

**Company Registration No. 2311350**

**Balfour Beatty Rail Track Systems  
Limited  
Report and Financial Statements**

**31 December 2004**



# **Balfour Beatty Rail Track Systems Limited**

## **Report and financial statements 2004**

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# Balfour Beatty Rail Track Systems Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

### Principal activities and business review

The company acts as the agent of Balfour Beatty Group Limited in the business of the manufacture of railway trackwork and associated products. The company has assets and employees available to it from its parent company to enable it to carry out its activities. The results of the business are dealt with in the financial statements of Balfour Beatty Group Limited.

### Results

The company did not trade during the current or prior year and has made neither a profit nor a loss. Accordingly no profit and loss account is presented within the financial statements. The financial position at 31 December 2004 is shown on the balance sheet on page 5.

### Future prospects

The directors expect the company to be dormant for the foreseeable future.

### Directors and their interests

The directors who were in office during the year and up to the date of this report, were as follows:

A P Hutchinson  
K H Churm  
K Ravenscroft

The directors who held office at 31 December 2004 had no interests (including options) other than those shown below, in the share capital of Balfour Beatty plc.

	Ordinary shares of £1 each	
	1 January 2004 Number	31 December 2004 Number
K H Churm	4,568	2,809
A P Hutchinson	305	682
K Ravenscroft	815	1,192

The directors who held office at 31 December 2004 had no interests in the company or other group companies.

The directors who held office at 31 December 2004 had no interests (including options) other than those shown below, in the share capital of Balfour Beatty plc. Share options in Balfour Beatty plc at 1 January 2004 (or the date of appointment to the Board if later) and 31 December 2004 were as follows:

# Balfour Beatty Rail Track Systems Limited

## Directors' report

### Directors and their interests (continued)

	Executive scheme		SAYE scheme	
	2004 Number	2003 Number	2004 Number	2003 Number
K H Churm	59,500	49,500	2,037	2,498
K Ravenscroft	10,000	5,000	1,010	957
A P Hutchinson	59,500	64,500	1,221	1,168

The undermentioned directors had outstanding the following options to acquire ordinary shares in Balfour Beatty plc under the terms of the Balfour Beatty plc executive share option scheme and the Balfour Beatty plc SAYE scheme.

	1 January 2004 Number	Exercised Number	Granted Number	31 December 2004 Number
A P Hutchinson				
- Executive scheme	64,500	(20,000)	15,000	59,500
- SAYE	1,168	(377)	430	1,221
K H Churm				
- Executive scheme	49,500	-	10,000	59,500
- SAYE	2,498	(1,107)	646	2,037
K Ravenscroft				
- Executive scheme	5,000	-	5,000	10,000
- SAYE	957	(377)	430	1,010

The options were granted under Balfour Beatty plc employees' share option schemes.

All interests at 1 January 2004, or the date of appointment and at 31 December 2004 are beneficial and are in respect of numbers of ordinary shares in Balfour Beatty plc.

### Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



K Ravenscroft

Director

24 October 2005

7 Mayday Road  
Thornton Heath,  
Surrey  
CR7 7XA

# **Balfour Beatty Rail Track Systems Limited**

## **Statement of directors' responsibilities**

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company for that period. 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;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report to the members of Balfour Beatty Rail Track Systems Limited**

We have audited the financial statements of Balfour Beatty Rail Track Systems Limited for the year ended 31 December 2004 which comprise the balance sheet and the related notes 1 to 7. These financial statements have been prepared under the accounting policy 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
London

24 October 2005

# Balfour Beatty Rail Track Systems Limited

## Balance sheet

31 December 2004

	Note	2004 £	2003 £
<b>Current assets</b>			
Debtors			
Amounts due from group undertakings		100	100
		<u>100</u>	<u>100</u>
<b>Capital and reserves</b>			
Called up share capital	5	100	100
		<u>100</u>	<u>100</u>
<b>Total equity shareholders' funds</b>		<u>100</u>	<u>100</u>

These financial statements were approved by the Board of Directors on 24 October 2005.

Signed on behalf of the Board of Directors



K Ravenscroft

Director

The accompanying notes are an integral part of this balance sheet.

# Balfour Beatty Rail Track Systems Limited

## Notes to the accounts

### Year ended 31 December 2004

#### 1. Accounting policy

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policy adopted is described below and has been applied consistently throughout the year and the preceding year.

##### Accounting convention

The financial statements are prepared under the historical cost convention.

#### 2. Results

All transactions are entered into as an agent of Balfour Beatty Group Limited in whose financial statements such transactions are recorded. The company has not traded on its own account and accordingly has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

The auditors' remuneration for the years ended 31 December 2003 and 31 December 2004 have been borne by Balfour Beatty Group Limited.

#### 3. Directors' emoluments

No directors are entitled to remuneration or other emoluments for services provided to the company (2003: £nil).

The directors participate in a share option scheme operated by the ultimate parent company. The above amounts do not include any gains made in the exercise of share options or the value of any shares. Three directors exercised share options during the year (2003 – three).

#### 4. Employees

The company has employees. The liabilities for such employees are underwritten by Balfour Beatty Group Limited, pursuant to the agency arrangements.

#### 5. Called up share capital

	2004 £	2003 £
<b>Authorised:</b>		
100 ordinary shares of £1 each	100	100
<b>Called up, allotted and fully paid</b>		
100 ordinary shares of £1 each	100	100

#### 6. Related party transactions

Transactions with other group companies have not been disclosed in these financial statements in accordance with the exemption conferred by Financial Reporting Standard No. 8 "Related party transactions" for wholly owned subsidiaries of companies who consolidated financial statements are publicly available.

#### 7. Ultimate parent company and controlling party

The company is a subsidiary undertaking of Balfour Beatty Group Limited, which is registered in England and Wales. Its ultimate parent and controlling company is Balfour Beatty plc, incorporated in Great Britain.

The smallest and largest group in which the results of the company are consolidated is that headed by Balfour Beatty plc. The consolidated financial statements of this group are available to the public and may be obtained from 130 Wilton Road London SW1V 1LQ.