

**Company Registration Number SCO61035**

**HOW ENGINEERING SERVICES  
SCOTLAND LIMITED**

**Report and Balance Sheet**

**31 December 2005**



# **HOW ENGINEERING SERVICES SCOTLAND LIMITED**

## **REPORT AND BALANCE SHEET 2005**

### **CONTENTS**

	<b>Page</b>
Officers and professional advisers	<b>1</b>
Directors' report	<b>2</b>
Statement of directors' responsibilities	<b>4</b>
Independent auditors' report	<b>5</b>
Balance sheet	<b>6</b>
Notes to the financial statements	<b>7</b>

# **HOW ENGINEERING SERVICES SCOTLAND LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

S Ashdown  
S S Maroli  
B W Spencer  
J M Thompson

### **SECRETARY**

W L Spencer

### **REGISTERED OFFICE**

35 North Canal Bank Street  
Glasgow  
G4 9XG

### **AUDITORS**

Deloitte & Touche LLP  
London

# HOW ENGINEERING SERVICES SCOTLAND LIMITED

## DIRECTORS' REPORT

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

## ACTIVITIES AND REVIEW OF DEVELOPMENTS

The company ceased trading in 1997 and since then has been involved in remedial works in accordance with its contractual obligations. It is not expected to trade in the foreseeable future. As part of the process of unifying the brand of the parent company, Interserve Plc, the net assets of How Engineering Services Scotland Limited were transferred to Interserve Project Services Limited. It was subsequently transferred to Interserve (Facilities Services) Ltd on 1 January 2002.

## 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:

S Ashdown (appointed on 3 May 2005)  
 B W Spencer (appointed on 1 April 2005)  
 J M Thompson (appointed on 1 April 2005)  
 P F Ford (resigned on 1 April 2005)  
 S S Maroli

None of the above directors has any beneficial interest in the shares of the company or any other group company during the year. The interests of the directors, who were in office, at 1 January and 31 December 2005, in the capital of the ultimate parent undertaking are as stated below:

	Options over shares of 10p each							
	Shares of 10p each		Granted		Lapsed		Exercise price p	Period of exercise
	1 Jan 05*	31 Dec 05	1 Jan 05*	during year	during year	31 Dec 05		
S S Maroli	8,827	8,827	5,529	-	-	5,529	542.50	26 Mar 04 to 25 Mar 11
	-	-	14,471	-	-	14,471	542.50	26 Mar 04 to 25 Mar 08
	-	-	10,000	-	-	10,000	566.50	19 Mar 05 to 18 Mar 09
	-	-	75,000	-	-	75,000	253.25	26 May 07 to 25 Mar 14
	-	-	-	80,706	-	80,706	359.30	14 Mar 08 to 13 Mar 15
B W Spencer	-	-	28,000	-	-	28,000	253.25	26 May 07 to 25 Mar 14
	-	-	5,295	-	-	5,295	566.50	19 Mar 05 to 18 Mar 12
	-	-	1,705	-	-	1,705	566.50	19 Mar 05 to 18 Mar 09
	-	-	241	-	241	-	441.00	01 Jun 05 to 30 Nov 05
	-	-	-	34,787	-	34,787	359.30	14 Mar 08 to 13 Mar 15
J M Thompson	-	-	20,000	-	-	20,000	253.25	26 May 07 to 25 Mar 14
	-	-	-	27,830	-	27,830	359.30	14 Mar 08 to 13 Mar 15

\* Or date of appointment

# HOW ENGINEERING SERVICES SCOTLAND LIMITED

## DIRECTORS' REPORT (continued)

## DIRECTORS AND THEIR INTERESTS (continued)

		Loan notes of £1 each	
		1 Jan 05	31 Dec 05
S S Maroli	Variable Rate Unsecured Deferred Consideration 2005	53,944	-
	Variable Rate Unsecured Loan Notes 2005	14,200	-

The market price of Interserve Plc shares at 31 December 2005 was 362.00p (2004: 342.50p). The high/low during the year was 371.00p (2004: 342.75p) and 325.00p (2004: 235.50p).

\* Or date of appointment

## 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



**S Ashdown**  
Director

## **HOW ENGINEERING SERVICES SCOTLAND LIMITED**

### **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 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  
HOW ENGINEERING SERVICES SCOTLAND LIMITED**

We have audited the financial statements of How Engineering Services Scotland Limited for the year ended 31 December 2005 which comprise the balance sheet and the related notes 1 to 8. 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 financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant framework and are properly prepared in accordance with the Companies Act 1985. We also report to you 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 and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its result for the year then ended; and
- ☐ the financial statements have been properly prepared in accordance with the Companies Act 1985.



**DELOITTE & TOUCHE LLP**  
Chartered Accountants and Registered Auditors  
London, United Kingdom

*4 May 2006*

# HOW ENGINEERING SERVICES SCOTLAND LIMITED

## BALANCE SHEET At 31 December 2005

	Note	2005 £'000	2004 £'000
<b>CURRENT ASSETS</b>			
Debtors	3	56	56
Cash at bank and in hand		102	102
		<u>158</u>	<u>158</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Amounts owed to group undertakings		(150)	(150)
Other creditors		(23)	(23)
		<u>(173)</u>	<u>(173)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(15)</u>	<u>(15)</u>
<b>NET LIABILITIES</b>		<u>(15)</u>	<u>(15)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	260	260
Profit and loss account		(275)	(275)
<b>TOTAL EQUITY SHAREHOLDERS' DEFICIT</b>	5	<u>(15)</u>	<u>(15)</u>

These financial statements were approved by the Board of Directors on 24<sup>th</sup> April 2006.

Signed on behalf of the Board of Directors



**S Ashdown**  
Director



# HOW ENGINEERING SERVICES SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

### 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.

#### Convention

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

#### Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

### 2. PROFIT AND LOSS ACCOUNT

The company has not traded during the year 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 for either year. The audit fee was borne by another group company in both years.

3.	DEBTORS	2005	2004
		£'000	£'000
	Amounts owed by group undertakings	56	56
		<hr/>	<hr/>
4.	CALLED UP SHARE CAPITAL	2005	2004
		£'000	£'000
	Authorised		
	300,000 Ordinary shares of £1 each	300	300
		<hr/>	<hr/>
		£'000	£'000
	Allotted and fully paid		
	260,000 Ordinary shares of £1 each	260	260
		<hr/>	<hr/>
5.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT	2005	2004
		£'000	£'000
	Opening shareholders' deficit	(15)	(15)
		<hr/>	<hr/>
	Closing shareholders' deficit	(15)	(15)
		<hr/>	<hr/>

## **HOW ENGINEERING SERVICES SCOTLAND LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2005**

#### **6. CASH FLOW STATEMENT**

The company is not presenting a cash flow statement. It has taken advantage of the exemption contained in Financial Reporting Standard 1 (Revised) 'Cash Flow Statements', as the ultimate parent undertaking, Interserve Plc, has included a consolidated cash flow statement in the group accounts.

#### **7. RELATED PARTY TRANSACTIONS**

The company is a wholly owned subsidiary of How Engineering Services Limited and has accordingly taken advantage of the exemption available under Financial Reporting Standard 8 from disclosing transactions with group entities.

#### **8. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

How Engineering Services Limited, a company registered in England and Wales, is the company regarded by the directors as the immediate parent company.

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 Emerio Ltd can be obtained from the Company Secretary, Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU.

The largest and smallest group in which the results of the company are consolidated is that headed by Interserve Plc.