

Directors' report for the year ended 31 March 2007

The directors present their report and the accounts for the year ended 31 March 2007

Principal activities

The Company does not trade and consequently no profit and loss account has been produced in respect of the year. Any costs incurred by the Company are paid on its behalf by Jarvis plc.

Norman Smith (Congleton) Limited (the "Company") is a subsidiary undertaking of Jarvis plc ("the Parent" or "Jarvis"), and a guarantor of the financing facilities of the parent's group of companies ("the Group") details of which are given in note 6 to the Financial Statements.

Dividends

The directors do not recommend the payment of a dividend (2006 £nil).

Directors

The directors holding office during the year ended 31 March 2007 and appointed subsequent to that date are shown below:

G K H Mason (resigned 31 May 2007)

M A A Akinlade (appointed 31 May 2007)

B L Westbrook

Statement of Directors' responsibilities

The directors are responsible for preparing 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:

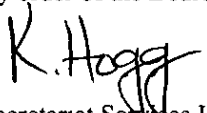
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare 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 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(1) 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 Limited
Secretary

1 August 2007



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Balance sheet at 31 March 2007

	Notes	31 March 2007 £'000	31 March 2006 £'000
Fixed Assets			
Investments	4	63	63
Current Assets:			
Debtors - amount owed by group undertaking		489	489
Net Assets		<u>552</u>	<u>552</u>
Capital and reserves			
Called up share capital	5	83	83
Share Premium		212	212
Profit and loss account		257	257
Equity shareholders' funds		<u>552</u>	<u>552</u>

For the year ended 31 March 2007 the Company was entitled to audit 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 1/5/07 and were signed on its behalf by



MAA Akinlade
Director

Notes to the accounts for the year ended 31 March 2007

1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards and the Companies Act 1985

2 Consolidated accounts

By virtue of section 228 of the Companies Act 1985, the results of the Company's subsidiary undertakings have not been consolidated in these financial statements as the Company is itself a wholly owned subsidiary of Jarvis Plc, a Company incorporated in England & Wales, which is preparing consolidated accounts. The financial statements present information about the Company and not its Group.

3 Profit and loss account

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

Notes to the accounts for the year ended 31 March 2007 (continued)

4 Investments

	31 March 2007 £'000	31 March 2006 £'000
Shares in subsidiary undertakings	63	63

Details of the investments in dormant subsidiary undertakings are set out below

	<u>Country of Registration</u>	<u>Share Capital Issued</u>	<u>Interest</u>
Somerford Plastics Limited	England & Wales	£100	100%
Jarvis Dormant 21 Limited	England & Wales	£1000	100%

5 Share capital

	31 March 2007 £'000	31 March 2006 £'000
Authorised		
35,000 B Ordinary shares of £1 each	35	35
165,000 Ordinary A shares of £1 each	165	165
	<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	65	65
	<u>83</u>	<u>83</u>

6 Contingent liabilities

Guarantees have been given by the company in the ordinary course of business, without limit, in respect of the banking facilities of its ultimate parent (Jarvis plc) and fellow subsidiary undertakings (together 'the Group'), which amounted to £67m as at 31 March 2007 (2006 £38.5m). The Group completed a refinancing of its banking facilities on 27 July 2006 with a new three-year committed facility of £67m arranged by Burdale Financial Limited, the secured asset-based lending subsidiary of the Bank of Ireland, secured by way of a fixed and floating charge on the Group's assets, in particular its plant, machinery and receivables under its rail renewal and plant hire contracts. These facilities will expire on 26 July 2009. A termination of the Group's banking 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.

7 Ultimate parent undertaking

The Company's immediate parent undertaking is Somerford Equipment 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.