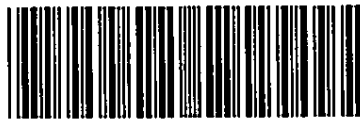


Report of the Directors and
Financial Statements for the Year Ended 31 December 2012
for
Interserve Holdings Limited

SATURDAY



A2GFGH89

A09

07/09/2013

#8

COMPANIES HOUSE

Contents of the Financial Statements
for the Year Ended 31 December 2012

	Page
Company Information	1
Report of the Directors	2
Independent Auditor's Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

Interserve Holdings Limited

Company Information

for the Year Ended 31 December 2012

DIRECTORS

A M Ringrose
T Bradbury

SECRETARY:

T Bradbury

REGISTERED OFFICE:

Interserve House
Ruscombe Park
Twyford, Reading
Berkshire
RG10 9JU

REGISTERED NUMBER

00252221 (England and Wales)

AUDITOR:

Deloitte LLP
Chartered Accountants and
Statutory Auditor
London
United Kingdom

Report of the Directors
for the Year Ended 31 December 2012

The directors present their report with the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITY

The Company is a wholly-owned direct subsidiary of Interserve Group Holdings Limited. The principal activity of the Company is that of an investment holding company. The principal subsidiary undertakings affecting the profits or net assets of the Company in the year are listed in the notes to the financial statements.

There has been no significant change in the Company's principal activity in the year under review. The directors are not aware, at the date of this report, of any likely significant changes in the Company's activities in the next financial year.

REVIEW OF BUSINESS

The directors consider that the Company's key performance indicator is profit before taxation. The Company's profit from ordinary activities before taxation was £7,730,000 (2011: £15,755,000). The results of the Company are as set out in the financial statements and notes.

Principal risks and uncertainties

The Company has exposure to a variety of risks which are managed with the purpose of minimising any potential adverse effect on the Company's performance and net assets. The directors have policies for managing each of these risks and they are summarised below.

A principal risk that the Company faces is that the carrying values of its investments decline. The directors review comprehensive monthly trading reports of the Company's operating subsidiaries, with a comparison against budget or forecast.

As stated in the notes to the financial statements, the Company has given guarantees covering bank overdrafts to its fellow subsidiaries.

The directors are satisfied that, given the nature of this Company, there are no other principal risks and uncertainties to consider. Group risks are discussed in the Annual report and financial statements of Interserve Plc for the year ended 31 December 2012, which does not form part of this Directors' Report.

DIVIDENDS

An interim dividend of £8,500,000 (2011: £15,000,000) was paid during the year under review. The directors do not recommend payment of a final dividend.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report.

A M Ringrose
T Bradbury

Other changes in directors holding office are as follows:

J H Vyse - resigned 3 April 2012

DIRECTORS' INDEMNITIES

Interserve Plc has made qualifying third party indemnity provisions for the benefit of Messrs Ringrose and Vyse that were in force throughout the year for Mr Ringrose, and until the date of resignation for Mr Vyse. The indemnity provisions for the benefit of Mr Ringrose remain in force at the date of this report.

Report of the Directors
for the Year Ended 31 December 2012

GOING CONCERN BASIS

After making enquiries, the directors have formed a judgement, at the time of approving these financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

POST BALANCE SHEET EVENTS

The Company announced on 7 January 2013 that it had entered into an agreement to acquire Willbros Middle East Limited and its subsidiaries, which provide oil field maintenance, construction and logistic services. These subsidiaries, the foremost of which is The Oman Construction Company, will be owned 85% by the Company and 15% by an Omani partner.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ON BEHALF OF THE BOARD:



T Bradbury - Secretary

Date 4 September 2013

Independent Auditor's Report to the Members of
Interserve Holdings Limited

We have audited the financial statements of Interserve Holdings Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Stephen Griggs FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and
Statutory Auditor
London
United Kingdom

Date 05.09.13

Interserve Holdings Limited (Registered number 00252221)

Profit and Loss Account

for the Year Ended 31 December 2012

	Notes	2012 £'000	2011 £'000
TURNOVER		-	-
Administrative expenses		<u>(51)</u>	<u>110</u>
OPERATING (LOSS)/PROFIT		(51)	110
Loss on sale of investment		<u>(87)</u>	<u>-</u>
		(138)	110
Income from shares in group undertakings		6,588	10,216
Income from participating interests		<u>8,245</u>	<u>7,037</u>
		14,695	17,363
Amounts written off investments	3	<u>(5,334)</u>	<u>-</u>
		9,361	17,363
Interest payable and similar charges	4	<u>(1,631)</u>	<u>(1,608)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	7,730	15,755
Tax on profit on ordinary activities	6	<u>166</u>	<u>181</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>7,896</u></u>	<u><u>15,936</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

Balance Sheet
31 December 2012

	Notes	2012 £'000	2011 £'000
FIXED ASSETS			
Investments	8	28,984	34,063
CURRENT ASSETS			
Debtors	9	34,791	28,973
CREDITORS			
Amounts falling due within one year	10	<u>(590)</u>	<u>(2,685)</u>
NET CURRENT ASSETS		<u>34,201</u>	<u>26,288</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		63,185	60,351
CREDITORS			
Amounts falling due after more than one year	11	<u>(44,132)</u>	<u>(40,694)</u>
NET ASSETS		<u>19,053</u>	<u>19,657</u>
CAPITAL AND RESERVES			
Called up share capital	13	3,940	3,940
Share premium	14	324	324
Profit and loss account	14	<u>14,789</u>	<u>15,393</u>
SHAREHOLDERS' FUNDS	18	<u>19,053</u>	<u>19,657</u>

The financial statements were approved by the Board of Directors on 4 September 2013 and were signed on its behalf by


T Bradbury - Director

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Preparation of consolidated financial statements

The financial statements contain information about Interserve Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Interserve Plc, a company registered in

Financial Reporting Standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

Going concern

The directors have made enquiries and have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements

Taxation

Current tax, including UK corporation tax and foreign 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

Deferred Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries or associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

Finance costs

Interest bearing bank loans and overdrafts are recorded at proceeds received. Finance charges, including premiums payable on settlement or redemption, are recorded on an accrual basis in the profit and loss account using the interest rate applicable to the facility and included in accrued expenses in the balance sheet

The income and expense of intercompany financial assets and liabilities are recognised in the profit and loss over the term of such instruments at a constant rate on the carrying amount

The intercompany loan facilities expire within five years of the balance sheet date. The interest rates are set by Interserve Plc's Group treasury department at the start of each interest period and are based on LIBOR rates applying for the currency of the loan and for the interest period for which the loan has been advanced

Investments

Investments are stated at cost less provision for any impairment in value

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

2 STAFF COSTS

The average number of employees (including executive directors) for the year ended 31 December 2012 was Nil (2011 Nil)

John Vyse received £1,000 for his services to the Company during the year (2011 £1000)

There were no staff costs for the year ended 31 December 2012 nor for the year ended 31 December 2011

3 AMOUNTS WRITTEN OFF INVESTMENTS

	2012 £'000	2011 £'000
Amounts written off investments	<u>5,334</u>	<u>-</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £'000	2011 £'000
Interest payable	<u>1,631</u>	<u>1,608</u>

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee of £1,000 (2011 £1,000) for the current and preceding year was borne by the ultimate parent company

6 TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows

	2012 £'000	2011 £'000
Current tax		
UK corporation tax	(159)	80
Prior year Tax Adjustment	<u>(7)</u>	<u>(211)</u>
Total current tax	(166)	(131)
Deferred tax - current year	<u>-</u>	<u>(50)</u>
Tax on profit on ordinary activities	<u>(166)</u>	<u>(181)</u>

UK corporation tax has been charged at 24.5% (2011 - 26.5%)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

6 TAXATION - continued

Factors affecting the tax credit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	<u>7,730</u>	<u>15,755</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	1,894	4,175
Effects of		
Non-taxable dividends from subsidiaries	(1,614)	49
Non-taxable dividends from associates	(2,020)	(4,571)
Other non taxable items	-	(30)
Tax payable on controlled foreign company income	200	35
Impairment of investment	1,307	-
Prior year adjustment	(7)	211
Write off of intercompany loan	<u>74</u>	<u>-</u>
Current tax credit	<u>(166)</u>	<u>(131)</u>

The Company has been advised that Group tax relief is available and that payment will be made at the standard rate of 24.5% (2011 - 26.5%) of the amount of tax losses surrendered

7 DIVIDENDS

	2012 £'000	2011 £'000
Ordinary shares of 25p each		
Interim	<u>8,500</u>	<u>15,000</u>

8 FIXED ASSET INVESTMENTS

	2012 £'000	2011 £'000
Shares in group undertakings	16,301	16,611
Loans to group undertakings	256	256
Participating interests	3,453	8,222
Loans to undertakings in which the company has a participating interest	<u>8,974</u>	<u>8,974</u>
	<u>28,984</u>	<u>34,063</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

8 FIXED ASSET INVESTMENTS - continued

Additional information is as follows

	Shares in group undertakings £'000	Interest in associate £'000	Totals £'000
COST			
At 1 January 2012	17,672	8,222	25,894
Disposals	(310)	-	(310)
Impairments	-	(4,769)	(4,769)
At 31 December 2012	<u>17,362</u>	<u>3,453</u>	<u>20,815</u>
PROVISIONS			
At 1 January 2012 and 31 December 2012	<u>1,061</u>	<u>-</u>	<u>1,061</u>
NET BOOK VALUE			
At 31 December 2012	<u>16,301</u>	<u>3,453</u>	<u>19,754</u>
At 31 December 2011	<u>16,611</u>	<u>8,222</u>	<u>24,833</u>

8 FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following

Name of subsidiary	Principal activity
Interserve Insurance Company Limited (incorporated in Guernsey)	Insurance
Rapid Metal Developments (Australia) Pty Limited (incorporated in Australia)	Equipment hire and sales
Rapid Metal Developments (NZ) Limited (incorporated in New Zealand)	Equipment hire and sales
RMD Kwikform Chile S A (incorporated in Chile)	Equipment hire and sales
RMD Kwikform Ireland Limited (incorporated in Ireland)	Equipment hire and sales
RMD Kwikform (South Africa) (Proprietary) Ltd (incorporated in South Africa)	Equipment hire and sales
Tilbury Douglas Projects Ltd (incorporated in England & Wales)	Property development
RMD Kwikform (Al Maha) Qatar WLL (49%) *	Equipment hire and sales
(incorporated in Qatar)	
RMD Kwikform Almoayed Bahrain W L L (49%) **	Equipment hire and sales
(incorporated in Bahrain)	
RMD Kwikform Saudi Arabia LLC (90%) (incorporated in the Kingdom of Saudi Arabia)	Equipment hire and sales
Name of Associate	Principal activity
Douglas OHI LLC (49%) (incorporated in Sultanate of Oman)	Civil engineering and building
Khansaheb Civil Engineering LLC (45%) (incorporated in Emirate of Dubai)	Civil engineering and building
Khansaheb Hussain LLC (49%) (incorporated in Emirate of Abu Dhabi)	Civil engineering and building
Interserve Investments Ltd (21 66%)	Investment holding
United Industrial Services WLL (49%) (incorporated in Qatar)	Industrial support services
SSPDL Interserve Private Limited (49%) (incorporated in India)	Civil engineering and building
Khansaheb Group LLC (49%) (incorporated in Emirate of Dubai)	Facilities management and maintenance services
Khansaheb Civil Engineering LLC (Oman) (34%) ***	Roads and infrastructure construction
Occupational Training Institute LLC (Oman) (49%) ***	HSE and leadership training

- * The Group has the right to appoint and remove the General Manager giving it control over the strategic and operating decisions of the company It is therefore consolidated as a subsidiary undertaking
Issued share capital consists of 200 shares of 1000 Qatari Riyals each
- ** The Group has the right to appoint the Board of Managers and thus exercises control over the strategic and operating decisions of the company It is therefore consolidated as a subsidiary undertaking
Issued share capital consists of 200 shares of 100 Bahraini Dinars each
- *** Shareholdings are indirectly held

The subsidiary undertakings are wholly-owned, unless otherwise noted In the opinion of the directors the aggregate value of the shares in and amounts owing from the Company's subsidiary undertakings and associates is not less than the total amount at which they are stated in the balance sheet

Douglas Specialist Holdings Ltd was liquidated on 3 July 2012

The investments were reviewed for impairments at 31 December 2012 As a result SSPDL Interserve Private Limited was impaired by £5 3m

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

8 **FIXED ASSET INVESTMENTS - continued**

	Loans to group undertakings £'000	Loans to associates £'000	Totals £'000
At 1 January 2012	256	8,974	9,230
New in year	-	565	565
Impairment	-	(565)	(565)
At 31 December 2012	<u>256</u>	<u>8,974</u>	<u>9,230</u>

9 **DEBTORS**

	2012 £'000	2011 £'000
Amounts falling due within one year		
Other debtors	12	12
Intra group trade balances	1,992	-
Corporation tax	<u>150</u>	<u>218</u>
	<u>2,154</u>	<u>230</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>32,637</u>	<u>28,743</u>
Aggregate amounts	<u>34,791</u>	<u>28,973</u>

The intercompany trade balances incur no interest

The intercompany loan facility expires within five years of the balance sheet date During 2011 and 2012 interest was charged on balances at 4% for credit facilities and 3% for debit facilities

10 **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £'000	2011 £'000
Intra group trade balances	<u>590</u>	<u>2,685</u>

The intercompany trade balances incur no interest

11 **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2012 £'000	2011 £'000
Bank loans (see note 12)	17,305	11,451
Amounts owed to group undertakings	<u>26,827</u>	<u>29,243</u>
	<u>44,132</u>	<u>40,694</u>

The intercompany loan facility expires within five years of the balance sheet date During 2011 and 2012 interest was charged on balances at 4% for credit facilities and 3% for debit facilities

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

12 LOANS

An analysis of the maturity of loans is given below

	2012 £'000	2011 £'000
Amounts falling due between one and two years		
Bank loans and overdrafts	<u>17,305</u>	<u>11,451</u>

During 2011 and 2012 interest was charged on balances at 4% for credit facilities and 3% for debit facilities

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2012 £'000	2011 £'000
15,761,018	Ordinary	25p	<u>3,940</u>	<u>3,940</u>

14 RESERVES

	Profit and loss account £'000	Share premium £'000	Totals £'000
At 1 January 2012	15,393	324	15,717
Profit for the year	7,896		7,896
Dividends	<u>(8,500)</u>		<u>(8,500)</u>
At 31 December 2012	<u>14,789</u>	<u>324</u>	<u>15,113</u>

15 ULTIMATE PARENT COMPANY

The Company's immediate parent company is Interserve Group Holdings Limited, a company registered in England and Wales. 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 and registered in England and Wales. Copies of the Group financial statements of Interserve Plc are available from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.

16 CONTINGENT LIABILITIES

In the ordinary course of business of the Company, the Company has given guarantees covering bank overdrafts and syndicated loans to its fellow subsidiary undertakings. At 31 December 2012 these amounted to £15,736,000 (2011 £70,000,000).

17 RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" not to report transactions with other wholly owned Group companies.

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£'000	£'000
Profit for the financial year	7,896	15,936
Dividends	<u>(8,500)</u>	<u>(15,000)</u>
Net (reduction)/addition to shareholders' funds	(604)	936
Opening shareholders' funds	<u>19,657</u>	<u>18,721</u>
Closing shareholders' funds	<u>19,053</u>	<u>19,657</u>