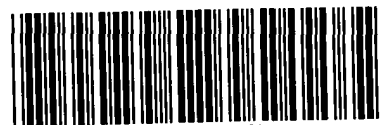


Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2014
for
Interserve Engineering Limited

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for the Year Ended 31 December 2014

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Interserve Engineering Limited

Company Information
for the Year Ended 31 December 2014

DIRECTORS:

J T Fell
D Bush

SECRETARY:

D Bush

REGISTERED OFFICE:

Interserve House
Ruscombe Park
Twyford, Reading
Berkshire
RG10 9JU

REGISTERED NUMBER:

01261946 (England and Wales)

AUDITORS:

Grant Thornton UK LLP
Chartered Accountants and Statutory
Auditor
Gatwick
United Kingdom

Strategic Report
for the Year Ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company. The principal subsidiary undertakings affecting the profits or net assets of the Company in the year are listed in the notes to the financial statements.

REVIEW OF BUSINESS

As shown in the profit and loss account the loss from ordinary activities before taxation was £(1,107,000) (2013: £Nil).

The Company acquired the shares of Interserve Engineering & Construction (UAE) Limited (formerly Topaz Oil and Gas Limited) on 17 September 2013.

There have been no significant events since the balance sheet date.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has exposure to a variety of risks which are managed with the purpose of minimising any potential adverse effect on the Company's performance and net assets. The directors have policies for managing each of these risks and they are summarised below.

A principal risk that the Company faces is that the carrying values of its investments decline. The directors review comprehensive monthly trading reports of the Company's operating subsidiaries, with a comparison against budget or forecast.

The directors are satisfied that, given the nature of this Company, there are no other principal risks and uncertainties to consider. Group risks are discussed in the Annual Report and Financial Statements of Interserve Plc for the year ended 31 December 2014, which does not form part of this Strategic Report.

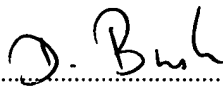
GOING CONCERN BASIS

Interserve Plc, the Company's ultimate parent company, has confirmed that it will provide additional financial support to the Company in order to meet its liabilities to the extent that the Company is unable to do so up to an aggregate amount of £900,000.

A £3,000,000 dividend was received from its subsidiary in April 2015.

The directors have made enquiries and have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

APPROVED BY THE BOARD OF DIRECTORS:


.....
D Bush - Secretary

Date: 20/5/15

Report of the Directors
for the Year Ended 31 December 2014

The directors present their report with the financial statements of the Company for the year ended 31 December 2014.

DIVIDENDS

No dividends will be distributed for the current year (2013 : £Nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

J T Fell
D Bush

AUDITOR

At the Annual General Meeting of Interserve Plc (the Company's ultimate parent undertaking) held on 13 May 2014, shareholders formally approved the appointment of Grant Thornton UK LLP as auditors of Interserve Plc, to replace Deloitte LLP. This was the result of a competitive tender process led by the Audit Committee. Deloitte LLP formally resigned as auditors of the Company on 3 June 2014 and Grant Thornton UK LLP were subsequently appointed in their place.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report and the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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:

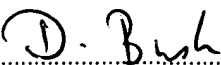
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

APPROVED BY THE BOARD OF DIRECTORS:



D Bush - Secretary

Date: 20/5/15

Independent Auditors' Report to the Members of
Interserve Engineering Limited

We have audited the financial statements of Interserve Engineering Limited for the year ended 31 December 2014 which comprise the balance sheet, the profit and loss account, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

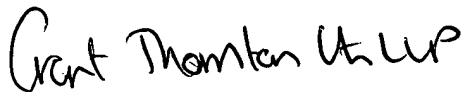
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jonathan Maile (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountants and Statutory
Auditor
Gatwick
United Kingdom

Date: 21 May 2015

Profit and Loss Account
for the Year Ended 31 December 2014

	Notes	2014 £'000	2013 £'000
TURNOVER		-	-
OPERATING PROFIT	3	-	-
Interest payable and similar charges	4	(1,107)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,107)	-
Tax on loss on ordinary activities	5	238	-
LOSS FOR THE FINANCIAL YEAR		(869)	-

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the loss for the current year.

Balance Sheet
31 December 2014

	Notes	2014 £'000	2013 £'000
FIXED ASSETS			
Investments	6	27,678	27,633
CURRENT ASSETS			
Debtors	7	118	-
CREDITORS			
Amounts falling due within one year	8	(987)	(2,027)
NET CURRENT LIABILITIES		(869)	(2,027)
TOTAL ASSETS LESS CURRENT LIABILITIES		26,809	25,606
CREDITORS			
Amounts falling due after more than one year	9	(27,678)	(25,606)
NET LIABILITIES		(869)	-
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Profit and loss account	11	(869)	-
SHAREHOLDERS' FUNDS	14	(869)	-

The financial statements were approved by the Board of Directors on 20th May 2015 and were signed on its behalf by:

J T Fell

J T Fell - Director

Notes to the Financial Statements
for the Year Ended 31 December 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with applicable United Kingdom accounting standards.

Basis of consolidation

The financial statements contain information about Interserve Engineering Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Interserve Plc, a company registered in England and Wales.

Financial Reporting Standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Going concern basis

Interserve Plc, the Company's ultimate parent company, has confirmed that it will provide additional financial support to the Company in order to meet its liabilities to the extent that the Company is unable to do so up to an aggregate amount of £900,000.

A £3,000,000 dividend was received from its subsidiary in April 2015.

The directors have made enquiries and have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Investments

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

Taxation

Current tax, including UK corporation tax and foreign 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 Taxation

Deferred tax is provided in full on timing differences which 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 or 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. STAFF COSTS

There were no staff costs for the year ended 31 December 2014 nor the year ended 31 December 2013. There are no employees other than the directors (2013: nil).

3. OPERATING PROFIT

The audit fee of £1,000 (2013: £1,000) for the current and preceding year was borne by the ultimate parent company.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	2014	2013
	£'000	£'000
Interest payable	1,107	-
	<u>1,107</u>	<u>-</u>

5. **TAXATION**

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2014	2013
	£'000	£'000
Current tax:		
UK corporation tax	(238)	-
	<u>(238)</u>	<u>-</u>
Tax on loss on ordinary activities	(238)	-
	<u>(238)</u>	<u>-</u>

UK corporation tax has been charged at 21.50% (2013 - 23.25%).

There are no reconciling tax items in this year or the prior year.

6. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £'000
COST	
At 1 January 2014	27,633
Additions	45
	<u>27,678</u>
At 31 December 2014	27,678
NET BOOK VALUE	
At 31 December 2014	<u>27,678</u>
At 31 December 2013	<u>27,633</u>

The Company's investments at the balance sheet date in the share capital of companies include the following:

Interserve Engineering & Construction (UAE) Limited

Country of incorporation: Bermuda

Nature of business: Oilfield maintenance and fabrication

	%
Class of shares:	holding
Ordinary	100.00

The Company acquired the shares of Interserve Engineering & Construction (UAE) Limited (formerly Topaz Oil and Gas Limited) on 17 September 2013.

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£'000	£'000
Corporation tax	118	-
	<u>118</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£'000	£'000
Intra group trade balances	987	-
Accrued expenses	-	2,027
	<u>987</u>	<u>2,027</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014	2013
	£'000	£'000
Amounts owed to group undertakings	<u>27,678</u>	<u>25,606</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014	2013
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

11. RESERVES

	Profit and loss account £'000
Deficit for the year	(869)
At 31 December 2014	<u>(869)</u>

12. ULTIMATE PARENT COMPANY

The Company's immediate parent company is West's Group International Limited, a company registered in England and Wales. The Company's ultimate parent company and controlling party, and parent company of the largest and smallest group which includes the Company and for which group financial statements are prepared, is Interserve Plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the Group financial statements of Interserve Plc are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

13. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" not to report transactions with other wholly owned Group companies.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

14. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014	2013
	£'000	£'000
Loss for the financial year	(869)	-
Net (reduction)/addition to shareholders' funds	(869)	-
Opening shareholders' funds	-	-
Closing shareholders' funds	(869)	-