

Registered Number 3033290

Corus Rail Consultancy Limited
Annual report
for the year ended 30 December 2006

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Corus Rail Consultancy Limited

Annual report

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Corus Rail Consultancy Limited

Directors' report for the year ended 30 December 2006

The directors present their report and the audited financial statements of the company for the year ended 30 December 2006

Principal activity

The principal activity of the company is consultancy and design of railway infrastructure projects worldwide

Review of business and future developments

It was a difficult period for Corus Rail Consultancy Limited due to uncertainties in the UK Railway market

The UK Railway market is expected to be volatile. Consequently, the year ahead is expected to provide a challenge to the Company and its employees

The business is looking at broadening its client base and diversifying into new markets, both in the UK and overseas

The directors of Corus Rail Consultancy Limited manage the group's risks at a group level. For this reason the company's directors believe that discussion of the group's risks and analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company's business

The principal risks and uncertainties of the group, which include those of the company, and the development, performance and position of the Company are discussed in the Directors' report in the group's annual report and accounts which does not form part of this report

Result and dividends

The profit and loss account for the year is set out on page 6. The directors do not recommend the payment of a dividend in respect of the year ended 30 December 2006 (31 December 2005: £Nil)

Research and development activities

The company continues to invest in research and development activities as the directors consider appropriate

Directors

The directors who held office during the year are given below

J M Bolton
D Marsden
C Scott
J Guern

Company Secretary is A Walker

D Marsden resigned on the 11 August 2006

Corus Rail Consultancy Limited

Directors' report for the year ended 30 December 2006 (continued)

Payment to creditors

It is the policy of the company to establish terms of payment with suppliers when agreeing the terms of business transactions. The aim is to despatch cheques on the due date or, where other means of payment are adopted, to deliver funds to suppliers as if payment had been made by cheque. Trade creditors at the year end represented 48 days (31 December 2005: 65 days).

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the company.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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 UK 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

Corus Rail Consultancy Limited

Directors' report for the year ended 30 December 2006 (continued)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements (continued)

The directors are responsible for keeping proper accounting records that 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors confirms that so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and that he has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Company Secretary

30th January 2008

Corus Rail Consultancy Limited

Independent auditors' report to the members of Corus Rail Consultancy Limited

We have audited the financial statements of Corus Rail Consultancy Limited for the year ended 30 December 2006 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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.

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 judgments 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.

Corus Rail Consultancy Limited

Independent auditors' report to the members of Corus Rail Consultancy Limited (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 30 December 2006 and of its loss 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



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Leeds

30 January 2008

Corus Rail Consultancy Limited

Profit and loss account for the year ended 30 December 2006

	Note	30 December 2006 £'000	31 December 2005 £'000
Turnover	1	15,441	15,922
External charges		(3,072)	(2,882)
Staff costs	3	(9,363)	(10,394)
Depreciation of tangible fixed assets	6	(12)	(69)
Other operating charges		(3,856)	(4,703)
Loss on ordinary activities before interest and taxation		(862)	(2,126)
Interest receivable and similar income	9	300	100
Loss on ordinary activities before taxation	4	(562)	(2,026)
Tax credit on loss on ordinary activities	5	85	504
Loss sustained for the financial year	12	(477)	(1,522)

All items dealt with in arriving at the loss on ordinary activities before interest and taxation relate to continuing activities

There is no difference between the loss on ordinary activities before taxation and the loss sustained for the year stated above and their historical cost equivalents

Corus Rail Consultancy Limited

Statement of total recognised gains and losses for the year ended 30 December 2006

	Note	30 December 2006 £'000	31 December 2005 (restated) £'000
Loss for the financial year		(477)	(1,522)
Pension scheme			
Actuarial gain / (loss)	9	3,600	(1,300)
Movement on deferred tax asset relating to pension deficit	7	(1,098)	390
Total recognised gains and losses for the financial year		2,025	(2,432)

Corus Rail Consultancy Limited

Balance sheet as at 30 December 2006

	Note	30 December 2006 £'000	31 December 2005 £'000
Fixed assets			
Tangible assets	6	157	65
Current assets			
Debtors amounts falling due within one year	7	7,847	9,968
Debtors amounts falling due after one year	7	156	110
Cash at bank and in hand		230	-
		8,233	10,078
Creditors: amounts falling due within one year	8	(2,611)	(3,755)
Net current assets		5,622	6,323
Total assets less current liabilities		5,779	6,388
Provisions for liabilities and charges			
Net pension liability	9	(648)	(3,080)
Other provisions	10	(323)	(525)
Net assets		4,808	2,783
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	4,808	2,783
Equity shareholder's funds	13	4,808	2,783

The financial statements on pages 6 to 24 were approved by the board of directors on 20 January 2008 and were signed on its behalf by

Director



Corus Rail Consultancy Limited

Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

Cash flow statement

The company is a wholly owned subsidiary of Corus Group plc. Consequently, the company is exempt under the terms of Financial Reporting Standard Number 1 (Revised) from publishing a cash flow statement.

Deferred taxation

In accordance with FRS19 "Deferred tax", full provision is made for deferred tax arising from timing differences between the recognised gains and losses in the financial statements and their recognition in tax computations, where future payment or receipt is more likely than not to occur. Deferred tax losses relating to carry forward of unused tax losses are recognised to the extent that it can be regarded as more likely than not that future taxable profit will be available against which the unused tax losses can be utilised.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The expected useful economic lives are:

	Years
Office Equipment	10
Equipment	4

Contract income

Contracts are assessed on a contract by contract basis. Turnover on contracts is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which the turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts.

Turnover

Turnover, which excludes value added tax, represents the value of services supplied.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Pensions

The company operates a defined benefit pension scheme for eligible employees of the Corus Shared Cost Section of the Railways Pension Scheme. The assets of the Section are held in separate trustee administered funds. The pension cost is assessed with the advice of an independent qualified actuary using the projected unit method. The expected cost of providing pension benefits is charged to the profit and loss account so as to spread the cost over the expected average service lives of employees. Differences between the amounts funded and amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

The company has adopted the amendment to FRS 17 "Retirement benefits" during the year. This has not required any restatement of comparative figures.

Corus Rail Consultancy Limited

Accounting policies (continued)

Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transactions are entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange gains or losses are taken to the profit and loss account in the year in which they arise.

Corus Rail Consultancy Limited

Notes to the financial statements for the year ended 30 December 2006

1 Turnover

The geographical analysis of turnover is as follows

	30 December 2006	31 December 2005
	£'000	£'000
United Kingdom	13,863	15,287
European Union	1,578	635
	15,441	15,922

2 Directors' emoluments

	30 December 2006	31 December 2005
	£'000	£'000
Aggregate emoluments	190	122

Two directors did not receive emoluments in respect of services as a director from the company during the year ended 30 December 2006 (31 December 2005 nil) Two directors received emoluments from other group companies

Retirement benefits are accruing to one director (31 December 2005 one director) under the company's defined benefits scheme

There were no share options exercised by directors during the year (31 December 2005 Nil)

Corus Rail Consultancy Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

3 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was

	30 December 2006	31 December 2005
By activity		
Technical	195	230
Administration	48	50
	243	280

	30 December 2006 £'000	31 December 2005 £'000
Staff costs (for the above persons)		
Wages and salaries	7,616	8,640
Social security costs	662	711
Pension costs (see note 9)	1,085	1,043
	9,363	10,394

4 Loss on ordinary activities before taxation

	30 December 2006 £'000	31 December 2005 £'000
Loss on ordinary activities before taxation is stated after charging		
Depreciation charge for the year		
Tangible owned assets	12	69
Fees payable to the Company's auditors for the audit of the Company's annual accounts	15	15
Operating lease rentals		
Land and buildings	594	555
Plant and equipment	63	91

Corus Rail Consultancy Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

5 Tax credit on loss on ordinary activities

Analysis of credit in the year

	30 December 2006 £'000	31 December 2005 £'000
Current tax:		
UK corporation tax on losses for the year	(39)	(467)
Overseas tax	15	-
Adjustments in respect of previous years	15	33
Total current tax	(9)	(434)
Deferred tax:		
Origination and reversal of timing differences	(68)	(73)
(Increase) / decrease in discount	(8)	3
Total deferred tax (note 7)	(76)	(70)
Tax credit on loss on ordinary activities	(85)	(504)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (31 December 2005 lower than) the standard rate of corporation tax in the UK (30%) The differences are explained below

	30 December 2006 £'000	31 December 2005 £'000
Loss on ordinary activities before tax	(562)	(2,026)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2005 30%)	(169)	(608)
Effects of		
Accelerated capital allowances	(30)	(18)
Other timing differences	(30)	92
Tax losses	97	-
Adjustment to tax charge in respect of previous year	15	33
Overseas tax	15	-
Taxation treatment of pension costs	33	-
Permanent differences	60	67
Current tax credit for the year	(9)	(434)

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Notes to the financial statements for the year ended 30 December 2006 (continued)

6 Tangible fixed assets

	Office Equipment	Equipment	Total
	£'000	£'000	£'000
Cost			
At 1 January 2006	176	84	260
Additions	-	104	104
Disposals at cost	(79)	-	(79)
At 30 December 2006	97	188	285
Depreciation			
At 1 January 2006	118	77	195
Depreciation on disposals	(79)	-	(79)
Charge for the year	9	3	12
At 30 December 2006	48	80	128
Net book amount			
At 30 December 2006	49	108	157
At 1 January 2006	58	7	65

Corus Rail Consultancy Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

7 Debtors

	30 December 2006	31 December 2005
	£'000	£'000
Amounts falling due within one year		
Trade debtors	2,164	3,230
Amounts recoverable on contracts	1,011	589
Amounts owed by parent undertaking	3,731	4,772
Amounts owed by other group undertakings	130	572
Prepayments and accrued income	669	799
Other taxation and social security	116	-
Other debtors	26	6
	7,847	9,968
Amounts falling due after one year		
Deferred tax asset	156	110
	156	110

Deferred tax assets have been recognised to the extent that they are regarded as recoverable, in accordance with FRS 19. The following table outlines the movement in the recognised deferred tax assets

	2006 £'000
Deferred tax	
At 1 January 2006 as previously reported	1,430
Credited to the profit and loss account (note 5)	76
Credited to statement of total recognised gains and losses	(1,098)
At 30 December 2006	408

Corus Rail Consultancy Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

7 Debtors (continued)

The deferred tax asset may be analysed as follows

	30 December 2006	31 December 2005
	£'000	£'000
Short term timing differences	-	32
Accelerated capital allowances	73	94
Tax losses	91	-
Undiscounted deferred tax asset excluding that relating to pension deficit	164	126
Discount	(8)	(16)
Deferred tax asset excluding that relating to pension deficit	156	110
Deferred tax asset on pension deficit	252	1,320
	408	1,430

8 Creditors – Amounts falling due within one year

	30 December 2006	31 December 2005
	£'000	£'000
Bank loans and overdrafts	-	7
Trade creditors	1,128	1,457
Amounts owed to other group undertakings	98	109
Other taxation and social security	450	517
Other creditors	492	1,134
Payments on account	443	531
	2,611	3,755

Amounts owed to other group undertakings are payable upon demand

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Notes to the financial statements for the year ended 30 December 2006 (continued)

9 Pensions and post retirement benefits

The Company operates a defined-benefit pension scheme and that scheme is accounted for using FRS 17 "Retirement Benefits" with an independent actuary used to calculate the costs, assets and liabilities to be recognised. The present value of the defined benefit obligation, the current service cost and past service cost were calculated by this actuary using the project unit credit method. However, the ongoing funding arrangements of the scheme, in place to meet its long-term pension liabilities is governed by the scheme documentation and national legislation. The accounting and disclosure requirements of FRS 17 do not affect these funding arrangements. The assets of the scheme are held in separate trustee administered funds, under the Railways Pension Scheme, as the Corus Shared Cost Section.

As a shared cost Scheme, the cost of providing the benefits is generally split between the members and the employer (for the Corus Shared Cost Section of the Railways Pension Scheme this split is 40/60). If surpluses arise, these are often distributed in a similar manner, although this is not prescribed under the Rules of the Scheme. As this is a shared cost Scheme, only 60% of the net pension deficit has been recognised in these financial statements.

The company has adopted the amendment to FRS 17 during the year. This has not required any restatement of comparative figures.

The following are the significant assumptions made in the calculation of the pension scheme figures

	30 December 2006 %	31 December 2005 %
Rate of increase in salaries	3.85	3.70
Rate of pension increases	2.85	2.70
Discount rate	5.10	4.75
Inflation assumption	2.85	2.70
Expected return on plan assets		
Equities	7.70	7.75
Bonds	5.10	4.10
Property	6.20	5.90
Cash	3.90	3.70

The discount rate reflects the current rate of return on AA rated corporate bonds of equivalent currency and term to the scheme liabilities. Projected inflation rate liabilities and pension increases are long term predications based, mainly, on the yield gap between long term index-linked and fixed interest gilts. The Company establishes the expected rate of return on plan assets by developing a forward looking, long term return assumption for each asset.

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Notes to the financial statements for the year ended 30 December 2006 (continued)

9 Pensions and post retirement benefits (continued)

class, taking into account such factors as the expected real return for specific asset class, respective yields and market rates at the balance sheet date, and inflation. These returns are assumed to be net of investment expenses.

Demographic assumptions are set having regard to the latest trends in life expectancy, plan experience and other relevant data, including externally published actuarial information. The assumptions are reviewed and updated as necessary as part of the periodic actuarial funding valuation. The assumptions adopted are in line with the "92 series" rated up by one year for males and two years for females. This indicates that today's 65 year old male member is expected to live on average to around 83 years of age.

	2006 years	2005 years
Longevity at age 65		
- Men	17.8	17.8
- Women	20.1	20.1

Income statement costs

Under FRS 17 costs in relation to pension and post retirement plans arise as follows:

- The current service cost is the actuarially determined present value of the pension benefits earned by employees in the current period. No charge or credit is reflected here for any surplus or deficit in the scheme and so the cost is unrelated to whether, or how, the scheme is funded.
- The expected return on assets is the actuarial forecast of total return (that is income and gains) on the actual assets in the scheme. This is a long term rate and is set at the beginning of the period.

Variations from expected costs, arising from experience of the plans or changes in the actuarial assumptions are recognised immediately in the statement of recognised gains and losses. Examples are differences between the estimated return on scheme assets (credited to profit and loss) and the actual return, the remeasurement of scheme liabilities to reflect changes in discount rates, changes in demographic such as using updated mortality tables, or the effect of more employees leaving service than forecast.

Balance sheet measurement

In determining the amounts to be recognised in the balance sheet the following approach has been adopted:

- Pension scheme assets are measured at fair value (for example for quoted securities this is the bid-market value on the relevant public exchange).
- Pension liabilities include future benefits for pensioners and deferred pensioners, and accrued benefits for members in service taking into account projected future earnings. As noted above, the pension liabilities are discounted at the current rate of return on AA corporate bonds of equivalent currency and term to the pension liability.
- The interest cost is the notional interest costs arising from unwinding the discount on the scheme liabilities, based on the discount rate (that is, appropriate bond rate) at the beginning of the period.

Corus Rail Consultancy Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

9 Pensions and post retirement benefits (continued)

Income statement pension costs arose as follows

Analysis of amount charged to operating profit	30 December 2006	31 December 2005
	£'000	£'000
Current service cost	1,100	1,100
Total charged for the period	1,100	1,100

Analysis of the amount credited to other finance income	30 December 2006	31 December 2005
	£'000	£'000
Expected return on pension scheme assets	1,500	1,200
Interest on pension scheme liabilities	(1,200)	(1,100)
Total finance income for the period	300	100

Analysis of the amount recognised in statement of total recognised gains and losses	30 December 2006	31 December 2005
	£'000	£'000
Actual return less expected return on pension scheme assets	1,900	2,600
Experience gains and losses arising on scheme liabilities	200	(400)
Changes in assumptions underlying the present value of the scheme liabilities	1,500	(3,500)
Actuarial total gain/(loss) recognised in the STRGL	3,600	(1,300)

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses at 30 December 2006 is a gain of £2.2 million (31 December 2005 cumulative loss of £1.4 million)

The contributions expected to be paid to the scheme during the accounting period beginning after the balance sheet date, for the 15 month accounting period ended 31 March 2008, are £825,000

Corus Rail Consultancy Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

9 Pensions and post retirement benefits (continued)

Amounts recognised in the balance sheet arise as follows

	30 December 2006	31 December 2005
	£'000	£'000
Total market value of scheme assets	36,300	34,000
Present value of scheme liabilities	(37,800)	(41,400)
Deficit in scheme	(1,500)	(7,400)
Adjustment for the member's share of deficit	600	3,000
Deficit attributable to the Company	(900)	(4,400)
Related deferred tax asset	252	1,320
Net pension liability recognised	(648)	(3,080)

Changes in the fair values of scheme assets are as follows

	2006	2005
	£'000	£'000
Fair value at start of period	34,000	27,700
Expected return on scheme assets	2,400	2,000
Actuarial gains	3,200	4,300
Employer contributions	700	800
Employee contributions	500	500
Benefits paid	(4,500)	(1,300)
Fair value at end of period	36,300	34,000

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Notes to the financial statements for the year ended 30 December 2006 (continued)

9 Pensions and similar obligations (continued)

Changes in the present value of the defined benefit obligation are as follows

	2006 £'000	2005 £'000
Present value of benefit obligations at start of period	41,400	32,600
Current service cost	1,700	1,700
Interest cost	2,000	1,800
Actuarial (gain)/loss	(2,800)	6,600
Benefits paid	(4,500)	(1,300)
Present value of benefit obligations at end of period	37,800	41,400

The history of plan assets, scheme liabilities and actuarial gains or losses is as follows

	2006	2005	2004	2003	2002
Fair value of plan assets at end of period £'000	36,300	34,000	27,700	24,900	19,900
Experience adjustments on plan assets £'000	3,200	4,300	1,300	3,000	3,700
Percentage of plan assets %	8.8	12.6	4.7	12.0	18.6
Present value of benefits obligations at end of period £'000	37,200	38,400	30,600	27,500	22,800
Actuarial gain/(losses) on benefit obligations £'000	200	(400)	(200)	(300)	(600)
Experience losses as a % of benefit obligations	0.5	(1.0)	(0.7)	(1.1)	(2.6)
Defined benefit liability at end of period £'000	(900)	(4,400)	(2,900)	(2,600)	(2,900)

Corus Rail Consultancy Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

10 Other Provisions

	30 December 2006 £'000
At 1 January 2006	525
Charge to profit and loss account	(202)
At 30 December 2006	323

Other provisions relate to the onerous lease provision made in the year ended 31 December 2005

11 Called up share capital

	30 December 2006 £	31 December 2005 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
1 ordinary share of £1 each	1	1

12 Profit and loss account

	£'000
At 1 January 2006 as previously reported	2,783
Sustained loss for the financial year	(477)
Actuarial gain on pension scheme	3,600
Movement on deferred tax relating to pension deficit	(1,098)
At 30 December 2006	4,808

Corus Rail Consultancy Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

13 Reconciliation of movements in shareholders' funds

	30 December 2006 £'000	31 December 2005 £'000
Loss for the financial year	(477)	(1,522)
Other recognised gains and losses relating to the year	2,502	(910)
Net increase / (reduction) in shareholders funds	2,025	(2,432)
Opening shareholders' funds	2,783	5,215
Closing shareholders' funds	4,808	2,783

14 Financial commitments

At 30 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	30 December 2006		31 December 2005	
	Land and Buildings £'000	Equipment £'000	Land and Buildings £'000	Equipment £'000
Expiring in less than one year	-	31	44	-
Expiring between one and two years inclusive	-	3	-	36
Expiring between two and five years inclusive	462	29	400	26
Expiring over five years	71	-	116	-
	533	63	560	62

15 Contingent liabilities

The company had no outstanding guarantees as at 30 December 2006 (31 December 2005 £468,000)

Corus Rail Consultancy Limited

Notes to the financial statements for the year ended 30 December 2006 (continued)

16 Related party transactions

During the year ended 30 December 2006 the company provided labour and design services to GrantRail Limited for an amount of £760,533 (31 December 2005 £1,346,592) GrantRail Limited is a joint venture of the company's immediate parent undertaking Corus UK Limited. The charges were made on normal commercial terms and the balance due from GrantRail Limited, as at 30 December 2006, amounted to £143,154 (31 December 2005 £256,526)

During the year ended 30 December 2006 the company provided labour and design services to Corus Cogifer Switches and Crossings Limited for an amount of £4,000 (31 December 2005 £10,695) Corus Cogifer Switches and Crossings Limited is a joint venture of the company's immediate parent undertaking Corus UK Limited. The charges were made on normal commercial terms and the balance due from Corus Cogifer Switches and Crossings Limited as at 30 December 2006 amounted to nil (31 December 2005 £nil)

As permitted under Financial Reporting Standard Number 8 there is no separate disclosure of transactions that are eliminated upon consolidation

There were no other related party transactions during the year

17 Ultimate parent company

The Company is a subsidiary of Corus UK Limited which is registered in England and Wales. The ultimate parent company and the ultimate controlling party is Corus Group plc. Copies of the Corus UK Limited's and Corus Group plc's report may be obtained from the Secretary, Corus Group plc, 30 Millbank, London SW1P 4WY

On 31 January 2007, the board of Corus Group plc recommended the acquisition by Tata Steel of the entire issued and to be issued share capital of Corus Group. This was to be implemented by means of a scheme of arrangement under section 425 of the UK Companies Act 1985 and shareholders voted to approve this scheme at an Extraordinary General Meeting and court meeting, at the final price of 608p, held on 7 March 2007. Corus' share subsequently ceased trading on each of the London, New York and Amsterdam Stock Exchanges on 29 March. The scheme became wholly effective on 2 April 2007.