

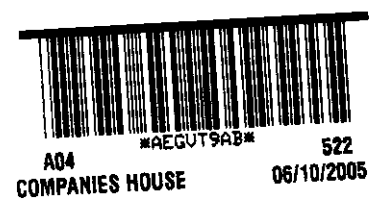
Company Registration Number 2574894

SOUTH EAST BUILDING MANAGEMENT LIMITED

Report and Balance Sheet

31 January 2005

Deloitte & Touche LLP
Bristol



SOUTH EAST BUILDING MANAGEMENT LIMITED

REPORT AND BALANCE SHEET 2005

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SOUTH EAST BUILDING MANAGEMENT LIMITED

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

DIRECTORS' REPORT

The directors present their annual report and the audited balance sheet for the year ended 31 January 2005.

PRINCIPAL ACTIVITY AND REVIEW OF DEVELOPMENTS

The company is trustee of the Building & Property Employees' Share Ownership Plan Trust.

RESULTS

The company remained dormant throughout the year 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

No director had any interests in the share capital of the company or any other group company during the year. The interests of the directors, who were in office at the year end, at 1 February 2004 and 31 January 2005, or date of appointment, in the capital of the ultimate parent undertaking Interserve Plc are as stated below:

| | Shares of 10p each | | Options over shares of 10p each | | | | Exercise price p | Period of exercise |
|------------|--------------------|-----------|---------------------------------|---------------------|--------------------|-----------|------------------|------------------------|
| | 1 Feb 04 | 31 Jan 05 | 1 Feb 04 | Granted during year | Lapsed during year | 31 Jan 05 | | |
| | | | | | | | | |
| 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 Feb 04 | 1 Feb 05 |
| 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).

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

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 accounts, 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 the financial statements comply with the Companies Act 1985. The directors 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
SOUTH EAST BUILDING MANAGEMENT LIMITED**

We have audited the financial statements of South East Building Management Limited for the year ended 31 January 2005 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 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 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 financial statements give a true and fair view of the state of the company's affairs as at 31 January 2005 and of its 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

SOUTH EAST BUILDING MANAGEMENT LIMITED

BALANCE SHEET At 31 January 2005

| | Notes | 2005 £ | 2004 £ |
|---|-------|-----------|-----------|
| CURRENT ASSETS | | | |
| Called up share capital not yet paid | | 2 | 2 |
| NET CURRENT ASSETS | | <u>2</u> | <u>2</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 2 | <u>2</u> | <u>2</u> |
| TOTAL EQUITY SHAREHOLDERS' FUNDS | | <u>2</u> | <u>2</u> |

These financial statements were approved by the Board of Directors on 29 March 2005.

Signed on behalf of the Board of Directors



P F Ford
Director

NOTES TO THE BALANCE SHEET
Year ended 31 January 2005

1. ACCOUNTING POLICY

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

Accounting convention

The balance sheet is prepared under the historical cost convention.

| 2. CALLED UP SHARE CAPITAL | 2005 | 2004 |
|-----------------------------------|-------------|-------------|
| | £ | £ |
| Authorised | | |
| 100 Ordinary shares of £1 each | 100 | 100 |
| | <hr/> | <hr/> |
| | £ | £ |
| Allotted but not paid | | |
| 2 Ordinary shares of £1 each | 2 | 2 |
| | <hr/> | <hr/> |

3. PROFIT AND LOSS ACCOUNT

The company has not traded during the period 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.

4. CASH FLOW STATEMENT

As a wholly owned subsidiary of Interserve Plc, Building & Property Trustees Ltd has taken advantage of the exemption under Financial Reporting Standard 1 (Revised) from preparing a cash flow statement. A consolidated cash flow statement is included in the group accounts.

5. RELATED PARTY TRANSACTIONS, ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

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

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 Interservefm 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.