

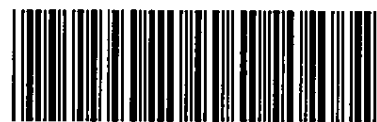
**Company Registration Number 3230309**

**BUILDING & PROPERTY (HOLDINGS) LIMITED**

**Report and Financial Statements**

**31 December 2007**

**SATURDAY**



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**COMPANIES HOUSE**

# **BUILDING & PROPERTY (HOLDINGS) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2007**

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# **BUILDING & PROPERTY (HOLDINGS) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

S Ashdown  
B A Melizan

### **SECRETARY**

W L Spencer (resigned 5 January 2007)  
S A Pound (appointed 5 January 2007)

### **REGISTERED OFFICE**

Capital Tower  
91 Waterloo Road  
London  
SE1 8RT

### **AUDITORS**

Deloitte & Touche LLP  
London

## **BUILDING & PROPERTY (HOLDINGS) LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company is to act as a holding company for Interserve<sup>fm</sup> Ltd. Interserve<sup>fm</sup>'s subsidiary undertakings provide comprehensive management and maintenance services to the defence industry, other public sector organisations and private companies. The directors expect that this will continue to be the principal activity of the group for the foreseeable future.

### **RESULTS AND DIVIDENDS**

The results of the company for the year ended 31 December 2007 are set out in the financial statements on pages 6 to 13. Dividends of £5,923,000 (2006: £5,900,000) have been paid during the year.

### **FINANCIAL RISK MANAGEMENT**

The directors have reviewed the financial risk management objectives and policies of the company. Where there is a significant exposure to financial risks, the group policy laid down by the parent company, Interserve plc, is followed. The company does not as a regular policy enter into hedging instruments, as there is not believed to be any material exposure. It does not enter into any speculative financial instruments.

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms along with the relationships with suppliers and customers and manages any exposure on normal trade terms. The company prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed as part of the overall Interserve plc financing arrangements.

### **DIRECTORS**

The directors who served during the year were as follows:

S Ashdown  
B A Melizan  
A M Ringrose (resigned 10 January 2007)

Mr Melizan is a director of Interserve plc, the ultimate parent undertaking, and his share interests in the capital of the ultimate parent undertaking Interserve plc is disclosed in the group accounts.

## **BUILDING & PROPERTY (HOLDINGS) LIMITED**

### **DIRECTORS' REPORT**

#### **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 & 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

A handwritten signature in black ink, appearing to be 'S Ashdown', written over a printed name.

**S Ashdown**  
Director

## **BUILDING & PROPERTY (HOLDINGS) 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**

### **BUILDING & PROPERTY (HOLDINGS) LIMITED**

We have audited the financial statements of Building & Property (Holdings) Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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 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 2007 and of its profit 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 & TOUCHE LLP**

Chartered Accountants and Registered Auditors  
London, United Kingdom

9 May 2008

## **BUILDING & PROPERTY (HOLDINGS) LIMITED**

### **PROFIT AND LOSS ACCOUNT**

**Year ended 31 December 2007**

	<b>Note</b>	<b>2007 £'000</b>	<b>2006 £'000</b>
Income from shares in group undertakings		6,000	-
<b>OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		6,000	-
Tax on profit on ordinary activities	4	-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		6,000	-

All activities relate to continuing operations

There are no recognised gains or losses for the current or preceding financial year other than as stated in the profit and loss account. Accordingly, no separate statement of recognised gains and losses has been presented.




# **BUILDING & PROPERTY (HOLDINGS) LIMITED**

## **BALANCE SHEET** **At 31 December 2007**

	Note	2007		2006	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Investments	6		70,000		70,000
<b>CURRENT ASSETS</b>					
Debtors	7	32,454		26,450	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	<u>(82,277)</u>		<u>(76,350)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(49,823)</u>		<u>(49,900)</u>
<b>NET ASSETS</b>			<u>20,177</u>		<u>20,100</u>
<b>SHARE CAPITAL AND RESERVES</b>					
Called up share capital	9		1		1
Share premium	10		18,808		18,808
Capital redemption reserve	10		191		191
Profit and loss account	10		<u>1,177</u>		<u>1,100</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>20,177</u>		<u>20,100</u>

These financial statements were approved by the Board of Directors on 8th May 2008.

Signed on behalf of the Board of Directors

  
S. Ashdown  
Director

## **BUILDING & PROPERTY (HOLDINGS) LIMITED**

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

**Year ended 31 December 2007**

#### **1. ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the directors are described below.

##### **Basis of preparation**

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

##### **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.

##### **Investments**

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

##### **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.

In accordance with Financial Reporting Standard 19 'Deferred Tax', deferred tax is provided in full on timing differences which represent an asset or liability at the balance sheet 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 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.

#### **2. OPERATING PROFIT**

Auditors' remuneration and all indirect costs of the company are borne by Interservefm Ltd, a subsidiary undertaking. The audit fee for Interservefm Ltd, its subsidiary companies and its immediate parent undertaking was £147,000 (2006 £99,000).

#### **3. DIRECTORS' EMOLUMENTS**

Mr Ringrose and Mr Melizan are directors of the ultimate parent company, Interserve plc, and their remuneration for services to the group as a whole are disclosed in the accounts of that company.

During the year Messrs Ashdown and Melizan were remunerated for their services to the group by Interservefm Ltd and it is not practicable to allocate their remuneration between the companies.

The number of directors who are members of a defined benefit pension scheme were nil (2006 nil).

The company had no employees during the year.

# BUILDING & PROPERTY (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £'000	2006 £'000
The taxation charge is made up as follows		
UK corporation tax at 30% (2006 30%)	-	-

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 30% (2006 30%) The current tax charge for the year is less than 30% (2006 is less than 30%) for the reasons set out in the following reconciliation

	£'000	£'000
Profit on ordinary activities before taxation	6,000	-
	£'000	£'000
Taxation on profit on ordinary activities at standard rate	1,800	-
Factors affecting the charge		
UK dividend income	(1,800)	-
Tax on profit on ordinary activities	-	-

The reduction in the corporation tax rate to 28% from 1 April 2008 is expected to affect the future tax charge accordingly

### 5. DIVIDENDS

	2007 £'000	2006 £'000
Dividend paid of £71 10 (2006 £70 80) per share	5,923	5,900

# **BUILDING & PROPERTY (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2007**

### **6. INVESTMENTS**

<b>Shares in subsidiary undertakings</b>	<b>£'000</b>
<b>Cost</b>	
At 1 January 2007 and 31 December 2007	70,000
<b>Net book value</b>	
At 31 December 2007	70,000
At 31 December 2006	70,000

The company's principal subsidiary undertakings and other investments are

<b>Subsidiary undertakings</b>	<b>Country of incorporation/registration and operation</b>	<b>Activity</b>	<b>Percentage of ordinary shares held</b>
Interserve <sup>fm</sup> Ltd	England and Wales	Holding company	100%
Interserve (Defence) Ltd*	England and Wales	Management and maintenance services	100%
Interserve (Facilities Management) Ltd*	England and Wales	Management and maintenance services	100%
Interserve (Facilities Services-Slough) Ltd*	England and Wales	Management and maintenance services	100%
Landmarc Support Services Ltd*	England and Wales	Management and maintenance services	51%
PrnDE (SERP) Limited*	England and Wales	Management and maintenance services	50%
Interserve (Facilities Services) Ltd*	England and Wales	Dormant	100%
Building & Property Trustees Ltd*	England	Dormant	100%

\* Companies owned through Interserve<sup>fm</sup> Ltd

# **BUILDING & PROPERTY (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2007**

### **6. INVESTMENTS (continued)**

<b>Subsidiary undertakings</b>	<b>Country of incorporation/registration and operation</b>	<b>Activity</b>	<b>Percentage of ordinary shares held</b>
Maintenance and Technical Management (London) Limited*	England	Dormant	100%
Maintenance and Technical Management (Midlands) Limited*	England	Dormant	100%
Maintenance and Technical Management (Northern) Limited*	England	Dormant	100%
Maintenance and Technical Management (Scotland) Limited*	England	Dormant	100%
South East Building Management Limited*	England	Dormant	100%
<b>Other investments</b>	<b>Country of incorporation and operation</b>	<b>Activity</b>	<b>Percentage of equity owned at 31 December 2007</b>
Newcastle Estate Partnership Holdings Limited*	England	Construction and management services	20%

\* Companies owned through Interservefm Ltd

### **7. DEBTORS**

	<b>2007 £'000</b>	<b>2006 £'000</b>
<b>Amounts due within one year</b>		
Amounts owed by group undertakings	<u>32,454</u>	<u>26,450</u>

### **8. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2007 £'000</b>	<b>2006 £'000</b>
Bank overdraft	48	44
Amounts owed to group undertakings	82,228	76,304
Other creditors	<u>1</u>	<u>2</u>
	<u>82,277</u>	<u>76,350</u>

# **BUILDING & PROPERTY (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2007**

<b>9. CALLED UP SHARE CAPITAL</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
25,000 'A' ordinary shares of 1p each	250	250
225,000 'B' ordinary shares of 1p each	2,250	2,250
18,900,000 Redeemable preference shares of 1p each	189,000	189,000
	<u>191,500</u>	<u>191,500</u>
	<b>£</b>	<b>£</b>
<b>Called up, allotted and fully paid</b>		
25,000 'A' ordinary shares of 1p each	250	250
58,335 'B' ordinary shares of 1p each	583	583
	<u>833</u>	<u>833</u>

### **'A' and 'B' ordinary shares of 1p each**

'A' and 'B' ordinary shares rank pari passu except under certain conditions of sale, listing or a members voluntary winding up, the 'B' ordinary shares may be redeemed for an aggregate of 1p up to a maximum of 16,667 shares. The remaining 'B' ordinary shares may be redeemed at a value equal to

$$\frac{X + (Y - Z)}{2}$$

2

where

X is the proportion of the required exit value attributable to the 'B' ordinary shares if there were no redemption under this clause

Y is the exit value

Z is the required exit value. The required exit value is the exit value which would result in the value of each unit producing an internal rate of return of 35% if there were no redemption under this clause

### **Redeemable preference shares of 1p each**

The holders of the redeemable preference shares of 1p each are entitled to a fixed cumulative preference dividend at the annual rate of 8% based upon the nominal amount and premium paid

On a winding up, the redeemable preference shareholders will receive priority over any payment to the holders of any other class of share

Shareholders owning more than 10% of the preference shares are entitled to receive notice of and to attend and speak at the general meetings. Preference shareholders may not vote unless the preference dividend has not been paid within the prescribed time limit

## BUILDING & PROPERTY (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

#### 10. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total 2007 £'000	Total 2006 £'000
Balance at beginning of year	1	18,808	191	1,100	20,100	26,000
Profit for the year	-	-	-	6,000	6,000	-
Dividends (note 5)	-	-	-	(5,923)	(5,923)	(5,900)
Balance at end of year	1	18,808	191	1,177	20,177	20,100

#### 11. CONTINGENT LIABILITIES

At 31 December 2007 there were contingent liabilities in respect of guarantees given in the ordinary course of business. The company has given guarantees covering banking facilities made available to the parent and fellow subsidiary undertakings. At 31 December 2007 these amounted to nil (2006 £140,000,000).

#### 12. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Interserve plc and has accordingly taken advantage of the exemption available under Financial Reporting Standard 8 'Related Party Disclosures' from disclosing transactions with group entities.

#### 13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

Interserve/m (Holdings) Ltd, 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.