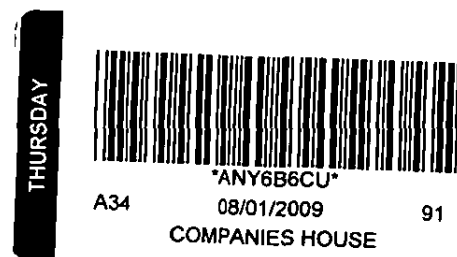


Faiveley Transport (Birkenhead) Limited

Report and Financial Statements

Year Ended

31 March 2008



IBDO
BDO Stoy Hayward
Chartered Accountants

Faiveley Transport (Birkenhead) Limited

Annual report and financial statements for the year ended 31 March 2008

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Directors

E Haumont
R Joyeux
P Sainfort
J-P Guy
L Leroux
E Descamps
M Svensson
C Jones
X De Lavellade

Secretary and registered office

C Jones, Morpeth Wharf, Twelve Quays, Birkenhead, Wirral, CH41 1LW

Company number

1841352

Auditors

BDO Stoy Hayward LLP, Commercial Buildings, 11-15 Cross Street, Manchester, M2 1WE

Faiveley Transport (Birkenhead) Limited

Report of the directors for the year ended 31 March 2008

The directors present their report together with the audited financial statements for the year ended 31 March 2008.

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year.

The results for the year ended 31 March 2008 show a turnover of £22,286,000 (27% increase) with a profit before interest and other income of £2,433,000 (2007 : £1,353,000). This result demonstrates another significant improvement over the previous year's performance.

Principal activities, review of business and future developments

The company's principal activity is the distribution, sale and overhaul of braking equipment for railway vehicles.

The majority of the increase in turnover in the year has come from an increase in Customer Services (CS) sales (Overhauls, Discs, Services and Spares) and the continuation of one significant OE Brakes contract.

The company has improved its gross profit margin to 19% (2007 – 13%). This improvement continues to be achieved by refocusing the resources within the business to Customer Services, improving operating efficiency and consolidating our cost and improvement focussed strategies.

Competition

The year ended March 2008 was another challenging year.

The business has continued to recover market share with further success in our Customer Service (CS) segment. The order book as at end of March 2008 shows another increase over the levels of previous years in line with our strategic objectives.

Industrial performance, efficiency and on time delivery specifically, continues to be a significant area of focus for us with trends improving but still not at the levels that we would wish. This is of particular importance to support our competitiveness as the Company makes every effort to recover profitability and market share in the light of adverse external economic conditions.

The Company is however on target with its strategic plans for sustained growth in our Customer Services market segments. The next financial year will provide significant challenges for us with specific focus on securing new Original Equipment (OE) orders for Faiveley to support future Customer Services growth and to protect current business levels.

Faiveley Transport (Birkenhead) Limited

Report of the directors for the year ended 31 March 2008 (*Continued*)

Principal risks and uncertainties

The Customer Services market in the UK is highly competitive. To manage the risk of losing customers to key competitors the company has, and will continue to be, focussed on the provision of added value services, improving on time delivery of products and the handling of customer queries and by maintaining strong relationships and local representation with key customers.

The company purchases the majority of its raw materials from Europe in Euros. The company is therefore exposed to movements in the Euro to Sterling exchange rate. In order to mitigate exchange rate risk regular forecasts are produced to identify Euro cash requirements and forward contracts are established to fix ongoing liabilities.

The only significant credit risk is attributable to the company's trade debtors. This is managed by running credit checks on new customers and by monitoring monthly payments received against contractual obligations.

The company produces cash flow forecasts against which actual cash flow is monitored on a monthly basis.

In the current challenging economic environment the company is ensuring that all banking and professional service relationships are maintained only with secure and AAA class providers.

Charitable and political contributions

During the year the company made charitable contributions of £455. There were no political contributions.

Directors

The directors of the company during the year were:

E Haumont	
R Joyeux	
P Sainfort	
J-P Guy	(appointed 11 May 2007)
L Leroux	
E Descamps	
M Svensson	
C Jones	
X De Lavellade	

Faiveley Transport (Birkenhead) Limited

Report of the directors for the year ended 31 March 2008 (Continued)

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those 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; 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 to 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

C Jones

Secretary



Date: 5/1/09.

Faiveley Transport (Birkenhead) Limited

Independent auditor's report

To the shareholders of Faiveley Transport (Birkenhead) Limited

We have audited the financial statements of Faiveley Transport (Birkenhead) Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

Faiveley Transport (Birkenhead) Limited

Independent auditor's report (*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 the company's affairs as at 31 March 2008 and of its profit 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.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

Chartered Accountants

and Registered Auditors

Manchester

Date: *6 January 2009*

Faiveley Transport (Birkenhead) Limited**Profit and loss account for the year ended 31 March 2008**

	Note	2008 £'000	2007 £'000
Turnover	2	22,286	17,546
Cost of sales		18,099	15,186
		<hr/>	<hr/>
Gross profit		4,187	2,360
Distribution costs		265	262
Administrative expenses		2,306	1,604
		<hr/>	<hr/>
		1,616	494
Other operating income		710	859
		<hr/>	<hr/>
Operating profit	3	2,326	1,353
Other interest receivable and similar income		377	250
Interest payable and similar charges	6	(354)	(73)
Other finance charges	7	(529)	(588)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,820	942
Taxation on profit on ordinary activities	8	108	92
		<hr/>	<hr/>
Profit on ordinary activities after taxation		1,712	850
		<hr/>	<hr/>

All amounts relate to continuing activities.

The notes on pages 10 to 23 form part of these financial statements.

Faiveley Transport (Birkenhead) Limited

Statement of total recognised gains and losses for the year ended 31 March 2008

	Note	2008 £'000	2007 £'000
Profit for the financial year		1,712	850
Actuarial gain/(loss) on pension scheme		2,807	1,623
Deferred tax on pension scheme liability		(979)	(486)
		<hr/>	<hr/>
Total recognised gains and losses for the financial year		3,540	1,987
		<hr/>	<hr/>

The notes on pages 10 to 23 form part of these financial statements.

Faiveley Transport (Birkenhead) Limited**Balance sheet at 31 March 2008**

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Fixed assets					
Tangible assets	9		1,095		1,159
Fixed asset investments	10		4,000		4,000
			<hr/>		<hr/>
			5,095		5,159
Current assets					
Stocks	11	3,111		2,917	
Debtors	12	6,553		5,072	
Cash at bank and in hand		9,822		6,539	
		<hr/>		<hr/>	
		19,486		14,528	
Creditors: amounts falling due within one year	13	9,142		6,310	
		<hr/>		<hr/>	
Net current assets			10,344		8,218
			<hr/>		<hr/>
Total assets less current liabilities			15,439		13,377
Creditors: amounts falling due after more than one year	14	11,974		11,530	
Provisions for liabilities	15	661		866	
		<hr/>		<hr/>	
			12,635		12,396
			<hr/>		<hr/>
Net assets excluding pension liability			2,804		981
Pension liability	19		(6,126)		(7,843)
			<hr/>		<hr/>
Net liabilities including pension liability			(3,322)		(6,862)
			<hr/>		<hr/>

The notes on pages 10 to 23 form part of these financial statements.

Faiveley Transport (Birkenhead) Limited

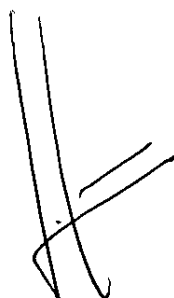
Balance sheet at 31 March 2008 (Continued)

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Capital and reserves					
Called up share capital	16		1		1
Profit and loss account	17		(3,323)		(6,863)
Shareholders' funds	18		(3,322)		(6,862)

The financial statements were approved by the board of directors and authorised for issue on

5/1/09

Director



L. Leroux

The notes on pages 10 to 23 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Consolidated financial statements

The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Faiveley SA, incorporated in France, and the company is included in consolidated financial statements.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties, freehold land and certain buildings, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold property	- over 15 years
Plant & machinery	- over 3 to 20 years (according to type and use)

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

Faiveley Transport (Birkenhead) Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (*Continued*)

1 Accounting policies (*continued*)

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Research and development

Development costs are also charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over a period not exceeding five years commencing in the year the company starts to benefit from the expenditure.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Faiveley Transport (Birkenhead) Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (*Continued*)

1 Accounting policies (*continued*)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

The difference between the fair value of the assets held in the company's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the company's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the company is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. The pension scheme balance is recognised net of any related deferred tax balance, with the recognition of any deferred tax asset following the principles described in the deferred tax accounting policy above.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the company are charged to the profit and loss account or the statement of total recognised gains and losses in accordance with FRS17 'Retirement benefits'.

Related party disclosure

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by Faiveley SA, incorporated in France, on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

Faiveley Transport (Birkenhead) Limited**Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)****3 Operating profit**

	2008	2007
	£'000	£'000
This is arrived at after charging:		
Depreciation of tangible fixed assets	140	158
Hire of plant and machinery - operating leases	65	50
Hire of other assets - operating leases	214	215
Audit services	26	26
Non-audit services	6	5
Defined contribution pension cost	107	120
	—	—
Defined benefit pension costs charged in arriving at the operating profit comprise the following:		
	2008	2007
	£'000	£'000
Current service cost	107	120
	—	—

4 Employees

Staff costs (including directors) consist of:

	2008	2007
	£'000	£'000
Wages and salaries	3,195	3,078
Social security costs	342	329
Other pension costs	143	285
	—	—
	3,680	3,692
	—	—

The average number of employees (including directors) during the year was as follows:

	2008	2007
	Number	Number
General and administrative	11	12
Sales and marketing	12	13
Engineering	16	18
Manufacturing	60	60
	—	—
	99	103
	—	—

Faiveley Transport (Birkenhead) Limited**Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)****5 Directors' remuneration**

	2008	2007
	£'000	£'000
Directors' emoluments	114	100
Company contributions to money purchase pension schemes	3	-
Compensation for loss of office	-	226
	—	—

There was 1 director in the company's defined benefit pension scheme during the year (2007 - 1).

6 Interest payable and similar charges

	2008	2007
	£'000	£'000
Bank loans and overdrafts	354	73
	—	—

7 Other finance charges

	2008	2007
	£'000	£'000
Expected return on pension scheme assets	(114)	(1,397)
Interest on pension scheme liabilities	643	1,985
	—	—
	529	588
	—	—

Faiveley Transport (Birkenhead) Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)

8 Taxation on profit on ordinary activities

	2008 £'000	2008 £'000	2007 £'000	2007 £'000
<i>UK Corporation tax</i>				
Current tax on profits of the year	116		62	
Adjustment in respect of previous periods	(15)		23	
Overseas tax	7		7	
	—		—	
 Total current tax		108		92
		—		—

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	1,820	942
	—	—
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2007 - 30%)	546	283
Effect of:		
Expenses not deductible for tax purposes	21	11
Capital allowances for period in excess of depreciation	(147)	(178)
Adjustment to tax charge in respect of previous periods	(15)	23
Overseas tax suffered	7	7
Movements on provisions	(43)	(54)
FRS 17 Adjustment	(19)	-
Decrease in tax losses carried forward	(242)	-
	—	—
Current tax charge for period	108	92
	—	—

A deferred tax asset in relation to trading losses has not been recognised. The amount of the asset not recognised is £3,459,348 (2007 £4,043,641). This has not been recognised as the company does not foresee the reversal of the underlying timing differences with reasonable certainty.

Faiveley Transport (Birkenhead) Limited**Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)****9 Tangible fixed assets**

	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
<i>Cost</i>			
At 1 April 2007	1,029	4,143	5,172
Additions	-	76	76
	<hr/>	<hr/>	<hr/>
At 31 March 2008	1,029	4,219	5,248
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 April 2007	146	3,867	4,013
Provided for the year	75	65	140
	<hr/>	<hr/>	<hr/>
At 31 March 2008	221	3,932	4,153
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2008	808	287	1,095
	<hr/>	<hr/>	<hr/>
At 31 March 2007	883	276	1,159
	<hr/>	<hr/>	<hr/>

10 Fixed asset investments

	Group undertakings £'000
<i>Cost or valuation</i>	
At 1 April 2007 and 31 March 2008	4,000
	<hr/>

Faiveley Transport (Birkenhead) Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)

10 Fixed asset investments (continued)

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Associated undertakings</i>		
Sab Wabco (Investments) Limited	28%	The company does not trade but does hold intercompany loans with other group undertakings

11 Stocks

	2008 £'000	2007 £'000
Raw materials and consumables	2,855	2,827
Work in progress	256	90
	<u>3,111</u>	<u>2,917</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

12 Debtors

	2008 £'000	2007 £'000
Trade debtors	4,893	3,853
Amounts owed by group undertakings	1,523	874
Other debtors	3	-
Prepayments and accrued income	134	345
	<u>6,553</u>	<u>5,072</u>

All amounts shown under debtors fall due for payment within one year.

Faiveley Transport (Birkenhead) Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)

13 Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Trade creditors	1,177	1,223
Amounts owed to group undertakings	5,001	2,076
Corporation tax	39	62
Other taxation and social security	689	489
Other creditors	9	7
Accruals and deferred income	2,227	2,453
	9,142	6,310

14 Creditors: amounts falling due after more than one year

	2008	2007
	£'000	£'000
Amounts owed to group undertakings	11,974	11,530

15 Provisions for liabilities

	Warranty provision £'000
At 1 April 2007	866
Utilised in year	(205)
	661
At 31 March 2008	

16 Share capital

	2008	Authorised	Allotted, called up	and fully paid
	£'000	2007	2008	2007
	£'000	£'000	£'000	£'000
1,000 ordinary shares of £1 each	1,000	1,000	1	1

Faiveley Transport (Birkenhead) Limited**Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)****17 Reserves**

	Profit and loss account £'000
At 1 April 2007	(6,863)
Profit for the year	1,712
Actuarial gain in pension scheme liability net of related taxation	1,828
	<hr/>
At 31 March 2008	(3,323)
	<hr/>

18 Reconciliation of movements in shareholders' funds

	2008 £'000	2007 £'000
Profit for the year	1,712	850
Other net recognised gains and losses relating to the year	1,828	1,137
	<hr/>	<hr/>
Net additions to shareholders' funds	3,540	1,987
Opening shareholders' funds	(6,862)	(8,849)
	<hr/>	<hr/>
Closing shareholders' funds	(3,322)	(6,862)
	<hr/>	<hr/>

19 Pensions

The company participates in the SAB WABCO Pension Scheme, the Davies & Metcalfe Limited (1977) Retirements Benefits Scheme and the Davies & Metcalfe plc Retirement Benefits Scheme. These schemes provide benefits based on final pensionable pay. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

Faiveley Transport (Birkenhead) Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)

19 Pensions (continued)

Full actuarial valuation of the defined benefit schemes were carried out at 6 April 2004 and updated to 31 March 2008, 31 March 2006, 31 March 2005 and 31 December 2003 by a qualified independent actuary on a FRS17 basis. The major assumptions at 31 March 2008 used by the actuary were:

	2008	2007	2005
Rate of increase in salaries	5.25%	4.65%	4.40%
Rate of increase in pensions in payment	4.07%	3.70%	3.60%
Discount rate	6.70%	5.25%	4.90%
Inflation assumption:			
SAB WABCO Pension Scheme	3.75%	3.15%	2.90%
Davies & Metcalfe Limited (1977) Retirement Benefits Scheme	3.75%	3.15%	2.90%
Davies & Metcalfe plc Retirement Benefits Scheme	3.75%	3.15%	2.90%

The assets in the scheme and the expected rate of return at 31 March 2008 were:

	Long-term rate of return expected at 2008	Value at 2008 £'000	Long-term rate of return expected at 2007	Value at 2007 £'000	Long-term rate of return expected at 2006	Value at 2006 £'000
Equities	6.60%	11,148	6.90%	12,612	6.40%	12,457
Bonds	6.20%	4,837	4.75%	7,429	4.40%	7,372
Gilts	4.00%	7,390	4.30%	4,567	3.80%	4,461
Cash	4.50%	4	4.75%	64	3.50%	299
Insured assets	3.00%	3,751	3.00%	3,933	3.00%	3,789
Total market value of assets		27,130		28,605		28,378
Present value of scheme liabilities		(35,638)		(39,809)		(41,200)
Deficit in scheme		(8,508)		(11,204)		(12,822)
Related deferred tax asset		2,382		3,361		3,847
Net pension liability on a FRS17 basis		(6,126)		(7,843)		(8,975)

Contributions of £525,000 were made in the period to 31 March 2008. A new deficit funding proposal has been agreed between the company and the trustees of the SAB WABCO pension scheme. This has now been submitted to the pensions regulator for approval.

Faiveley Transport (Birkenhead) Limited**Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)****19 Pensions (continued)**

<i>Movement in deficit during the year</i>	2008 £'000	2007 £'000
Deficit in scheme at beginning of year	(11,204)	(12,822)
Operating credit/(cost)	(107)	(120)
Other finance costs/income	(529)	(588)
Actuarial gains and losses	2,807	1,623
Contributions paid	525	703
	<hr/>	<hr/>
Deficit in scheme at end of year	(8,508)	(11,204)
	<hr/>	<hr/>
<i>Analysis of amount recognised in statement of total recognised gains and losses</i>	2008 £'000	2007 £'000
Actual return less expected return on pension scheme assets	(2,131)	(478)
Experience gains and losses arising on the scheme liabilities	-	(199)
Changes in assumptions underlying the present value of the scheme liabilities	5,148	2,300
Adjustment due to surplus cap	(210)	-
	<hr/>	<hr/>
Actuarial gain recognised in statement of total recognised gains and losses	2,807	1,623
	<hr/>	<hr/>

Faiveley Transport (Birkenhead) Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)

19 Pensions (continued)

<i>History of experience gains and losses</i>	2008	2007	2006	2005	2004
Difference between the expected and actual return on scheme assets					
Amount £'000	(2,131)	(478)	2,489	570	1,350
Percentage of scheme assets	-9.00%	-2.00%	10.00%	3.00%	7.00%
Experience gains and losses on scheme liabilities					
Amount £'000	-	(199)	205	(2,530)	41
Percentage of the present value of the scheme liabilities	-%	-0.50%	0.50%	-6.90%	0.12%
Total amount recognised in statement of total recognised gains and losses:					
Amount £'000	2,807	1,623	(3,034)	(2,891)	(2,792)
Percentage of the present value of the scheme liabilities	7.00%	4.00%	7.40%	7.90%	9.00%

20 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2008 Land and buildings £'000	2008 Other £'000	2007 Land and buildings £'000	2007 Other £'000
Operating leases which expire:				
Within one year	-	1	-	11
In two to five years	-	49	-	18
After five years	213	-	213	-
	213	50	213	29

Faiveley Transport (Birkenhead) Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (*Continued*)

21 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Faiveley SA which is the ultimate parent company incorporated in France.

The largest and smallest group in which the results of the company are consolidated is that headed by Faiveley SA. The consolidated accounts of this company are available to the public and may be obtained from Faiveley SA, Carrefour Pleyel, 143 Boulevard Anatole France, FR-93285 Saint-Denis Cedex, France.