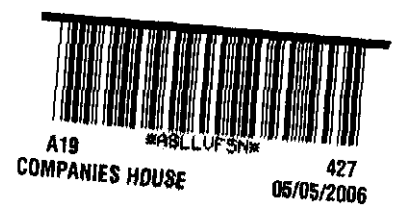


Company Registration Number 703568

CLIMATE SERVICES LIMITED

Report and Balance Sheet

31 December 2005



CLIMATE SERVICES LIMITED

REPORT AND BALANCE SHEET 2005

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CLIMATE SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S S Maroli
J M Thompson
S Ashdown
B W Spencer

SECRETARY

W L Spencer

REGISTERED OFFICE

19-23 Blackfriars Road
Blackfriars
London
SE1 8NY

AUDITORS

Deloitte & Touche LLP
London

CLIMATE SERVICES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited balance sheet for the year ended 31 December 2005.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company was the maintenance of refrigeration equipment specialising in chillers and other air conditioning equipment. With effect from 1 January 2004 the assets and trade of the company were transferred to Interserve (Facilities Management) Ltd, at their book values as part of a group reorganisation.

RESULTS AND DIVIDENDS

The company remained dormant throughout the year and is expected to remain dormant for the foreseeable future. Accordingly a profit and loss account has not been prepared.

The directors do not recommend the payment of a dividend (2004: £2,322,000).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

J M Thompson (appointed on 1 April 2005)
 B W Spencer (appointed on 1 April 2005)
 S Ashdown (appointed on 3 May 2005)
 S S Maroli
 P F Ford (resigned 1 April 2005)

The interests of the directors, who were in office at the year end, at 1 January 2005 and 31 December 2005, or date of appointment, in the share capital of the ultimate parent undertaking Interserve Plc are as stated below. No director had any interests in the share capital of the company or any other group company during the year.

Options over shares of 10p each								
	Shares of 10p each		1 Jan 05*	Granted during year	Lapsed during year	31 Dec 05	Exercise price p	Period of exercise
	1 Jan 05*	31 Dec 05						
S S Maroli	8,827	8,827	5,529	-	-	5,529	542.50	26 Mar 04 to 25 Mar 11
	-	-	14,471	-	-	14,471	542.50	26 Mar 04 to 25 Mar 08
	-	-	10,000	-	-	10,000	566.50	19 Mar 05 to 18 Mar 09
	-	-	75,000	-	-	75,000	253.25	26 May 07 to 25 Mar 14
	-	-	-	80,706	-	80,706	359.30	14 Mar 08 to 13 Mar 15
B W Spencer	-	-	28,000	-	-	28,000	253.25	26 May 07 to 25 Mar 14
	-	-	5,295	-	-	5,295	566.50	19 Mar 05 to 18 Mar 12
	-	-	1,705	-	-	1,705	566.50	19 Mar 05 to 18 Mar 09
	-	-	241	-	241	-	441.00	01 Jun 05 to 30 Nov 05
	-	-	-	34,787	-	34,787	359.30	14 Mar 08 to 13 Mar 15
J M Thompson	-	-	20,000	-	-	20,000	253.25	26 May 07 to 25 Mar 14
	-	-	-	27,830	-	27,830	359.30	14 Mar 08 to 13 Mar 15

CLIMATE SERVICES LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS (continued)

		Loan notes of £1 each	
		1 Jan 05	31 Dec 05
S S Maroli	Variable Rate Unsecured Deferred Consideration 2005	53,944	-
	Variable Rate Unsecured Loan Notes 2005	14,200	-

* Or date of appointment

The market price of Interserve Plc shares at 31 December 2005 was 362.00p (2004: 342.50p). The high/low during the year was 371.00p (2004: 342.75p) and 325.00p (2004: 235.50p).

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



S Ashdown
Director

CLIMATE SERVICES 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 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; 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
CLIMATE SERVICES LIMITED**

We have audited the financial statements of Climate Services Limited for the year ended 31 December 2005 which comprise the balance sheet and the related notes 1 to 10. 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 financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant framework and are properly prepared in accordance with the Companies Act 1985. We also report to you 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 and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 2005 and of its result for the year then ended; and
- ☐ the financial statements have been properly prepared in accordance with the Companies Act 1985.


DELOITTE & TOUCHE LLP

Chartered Accountants and Registered Auditors

London, United Kingdom

4 May 2006

CLIMATE SERVICES LIMITED

BALANCE SHEET
At 31 December 2005

	Note	2005 £'000	2004 £'000
CURRENT ASSETS			
Debtors	4	2,382	2,382
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	<u>(2,330)</u>	<u>(2,330)</u>
NET CURRENT ASSETS		52	52
NET ASSETS		<u>52</u>	<u>52</u>
SHARE CAPITAL AND RESERVES			
Called up share capital	6	50	50
Profit and loss account		<u>2</u>	<u>2</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	7	<u>52</u>	<u>52</u>

The balance sheet was approved by the Board of Directors on 24th April 2006.

Signed on behalf of the Board of Directors



S Ashdown
Director

CLIMATE SERVICES LIMITED

NOTES TO THE BALANCE SHEET

Year ended 31 December 2005

1. ACCOUNTING POLICIES

The balance sheet is prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Change in accountancy policy

The financial statements for the year ended 31 December 2005 have been drawn up using the same accounting policies as for the year ended 31 December 2004 subject to the adoption of FRS 21 'Events after the balance sheet date', FRS 17 'Retirement Benefits', and FRS 25 'Financial instruments'.

The adoption of FRS 21, FRS 17 and FRS 25 has had no impact on the financial statements of this company.

2. PROFIT AND LOSS ACCOUNT

The company remained dormant through the year and prior year. Accordingly a profit and loss account has not been prepared.

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

	2005 £'000	2004 £'000
Paid dividend of £nil (2004: 46.44p) per ordinary share	-	2,322

4. DEBTORS

	2005 £'000	2004 £'000
Amounts receivable within one year		
Amounts owed by group undertakings	2,382	2,382

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000
Amounts owed to group undertakings	2,330	2,330

CLIMATE SERVICES LIMITED

NOTES TO THE BALANCE SHEET Year ended 31 December 2005

6.	CALLED UP SHARE CAPITAL	2005	2004
		£'000	£'000
	Authorised, allotted and fully paid 50,000 Ordinary shares of £1 each	50	50
7.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2005	2004
		£'000	£'000
	Dividends (note 3)	-	(2,322)
	Net reduction in shareholders' funds	-	(2,322)
	Opening shareholders' funds	52	2,374
	Closing shareholders' funds	52	52

8. CASH FLOW STATEMENT

As a wholly owned subsidiary of a UK registered company, Climate Services Limited has taken advantage of the exemption from the requirement to produce a cash flow statement. A consolidated cash flow statement is included in the Interserve Plc group accounts.

9. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Interserve Plc and has accordingly taken advantage of the exemption available under Financial Reporting Standard 8 from disclosing transactions with group entities.

10. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

Emerio Ltd, a company registered in England and Wales, is the company regarded by the directors as the immediate parent company.

Interserve Plc, a company registered in England and Wales, is the company regarded by the directors as the ultimate parent company and controlling party. Copies of the financial statements of Interserve Plc and Emerio Ltd can be obtained from the Company Secretary, Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU.

The largest and smallest group in which the results of the company are consolidated is that headed by Interserve Plc.