

Company Registration No. 4815162

**INTERSERVE PFI HOLDINGS 2003
LIMITED**

Report and Financial Statements

31 December 2004



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REPORT AND FINANCIAL STATEMENTS

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INTERSERVE PFI HOLDINGS 2003 LIMITED

REPORT AND FINANCIAL STATEMENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr A M Ringrose
Mr R D Vince
Mr J H Vyse
Mr T C Jones
Mr B A Melizan
Mr S M Jones
Ms G Birley-Smith

SECRETARY

Mr T Bradbury

REGISTERED OFFICE

Interserve House
Ruscombe Park
Twyford
Reading
Berkshire
RG10 9JU

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

INTERSERVE PFI HOLDINGS 2003 LIMITED

DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31 December 2004.

ACTIVITIES

The principal activity of the company is that of a holding company. This activity is expected to continue for the foreseeable future.

DIRECTORS

The directors who served during the year, except as noted below, and who remain directors as at the date of this report are set out below:

Mr A M Ringrose
 Mr R D Vince
 Mr J H Vyse
 Mr T C Jones
 Mr B A Melizan
 Mr S M Jones (appointed 10 June 2004)
 Ms G Birley-Smith (appointed 10 February 2005)

The directors who held office at the end of the financial period had the following beneficial interests in the shares of the ultimate parent company, Interserve Plc:-

Director	Ordinary shares of 10p each		Options over ordinary shares of 10p each				
	1 January 2004/Date of appointment	31 December 2004	1 January 2004	Granted during year	31 December 2004	Exercise price £	Exercise period
Mr R D Vince	978	978	5,295	Nil	5,295	5.665	19.03.05 - 18.03.12
			4,705	Nil	4,705	5.665	19.03.05 - 18.03.09
			241	Nil	241	4.41	01.06.05 - 30.11.05
			-	15,000	15,000	2.5325	26.05.07- 25.05.14
			-	11,846	11,846	2.5325	26.05.07- 25.05.14
Mr B A Melizan	-	-	-	63,154	63,154	2.5325	26.05.07- 25.05.14
			-	11,846	11,846	2.5325	26.05.07- 25.05.14
Mr S M Jones	492	492	-	11,846	11,846	2.5325	26.05.07- 25.05.14
			-	11,846	11,846	2.5325	26.05.07- 25.05.14

No options lapsed or were exercised by the directors during the year.

Messrs Ringrose, Vyse and Jones are directors of the ultimate parent undertaking, Interserve Plc and their interests are disclosed in the accounts of that company. The mid-market price of ordinary shares in Interserve Plc as at 31 December 2004 was 280.49p (2003: 240.00p). The highest and lowest market prices of the shares during the year were 342.75p and 235.50p (2003: 283.50p and 165.00p) respectively.

INTERSERVE PFI HOLDINGS 2003 LIMITED

DIRECTORS' REPORT (CONTINUED)

No directors had any interests, beneficial or non-beneficial, in the share capital of the company or had a material interest during the year in any significant contract with the company or any subsidiary.

AUDITORS

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

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



T Bradbury
Secretary

9 June 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 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; 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 that the financial statements comply with the Companies Act 1985. They 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 INTERSERVE HOLDINGS 2003 LIMITED

We have audited the financial statements of Interserve PFI Holdings 2003 Limited for the year ended 31 December 2004 which comprise the balance sheet and the related notes 1 to 6. 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 December 2004 and of its result for the year then ended have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

30 June 2005

INTERSERVE PFI HOLDINGS 2003 LIMITED

BALANCE SHEET
31 December 2004

	Note	31 December 2004 £	31 December 2003 £
FIXED ASSETS			
Investments	3	500	500
NET ASSETS		500	500
Called up share capital	4	500	500
EQUITY SHAREHOLDERS' FUNDS		500	500

These financial statements were approved by the Board of Directors on

9 June 2005.

Signed on behalf of the Board of Directors.



B A Melizan
Director

NOTES TO THE ACCOUNTS

Year ended 31 December 2004

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and preceding year, by the directors are described below.

Convention

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

Fixed asset investments

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

Consolidation

These financial statements present information about the company alone and not of a group. Consolidated financial statements have not been prepared as provided by section 228 (i) of the Companies Act 1985.

Cash flow statement

The Company has taken advantage of the Financial Reporting Standard No. 1 (revised) exemption for 90% subsidiaries not to prepare a cash flow statement.

2. PROFIT AND LOSS ACCOUNT

The company had no income or expenditure during the year and consequently made neither a profit nor a loss. Accordingly, no profit and loss account has been provided.

The company had no employees during the year other than the directors. The directors of the company did not receive any remuneration for their services to the company.

The audit fee for the company was borne by the ultimate parent company.

3. INVESTMENTS

	Shares at cost and net book value £
Investments in subsidiary undertakings: At 1 January and 31 December 2004	500

In the opinion of the directors, the aggregate value of the shares in subsidiary undertakings is not less than the aggregate of the amounts at which they are stated in the balance sheet.

The principal subsidiary undertakings and the percentage of ownership are set out below. None of the shares relate to a listed investment. All undertakings are incorporated in Great Britain.

Principal subsidiary undertakings	Ordinary share capital held	Operations
Interserve PFI 2003 Limited	100%	Holding company for PFI investments

NOTES TO THE ACCOUNTS

Year ended 31 December 2004

4. CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid:		
500 ordinary shares of £1 each	500	500

5. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2004 £	2003 £
Opening and closing equity shareholders' funds	500	500

6. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

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. Copies of the group financial statements of Interserve Plc are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. The immediate parent company is Interserve Investments Plc.

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.