

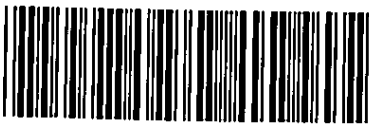
Company Registration No. 3378281

SSD UK Limited

Report and Financial Statements

31 December 2006

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SSD UK Limited

Report and financial statements 2006

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SSD UK Limited

Report and financial statements 2006

Officers and professional advisers

Directors

A S Tasker
J T Tasker
B W Spencer
R L Phillips

Secretary

R Phillips

Registered office

Capital Tower
91 Waterloo Road
London
SE1 8RT

Bankers

Barclays Bank Plc
PO Box 25
Northampton
NN1 4YD

Solicitors

RFB
Wilberforce Court
High Street
HULL
HU1 1YJ

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

SSD UK Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

Principal activities, results and business review

The company's principal activity during the year was specialist window cleaning

The company commenced trading on 1 October 2005 and as such, a comparison with the prior year's activity is not considered appropriate

The company's balance sheet on page 10 shows a net decrease in cash of £244,000 (taking into account the bank overdraft) and an increase in net liabilities to £1.4m

The directors will be taking action during the current financial year to develop the profitability of the company and to maximise the benefits to the company within the constraints of prevailing market conditions

Results and dividends

The company's loss after taxation for the year of £808,000 (2005 loss £631,000) is transferred to reserves. The directors do not recommend the payment of a dividend (2005 £nil)

Directors and their interests

The directors who served during the year and subsequently were as follows

W K Kendrick resigned 20 July 2006
A S Tasker
J T Tasker
B W Spencer appointed 20 July 2006
R L Phillips appointed 20 July 2006

None of the directors in office at the end of the year held any interests in the ordinary share capital of the company

The directors in office at the period end held options over the following number of ordinary shares of 10 pence nominal value each in the ultimate parent undertaking, Interserve plc

Director	Options over shares of 10p each						
	31 December 2005*	Granted during year	Exercised during year	Lapsed during year	31 December 2006	Exercise price p	Period of exercise
B W Spencer	28,000	-	-	-	28,000	253.25	26/05/07 – 25/05/14
	5,295	-	-	-	5,295	566.50	19/03/05 – 18/03/12
	1,705	-	-	-	1,705	566.50	19/03/05 – 18/03/09
	34,787	-	-	-	34,787	359.30	14/03/08 – 13/03/15

* Or date of appointment

SSD UK Limited

Directors' report

Creditor payment policy

The company does not follow any code or standard on payment practice. It agrees appropriate terms and conditions for its transactions with each supplier, these range from standard written terms to individually negotiated contracts. Payments to suppliers should be made in accordance with those terms and conditions, provided that the supplier has met its obligations under those terms and conditions. Trade creditors at 31 December 2006 represented 34 days of purchases (2005 52 days)

Employees

The company gives full consideration to applications for employment made by persons with reduced mobility, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event that an employee becomes disabled, every effort is made to ensure their continued employment and to arrange appropriate training. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as practicable, be identical to that of a person who does not suffer from a disability. The company has continued its policy of regularly consulting and communicating with its employees through newsletters, briefing meetings and announcements on notice boards.

Donations

There were no charitable or political donations in the year (2005 £nil)

Principal risks and uncertainties including financial risk management

The company's operations expose it to a variety of financial risks that include the effects of credit risk and liquidity risk. The directors actively manage these by monitoring levels of risk and the related costs.

The company has implemented credit control policies including carrying out appropriate credit checks on potential customers before sales are made and reviewing collection periods.

The company utilises group finance to ensure that the company has sufficient available funds for its operations and its required level of working capital.

SSD UK Limited

Directors' report

Auditors

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- 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

PricewaterhouseCoopers LLP resigned as auditors Deloitte & Touche LLP have been appointed auditors of the company and they have expressed their willingness to continue in office as auditors and a resolution to appoint them will be proposed at the forthcoming Annual General Meeting

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



R L Phillips

Secretary

2 July 2007

SSD UK 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 UK 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 that 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.

Independent auditors' report to the members of SSD UK Limited

We have audited the financial statements of SSD UK Limited for the year ended 31 December 2006 which comprise the profit and loss account, the reconciliation of movements in equity shareholders' deficit, the balance sheet and the related notes 1 to 16. 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.

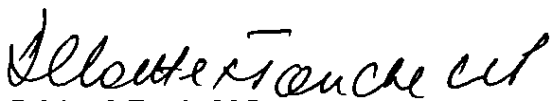
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of SSD UK Limited (continued)

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 2006 and of its loss 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

2 July 2007

SSD UK Limited

Profit and loss account Year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Turnover	2	3,854	1,005
Cost of sales		<u>(3,729)</u>	<u>(1,281)</u>
Gross profit / (loss)		<u>125</u>	<u>(276)</u>
Administrative expenses		<u>(1,409)</u>	<u>(483)</u>
Operating loss	3	<u>(1,284)</u>	<u>(759)</u>
Interest payable and similar charges	5	<u>(4)</u>	<u>(2)</u>
Loss on ordinary activities before taxation		<u>(1,288)</u>	<u>(761)</u>
Tax credit on loss on ordinary activities	6	<u>480</u>	<u>130</u>
Loss for the financial year	11	<u><u>(808)</u></u>	<u><u>(631)</u></u>

All of the company's activities are classified as continuing

The above results are stated on an historical cost basis

There were no recognised gains or losses during either the current year or previous year other than the loss above
Accordingly no separate statement of recognised gains and losses has been presented

SSD UK Limited

Reconciliation of movements in equity shareholders' deficit Year ended 31 December 2006

	2006 £'000	2005 £'000
Loss for the year	<u>(808)</u>	<u>(631)</u>
Net addition to equity shareholders' deficit	(808)	(631)
Opening equity shareholders' (deficit)/funds	<u>(611)</u>	<u>20</u>
Closing equity shareholders' deficit	<u><u>(1,419)</u></u>	<u><u>(611)</u></u>

SSD UK Limited

Balance sheet 31 December 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Tangible assets	7	128	179
Current assets			
Stocks - consumables		48	-
Debtors	8	3,284	2,517
Cash at bank and in hand		508	-
		3,840	2,517
Creditors amounts falling due within one year	9	(5,387)	(3,307)
Net current liabilities		(1,547)	(790)
Total assets less current liabilities		(1,419)	(611)
Net liabilities		(1,419)	(611)
Capital and reserves			
Called up share capital	10	20	20
Profit and loss account	11	(1,439)	(631)
Equity shareholders' deficit		(1,419)	(611)

These financial statements were approved by the Board of Directors on 2 July 2007

Signed on behalf of the Board of Directors

B W Spencer
Director



SSD UK Limited

Notes to the accounts Year ended 31 December 2006

1 Accounting policies

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

The financial statements have been prepared on a going concern basis. Notwithstanding the loss for the year and net liabilities, the company has received confirmation of support from the parent company sufficient to meet its funding requirements.

The company is exempt from the requirements of Financial Reporting Standard No 1 (Revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Interserve plc, and its cash flows were included within the consolidated cash flow statement of that company.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers and is recognised upon delivery of the service.

Tangible fixed assets and depreciation

Tangible fixed assets are shown at cost, being purchase cost together with any incidental costs of acquisition, less accumulated depreciation and any provision for impairment. Depreciation is calculated on a straight line basis at rates appropriate to the expected useful economic lives and estimated residual values of the assets as follows:

Leasehold property improvements	20% per annum
Plant and machinery	20% - 33% per annum
Motor vehicles	33% per annum

Stocks

Stocks, which comprise materials held for use on contracts, are stated at the lower of cost and net realisable value.

Trade debtors

Trade debtors are carried at their estimated realisable value after providing for debts where collection is doubtful.

Deferred tax

Deferred tax is provided for in full on all timing differences and is calculated, without applying discount factors, at the average tax rates expected to apply in the years in which timing differences are expected to reverse. Deferred tax assets are recognised to the extent that, in the view of the directors, there are expected to be appropriate taxable profits within the foreseeable future from which the asset can be deducted.

Leases

Assets obtained under finance lease contracts are included as tangible fixed assets at their capital value and depreciated over their estimated useful lives. The corresponding liability, net of finance charges, is recorded as a creditor and the finance element of the liability is charged to the profit and loss account over the year of the contract. Rentals payable under operating leases are charged to the profit and loss account in the year to which they relate.

Pensions

Costs in respect of pension contributions to money purchase schemes are charged to the profit and loss account in the year in which they are incurred.

SSD UK Limited

Notes to the accounts Year ended 31 December 2006

2 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company and arise wholly within the United Kingdom

3 Operating loss

	2006 £'000	2005 £'000
Is stated after charging		
Auditors' remuneration including expenses		
- audit	8	4
Doubtful debt expense	347	255
Depreciation of tangible fixed assets	146	34
Impairment of tangible fixed assets	-	45
Loss on sale of tangible fixed assets	5	-
Impairment of goodwill (see below)	-	69
Hire of plant and machinery	122	45
Rentals payable under other operating leases	244	42
Leasehold property rental	172	39

Goodwill of £69,000 arose on the purchase of the fixed assets of another window cleaning business. Based on a subsequent review of the business, the goodwill was immediately written off.

4 Information regarding directors and employees

The services of operatives on contracts have been provided by a fellow subsidiary company. Therefore, the company has no employees.

	2006 £'000	2005 £'000
Directors		
Emoluments	177	42
Company contributions paid to money purchase pension schemes	-	-

Retirement benefits under money purchase pension schemes are not accruing to any directors (2005 none) in office at the year end.

The amounts in respect of the highest paid Director are as follows:

Emoluments	90	21
Company contributions paid to money purchase pension scheme	-	-

5 Interest payable and similar charges

	2006 £'000	2005 £'000
On bank overdrafts and other loans wholly repayable within five years	4	2

SSD UK Limited

Notes to the accounts Year ended 31 December 2006

6. Tax credit on loss on ordinary activities

	2006 £'000	2005 £'000
UK corporation tax credit at 30% (2005 - 30%)		
- current year group relief receivable	(440)	(198)
Deferred taxation charge		
- current year	60	-
- prior year	(100)	68
	<u>(480)</u>	<u>(130)</u>

Current tax

The current tax for the year differs from the standard rate of corporation tax in the UK (30%) The difference is explained as follows

	2006 £'000	2005 £'000
Loss on ordinary activities before tax	<u>(1,288)</u>	<u>(761)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	(386)	(228)
Effects of		
Expenditure not deductible for tax purposes	5	30
Capital allowances in excess of depreciation	17	-
Other timing differences	(76)	-
	<u>(440)</u>	<u>(198)</u>

Deferred tax

The deferred tax recognised comprises
Accelerated capital allowances

Accelerated capital allowances	(40)	-
	<u>(40)</u>	<u>-</u>
At 1 January 2006		-
Intercompany transfer	-	68
Profit and loss account credit	(40)	(68)
	<u>(40)</u>	<u>-</u>
At 31 December 2006	<u>(40)</u>	<u>-</u>

Further tax losses transferred into the Company which have not been included above, calculated at 30%, amount to £322,000 (2005 £406,000) These are available for deduction from future taxable profits and will be included as a debtor when, in the view of the directors, these can be utilised

SSD UK Limited

Notes to the accounts Year ended 31 December 2006

7. Tangible fixed assets

	Leasehold property improvements £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January 2006	43	660	90	793
Additions	-	100	-	100
Disposals	-	(377)	(63)	(440)
At 31 December 2006	43	383	27	453
Depreciation				
At 1 January 2006	37	497	80	614
Charge for the year	6	130	10	146
Disposals	-	(372)	(63)	(435)
At 31 December 2006	43	255	27	325
Net book value				
At 31 December 2006	-	128	-	128
At 31 December 2005	6	163	10	179

8 Debtors

	2006 £'000	2005 £'000
Trade debtors	726	800
Amounts owed by group undertakings	1,772	1,596
Prepayments and accrued income	108	115
Corporation tax	638	-
Other debtors	-	6
Deferred tax	40	-
	3,284	2,517

9 Creditors amounts falling due within one year

	2006 £'000	2005 £'000
Bank overdraft	2,547	1,795
Trade creditors	230	281
Amounts due to group undertakings	2,232	1,020
Other taxes and social security	104	99
Accruals and deferred income	228	108
Other creditors	46	4
	5,387	3,307

The bank overdraft facility is secured by a fixed and floating charge over the assets of the company and is repayable on demand

SSD UK Limited

Notes to the accounts Year ended 31 December 2006

10 Called up share capital

	2006 £'000	2005 £'000
Authorised.		
20 Ordinary shares of £1 each (2005 20)	20	20
Called up, allotted and fully paid		
20 Ordinary shares of £1 each (2005 20)	20	20

11 Profit and loss account

	£'000
At 1 January 2006	(631)
Loss for the year	(808)
At 31 December 2006	(1,439)

12 Contingent liabilities

The company has provided cross-guarantees in respect of bank overdrafts and other liabilities for fellow group companies

13. Commitments under operating leases

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings		Motor vehicles	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Operating leases which expire				
- within one year	10	5	12	-
- between two and five years	58	121	179	54
- after five years	106	25	-	-
	<u>174</u>	<u>151</u>	<u>191</u>	<u>54</u>

14 Commitments

At 31 December 2006 and 31 December 2005 the company had no capital commitments

15 Related party transactions

Advantage has been taken of the exemption provided by Financial Reporting Standard No 8 ("Related Party Disclosures") in not disclosing transactions between group companies where there is a common ownership interest in excess of 90% and where such transactions are fully eliminated on consolidation

SSD UK Limited

Notes to the accounts Year ended 31 December 2006

16 Ultimate parent undertaking

The company's immediate parent undertaking is SSD Group Limited and its ultimate parent undertaking and controlling party, and the undertaking of the smallest and largest group for which group financial statements are prepared, is Interserve plc, a company incorporated in Great Britain and registered in England and Wales

The consolidated financial statements of Interserve plc are available to the public and may be obtained from Interserve plc, Capital Tower, 91 Waterloo Road, London, SE1 8RT. No other group financial statements include the results of the Company