Registered Company Number 1183821

INTERSERVE TRUSTEES LIMITED

31 December 2002



REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 2002.

ACTIVITIES

The company acts as a trustee company for the Interserve Pension Scheme. This activity is expected to continue for the foreseeable future.

STATE OF AFFAIRS

The state of the company's affairs is as set out in the balance sheet on page 5. The company did not trade during the current or previous year and made neither a profit nor a loss. Consequently no profit and loss account is presented.

DIRECTORS

The directors who served throughout the year, except as stated, are set out below:-

M C Bottjer
A Goodwin
D A Greenwood
D C Keys
W S Rogers (resigned 31 December 2002)
W L Spencer

Mr J M F Padovan was appointed a director of the company on 1 January 2003. Having been appointed since the last Annual General Meeting, Mr Padovan retires in accordance with the company's Articles of Association and, being eligible, offers himself for re-election.

None of the directors had any beneficial interests 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. The interests of the directors at 31 December 2002 in the capital of the ultimate parent undertaking are stated below:-

DIRECTOR	ORDINARY SHARES OF 10P EACH		OPTIONS OVER ORDINARY SHARES OF 10P EACH				
	01.01.02	31.12.02	01.01.02	Granted During year	31.12.02	Exercise Price	Exercise Period
D A Greenwood	1,957	**1,957**	Nil	Nil	**Nil**	N/A	N/A
W L Spencer	Nil	**500**	1,640	Nil	**1,640**	£4.394	01.06.2004-30.11.2004
			Nil	241	**241**	£4.41	01.06.2005-30.11.2005

Mr W L Spencer also holds £37,500 unsecured loan notes issued by the ultimate parent undertaking.

No options lapsed or were exercised by the directors during the year. Mr M C Bottjer and Mr D C Keys are also directors of the ultimate parent undertaking and their interests are disclosed in the accounts of that company. The interests of Mr W S Rogers are also disclosed in the accounts of the ultimate parent undertaking. He resigned as a director of that company on 31 December 2002.

During the year, the mid-market price of a share in Interserve Plc fluctuated between 166.5p and 579.5p per share. The mid-market price on 31 December 2002 was 166.5p.

REPORT OF THE DIRECTORS (continued)

AUDITORS

A resolution will be proposed at the Annual General Meeting to reappoint Deloitte & Touche as auditors to the company and to authorise the directors to fix their remuneration.

Interserve House
Ruscombe Park
Twyford
Reading
Berkshire
RG10 9JU

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

F WISKER
Secretary

3 March 2003

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, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have audited the financial statements of Interserve Trustees Limited for the year ended 31 December 2002 which comprise the balance sheet and the related notes 1 to 4. These financial statements have been prepared under the accounting policy 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 2002 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

DELOITTE & TOUCHE
Chartered Accountants and Registered Auditors
London

19 May 2003

BALANCE SHEET AT 31 DECEMBER 2002

	Note	2002 £	2001 £
CURRENT ASSETS			
Debtor - Amount owed by ultimate parent undertaking		10	10
CAPITAL AND RESERVES			
Equity shareholders' funds			
Called up share capital	3	10	10

This financial statement was approved by the Board of Directors on 3 March 2003.

Signed on behalf of the Board of Directors.

M C Bottjer
Director

D C Keys
Director

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

1. ACCOUNTING POLICY

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and in accordance with the historical cost convention.

2. ACTIVITIES

The company did not trade during the year or the previous year and accordingly no profit and loss account or statement of recognised gains and losses are presented. The company has no employees other than the directors. No director received any remuneration for his services to company during the year (2001: £nil). The audit fee in the current and previous year was borne by the ultimate parent undertaking.

3. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised:		
100 ordinary shares of £1 each	100	100
Allotted and called up:		
10 ordinary shares of £1 each - unpaid	10	10

4. ULTIMATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The company's immediate parent company is West's Group International Plc. 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 company has taken advantage of the exemption contained in Financial Reporting Standard 8 "Related Party Disclosures" not to report transactions with other group companies.