

Registered no: 2833805

Jarvis Construction (UK) Limited
Report and financial statements
for year ended 31 March 2009

TUESDAY



AOMIME24

A38

13/10/2009

176

COMPANIES HOUSE

Jarvis Construction (UK) Limited
Report and financial statements
for year ended 31 March 2009

	Pages
Directors and advisors	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Profit and loss account	6
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 15

Jarvis Construction (UK) Limited
Directors and advisors
for year ended 31 March 2009

Directors

R W Entwistle
K K Karlsen
S W Laird
B L Westbrook

Secretary

Secretariat Services Limited

Auditors

Grant Thornton UK LLP
No 1 Whitehall Riverside
Leeds
West Yorkshire
LS1 4BN

Registered office

Meridian House
The Crescent
York
YO24 1AW

Jarvis Construction (UK) Limited

Directors' report

for year ended 31 March 2009

The directors present their report and the audited financial statements for the year ended 31 March 2009. As a small company, the company has taken exemption from preparing the Directors' report in accordance with Section 234 ZZB of the Companies Act 1985.

Business review and principal activities

The Company's exit from construction activities was completed during the year. There remains some outstanding legacy construction issues which are fully provided for.

The loss for the year attributable to shareholders and reported in the financial statements was £13,000 (2008: loss of £473,000).

Dividends

The directors do not recommend the payment of a dividend (2008: £nil).

Directors

The directors holding office during the year ended 31 March 2009 and subsequent to that date are shown below:

B L Westbrook
R W Entwistle
K K Karlsen
S W Laird (appointed 23 April 2008)

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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Jarvis Construction (UK) Limited

Directors' report

for year ended 31 March 2009 (continued)

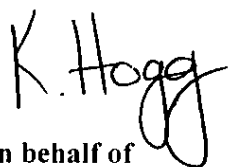
Statement of directors' responsibilities (continued)

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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each director is aware :

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

By order of the board



For and on behalf of
Secretariat Services Ltd

On behalf of

Secretariat Services Limited

Secretary

13 July 2009

Independent auditor's report to the members of Jarvis Construction (UK) Limited

We have audited the financial statements of Jarvis Construction (UK) Ltd for the year ended 31 March 2009 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and notes 1 to 17. These financial statements have been prepared on the basis of 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 auditor's 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 Directors' Report and financial statements in accordance with United Kingdom Law and 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 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 auditor's report to the members of Jarvis Construction (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 affairs of the company as at 31 March 2009 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.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants and Registered Auditors
Leeds, England
13 July 2009

Jarvis Construction (UK) Limited
Profit and loss account
for year ended 31 March 2009

		Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
	Note		
Turnover	2	715	8,100
Cost of Sales		<u>(715)</u>	<u>(8,100)</u>
Gross profit		-	-
Operating expenses		<u>(48)</u>	<u>(500)</u>
Operating loss	6	<u>(48)</u>	<u>(500)</u>
Interest receivable and similar income	7	14	27
Interest payable and similar charges	8	<u>(18)</u>	<u>-</u>
Loss on ordinary activities before taxation		(52)	(473)
Tax on ordinary activities	9	39	-
Loss for the year	14	<u><u>(13)</u></u>	<u><u>(473)</u></u>

The results reflect the continuing operations of the company.

The notes on pages 8 to 15 form part of these financial statements.

Statement of total recognised gains and losses

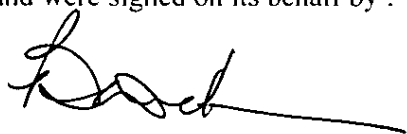
	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Loss for the financial year	<u>(13)</u>	<u>(473)</u>
Total recognised gains and losses relating to the year	<u>(13)</u>	<u>(473)</u>
Prior year adjustment (as explained in note 14)	11,253	-
Total recognised gains and losses recognised since last annual report	<u><u>11,240</u></u>	<u><u>(473)</u></u>

Jarvis Construction (UK) Limited
Balance sheet
as at 31 March 2009

		31 March 2009	Restated (note 14)
		£'000	31 March 2008
	Note		£'000
Fixed assets			
Investments	10	1,599	1,599
Current assets			
Debtors	11	1,600	4,356
Cash at bank and in hand		<u>68,000</u>	<u>70,464</u>
		69,600	74,820
Creditors: amounts falling due within one year	12	<u>(176,467)</u>	<u>(181,674)</u>
Net current liabilities		(106,867)	(106,854)
Net liabilities		<u>(105,268)</u>	<u>(105,255)</u>
Capital and reserves			
Called up share capital	13	5,299	5,299
Capital reserve	14	4,000	4,000
Profit and loss account deficit	14	<u>(114,567)</u>	<u>(114,554)</u>
Deficit on equity shareholders' funds	14	<u>(105,268)</u>	<u>(105,255)</u>

The notes on pages 8 to 15 form part of these financial statements.

The financial statements were approved by the board on 13 July 2009 and were signed on its behalf by :



B L Westbrook
Director

Jarvis Construction (UK) Limited

Notes to the financial statements

for year ended 31 March 2009

1. Principal accounting policies

(a) Basis of preparation

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

The company is a subsidiary undertaking of Jarvis plc ("the parent" or "Jarvis") and is dependent upon the continued provision of financial support by Jarvis plc and its subsidiary undertakings ("the Group") in order to meet its liabilities as they fall due.

The results presented are for the financial year 1 April 2008 to 31 March 2009. The comparative results are for the financial period 3 April 2007 to 31 March 2008, in line with the reporting period of the Jarvis plc group and hence referred to a "year ended 31 March 2008" for the purposes of these accounts.

(b) Cash flow statement

The company is a wholly owned subsidiary of Jarvis plc and the cash flows of the company are included in the consolidated cash flow statement of Jarvis plc. Consequently the company is exempt under the terms of FRS 1 (revised) from publishing a cash flow statement.

(c) Taxation

(i) Current tax

The tax charge is based on the taxable result for the year. The taxable result differs from the net loss as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(ii) Deferred tax

Full provision has been made for deferred taxation in respect of timing differences that have originated, but not reversed at the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in the future by the balance sheet date except that:

- Provision is made for gains on disposal of assets that have been rolled over into replacement assets only where there is a commitment to dispose of the replacement assets.
- Deferred tax assets are recognised to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates enacted at the balance sheet date.

(d) Investments

Investments in group undertakings are stated at cost, less any provision for impairment.

Jarvis Construction (UK) Limited

Notes to the financial statements

for year ended 31 March 2009

1. Principal accounting policies (continued)

(e) Related party transactions

The company is a wholly owned subsidiary of Jarvis plc and as such the company has taken advantage of the exemption available under FRS 8 not to disclose related party transactions with entities that are part of the group or investees of the group.

(f) Pensions

Contributions to employees' personal pension arrangements during the year are charged to the profit and loss account as incurred. Details of the pension arrangements are given in Note 5.

(g) Leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

(h) Long term contracts

When the outcome of a long-term contract can be estimated reliably, contract revenue is recognised by reference to the degree of completion of each contract, based on the amounts certified and to be certified by the customer.

Incentive payments and insurance claims arising from long-term contracts are included where they have been agreed with the client. Variations and other claims are included where it is probable that the amount will be settled, based on agreement in principle with the customer. When the outcome of a long-term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable.

Contract costs are recognised as expenses in the year in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.

Where revenue recognised exceeds progress billings, the balance is shown as due from customers on long-term contracts within trade and other receivables. Where progress billings exceed costs incurred, the balance is shown as due to customers on long-term contracts within trade and other payables.

(i) 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.

Jarvis Construction (UK) Limited

Notes to the financial statements

for year ended 31 March 2009

2. Turnover

Turnover, all of which arises from operations within the United Kingdom, excludes value added tax and trade discounts and represents the value of work carried out and earned during the year.

3. Directors' remuneration

The directors were remunerated through the ultimate parent undertaking, Jarvis plc and their services to the company are of a non-executive nature. The remuneration is deemed to be wholly attributable to their services to the parent undertaking.

4. Employee information

The average monthly number of persons employed by the company including executive directors, during the year was as follows:

	Year ended 31 March 2009 number	Year ended 31 March 2008 number
Employees	<u>4</u>	<u>6</u>

The employment costs of all employees included above were:

	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Wages and salaries	53	283
Social security costs	4	19
Other pension costs	6	10
	<u>63</u>	<u>312</u>

5. Pension arrangements

For eligible employees, contributions equal to a predetermined percentage of individuals' salaries are made to employees' personal pension schemes.

6. Operating loss

	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
The operating loss is stated after charging:		
Redundancy costs	<u>-</u>	<u>41</u>

Audit fees for the years ended 31 March 2009 and 31 March 2008 have been borne by the parent undertaking, Jarvis plc.

Jarvis Construction (UK) Limited

Notes to the financial statements

for year ended 31 March 2009

7. Interest receivable and similar income

	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Interest receivable - other	<u>14</u>	<u>27</u>

8. Interest payable and similar charges

	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Interest payable - other	<u>18</u>	<u>-</u>

9. Taxation

	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
(a) Analysis of tax credit for the year		
<i>Current tax:</i>		
Group Relief receivable	<u>(39)</u>	<u>-</u>
Tax credit on profit on ordinary activities (note 9(b))	<u>(39)</u>	<u>-</u>
Total tax credit	<u>(39)</u>	<u>-</u>

(b) Factors affecting tax credit for the year

	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Loss on ordinary activities before taxation	<u>(52)</u>	<u>(473)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 30%)	(15)	(142)
<i>Effects of:</i>		
Other timing differences	(23)	-
Capital allowances in excess of depreciation	(1)	(1)
Tax losses carried forward	-	143
Current tax credit for the year (note 9(a))	<u>(39)</u>	<u>-</u>

Jarvis Construction (UK) Limited

Notes to the financial statements

for year ended 31 March 2009

10. Investment in subsidiaries

Cost and net book value

	£'000
At 31 March 2009 and 31 March 2008	<u>1,599</u>

A list of subsidiary undertakings, whose results and financial position are included in the consolidated financial statements of Jarvis Plc, the company's ultimate parent undertaking, are listed below.

Name of undertakings	Holding	Proportion of voting rights and shares held
J Jarvis & Sons Limited	Ordinary	100%
Jarvis (Scotland) Limited	Ordinary	100%
Shephard Hill Civil Engineering Limited	Ordinary	100%

All of the above companies are incorporated and registered in the United Kingdom. They are 100% owned and the investment comprises ordinary shares only. All of the companies are non-trading.

As a wholly owned subsidiary of Jarvis plc, the company is exempt from producing group accounts under Section 228 of the Companies Act 1985.

11. Debtors

	31 March 2009 £'000	31 March 2008 £'000
Trade debtors	343	563
Amounts recoverable on contracts	120	1,005
Amounts owed by group undertakings	521	1,980
VAT receivable	150	-
Other debtors	308	770
Prepayments and accrued income	158	38
	<u>1,600</u>	<u>4,356</u>

Amounts owed by group undertakings are included under current assets as there are no specific terms as to their repayment.

Jarvis Construction (UK) Limited

Notes to the financial statements

for year ended 31 March 2009

11. Debtors (continued)

Included within other debtors is £308,000 (2008: £770,000) relating to cash balances held in separate trust accounts. On 29 January 2005, Jarvis plc and certain other subsidiaries entered into agreements with other relevant parties in respect of 14 construction contracts (being those contracts not then past Practical Completions or that had material future cash outflows associated with them). The purpose of the agreements was to release the company from parent company guarantees given under the original contracts and to limit the Group's liability to additional costs required to complete the contracts. These agreements specified that the sums required to complete the contracts be placed into two trusts for each contract. The trusts are in the name of Jarvis Construction (UK) Limited but the funds standing to the credit of them are available only for the purposes specified by each trust and are directly related to funding construction liabilities. The funds are not available to Jarvis plc and Jarvis Construction (UK) Limited except for these purposes.

The cash in each trust is only made available at the point when payments are made in accordance with the purposes of the trust. For these reasons, the cash in the trusts is recognised as a debtor.

12. Creditors

	31 March 2009 £'000	Restated (note 14) 31 March 2008 £'000
Creditors: amounts falling due within one year		
Trade creditors	355	1,551
Amounts owed to group undertakings	175,141	176,644
VAT payable	-	60
Other taxes and social security costs	-	15
Other creditors	157	1,782
Accruals and deferred income	814	1,622
	<u>176,467</u>	<u>181,674</u>

Amounts owed to group undertakings are included under amounts falling due within one year as there are no specific terms as to their repayment. While the amounts are technically repayable on demand and hence are included in creditors falling due within one year, the directors are of the opinion that, in the ordinary course of business, repayment within such a time scale would not be required.

Included in accruals and deferred income is £785,000 (2008: £1,592,000) in respect of provisions for construction defects.

Jarvis Construction (UK) Limited

Notes to the financial statements

for year ended 31 March 2009

12. Creditors (continued)

As explained in note 11, the Group entered into agreements with other relevant parties in respect of the funding of 14 construction contracts. The purpose of the agreements was to release the company from parent company guarantees given under the original contracts and to limit the Group's liability to additional costs required to complete the contracts.

As at 31 March 2009, cash in these trusts (shown as other debtors in note 11) amounting to £308,000 was available for funding trade creditors of £279,000 and accruals of £29,000 in relation to these 14 contracts.

13. Share capital

	31 March 2009 £'000	31 March 2008 £'000
Authorised		
6,000,000 Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>
Allotted, called up and fully paid		
5,299,001 Ordinary shares of £1 each	<u>5,299</u>	<u>5,299</u>

14. Reconciliation of shareholders' deficit and movement on reserves

	Share capital £'000	Capital Reserve £'000	Profit & Loss account £'000	Total Shareholders' deficit £'000
At 2 April 2007	5,299	4,000	(125,334)	(116,035)
Loss for the period	-	-	(473)	(473)
At 31 March 2008	<u>5,299</u>	<u>4,000</u>	<u>(125,807)</u>	<u>(116,508)</u>
Prior year adjustment	-	-	11,253	11,253
At 31 March 2008 restated	<u>5,299</u>	<u>4,000</u>	<u>(114,554)</u>	<u>(105,255)</u>
Loss for the year	-	-	(13)	(13)
At 31 March 2009	<u>5,299</u>	<u>4,000</u>	<u>(114,567)</u>	<u>(105,268)</u>

The prior year adjustment relates to the correction of misstated intercompany balances. Certain construction related balances dating pre 2004 were originally adjusted through intercompany trading balances. In 2008, these intercompany balances were written off in the incorrect company. A prior year adjustment has been proposed due to a fundamental error, in order to correctly disclose the adjustment of these old construction related balances in the correct company. This has resulted in restating the amounts owed to group undertakings, reducing the balance by £11,253,000 to £176,644,000 and improving the overall net liabilities and deficit on Shareholders' funds by the same amount.

Jarvis Construction (UK) Limited

Notes to the financial statements

for year ended 31 March 2009

15. Capital and financial commitments

The company has no capital commitments or obligations under non-cancellable operating leases at 31 March 2009 (2008: £Nil).

16. 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 £60m as at 31 March 2009 (2008: £67m). Subsequent to the year end the Group negotiated a £50m facility and extended the terms of its borrowings to 31 January 2011. 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.

17. Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking and controlling party is Jarvis plc, a company registered and incorporated in England and Wales, whose annual report and financial statements may be obtained from The Secretary, Jarvis plc, Meridian House, The Crescent, York, YO24 1AW.