

Company Registration Number SCO61035

**HOW ENGINEERING SERVICES
SCOTLAND LIMITED**

Report and Balance Sheet

31 December 2008

TUESDAY



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HOW ENGINEERING SERVICES SCOTLAND LIMITED

REPORT AND BALANCE SHEET 2008

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Balance sheet	5
Notes to the balance sheet	6

HOW ENGINEERING SERVICES SCOTLAND LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

B Spencer
R Phillips

SECRETARY

S A Pound

REGISTERED OFFICE

35 North Canal Bank Street
Glasgow
G4 9XG

AUDITORS

Deloitte 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 2008.

ACTIVITIES AND REVIEW OF DEVELOPMENTS

The company ceased trading in 1997. It is not expected to trade in the foreseeable future.

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' deficit have been prepared.

GOING CONCERN

The company is dormant and is financed through intercompany borrowing, it has net liabilities of £15k. The company obtains a letter of support from its ultimate parent company, Interserve Plc, stating its intention to provide the necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements.

After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The directors who served during the year were as follows:

B Spencer (appointed 24th July 2008)
R Phillips (appointed 24th July 2008)
B Melizan (resigned 24th July 2008)
S Ashdown (resigned 24th July 2008)

AUDITORS

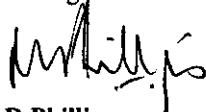
Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

A resolution to reappoint Deloitte 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



R Phillips
Director

HOW ENGINEERING SERVICES SCOTLAND LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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 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 2008 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



DELOITTE LLP

Chartered Accountants and Registered Auditors
London, United Kingdom

4 June 2009

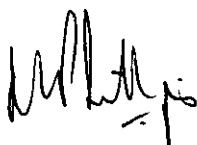
HOW ENGINEERING SERVICES SCOTLAND LIMITED

BALANCE SHEET At 31 December 2008

	Note	2008 £'000	2007 £'000
CURRENT ASSETS			
Debtors	3	157	157
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amounts owed to group undertakings		(150)	(150)
Other creditors		(22)	(22)
		(172)	(172)
NET CURRENT LIABILITIES BEING NET LIABILITIES		(15)	(15)
CAPITAL AND RESERVES			
Called up share capital	4	260	260
Profit and loss account		(275)	(275)
SHAREHOLDERS' DEFICIT		(15)	(15)

These financial statements were approved by the Board of Directors on 4th June 2008.

Signed on behalf of the Board of Directors



R Phillips
Director

HOW ENGINEERING SERVICES SCOTLAND LIMITED

NOTES TO THE BALANCE SHEET

Year ended 31 December 2008

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.

Basis of accounting

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

Going concern

The company is dormant and is financed through intercompany borrowings; it has net liabilities of £15k. The Company obtained confirmation from its ultimate parent company, Interserve Plc, that if a wholly owned subsidiary undertaking of Interserve Plc demands repayment of any loan made to the Company then Interserve Plc will discharge that liability directly to the wholly owned subsidiary undertaking on behalf of the Company to the extent that the Company is unable to do so to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements.

After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement

The company has not produced a cash flow statement and has taken advantage of the exemptions under Financial Reporting Standard 1 (revised) since its ultimate holding company Interserve plc produces a consolidated cash flow statement that is publicly available.

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 substantively 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, no profit and loss account has been prepared. The directors are the only employees and received no remuneration from the company for either year. The audit fee was borne by Interserve^{fm} Ltd, a related undertaking, in both years. The audit fee for Interserve^{fm} Ltd, its subsidiary companies and its immediate parent undertaking was £119,323 (2007: £147,000).

3. DEBTORS

	2008 £'000	2007 £'000
Amounts owed by group undertakings	157	157

HOW ENGINEERING SERVICES SCOTLAND LIMITED

NOTES TO THE BALANCE SHEET Year ended 31 December 2008

4.	CALLED UP SHARE CAPITAL	2008 £'000	2007 £'000
	Authorised		
	300,000 Ordinary shares of £1 each	300	300
		<u> </u>	<u> </u>
		£'000	£'000
	Allotted and fully paid		
	260,000 Ordinary shares of £1 each	260	260
		<u> </u>	<u> </u>

5. 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 'Related Party Disclosures' from disclosing transactions with group entities.

6. 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 and is the smallest and largest group for which group financial statements are prepared. Copies of the financial statements of Interserve plc can be obtained from the Company Secretary, Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU.