

**Directors' report
for the year ended 31 March 2005**

The directors present their report and the accounts for the year ended 31 March 2005.

Principal activities

The Company acted as an unpaid agent for Prismo Limited but did not itself trade during the year and consequently no profit and loss account has been produced in respect of the period. Any costs incurred by the Company were paid on its behalf by Prismo Limited, a fellow subsidiary of Jarvis plc.

Norman Smith (Congleton) Limited, a wholly owned subsidiary undertaking of Jarvis plc, is a guarantor of the majority of Jarvis plc Group's various financing facilities. During the year ended 31 March 2005 the Company, with certain other Group companies, signed an Override Agreement, which was terminated in August 2005 along with certain other financing facilities as part of the Group's financial restructuring. However, the Company remains a guarantor to the Group's remaining financing facilities, details of which are disclosed in Note 1(a) and Note 5 of the accounts.

Dividends

The directors do not recommend the payment of a dividend (2004: £nil).

Directors

The directors holding office during the year ended 31 March 2005 and appointed subsequent to that date are shown below.

R J Doyle	(appointed 15 June 2004; resigned 30 November 2004)
R N Johnson	(resigned 15 June 2004)
G K H Mason	
B L Westbrook	
A K Rae	(appointed 13 January 2005; resigned 9 March 2005)

Directors' interests

At 31 March 2005 none of the directors had any interests in the shares of the Company.

Other directors' interests were as follows:

Interests in Jarvis plc shares of 5p each	At 1 April 2004 or subsequent date of appointment	At 31 March 2005
G K H Mason	500	500
B L Westbrook	38,218	43,801

On 31 March 2005 options over 25,000 shares in Jarvis plc, granted to Mr G K H Mason on 28 July 2000, were surrendered.

On 31 March 2005 options over 19,000 shares in Jarvis plc, granted to Mr G K H Mason on 24 January 2001, were surrendered.

On 31 March 2005 options over 20,000 shares in Jarvis plc, granted to Mr B L Westbrook on 24 January 2001, were surrendered.



**Directors' report
for the year ended 31 March 2005 (continued)**

Statement of Directors' responsibilities

Company law requires the directors to prepare accounts for each financial period that give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period. In preparing those accounts, the directors are required:

- To select suitable accounting policies and then apply them consistently;
- To make judgements and estimates that are reasonable and prudent;
- To state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- To prepare accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

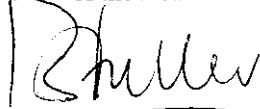
The directors confirm that the accounts comply with these requirements.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and to ensure that the accounts 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.

Audit

In accordance with Section 249AA of the Companies Act, 1985 the Company was dormant during the whole of the year under review and is accordingly exempt from the obligation to appoint auditors.

~~By order of the Board~~



For and on behalf of
Secretariat Services Ltd

Secretariat Services Limited

Secretary

24 January 2006

Norman Smith (Congleton) Limited

Registered No: 885287

Balance sheet at 31 March 2005

	Notes	31 March 2005 £'000	31 March 2004 £'000
Fixed Assets:			
Investments	3	63	63
Current Assets:			
Debtors - amount owed by group undertaking		489	489
Net Assets		552	552
Capital and reserves			
Called up share capital	4	83	83
Share Premium		212	212
Profit and loss account		257	257
Equity shareholders' funds		552	552

For the period ended 31 March 2005 the company was entitled to exemption by section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- i. ensuring the company keeps accounting records which comply with Section 221; and
- ii. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, in accordance with requirements of Section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These accounts were approved by the board on 24 January 2006 and were signed on its behalf by:

Director 

Notes to the accounts for the period ended 31 March 2005

1 Principal accounting policies

(a) Basis of preparation

The company is a subsidiary undertaking of Jarvis plc ("the Parent" or "Jarvis"), and a guarantor of the various financing facilities of the Parent's group of companies (the "Group"). In addition, the company is dependent upon the continued provision of finance by the Group to enable it to meet its liabilities as they fall due.

Although the Group has incurred significant trading losses and cash outflows during the last two years, the directors believe that the effects of internal restructuring and corporate disposals undertaken will bring about improved operating results as indicated in the detailed profit and cash flow forecasts. These forecasts indicate that, following the impact of the financial restructuring which was finalised on 29 September 2005, the Group will be able to trade within its agreed working capital facility of £38.5 million for at least the next 12 months from the date of this report.

Given the financial situation of the Group described above, the company's directors consider that the company will be able to trade and meet its liabilities as they fall due for at least the 12 months following the date of approval of these financial statements. Accordingly, these financial statements are prepared on the going concern basis.

(b) Accounting convention

The accounts have been prepared in accordance with applicable accounting standards and the Companies Act 1985.

2 Profit and loss account

The company did not trade during the period and consequently no profit and loss account has been prepared.

3 Investments

	31 March 2005 £'000	31 March 2004 £'000
Shares in subsidiary undertakings	<u>63</u>	<u>63</u>

Details of the investments in non-trading subsidiary undertakings are set out below.

	<u>Country of Registration</u>	<u>Share Capital Issued</u>	<u>Interest</u>
Somerford Plastics Ltd	England & Wales	£100	100%
Somerford Equipment Ltd	England & Wales	£1000	100%

4 Share capital

	31 March 2005 £'000	31 March 2004 £'000
Authorised		
35,000 B Ordinary shares of £1 each	35	35
165,000 Ordinary A shares of £1 each	<u>165</u>	<u>165</u>
	<u>200</u>	<u>200</u>
Allotted, called up and fully paid		
18,318 B Ordinary shares of £1 each	18	18
65,000 Ordinary A shares of £1 each	<u>65</u>	<u>65</u>
	<u>83</u>	<u>83</u>

5 Contingent liabilities

Guarantees have been given by the company in the ordinary course of business, without limit, in respect of loans and overdrafts of its ultimate parent (Jarvis plc) and fellow subsidiary undertakings (together 'the Group'), which amounted to £300m as at 31 March 2005 (2004: £179m). Subsequent to the balance sheet date, the company issued guarantees in respect of a number of additional facilities secured by the Group which, along with the guarantees outlined above, were released as a result of the debt for equity conversion completed on 31 August 2005. Consequently, as at 24 January 2006, the company is a guarantor of the Group's working capital facilities of £38.5m.

A termination of the Group's working capital facilities would crystallise the company's guarantee, both in respect of the repayment of these facilities and in respect of other costs associated with early redemption.

The company has also guaranteed performance bonds in respect of contracts entered into by fellow subsidiary undertakings in the normal course of business.

6 Ultimate parent undertaking

The Company's immediate parent undertaking is Prismo Limited, a company registered in England and Wales. The Company's ultimate parent undertaking and ultimate controlling party is Jarvis plc, registered in England and Wales, whose accounts may be obtained from the Secretary, Jarvis plc, Meridian House, The Crescent, York, YO24 1AW.