

Registered Company Number 2444094

COLLEGE FIELDS MANAGEMENT COMPANY 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.

ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the Company is the management of the Merton Estate. The Company has a nil result for the year (2001: £nil). No significant change is anticipated in the forthcoming year.

DIRECTORS

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

T Bradbury
D M Clitheroe (appointed 30 June 2002)
M J Davis
J G Hockaday
G J Wentzell (resigned 30 June 2002)

The interests of the directors at 31 December 2002 in the shares of the company are set out below:

	Ordinary Shares of £10 each	
	2002	2001
J E Hockaday	1	1
M J Davis	1	1

The interests of the directors at 31 December 2002 in the share capital of the ultimate parent undertaking, Interserve plc, are as 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
T Bradbury	2,980	5,107	14,150	Nil	14,150	£2.12	07.10.2001 - 06.10.2008
			850	Nil	850	£2.12	07.10.2001 - 06.10.2005
			25,000	Nil	25,000	£3.46	14.06.2003 - 13.06.2007
			20,000	Nil	20,000	£5.425	26.03.2004 - 25.03.2008
			1,640	Nil	1,640	£4.394	01.06.2004 - 30.11.2004
			Nil	15,000	15,000	£5.665	19.03.2005 - 18.03.2009
			Nil	241	241	£4.41	01.06.2005 - 30.11.2005
D M Clitheroe	Nil*	4,255	8,657*	Nil	8,657	£1.992	01.01.2003 - 30.06.2003
			5,529*	Nil	5,529	£5.425	26.03.2004 - 25.03.2011
			9,471*	Nil	9,471	£5.425	26.03.2004 - 25.03.2008
			8,000*	Nil	8,000	£5.665	19.03.2005 - 18.03.2009

*as at date of appointment.

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

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.

Other than disclosed above none of the directors have any interest in the shares of the ultimate company, parent company or any other group undertaking (2001: none).

REPORT OF THE DIRECTORS (continued)

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Interserve House
Ruscombe Park
Twyford
Reading
Berkshire
RG10 9JU

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



T Bradbury
Secretary

19 May 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 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 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 College Fields Management Company Limited for the year ended 31 December 2002 which comprise the profit and loss account, balance sheet and the related notes 1 to 7. 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.

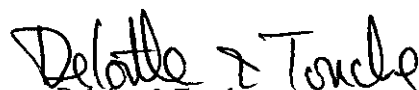
Basis of audit opinion

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 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Deloitte & Touche
Chartered Accountants and Registered Auditors
London

19 May 2003

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	2002 £	2001 £
Administration expenses		-	-
OPERATING PROFIT	2	-	-
Tax on profit on ordinary activities		-	-
PROFIT FOR THE YEAR	6	-	-

All activities are derived from continuing operations.

A Statement of total recognised gains and losses is not presented as there have been no recognised gains or losses other than those included in the profit and loss account as set out above.

BALANCE SHEET AT 31 DECEMBER 2002

	Note	2002 £	2001 £
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	3	<u>(6,652)</u>	<u>(6,652)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(6,652)</u>	<u>(6,652)</u>
CAPITAL AND RESERVES			
Called up share capital	4	60	60
Profit and loss account - deficit	5	<u>(6,712)</u>	<u>(6,712)</u>
Equity shareholder's deficit		<u>(6,652)</u>	<u>(6,652)</u>

These financial statements were approved by the Board of Directors on

19 May

2003.

Signed on behalf of the Board of Directors



D M Clitheroe
Director

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

1. ACCOUNTING POLICIES

Accounting convention

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

Basis of preparation

The directors note that the balance sheet for the company shows net liabilities of £6,652 for the current and preceding years. The company is held by the parent company Interserve Plc as a long- term investment and the directors have received confirmation that the amount owed to the parent will not be called upon in the foreseeable future. It is considered, therefore, that the going concern basis is appropriate for the preparation of these financial statements.

2. OPERATING PROFIT

The company had no employees during the year other than the directors (2001: nil) who received no remuneration for their services to the company in the current or preceding years. The audit fee for the current and preceding year was borne by the ultimate parent company.

	2002 £	2001 £
3. CREDITORS: amounts due within one year		
Amounts owed to parent undertaking	<u>6,652</u>	<u>6,652</u>

	2002 £	2001 £
4. CALLED UP SHARE CAPITAL		
Authorised:		
15 Ordinary shares of £10 each	150	150
1 Developer's share of £10	<u>10</u>	<u>10</u>
	<u>160</u>	<u>160</u>
Allotted and fully paid:		
5 Ordinary shares of £10	50	50
1 Developer's share of £10	<u>10</u>	<u>10</u>
	<u>60</u>	<u>60</u>

The ordinary shares and developer's share rank pari passu in respect of dividend and voting rights and their rights in the event of a winding up of the company.

5. PROFIT AND LOSS ACCOUNT - DEFICIT

	2002 £
At 1 January 2002 and 31 December 2002	<u>(6,712)</u>

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002 (Continued)

6. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S DEFICIT

	2002 £	2001 £
Profit attributable to shareholder	-	-
Opening shareholder's deficit	(6,652)	(6,652)
Closing shareholder's deficit	(6,652)	(6,652)

7. ULTIMATE PARENT UNDERTAKING & RELATED PARTY TRANSACTIONS

The company's immediate parent company is Tilbury Douglas Projects Limited. 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.