

Registered No. 5077250

**UPP Investments (Holdings) Limited**  
**(formerly Masmelo 8 Limited)**  
**Report and accounts**  
**for the period ended 31 August 2005**



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(formerly Masmelo 8 Limited)**

**Report and accounts  
for the period ended 31 August 2005**

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# **UPP Investments (Holdings) Limited (formerly Masmelo 8 Limited)**

## **Directors and advisors**

### **Directors**

A C Lovell  
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

# **UPP Investments (Holdings) Limited** **(formerly Masmelo 8 Limited)**

## **Directors' report** **for the period ended 31 August 2005**

The directors present their first report and the audited accounts for the 18-month period ended 31 August 2005.

### **Incorporation and change of name**

The company was incorporated on 18 March 2004 as Masmelo 8 Limited. On 29 March 2004 the company changed its name to UPP Investments (Holdings) Limited.

### **Principal activities and review of the business**

The company acted as a holding company for UPP Investments Limited, on behalf of Jarvis plc.

Subsequent to the balance sheet date the Parent, and certain other subsidiary undertakings of Jarvis plc that are borrowers or guarantors of the majority of the Jarvis plc Group's financing facilities, signed an Override Agreement, which was terminated in August 2005 along with certain other financing facilities as part of the Group's financial restructuring. Full details of progress on the Jarvis plc Group's financial restructuring are provided in Note 1(a) to the financial statements.

As part of the Jarvis plc Group's restructuring, the investment in UPP Investments Limited was sold in July 2005.

As a result of the sale, UPP Investments (Holdings) Limited no longer undertakes any trading activity.

### **Results and dividends**

The profit for the financial period attributable to shareholders and reported in the financial statements was £nil.

The directors do not recommend the payment of a dividend.

### **Directors**

The directors holding office during the period ended 31 August 2005 are shown below.

K M H Clear	(appointed 18 March 2004, resigned 29 March 2004)
A Cunningham	(appointed 29 March 2004, resigned 31 March 2004)
K O Hyde	(appointed 14 May 2004, resigned 28 September 2004)
R N Johnson	(appointed 29 March 2004, resigned 15 June 2004)
R W Kendall	(appointed 29 March 2004, resigned 15 April 2004)
A C Lovell	(appointed 30 March 2005)
G K H Mason	(appointed 29 March 2004)
M L Mellor	(appointed 18 March 2004, resigned 4 May 2004)
A K Rae	(appointed 14 May 2004, resigned 9 March 2005)

# **UPP Investments (Holdings) Limited (formerly Masmelo 8 Limited)**

## **Directors' report (continued) for the period ended 31 August 2005**

### **Directors' interests**

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

Directors' interests in the share capital of Jarvis plc are as follows:

<b>Interests in Jarvis plc shares of 5p each</b>		
	At date of incorporation or date of appointment	<b>At 31 August 2005</b>
G K H Mason	500	<b>500</b>

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.

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

### **Statement of directors' responsibilities**

Company law requires the directors to prepare accounts for each financial period 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.

**UPP Investments (Holdings) Limited  
(formerly Masmelo 8 Limited)**

**Directors' report (continued)  
for the period ended 31 August 2005**

**Auditors**

Having passed elective resolutions of the shareholders at an extraordinary general meeting the Company is exempt from the obligation to annually re-appoint auditors and to hold annual general meetings. Accordingly the board recommend that RSM Robson Rhodes LLP, having been appointed in the period, continue in office as auditors to the Company.

**By order of the board**



**Secretariat Services Limited**

**Secretary**

*29 September* 2006

# **Independent auditors' report to the members of UPP Investments (Holdings) Limited (formerly Masmelo 8 Limited)**

We have audited the financial statements for the period ended 31 August 2005 which comprise the profit and loss account, 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.

# **Independent auditors' report to the members of UPP Investments (Holdings) Limited (formerly Masmelo 8 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 August 2005 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985

*RSM Robson Rhodes LLP*

**RSM Robson Rhodes LLP**  
**Chartered Accountants and Registered Auditors**  
Leeds

*29 September* 2006



# **UPP Investments (Holdings) Limited** **(formerly Masmelo 8 Limited)**

## **Profit and loss account** **for the 18-month period ended 31 August 2005**

	Note	Period ended 31 August 2005 £
Administrative income		-
<b>Profit on ordinary activities before taxation</b>	3	-
Tax on profit on ordinary activities	4	-
<b>Profit on ordinary activities after taxation</b>		-

The results for the period above arise from discontinuing operations.

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

Notes 1 to 8 form part of these financial statements.

# UPP Investments (Holdings) Limited (formerly Masmelo 8 Limited)

## Balance sheet at 31 August 2005

	Notes	31 August 2005 £
<b>Fixed assets</b>		
Investment in subsidiary undertaking	5	-
<b>Current assets</b>		
Debtors – amounts owed by parent undertaking		2
<b>Net current assets</b>		-
<b>Net assets</b>		<u>2</u>
<b>Capital and reserves</b>		
Called up share capital	6	2
Profit and loss account	7	-
<b>Equity shareholders' funds</b>	7	<u>2</u>

Notes 1 to 8 form part of these financial statements.

The accounts were approved by the Board on 29 September 2006 and were signed on its behalf by:



**G K H Mason**  
Director

# **UPP Investments (Holdings) Limited (formerly Masmelo 8 Limited)**

## **Notes to the accounts for the period ended 31 August 2005**

### **1 Principal accounting policies**

#### **(a) Basis of Preparation**

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.

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 until the Group's working capital facilities expire on 24 February 2007. The group is actively pursuing opportunities to replace these facilities and the directors are confident that the new facilities will be in place before the current facilities expire.

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 under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 1985.

#### **(c) Fixed asset investments**

Fixed asset investments are stated at cost, being their purchase cost, together with any incidental expenses of acquisition, less any provision for permanent impairment in value.

#### **(d) Current tax**

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

#### **(e) Deferred tax**

Full provision is 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:

# **UPP Investments (Holdings) Limited**

## **(formerly Masmelo 8 Limited)**

- Provision is made for gains on disposals of assets that have been rolled over into replacement assets only where there is a commitment to dispose of the replacement assets.
- Provision is not made for the remittance of a subsidiary, associate or joint venture's earnings that would cause tax to be payable where no commitment has been made to the remittance of the earnings.
- 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 that are expected to apply in the periods in which the timing differences reverse, based on the tax rates enacted at the balance sheet date.

### **(f) 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 No.1 (Revised) from publishing a cash flow statement.

### **(g) 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 No. 8 not to disclose transactions which are eliminated on consolidation.

## **2 Directors' emoluments**

The directors received no emoluments in respect of their services during the period. 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.

## **3 Profit on ordinary activities before taxation**

**31 August  
2005  
£**

This is stated after (charging) / crediting the following:

(Profit)/loss on disposal of investment in subsidiary undertaking

-

Auditors' remuneration was borne by the parent undertaking.

# UPP Investments (Holdings) Limited (formerly Masmelo 8 Limited)

## 4 Taxation

### a) Analysis of tax charge in the period

The tax charge for the period comprises:  
Current tax on income for the period

Period ended  
31 August  
2005

£

-

Total current tax (note 4(b))

-

### b) Factors affecting tax charge for the period

Period ended  
31 August  
2005

£

Profit on ordinary activities before tax

-

Tax on profit on ordinary activities @ 30%

-

*Effects of:*

Expenses not deductible for tax purposes

-

Non-taxable income credited to profit and loss account

-

Current tax charge for the period (note 4(a))

-

## 5 Fixed asset investments

31 August  
2005  
£

Cost and net book value

Additions

100

Disposals

(100)

At 31 August 2005

-

During the period, the Company acquired 100% of the ordinary share capital of UPP Investments Limited, an intermediate holding company, which is registered in England and Wales.

As part of the Jarvis plc Group's restructuring, the investment in UPP Investments Limited was sold on 8 July 2005, for cash consideration of £100.

# UPP Investments (Holdings) Limited (formerly Masmelo 8 Limited)

## 6 Share capital

	31 August 2005 £
<b>Authorised:</b>	
1,000 Ordinary shares of £1 each	<u>1,000</u>
<b>Allotted, called up and fully paid:</b>	
2 Ordinary shares of £1 each	<u>2</u>

During the period 1,000 Ordinary £1 shares were authorised for issue and 2 shares were issued as fully paid up share capital.

## 7 Reconciliation of movements on shareholders' funds

	Share Capital	Profit and Loss Account	Total Shareholders' Funds
	£	£	£
At 18 March 2004	2	-	2
Profit for the period	-	-	-
<b>At 31 August 2005</b>	<u>2</u>	<u>-</u>	<u>2</u>

## 8 Ultimate parent undertaking

The Company's immediate and 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.