

Company Registration Number 954121

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

Report and Financial Statements

31 March 2008

WEDNESDAY



A64 *ABO136WF* 303
28/01/2009
COMPANIES HOUSE

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

REPORT AND FINANCIAL STATEMENTS 2008

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Notes to the financial statements	9

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S T Ashdown
B Melizan
M Graveney
J Thoden van Velzen

SECRETARY

S A Pound

REGISTERED OFFICE

Capital Tower
91 Waterloo Road
London
SE1 8RT

AUDITORS

Deloitte LLP
London

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2008.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of comprehensive management and maintenance services to Slough Borough council. The directors expect that this will continue to be the principal activity of the company for the foreseeable future.

BUSINESS REVIEW AND FUTURE PROSPECTS

The results for the period ended 31 March 2008 are set out in the financial statements on pages 6 to 19. No dividend for the period is proposed (2007: nil).

The contract with Slough Borough Council has continued to develop through the year, and performance against our targets has been consistently good. We have shown turnover growth in the year, most notably in the area of Aids & Adaptations, where we have supported our client in a specific area where they have applied high levels of spending. Other areas which have shown continuing strong growth are Internal Decorations, Reactive Works on corporate buildings, and Void Properties, where we have had a large increase in volume over the year, yet have managed quick turnaround in line with targets set by the Council.

In early January 2008 the Council were awarded their two star status for the management of their Estate which will result in the release of around £4.5m of funding for estate improvements to bring assets up to the Decent Homes Standard as laid out by the government. It is anticipated that because of this, the contract will continue to perform strongly as we support our client through this investment.

No significant post balance sheet events have been noted.

FINANCIAL RISK MANAGEMENT

The company has exposures to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the company's performance. The board has policies for managing each of these risks and they are summarised below:

Inflation risk

The company's project revenue and most of its costs were linked to inflation at the inception of the project, resulting in the project being largely insensitive to inflation.

Liquidity risk

The company adopts a prudent approach to liquidity management by maintaining sufficient cash and liquid resources to meet its obligations. Due to the nature of the project, cash flows are reasonably predictable and so this is not a major risk area for the company.

Credit risk

The company receives the bulk of its revenue from a government department and therefore is not exposed to significant credit risk.

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS

The directors who served during the period and subsequently were as follows:

S T Ashdown
B Melizan
M Graveney (appointed 24 July 2008)
J Thoden van Velzen (appointed 24 July 2008)

EMPLOYEES

The company's management policy seeks to ensure that all employees' careers are determined solely on merit. No employee will suffer because of gender, race, ethnic origin or religious belief.

It is the company's policy to consider for employment and enable suitably qualified disabled persons to seek and maintain employment and to assist them in overcoming their handicaps at work. The company recognises that special conditions are necessary in view of the nature of its main activities to ensure that disabled persons employed are properly trained for the tasks they perform.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP. A resolution to reappoint Deloitte 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

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 that disclose with reasonable accuracy at any time the financial position of the company and 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
INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD**

We have audited the financial statements of Interserve (Facilities Services-Slough) Limited for the year ended 31 March 2008 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 16. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.


DELOITTE LLP

Chartered Accountants and Registered Auditors
London, United Kingdom

27 January 2009

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD**PROFIT AND LOSS ACCOUNT**
Year ended 31 March 2008

	Note	2008 £'000	2007 £'000
TURNOVER	1	9,947	8,928
Cost of sales		<u>(8,339)</u>	<u>(7,493)</u>
GROSS PROFIT		1,608	1,435
Administrative expenses		<u>(1,345)</u>	<u>(1,262)</u>
OPERATING PROFIT	2	263	173
Net interest receivable/(payable)	4	<u>206</u>	<u>(3)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		469	170
Tax charge on profit on ordinary activities	5	<u>(187)</u>	<u>(113)</u>
PROFIT FOR THE FINANCIAL YEAR	11	<u>282</u>	<u>57</u>

All results derive from continuing operations.

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 March 2008

	2008	2007
	£'000	£'000
Profit for the financial year	282	57
Actuarial profit relating to the pension scheme liability (note 13)	370	836
Deferred tax attributable to actuarial profit	(109)	(251)
Total recognised gains and losses relating to the year	543	642

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

BALANCE SHEET

At 31 March 2008

	Note	2008 £'000	2007 £'000
FIXED ASSETS			
Tangible assets	6	69	28
CURRENT ASSETS			
Stocks		-	125
Debtors (including £140,000 due after more than one year (2007: £159,000))	7	2,629	1,907
Cash at bank and in hand		-	2,264
		<u>2,629</u>	<u>4,296</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(4,354)</u>	<u>(6,165)</u>
NET CURRENT LIABILITIES		<u>(1,723)</u>	<u>(1,869)</u>
NET LIABILITIES EXCLUDING PENSION ASSET		<u>(1,654)</u>	<u>(1,841)</u>
PENSION LIABILITY	13	<u>-</u>	<u>(356)</u>
NET LIABILITIES INCLUDING PENSION LIABILITY		<u><u>(1,654)</u></u>	<u><u>(2,197)</u></u>
SHARE CAPITAL AND RESERVES			
Called up share capital	10	-	-
Profit and loss account	11	<u>(1,654)</u>	<u>(2,197)</u>
SHAREHOLDERS' DEFICIT	11	<u><u>(1,654)</u></u>	<u><u>(2,197)</u></u>

These financial statements were approved by the Board of Directors on 26th January 2009.

Signed on behalf of the Board of Directors



S Ashdown
Director

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

1. ACCOUNTING POLICIES

These financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Turnover

The activities of the company are regarded by the directors as a single class of business and are all performed in the United Kingdom. Revenue is recognised on the provision of contracted services.

Turnover represents sales and value of work done excluding VAT.

Accrued income

Turnover is ascertained in a manner appropriate to the stage of completion of the work performed and credit taken for profit earned to date when the outcome of the work can be assessed with reasonable certainty. Accrued income is stated at cost plus attributable profit less provision for any known or anticipated losses.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation of fixed assets is calculated to write-off their cost less any residual value over their estimated useful lives as follows:

Fixtures, fittings and equipment	20%
----------------------------------	-----

Stocks

Stocks are stated at the lower of cost and net realisable value.

Leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Deferred Consideration

Prepayment which occurs on acquisition is capitalised in the year of acquisition and is amortised over the lower of 173 months being the life of the contract, or its estimated useful life. An impairment review is carried out every year.

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

1. ACCOUNTING POLICIES (continued)

Pensions

For the defined benefit scheme the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the group in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured in an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. An asset is only recognised on the balance sheet if the company is certain of recovery.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. 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. OPERATING PROFIT

	2008 £'000	2007 £'000
Operating profit is stated after charging:		
Rentals under operating leases:		
- plant and machinery	96	196
- other	106	174
Depreciation	9	-
Auditors remuneration - audit services	14	13
Management charges	473	-

All indirect costs of the company are borne by Interservefm Ltd. Interservefm Ltd levies a management charge to cover the administrative costs of the company.

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Messrs Ashdown and Melizan were remunerated for their services to the group by Interserve *fm* Ltd and it is not practicable to allocate their remuneration between the companies of which they are directors.

	2008 £'000	2007 £'000
Staff costs during the period (including directors):		
Wages and salaries	3,363	3,949
Social security costs	257	269
Other pension costs	558	481
	<u>4,178</u>	<u>4,699</u>
The average weekly number of employees during the period was	No.	No.
Administration	90	42
Labour	71	124
	<u>161</u>	<u>166</u>

The company also utilised 23 agency staff whose costs are not included above (2007: 21 agency staff).

4. NET INTEREST RECEIVABLE/(PAYABLE)	2008 £'000	2007 £'000
Bank interest receivable/(payable)	10	(103)
FRS 17 interest receivable on pension assets	196	100
	<u>206</u>	<u>(3)</u>

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

5. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2008	2007
	£'000	£'000
The taxation charge is made up as follows:		
Current tax		
UK corporation tax at 30% (2007: 30%)	88	49
Adjustment in respect of prior years	86	-
	<u>174</u>	<u>49</u>
Deferred tax		
Current year	11	12
Prior year adjustment	-	52
Effect of change in tax rate on opening liability	2	-
	<u>13</u>	<u>64</u>
Total tax charge	<u>187</u>	<u>113</u>

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 30% (2007: 30%). The current tax charge for the period differs from the standard rate for the reasons set out in the following reconciliation:

	£'000	£'000
Profit on ordinary activities before taxation	<u>469</u>	<u>170</u>
	£'000	£'000
Taxation on profit on ordinary activities at standard rate	141	51
Factors affecting the charge:		
Disallowable expenses	-	1
Differences between capital allowances and depreciation	(10)	(12)
Movement in short term timing differences	19	-
FRS 17 Adjustment	(49)	9
Adjustment in respect of prior years	86	-
Tax charge on profit on ordinary activities	<u>187</u>	<u>49</u>

The future reduction in the corporation tax rate to 28% is not anticipated to materially affect the future tax charge.

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 March 2008**

6. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £'000
Cost	
At 1 April 2007	90
Additions	50
	<hr/>
At 31 March 2008	140
	<hr/>
Depreciation	
At 1 April 2007	62
Charge for the year	9
	<hr/>
At 31 March 2008	71
	<hr/>
Net book value	
At 31 March 2008	69
	<hr/>
At 31 March 2007	28
	<hr/>

7. DEBTORS

	2008 £'000	2007 £'000
Trade debtors	628	67
Prepayments and accrued income	1,947	1,514
Taxation recoverable	19	257
Deferred tax asset (note 9)	17	36
Other debtors	18	33
	<hr/>	<hr/>
	2,629	1,907
	<hr/>	<hr/>

Included in prepayments and accrued income is the deferred consideration balance of £140,000, (2007: £159,000) which is due in greater than one year.

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2008	2007
	£'000	£'000
Bank overdraft	454	-
Trade creditors	193	442
Amounts owed to group undertakings	2,199	4,265
Other taxation and social security	103	157
Other creditors	109	122
Accruals and deferred income	1,296	1,179
	<u>4,354</u>	<u>6,165</u>
9. DEFERRED TAXATION	2008	2007
	£'000	£'000
Opening deferred tax asset	188	494
Movement in profit and loss account		
Short-term timing differences and accelerated capital allowances	(13)	(64)
Pension (charge)/credit	(49)	9
Movement in statement of recognised gains and losses		
Pension surplus	(109)	(251)
Closing deferred tax asset	<u>17</u>	<u>188</u>
Deferred tax asset consists of the following amount:	£'000	£'000
Debtors (note 7)		
Short-term timing differences	5	7
Accelerated capital allowances	12	29
Total deferred tax recognised in debtors	<u>17</u>	<u>36</u>
Pension scheme surplus/deficit (note 13)	-	152
Total deferred tax asset	<u>17</u>	<u>188</u>

The deferred tax liability in respect of the pension of nil (2007: asset of £152,000) is shown netted off the pension scheme.

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

10. CALLED UP SHARE CAPITAL	2008 £	2007 £
Authorised		
100 Ordinary shares of £1 each	100	100
100 Deferred shares of £1 each	100	100
	<u>200</u>	<u>200</u>
	£	£
Called up, allotted and fully paid		
100 Ordinary shares of £1 each	100	100
100 Deferred shares of £1 each	100	100
	<u>200</u>	<u>200</u>

The deferred shares have the right to receive, pari passu with holders of ordinary shares, a dividend from the distributable profits of the company; but only after the ordinary shares have been paid a dividend of £10 per share.

On winding up or reduction of capital the deferred shares have the right to the repayment of capital, but only after the ordinary shares have been repaid.

The deferred shares shall not entitle the holders thereof to receive notice of or to attend or vote at any General Meeting of the company.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 31 March 2007	-	(2,197)	(2,197)
Profit for the year	-	282	282
Net actuarial gain (net of deferred tax) recognised on the pension scheme	-	261	261
Balance at 31 March 2008	<u>-</u>	<u>(1,654)</u>	<u>(1,654)</u>

12. CASH FLOW STATEMENT

As a wholly owned subsidiary of a UK registered company, the company 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.

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

13. PENSION ARRANGEMENTS

The company participates in the Royal County of Berkshire pension fund. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the company. The last formal valuation of the Pension Scheme was performed as at 31 March 2007. The accounting charge for 2007/8 and the notes below have been prepared based on this valuation.

FRS 17 "Retirement Benefits" requires a market based approach to the actuarial valuation of defined benefit schemes. This results in a greater volatility of the pension scheme's surplus or deficits as the market valuation is taken at each balance sheet date and reflects market conditions at that date.

The cost of pensions in respect of the Royal County of Berkshire Pension Scheme is charged to the profit and loss account. The Service Cost is charged in the year employees earn additional pensionable service. As required by FRS 17, the value of the defined benefit liabilities has been measured using the projected unit method. The pension costs are assessed in accordance with the advice of an independent qualified actuary.

The agreed contribution rate for the next 12 months is 14% (2007: 14%).

An updated FRS 17 valuation of the scheme as at 31 March 2007 indicated that the scheme was 83% funded.

Assumptions	31 March 2008	31 March 2007	31 March 2006
Price increases	3.7%	3.2%	3.1%
Discount rate	6.6%	5.4%	4.9%
Pension increases	3.7%	3.2%	3.1%
Salary growth	5.2%	4.7%	4.6%

Asset distribution and expected return assumptions:

Components	31 March 2008		31 March 2007		31 March 2006	
	Expected return	Fair value £'000	Expected return	Fair value £'000	Expected return	Fair value £'000
Equities	7.9%	6,464	7.8%	7,023	7.4%	6,636
Gilts	4.5%	724	4.9%	1,268	4.6%	1,197
Property	5.9%	959	5.8%	926	5.5%	820
Cash	5.0%	305	4.9%	515	4.6%	347
Other Bonds	6.6%	738		-		-
Total	7.2%	9,190	7.1%	9,732	6.7%	9,000

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

13. PENSION ARRANGEMENTS (continued)

Balance sheet	31 March 2008 £'000	31 March 2007 £'000
Total fair value of assets	9,190	9,732
Present value of liabilities	(8,540)	(10,240)
Actuarial asset/(liability)	650	(508)
Contract adjustment	(650)	-
Related deferred tax at 28% (2007: 30%)	-	152
FRS 17 defined benefit asset/(liability)	-	(356)

Under FRS 17, the Interserve Facilities Services (Slough) Pension Scheme is represented on the balance sheet at 31 March 2008 as nil. This compares with a gross liability of £508,000 as at 31 March 2007 (£356,000 net of deferred tax). The actuarial surplus of £650,000 has not been recognised as there is uncertainty over its recoverability.

Over the year to 31 March 2008, contributions by the company were made to the Slough Pension Scheme totalling £142,000 (2007: £167,000). Following the actuarial valuation of the Slough Pension Scheme as at 31 March 2007 the company continued paying contributions at the rate of 14% of Pensionable Pay. The Company contribution rate will be reviewed when the results of the next actuarial valuation, due as at 31 March 2010, are available. In addition, the Slough Pension Scheme administration expenses and the insurance premiums in respect of Life Assurance members are paid directly by the company. Employee contributions are payable in addition.

Movement in asset/(liability) in the year	£'000	£'000
Liability in scheme at start of year	(508)	(1,313)
Current service cost	(200)	(287)
Employer contributions	142	167
Impact of settlements and curtailments	-	(11)
Net return on assets	196	100
Actuarial gain or loss	1,020	836
Contract adjustment	(650)	-
Asset/(liability) in scheme at end of year	-	(508)
Analysis of the amount charged to operating profit	£'000	£'000
Current service cost	200	287
Settlements and curtailments	-	11
Total operating charge	200	298

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

13. PENSION ARRANGEMENTS (continued)

	2008	2007
	£'000	£'000
Analysis of the amount credited to other finance income		
Expected return on pension scheme assets	702	611
Interest on pension scheme liabilities	(506)	(511)
Net finance income	196	100
Analysis of amount recognised in statement of recognised gains and losses (STRGL)	£'000	£'000
Actual return less expected return on scheme assets	(1,460)	8
Experience gains and losses arising on liabilities	1,085	-
Changes in financial assumptions underlying the present value of scheme liabilities	1,395	828
Contract adjustment	(650)	-
Actuarial gain recognised in the STRGL	370	836

History of experience gains and losses

	31 March 2008	31 March 2007	31 March 2006	31 March 2005	31 March 2004
Actual return less expected return on scheme assets (£'000)	(1,460)	8	1,253	230	595
Percentage of scheme's assets	15.9%	0.1%	13.9%	3.2%	11.4%
Experience gains and losses arising on scheme's liabilities (£'000)	1,085	-	5	536	1
Percentage of the present value of the scheme's liabilities	13%	-	-	6.6%	0.0%
Total amount recognised in the STRGL (£'000)	370	836	(302)	1,076	74
Percentage of the present value of the scheme's liabilities	4.3%	8.2%	(2.9%)	13.3%	1%

14. OPERATING LEASE COMMITMENTS

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008	2007
	£'000	£'000
Land and buildings		
Expiry date - after five years	140	140

INTERSERVE (FACILITIES SERVICES-SLOUGH) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

15. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Interserve (Facilities Services) Ltd and has accordingly taken advantage of the exemption available under FRS 8 from disclosing transactions with group entities.

16. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Interserve (Facilities Services) Ltd. Interserve (Facilities Services) Ltd is a wholly owned subsidiary of Interserve *fm* Ltd.

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 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.