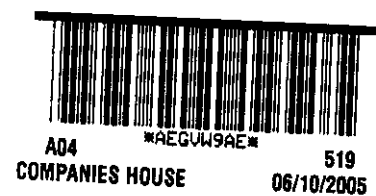


Company Registration Number 725583

INTERSERVE (FACILITIES SERVICES) LTD

Report and Balance Sheet

31 December 2004



**Deloitte & Touche LLP
Bristol**

INTERSERVE (FACILITIES SERVICES) LTD

REPORT AND BALANCE SHEET 2004

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INTERSERVE (FACILITIES SERVICES) LTD

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

INTERSERVE (FACILITIES SERVICES) LTD

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITY AND RESULTS

On 1 January 2003 the assets and business of Interserve (Facilities Services) Ltd were transferred to Interserve (Facilities Management) Ltd, at their book values, as part of a group reorganisation. The company has been dormant since that date and is expected to remain dormant for the foreseeable future.

Accordingly, neither a profit and loss account nor a statement of movement in shareholders' funds have been prepared.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

P F Ford
S S Maroli
D Cherington (resigned 19 March 2004)

The interests of the directors, who were in office at the year end, at 1 January 2004 and 31 December 2004, 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				Exercise price p	Period of exercise
	Shares of 10p each		1 Jan 04	Granted during year	Lapsed during year	31 Dec 04		
	1 Jan 04	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).

INTERSERVE (FACILITIES SERVICES) LTD

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

INTERSERVE (FACILITIES SERVICES) LTD

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
INTERSERVE (FACILITIES SERVICES) LTD**

We have audited the balance sheet of Interserve (Facilities Services) Ltd for the year ended 31 December 2004 which comprise the 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 financial 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 balance sheet gives a true and fair view of the state of the company's affairs as at 31 December 2004 and of the 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

INTERSERVE (FACILITIES SERVICES) LTD

BALANCE SHEET
At 31 December 2004

	Note	2004 £'000	2003 £'000
FIXED ASSETS			
Investments	3	200	200
CURRENT ASSETS			
Debtors	4	1,350	1,350
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	<u>(2,491)</u>	<u>(2,491)</u>
NET CURRENT LIABILITIES		<u>(1,141)</u>	<u>(1,141)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(941)</u>	<u>(941)</u>
NET LIABILITIES		<u>(941)</u>	<u>(941)</u>
SHARE CAPITAL AND RESERVES			
Called up share capital	6	50	50
Profit and loss account		<u>(991)</u>	<u>(991)</u>
TOTAL EQUITY SHAREHOLDERS' DEFICIT		<u>(941)</u>	<u>(941)</u>

The balance sheet was approved by the Board of Directors on 29 March 2005.

Signed on behalf of the Board of Directors


P F Ford
Director

INTERSERVE (FACILITIES SERVICES) LTD

NOTES TO THE BALANCE SHEET

Year ended 31 December 2004

1. ACCOUNTING POLICIES

The balance sheet is prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The balance sheet is prepared in accordance with the historical cost convention.

Investments

Investments are stated at cost less provision for any impairment in value.

2. PROFIT AND LOSS ACCOUNT

The company has not traded over the past two years and there have been no movements in shareholders' funds. Accordingly neither a profit and loss account nor a statement of movements in shareholders' funds have been prepared. The directors are the only employees and received no remuneration from the company. The audit fee was borne by another group company.

3. FIXED ASSET INVESTMENTS

Shares in subsidiary undertakings

	£'000
Cost	
At 1 January 2004 and 31 December 2004	<u>200</u>

At 31 December 2004 the company's subsidiary undertakings are set out below. All investments comprise ordinary shares, the subsidiary undertakings are wholly owned and incorporated in Great Britain.

Interserve (Facilities Services-Slough) Ltd
Maintenance and Technical Management (London) Limited
Maintenance and Technical Management (Midlands) Limited
Maintenance and Technical Management (Northern) Limited
Maintenance and Technical Management (Scotland) Limited

All the above subsidiaries, with the exception of Interserve (Facilities Services-Slough) Ltd, were engaged in the maintenance of services to buildings until 31 March 1999 when they ceased trading. Interserve (Facilities Services-Slough) Ltd is engaged in the provision of management and maintenance services to buildings.

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 (FACILITIES SERVICES) LTD

NOTES TO THE BALANCE SHEET **Year ended 31 December 2004**

4. DEBTORS	2004	2003
	£'000	£'000
Amounts owed by group undertakings	1,350	1,350
	<hr/>	<hr/>
5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2004	2003
	£'000	£'000
Amounts owed to group undertakings	2,491	2,491
	<hr/>	<hr/>
6. CALLED UP SHARE CAPITAL	2004	2003
	£'000	£'000
Authorised		
50,000 Ordinary shares of £1 each	50	50
	<hr/>	<hr/>
	£'000	£'000
Allotted and fully paid		
50,000 Ordinary shares of £1 each	50	50
	<hr/>	<hr/>

7. CASH FLOW STATEMENT

As a wholly owned subsidiary of a UK registered company, Interserve (Facilities Services) Ltd 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.

8. 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.

9. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Interserve^{fm} Ltd and this is the level at which the results of the company are first consolidated. The directors consider that the company's ultimate parent undertaking and ultimate controlling party is Interserve Plc which is incorporated in Great Britain, a company registered in England and Wales. As a result the company has taken advantage from the obligation to prepare consolidated financial statements and consequently these financial statements present information about it as an individual undertaking. Copies of the financial statements of Interserve Plc and Interserve^{fm} Ltd, the largest and smallest groups in which the results of the company are included, can be obtained from the Company Secretary, Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU.