Company's immediate parent undertaking is How Engineering Services Limited and the ultimate parent company is Interserve Plc (formerly Tilbury Douglas Plc), which is incorporated in Great Britain and registered in England and Wales. The group accounts for Interserve Plc are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.