

Company Registration Number 609981

**COMMUNICATIONS INSTALLATIONS
TECHNOLOGY LIMITED**

Report and Financial Statements

31 December 2004



COMMUNICATIONS INSTALLATIONS TECHNOLOGY LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

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COMMUNICATIONS INSTALLATIONS TECHNOLOGY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P F Ford
S S Maroli

SECRETARY

W L Spencer

REGISTERED OFFICE

19-23 Blackfriars Road
Blackfriars
London
SE1 8NY

AUDITORS

Deloitte & Touche LLP
Bristol

COMMUNICATIONS INSTALLATIONS TECHNOLOGY LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 2004.

ACTIVITIES

The company has not traded since 31 March 1999.

RESULTS

The results for the company are set out in the financial statements in pages 6 to 9. Dividends of £1,816,000 (2003: £nil) have been paid in the year.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

P F Ford
S S Maroli

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

None of the directors has any beneficial interest in the shares of the company or any other group company during the period.

No director had any interests in the share capital of the company or any other group company during the year. The interests of the directors, who were in office at the year end, at 1 January 2004 and 31 December 2004, in the capital of the ultimate parent undertaking Interserve Plc are as stated below:

	Shares of 10p each		Options over shares of 10p each				Exercise price p	Period of exercise
	1 Jan 04	31 Dec 04	1 Jan 04	Granted during year	Lapsed during year	31 Dec 04		
P F Ford	19,830	19,830	5,529	-	-	5,529	542.5	26 Mar 04 to 25 Mar 11
	-	-	9,471	-	-	9,471	542.5	26 Mar 04 to 25 Mar 08
	-	-	1,640	-	1,640	-	439.4	01 Jun 04 to 30 Nov 04
	-	-	10,000	-	-	10,000	566.5	19 Mar 05 to 18 Mar 09
	-	-	-	28,000	-	28,000	253.3	26 May 07 to 25 Mar 14
S S Maroli	8,827	8,827	5,529	-	-	5,529	542.5	26 Mar 04 to 25 Mar 11
	-	-	14,471	-	-	14,471	542.5	26 Mar 04 to 25 Mar 08
	-	-	10,000	-	-	10,000	566.5	19 Mar 05 to 18 Mar 09
	-	-	1,640	-	1,640	-	439.4	01 Jun 04 to 30 Nov 04
	-	-	-	75,000	-	75,000	253.5	26 May 07 to 25 Mar 14

		Loan notes of £1 each	
		1 Jan 04	31 Dec 04
P F Ford	Variable Rate Unsecured Deferred Consideration 2005	32,355	32,355
S S Maroli	Variable Rate Unsecured Deferred Consideration 2005	53,944	53,944
	Variable Rate Unsecured Loan Notes 2005	14,200	14,200

The market price of Interserve Plc shares at 31 December 2004 was 342.50p (2003: 240.00p). The high/low during the year was 235.50p (2003: 283.50p) and 342.75p (2003: 165.00p).

COMMUNICATIONS INSTALLATIONS TECHNOLOGY LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

A resolution to reappoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

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

A handwritten signature in black ink, appearing to be 'P F Ford', enclosed within a hand-drawn oval.

P F Ford
Director

29 March 2005

COMMUNICATIONS INSTALLATIONS TECHNOLOGY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 accounts, 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; 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 the system of internal control, 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 COMMUNICATIONS INSTALLATIONS TECHNOLOGY LIMITED

We have audited the financial statements of Communications Installations Technology Limited for the year ended 31 December 2004, which comprise the profit & loss account, balance sheet and the related notes 1 to 9. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 with the company 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.

Basis of audit 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 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 gives a true and fair view of the state of the company's affairs as at 31 December 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Chartered Accountants and Registered Auditors
Bristol

31 March 2005

COMMUNICATIONS INSTALLATIONS TECHNOLOGY LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2004

	Note	2004 £'000	2003 £'000
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	-
Dividends - equity	3	(1,816)	-
RETAINED LOSS FOR THE FINANCIAL YEAR	6	<u>(1,816)</u>	<u>-</u>

All results derive from discontinued operations.

There are no recognised gains or losses for the current or preceding financial year other than as stated in the profit and loss account. Accordingly, no statement of recognised gains and losses has been presented.

COMMUNICATIONS INSTALLATIONS TECHNOLOGY LIMITED

BALANCE SHEET At 31 December 2004

	Note	2004 £'000	2003 £'000
CURRENT ASSETS			
Debtors	4	54	1,870
NET ASSETS		<u>54</u>	<u>1,870</u>
CAPITAL AND RESERVES			
Called up share capital	5	50	50
Profit and loss account	6	4	1,820
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>54</u>	<u>1,870</u>

The financial statements was approved by the Board of Directors on 29 March 2005.

Signed on behalf of the Board of Directors



P F Ford
Director

COMMUNICATIONS INSTALLATIONS TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2004

1. ACCOUNTING POLICIES

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

Accounting convention

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

Deferred taxation

Deferred tax is provided in full on timing differences that 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 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. PROFIT AND LOSS ACCOUNT

The directors are the only employees and received no remuneration from the company in either year. The audit fee was borne by another group company in both years.

3.	DIVIDENDS	2004 £'000	2003 £'000
	Dividend of £36.32 (2003: nil) per ordinary share	<u>1,816</u>	<u>-</u>
4.	DEBTORS	2004 £'000	2003 £'000
	Amounts owed by group undertaking	<u>54</u>	<u>1,870</u>
5.	CALLED UP SHARE CAPITAL	2004 £'000	2003 £'000
	Authorised		
	50,000 Ordinary shares of £1 each	<u>50</u>	<u>50</u>
		£'000	£'000
	Allotted and fully paid		
	50,000 Ordinary shares of £1 each	<u>50</u>	<u>50</u>

COMMUNICATIONS INSTALLATIONS TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2004

6. MOVEMENTS ON RESERVES

Profit and loss account	£'000
At 1 January 2004	1,820
Retained loss for the financial year	(1,816)
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At 31 December 2004	4
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7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2004 £'000	2003 £'000
Result for the financial year	-	-
Dividends	(1,816)	-
	<hr/>	<hr/>
Net reduction to shareholders' funds	(1,816)	-
Opening shareholders' funds	1,870	1,870
	<hr/>	<hr/>
Closing shareholders' funds	54	1,870
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8. CASH FLOW STATEMENT

The company is not presenting a cash flow statement. It has taken advantage of the exemption contained in Financial Reporting Standard 1 (Revised) 'Cash Flow Statements', as the ultimate parent undertaking, Interserve Plc, has included a consolidated cash flow statement in the group accounts.

9. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 'Related Party Transactions' not to report transactions with Investee Companies in the Interserve Group which are disclosed in the consolidated financial statements of Interserve Plc.

10. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate and ultimate parent undertaking and ultimate controlling party is Interserve Plc, which is incorporated in Great Britain. The group accounts of Interserve Plc are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. This is the only level in which the results of company are consolidated.