

TILBURY (CITY) LIMITED

Report and Balance Sheet

31 December 2001

Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP



REPORT AND BALANCE SHEET 2001

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes to the balance sheet	8

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Darlington
K Ridgway

SECRETARY

D R Gwilliams	(resigned 10 April 2001)
W L Spencer	(appointed 10 April 2001)

REGISTERED OFFICE

Interserve House
Ruscombe Park
Twyford
Reading
Berkshire
GR10 9JU

BANKERS

HSBC Bank plc
130 New Street
Birmingham
B2 4JU

AUDITORS

Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP

DIRECTORS' REPORT

The directors present their annual report and audited balance sheet for the year ended 31 December 2001.

ACTIVITIES

The company has not traded since 31 March 1999.

RESULTS

The company did not trade throughout the year, or the preceding year and is expected to remain in this state for the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

M Darlington
K Ridgway (appointed 18 October 2001)
D R Gwilliams (resigned 31 October 2001)

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

None of the directors had any interest in the shares of the company at anytime during the period.

The interests of the directors at 31 December 2001 or date of appointment in the capital of the ultimate parent undertakings are as stated below:

Interserve Plc	Shares of 10p each		Options over shares of 10p each		Exercise Price p	Period of exercise
	1 Jan 01*	31 Dec 01	1 Jan 01*	31 Dec 01		
M Darlington	684	684	-	987	439.4	01/06/2004 to 01/12/2004
K Ridgway	-	-	50,000	50,000	268.4	18/6/2000 to 17/6/2004
			40,000	40,000	212.0	7/10/2001 to 6/10/2005
			8,657	8,657	199.2	01/01/2003 to 30/06/2003
			15,000	15,000	346.0	14/6/2003 to 13/6/2007
			30,000	30,000	542.5	26/3/2004 to 25/3/2008

* or date of appointment

The market price of Interserve Plc shares at 31 December 2001 was 510p. The high/low during the year was 605p and 459p.

DIRECTORS' REPORT (continued)

EMPLOYEES

The company has an established policy that disabled persons, especially should they become disabled in the course of their employment with the company, are employed where circumstances permit. The company endeavours to ensure that disabled employees benefit from training and career development programmes in common with other employees.

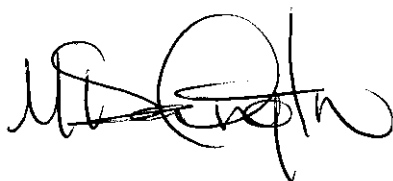
POLICY ON PAYMENT OF CREDITORS

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. At 31 December 2001 there were no creditors in the company.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to 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 'M. D. Smith', written over a horizontal line.

Director

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 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
TILBURY (CITY) LIMITED**

We have audited the financial statements of Tilbury (City) Limited for the year ended 31 December 2001, which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

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.

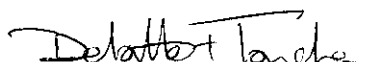
Basis of audit opinion

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 give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE
Chartered Accountants and
Registered Auditors

6 June 2002

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2001

	Note	2001 £'000	2000 £'000
Taxation	3	(450)	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(450)</u>	<u>-</u>
RETAINED FOR THE YEAR		<u>(450)</u>	<u>-</u>

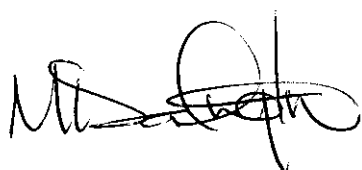
There are no recognised gains or losses for the current financial year or the previous financial year other than as stated in the profit and loss account. Accordingly no statement of recognised gains and losses has been presented.

BALANCE SHEET
At 31 December 2001

	Note	2001 £'000	2000 £'000
CURRENT ASSETS			
Debtors	4	582	1,023
Cash at bank and in hand		-	9
NET ASSETS		<u>582</u>	<u>1,032</u>
CAPITAL AND RESERVES			
Called up share capital	5	50	50
Share premium account	6	640	640
Profit and loss account	7	(108)	342
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>582</u>	<u>1,032</u>

These financial statements were approved by the Board of Directors on 31st May 2002.

Signed on behalf of the Board of Directors



Director

NOTES TO THE BALANCE SHEET
Year ended 31 December 2001

1. ACCOUNTING POLICIES

The balance sheet is prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

Accounting convention

The balance sheet is prepared under the historical cost convention.

2. PROFIT AND LOSS ACCOUNT

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

3. TAXATION	2001 £'000	2000 £'000
Adjustments relating to prior years – corporation tax	450	-
	<u>450</u>	<u>-</u>
4. DEBTORS	2001 £'000	2000 £'000
Amounts owed by group undertaking	582	805
Taxation recoverable	-	218
	<u>582</u>	<u>1,023</u>
5. CALLED UP SHARE CAPITAL	2001 £'000	2000 £'000
Authorised		
50,000 Ordinary shares of £1 each	50	50
	<u>50</u>	<u>50</u>
	£'000	£'000
Allotted and fully paid		
50,000 Ordinary shares of £1 each	50	50
	<u>50</u>	<u>50</u>
6. SHARE PREMIUM ACCOUNT	£'000	
At 1 January 2002 and at 31 December 2002	<u>640</u>	

NOTES TO THE BALANCE SHEET
Year ended 31 December 2001**7. PROFIT AND LOSS ACCOUNT**

	£'000
At 1 January 2002	342
Loss for the year	(450)
	<hr/>
At 31 December 2002	(108)
	<hr/>

8. CONTINGENT LIABILITIES

The company has given performance guarantees in the normal course of business.

	2001 £'000	2000 £'000
Performance Bond	337	-
	<hr/>	<hr/>

9. CASH FLOW STATEMENT

The company is not presenting a cash flow statement. It has taken advantage of the exemption contained in Financial Reporting Standard No. 1 (Revised) 'Cash Flow Statements', as the ultimate parent undertaking, Interserve Plc, has included a consolidated cash flow statement in the group accounts.

10. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The company's 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.

The company has taken advantage of the exemption contained in Financial Reporting Standard No. 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.

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