

WAGON EUROPE LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1995

Registered Number: 2756280



WAGON EUROPE LIMITED

DIRECTORS' REPORT

The directors present their Report together with the Accounts of the company for the year ended 31 March 1995.

Principal Activities and Business Review

The company operates as an intermediate holding company.

Dividends

The directors recommend that a dividend of £2,975,806 be paid (1994:nil).

Directors and Directors' Interests

The directors who served during the year were:-

I R Fox
C M Humpherson

The directors had no beneficial interest in the share capital of the company but had the following beneficial interests in the share capital of Wagon Industrial Holdings p.l.c., the company's ultimate parent company:-

Ordinary Shares

	31 March 1995	31 March 1994
C M Humpherson	100	100

Options

	31.03.95	Granted	Exercised	31.03.94
C M Humpherson	48,537	9,148	-	39,389

Mr Fox is also a director of Wagon Industrial Holdings p.l.c. and his interests are disclosed in that company's accounts.

Throughout the year, Wagon Industrial Holdings p.l.c. purchased and maintained insurance exempting directors and officers from liability, as permitted by Section 310(3) of the Companies Act 1985.

WAGON EUROPE LIMITED

DIRECTORS' REPORT

(Continued)

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the company's state of affairs at the end of the year and profit or loss for the year then ended. 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, subject to any material departures disclosed and explained in the financial statements;
- 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

On 6 February 1995, our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. Elective resolutions to dispense with holding annual general meetings, the laying of accounts before the company in general meeting and the appointment of auditors annually are currently in force. The auditors, KPMG, will therefore be deemed to have been re-appointed at the end of the period of twenty-eight days, beginning with the day on which copies of this directors' report and accounts are sent to members, unless a resolution is passed under Section 393 of the Companies Act 1985 to the effect that their appointment be brought to an end.

By Order of the Board


C M Humpherson
Secretary

REPORT OF THE AUDITORS KPMG**TO THE MEMBERS OF WAGON EUROPE LIMITED**

We have audited the accounts on pages 4 to 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the affairs of the company as at 31 March 1995 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors
Birmingham

29 April 1995

29 April 1995

WAGON EUROPE LIMITED

PROFIT AND LOSS ACCOUNT

AT 31 MARCH 1995

		Year ended 31 March 1995 £'000	Year ended 31 March 1994 £'000
	Note		
Income from investments		<u>2,976</u>	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,976	-
Taxation	3	—	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,976	-
Dividends payable		<u>(2,976)</u>	—
PROFIT RETAINED FOR THE FINANCIAL YEAR		—	—

The company has no recognised gains or losses other than the profit for the year shown above.

There is no material difference between the profit before taxation as shown in the profit and loss account and their historical cost equivalents.

WAGON EUROPE LIMITED

BALANCE SHEET

AT 31 MARCH 1995

	Note	31 March 1995 £'000	31 March 1994 £'000
FIXED ASSETS			
Investments	4	85,309	85,309
CURRENT ASSETS			
Debtors - amounts due after one year from parent undertaking		<u>3,040</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		88,349	85,309
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	5	<u>(79,671)</u>	<u>(76,631)</u>
NET ASSETS		<u>8,678</u>	<u>8,678</u>
CAPITAL AND RESERVES			
Called up share capital	6	-	-
Share premium account		<u>8,678</u>	<u>8,678</u>
		<u>8,678</u>	<u>8,678</u>

The accounts were approved on behalf of the board of directors on 29 April 1995 by:-

I.R. FOX



DIRECTOR.

WAGON EUROPE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1995

1. Accounting policies

Accounting convention

The accounts have been prepared in compliance with applicable Accounting Standards and the Companies Act 1985 and under the historical cost accounting rules.

A consolidated cashflow statement prepared in accordance with Financial Reporting Standard 1 is included in the Wagon Industrial Holdings p.l.c. group accounts.

Foreign exchange

Assets and liabilities in foreign currencies are translated at the mid-market rate of exchange ruling at the balance sheet date unless covered by currency contracts, in which case the contract rate is applied. Where the translation of overseas investments and foreign currency borrowings relating thereto give rise to an exchange difference, this is taken direct to reserves. Other exchange differences are dealt with through the profit and loss account.

2. Directors' emoluments

No directors' emoluments were paid during the year.

3. Taxation

	1995	1994
	£'000	£'000
U.K. Corporation Tax at 33%	1,328	-
Double tax relief	<u>(1,328)</u>	<u>-</u>
	<u> </u>	<u> </u>

4. Investments

	Shares in group undertakings £'000
Cost and book value	
At 31 March 1994 and 31 March 1995	<u>85,309</u>

The investment in the group undertaking represents a 100% interest in Wagon B.V., an intermediate holding company incorporated and registered in The Netherlands.

WAGON EUROPE LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 1995****5. Creditors - amounts falling due after more than one year**

	1995 £'000	1994 £'000
Amount owed to fellow group undertakings	<u>79,671</u>	<u>76,631</u>

The amounts owed to group undertakings are interest free and are not repayable within one year.

6. Share capital

	1995
	£
Authorised: 25,000,000 ordinary shares of £1 each	<u>25,000,000</u>
Allotted, called up and fully paid: 2 ordinary shares of £1 each	<u>2</u>

The company was incorporated with an authorised ordinary share capital of £25,000,000. 2 shares were issued on incorporation giving rise to a share premium of £8,678,058.

7. Ultimate holding company

The company's ultimate holding company is Wagon Industrial Holdings p.l.c., registered in England and Wales. The accounts of Wagon Industrial Holdings p.l.c. can be obtained from Haldane House, Halesfield, Telford, Shropshire, TF7 4PB.