Registered Company Number 1671644

PORTAL DEVELOPMENTS LIMITED

Report and Unaudited Financial Statements

31 December 2003

REPORT OF THE DIRECTORS

The directors present their annual report and the unaudited financial statements for the year ended 31 December 2003.

REVIEW OF DEVELOPMENTS

The Company has been dormant within the meaning of section 249AA of the Companies Act 1985 throughout the year. It is anticipated that the Company will remain dormant for the foreseeable future.

PROFIT AND LOSS ACCOUNT

No profit and loss account is presented with these financial statements because the Company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding accounting period. There have been no movements in shareholders' funds during the year under review or the preceding accounting period.

DIRECTORS

The directors who served throughout the year, except as stated, are set out below:-

Mr T Bradbury
Mr D M Clitheroe
Mrs V A Lynch (resigned 28 February 2003)

The directors who held office at the end of the financial year had the following beneficial interests in the capital of the ultimate parent undertaking, Interserve Plc:

DIRECTOR	ORDINARY SHARES OF 10P EACH		OPTIONS OVER ORDINARY SHARES OF 10P EACH					
	01.01.03	31.12.03	01.01.03	Granted during year	Lapsed during year	31.12.03	Exercise Price (pence)	Exercise Period
T Bradbury	5,107	**5,107**	14,150	Nil	Nil	**14,150**	212.0	07.10.2001-06.10.2008
			850	Nil	Nil	**850**	212.0	07.10.2001-06.10.2005
			25,000	Nil	Nil	**25,000**	346.0	14.06.2003-13.06.2007
			20,000	Nil	Nil	**20,000**	542.5	26.03.2004-25.03.2008
			1,640	Nil	Nil	**1,640**	439.4	01.06.2004-30.11.2004
			15,000	Nil	Nil	**15,000**	566.5	19.03.2005-18.03.2009
			241	Nil	Nil	**241**	441.0	01.06.2005-30.11.2005
D M Clitheroe	4,255	**Nil**	8,657	Nil	8,657	**Nil**	199.2	01.01.2003-30.06.2003
			5,529	Nil	Nil	**5,529**	542.5	26.03.2004-25.03.2011
			9,471	Nil	Nil	**9,471**	542.5	26.03.2004-25.03.2008
			8,000	Nil	Nil	**8,000**	566.5	19.03.2005-18.03.2009

No options were exercised by the directors during the year.

During the year, the mid-market price of a share in Interserve Plc fluctuated between 165.0p and 283.5p per share. The mid-market price on 31 December 2003 was 240.0p.

Other than disclosed above, none of the directors had any interest, beneficial or non-beneficial, in the share capital of the Company or any other Group undertaking, or had a material interest during the year in any significant contract with the Company or any Group undertaking.

SECRETARY

On 28 February 2003 Mrs V A Lynch resigned as Secretary of the Company and Mr T Bradbury was appointed Secretary in her place.

AUDITORS

In accordance with section 249AA(1) of the Companies Act 1985, the Company, being dormant, is exempt from the obligation to appoint auditors as otherwise required by section 384 of that Act.

ELECTIVE RESOLUTIONS

Pursuant to sections 252 and 366A of the Companies Act 1985, the Company has elected (in accordance with section 379A of that Act) to dispense with the laying of accounts and reports before the Company in general meeting and to dispense with the holding of annual general meetings.

Interserve House
Ruscombe Park
Twyford
Reading
Berkshire
RG10 9JU

Approved by the Board of Directors
and signed on behalf of the Board by

T. Bradbury

T Bradbury
Secretary

4 August 2004

BALANCE SHEET AS AT 31 DECEMBER 2003

	Note	31 December 2003	31 December 2002
		£	£
CURRENT ASSETS			
Amount due from Group company		17,752	17,752
NET CURRENT ASSETS		17,752	17,752
CAPITAL AND RESERVES			
Called up share capital	4	100	100
Profit and loss account		17,652	17,652
EQUITY SHAREHOLDERS' FUNDS		17,752	17,752

1. For the year ended 31 December 2003, the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

2. Members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Companies Act 1985.

3. The directors acknowledge their responsibility for:-

   (i) ensuring the Company keeps accounting records that comply with section 221 of the Companies Act 1985; and

   (ii) preparing accounts that give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

These financial statements were approved by the Board of Directors on 4 August 2004.

Signed on behalf of the Board of Directors.

T. Bradbury

T Bradbury
Director

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

a) Convention

These financial statements have been prepared in accordance with the historical cost convention.

2. PROFIT AND LOSS ACCOUNT

No profit and loss account is presented with these financial statements because the Company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding financial year. There have been no movements in shareholders' funds during the year under review or the preceding financial year.

3. DIRECTORS AND EMPLOYEES

No emoluments were payable to the directors of the Company, who were the only employees, during the current and preceding financial year.

4. CALLED UP SHARE CAPITAL

	2003	2002
	£	£
Authorised, allotted, called up and fully paid:		
100 ordinary shares of £1 each	100	100

5. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The Company's immediate parent company and 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. Copies of the group financial statements 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 8 "Related Party Disclosures" not to report transactions with other group companies.