

Registered No. 4116181

Jarvis JNP Limited

Report and accounts

for the year to 31 March 2005



A25
COMPANIES HOUSE

AP931D8P

486
17/02/2006

Jarvis JNP Limited
Report and accounts
for the year ended 31 March 2005

	Pages
Directors and advisors	1
Directors' report	2 - 4
Independent auditors' report	5 - 6
Profit and loss account	7
Balance sheet	8
Notes to the accounts	9 - 14

Jarvis JNP Limited
Directors and advisors

Directors

G K H Mason

Secretary

Secretariat Services Limited

Auditors

RSM Robson Rhodes LLP
St George House
40 Great George Street
Leeds
LS1 3DQ

Registered office

Meridian House
The Crescent
York
YO24 1AW

Jarvis JNP Limited

Directors' report

for the year ended 31 March 2005

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

Results, principal activities and review of the business

The principal activity of the Company during the year was to hold an investment in Tube Lines (Holdings) Limited on behalf of Jarvis plc.

Jarvis JNP Limited, a wholly owned subsidiary undertaking of Jarvis plc, is a guarantor of the majority of the 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 15 of the accounts.

On 29 January 2005, the Company completed the sale of its equity interests (and the elimination of the related obligations) in Tube Lines (Holdings) Limited. The Company received cash consideration after transaction costs of £18,384,834, was able to release cash collateral of £32,596,524 and was relieved of a contingent obligation, held jointly with a fellow subsidiary, to contribute further funds of £12,720,981 into the Tube Lines consortium.

As a result of the sale of Tube Lines (Holdings) Limited, the company no longer undertakes any trading activity.

The profit for the year attributable to shareholders and reported in the accounts was £20,396,000 (2004: £9,314,000).

Dividend

A final ordinary dividend of £30,198,000 (2004: £Nil) was proposed for the year leaving a retained loss of £9,802,000 (2004 retained profit of £9,314,000) to be transferred from reserves.

Directors

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

C D Carlisle	(resigned as Alternate Director to R N Johnson 15 June 2004)
R N Johnson	(resigned 15 June 2004)
R W Kendall	(resigned 15 April 2004)
A P Lezala	(appointed 15 June 2004; resigned 17 June 2005)
G K H Mason	
A K Rae	(appointed 26 April 2004; resigned 9 March 2005)
R J Wickerson	(resigned as Alternate Director to G K H Mason 4 January 2005)

Jarvis JNP Limited

Directors' report (continued)

for the year ended 31 March 2005

There is third party indemnity insurance in place for the directors of the company.

Directors' interests

At 31 March 2005 none of the directors had any interests in the shares of the company. The interests of Messrs R N Johnson and R W Kendall in the shares of the ultimate parent company, Jarvis plc, are disclosed in the annual report and financial statements of that company.

The interests of the other directors in the shares and options over shares of Jarvis plc are as follows:

Interests in Jarvis plc shares of 5p each:		
	At 1 April 2004 or date of appointment	At 31 March 2005
G K H Mason	500	500

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.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year. 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.

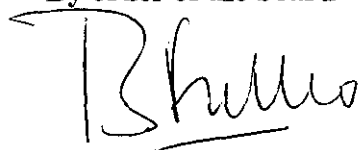
The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Jarvis JNP Limited
Directors' report (continued)
for the year ended 31 March 2005

Auditors

Since the year end Ernst & Young LLP have resigned as auditors to the company and as the company is in the elective regime RSM Robson Rhodes LLP have been appointed by the Directors in their place.

By order of the board



For and on behalf of
Secretariat Services Ltd

Secretariat Services Limited
Secretary

7 February

2006

Jarvis JNP Limited

Independent auditors' report to the members of Jarvis JNP Limited

We have audited the financial statements for the year ended 31 March 2005 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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.

Jarvis JNP Limited
Independent auditors' report to the members of
Jarvis JNP Limited (continued)

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in Note 1(a) of the financial statements concerning the company being able to continue trading within its agreed working capital facilities for at least the next 12 months. We consider that these matters should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes LLP

Chartered Accountants and Registered Auditors

Leeds, England

10.1.06

Jarvis JNP Limited
Profit and loss account
for the year ended 31 March 2005

		Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
	Notes		
Turnover	2	158	151
Cost of sales		<u>(158)</u>	<u>(151)</u>
Operating profit		-	-
Profit on disposal of subsidiary	5	18,384	-
Dividends from joint venture undertaking		<u>900</u>	<u>8,747</u>
Profit on ordinary activities before interest		19,284	8,747
Interest receivable and similar income	6	1,885	811
Interest payable and similar charges	6	<u>(297)</u>	<u>(1)</u>
Profit on ordinary activities before taxation		20,872	9,557
Taxation	7	<u>(476)</u>	<u>(243)</u>
Profit on ordinary activities after taxation		20,396	9,314
Dividends payable	8	<u>(30,198)</u>	-
Retained (loss)/profit for the year		<u><u>(9,802)</u></u>	<u><u>9,314</u></u>

All operations are discontinued.

The notes on pages 9 to 14 form part of these accounts.

Statement of total recognised gains and losses

The Company has no recognised gains and losses other than the profits reported above and therefore no separate statement of total recognised gains and losses has been presented.

Jarvis JNP Limited

Balance sheet as at 31 March 2005

		31 March 2005 £'000	31 March 2004 £'000
	Notes		
Fixed assets			
Investments	9	-	45,000
Current assets			
Debtors	10	669	7,905
Cash at bank & in hand		-	29,386
		669	37,291
Creditors: amounts falling due within one year	11	(667)	(27,487)
Net current assets		2	9,804
Total assets less current liabilities		2	54,804
Creditors: amounts falling due after more than one year	12	-	(45,000)
Net assets		2	9,804
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account	14	2	9,804
Equity shareholders' funds	14	2	9,804

The notes on pages 9 to 14 form part of these accounts.

The accounts on pages 7 to 14 were approved by the Board on 9 February 2006 and were signed on its behalf by:



GKH Mason
Director

Jarvis JNP Limited

Notes to the accounts

for the year 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 the historical cost convention, applicable accounting standards and the Companies Act 1985.

(c) Current Tax

The charge for current taxation for the year is based on the result for the year, adjusted for disallowable items.

(d) 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 Financial Reporting Standard 1 (revised) from publishing a cash flow statement.

(e) Related party transactions

The Company is a wholly owned subsidiary of Jarvis plc and as such the Company has taken advantage under the terms of Financial Reporting Standard 8 not to disclose related party transactions which are eliminated on consolidation.

Jarvis JNP Limited

2 Turnover

Turnover, all of which arises from operations within the United Kingdom, excludes value added tax, and represents the amounts invoiced to Tube Lines Limited during the year.

3 Operating Profit

Auditors' remuneration was borne by the parent undertaking.

4 Directors' emoluments

The directors received no emoluments in respect of their services during the year (2004: £nil). Certain directors received emoluments from the ultimate parent company and other group undertakings, and these are disclosed in the accounts of those companies. The directors do not consider that any material amount of their emoluments relate to their duties in respect of the Company.

5 Profit on disposal of subsidiary

On 28 January 2005, the Company completed the sale of its equity interests (and the elimination of the related obligations) in Tube Lines (Holdings) Limited. The Company received cash consideration after transaction costs of £18,384,834, was able to release cash collateral of £32,596,524 and was relieved of a contingent obligation, held jointly with a fellow subsidiary, to contribute further funds of £12,720,981 into the Tube Lines consortium.

6 Interest

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
(i) Interest receivable and similar income:		
Bank interest receivable	1,885	811
(ii) Interest payable and similar charges:		
Bank fees – letter of credit charges	295	1
Bank interest payable	2	-
	297	1

Jarvis JNP Limited

7 Tax on profit on ordinary activities

(a) Analysis of charge for the year

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Current tax:		
UK Corporation tax	476	243
Tax on profit on ordinary activities (note 7(b))	<u>476</u>	<u>243</u>

(b) Factors affecting tax charge for the year

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 %). The differences are explained below:

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Profit on ordinary activities before tax	<u>20,872</u>	<u>9,557</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	6,262	2,867
Effects of:		
Non taxable income credited to profit and loss account	(5,786)	(2,624)
Current tax charge for year (note 7(a))	<u>476</u>	<u>243</u>

8 Dividends

	31 March 2005 £'000	31 March 2004 £'000
Dividends on ordinary shares	<u>30,198</u>	-
	<u>30,198</u>	-

Jarvis JNP Limited

9 Fixed asset investments

	31 March 2005 £'000	31 March 2004 £'000
Cost		
At 1 April	45,000	45,000
Disposals	(45,000)	-
At 31 March	-	45,000

The cost represented a contractual commitment entered into by the Company to invest £45 million in Tube Lines (Holdings) Limited, an existing joint-venture entity, on 31 December 2007. The company completed the sale of its equity interest in Tube Lines (Holdings) Limited on 29 January 2005 and thus this contractual commitment no longer exists.

10 Debtors

	31 March 2005 £'000	31 March 2004 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	669	158
Dividends receivable	-	6,747
Prepayments and accrued income	-	1,000
	<u>669</u>	<u>7,905</u>

11 Creditors: amounts falling due within one year

	31 March 2005 £'000	31 March 2004 £'000
Amounts owed to group undertakings	-	26,199
Other taxation and social security	-	231
Corporation tax	530	281
Accruals and deferred income	137	776
	<u>667</u>	<u>27,487</u>

Jarvis JNP Limited

12 Creditors: amounts falling due after more than one year

	31 March 2005 £'000	31 March 2004 £'000
Amounts owed to joint venture entity	-	45,000
	-	45,000

The liability represented a contractual commitment entered into by the Company to invest £45m in Tube Lines (Holdings) Limited, an existing joint-venture entity, on 31 December 2007. The company completed the sale of its equity interest in Tube Lines (Holdings) Limited on 29 January 2005 and thus this contractual commitment no longer exists.

13 Share capital

	31 March 2005 £'000	31 March 2004 £'000
Authorised:		
1,000 Ordinary shares of £1 each	1	1
Allotted, called up and fully paid:		
2 Ordinary shares of £1 each	-	-

14 Reconciliation of movements on shareholders' funds

	Share Capital £'000	Profit and Loss Account £'000	Total Shareholders' Funds £'000
At 1 April 2004	-	9,804	9,804
Profit for the year	-	20,396	20,396
Dividends payable	-	(30,198)	(30,198)
At 31 March 2005	-	2	2

Jarvis JNP Limited

15 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 9 February 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.

16 Related party disclosures

In addition to the investment described in notes 9 and 12 the Company made sales of goods and services to joint venture undertakings in the period as shown in the table below:

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Tube Lines Limited	158	151

Included in prepayments and accrued income at 31 March 2005 is £Nil due from Tube Lines Limited (2004: £1,000,033).

17 Parent undertakings

On 20 September 2004, Jarvis plc transferred the whole of its shareholding in the company to Monument Infrastructure Limited. Therefore, the Company's immediate parent undertaking is Monument Infrastructure Limited, a company registered in England and Wales. The ultimate parent undertaking and ultimate controlling party is Jarvis plc a company registered in England and Wales, whose annual report and accounts may be obtained from the Secretary, Jarvis plc, Meridian House, The Crescent, York, YO24 1AW.