

Registered Company Number: 1743913

THK Insulation Limited

Report and Financial Statements

31 December 2003



THK Insulation Limited

CONTENTS

	<u>Page</u>
Report of the directors	1
Statement of directors' responsibilities	2
Independent auditors' report	3
Balance sheet	4
Notes to the financial statements	5

REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31 December 2003.

ACTIVITIES

The company is dormant and is expected to remain dormant for the foreseeable future.

RESULTS

The company has not traded during the year and, accordingly, has made neither profit nor loss. The position of the company at the year-end is shown in the balance sheet on page 4.

All activities of the company have been discontinued since 1999.

DIRECTORS

The directors who served throughout the year are set out below: -

S B Hagerty
A Corless

Interests in shares, and options to purchase shares, of those directors who are also directors of Interserve Plc, are disclosed in the accounts of Interserve Plc.

The interest of the directors at 31 December 2003, who are not also directors of Interserve Plc, in the capital of the ultimate parent undertakings are as stated below.

	Ordinary shares of 10p each		Options over shares of 10 p each		Lapsed in year	31 Dec 2003	Exercise Price	Period of exercise	
	1 Jan 2003	31 Dec 2003	1 Jan 2003	Granted in year					
A Corless	-	-	5,529	-	-	5,529	542.5p	26.03.04	25.03.11
			9,471	-	-	9,471	542.5p	26.03.04	25.03.08
			8,000	-	-	8,000	566.5p	19.03.05	18.03.09
			8,657	-	8,657	-	199.2p	01.01.03	30.06.03

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Riverside House
Littlebrook Complex
Littlebrook Manorway
Dartford
Kent DA21 5PZ

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



C N Gasparro
Secretary
27 October 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year 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 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;
- 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 THK INSULATION LIMITED

We have audited the financial statements of THK Insulation Limited for the year ended 31 December 2003 which comprise the balance sheet, and the related notes 1 to 5. 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 the 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 have 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.

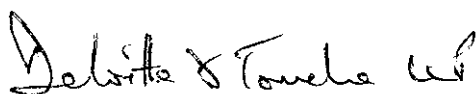
Basis of opinion

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 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

29 October 2004

THK Insulation Limited

Page 4

BALANCE SHEET AS AT 31 DECEMBER 2003

	Note	31 December '03 £'000	31 December '02 £'000
CURRENT ASSETS			
Debtors	3	697	697
		<hr/>	<hr/>
NET CURRENT ASSETS		697	697
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	4	20	20
Profit and loss account		677	677
		<hr/>	<hr/>
TOTAL EQUITY SHAREHOLDERS FUNDS			
Equity Interest		697	697
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 27 October 2004

Signed on behalf of the Board of Directors.



S.B Hagerty
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003**1. ACCOUNTING POLICIES**

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

- **CONVENTION**

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

- **PROFIT AND LOSS**

The company did not trade during the current or preceding period and has made neither profit nor loss, nor any other recognised gain or loss. There has been no movement in shareholders' funds.

- **CASH FLOW**

Interserve Plc has included a consolidated cash flow statement in the group accounts.

- **EMPLOYEES AND AUDIT FEES**

The company has no employees other than the directors in either year. The audit fee for both years is borne by a fellow subsidiary undertaking.

2. DIRECTORS

The directors did not receive any remuneration in the current or previous year in respect of their services to this company

3. DEBTORS

All debtors relate to amounts owed by fellow subsidiary undertakings.

4. CALLED UP SHARE CAPITAL

	Year ended 31 December '03 £'000	Year ended 31 December '02 £'000
CALLED UP SHARE CAPITAL		
50,000 ordinary shares of £1 each	50	50
	=====	=====
Allotted and fully paid		
20,000 ordinary shares of £1 each	20	20
	=====	=====

5. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The company's immediate parent undertaking is Bandt Holdings Limited. Following the take-over of Bandt plc on 10 August 1999 the 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 CF4 3UZ.

The company had taken advantage of the exemption contained in Financial Reporting Standard 8 – Related Party Transactions not to report transactions with Interserve Plc related parties which are disclosed in the consolidated financial statements of Interserve Plc.