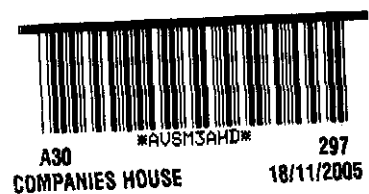


Interfleet Certification Limited

Directors' report and financial  
statements

Registered number 04847610

31 March 2005



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## **Directors' report**

The directors' present their annual report and audited financial statements for the year ended 31 March 2005.

### **Principal activity**

The principal activity of the company is to undertake assessment and certification activities for the UK and European rail networks.

### **Business review**

Trading activities have yet to commence with Interfleet Certification Limited. The management team are concentrating on putting internal controls and procedures into place, in preparation for fee-earning activity.

### **Results and dividend**

The results for the year are set out in the profit and loss account.

The directors do not recommend the payment of a dividend to the ordinary shareholders (2004: £nil).

### **Directors and directors' interests**

The directors who held office during the year were as follows:

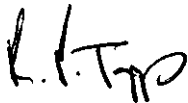
DP Curtis  
RP Tapping

The interests of the directors in the share capital of Interfleet Holdings Limited, of which the company is a wholly owned subsidiary, are disclosed in the financial statements of that company. No director had interests in the share capital of any other group company.

### **Auditors**

KPMG LLP were appointed first auditors of the company by the directors. In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as the auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



RP Tapping  
Secretary

Interfleet House  
Pride Parkway  
Derby  
DE24 8HX

13 October 2005

## **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 state of affairs of the company and of the profit or loss 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, subject to any material departures disclosed and explained in the financial statements; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**KPMG LLP**

St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ  
United Kingdom

**Independent auditors' report to the members of Interfleet Certification Limited**

We have audited the financial statements on pages 4 to 9.

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**

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

**Basis of audit 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 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 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG LLP.*

*Chartered Accountants  
Registered Auditor*

13 October 2005

**Profit and loss account**  
for the year ended 31 March 2005

	Note	2005 £	2004 £
Other external charges		889	-
Staff costs	3	9,823	-
		<hr/>	<hr/>
Operating loss and loss on ordinary activities before tax	4	(10,712)	-
Tax on loss on ordinary activities	5	-	-
		<hr/>	<hr/>
Loss on ordinary activities after tax and accumulated loss for the financial year		(10,712)	-
		<hr/>	<hr/>

In both the current and preceding year, the company made no material acquisitions and had no discontinued operations.

There were no recognised gains and losses in either the current or preceding year other than those disclosed in the profit and loss account.

**Balance sheet**  
as at 31 March 2005

	Notes	2005 £	2004 £
<b>Current assets</b>			
Cash at bank and in hand		-	1
		<hr/>	<hr/>
		-	1
<b>Creditors: amounts falling due within one year</b>	6	(10,711)	-
		<hr/>	<hr/>
<b>Net current (liabilities)/assets</b>		(10,711)	1
		<hr/>	<hr/>
<b>Net (liabilities)/assets</b>		(10,711)	1
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	7	1	1
Profit and loss account	8	(10,712)	-
		<hr/>	<hr/>
<b>Equity shareholders' (deficit)/funds</b>	9	(10,711)	1
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 13 October 2005 and were signed on its behalf by:



RP Tapping  
Director

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following accounting policies have been adopted and applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### ***Basis of preparation***

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

#### ***Cash flow statement***

The company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement as it is a wholly owned subsidiary of Interfleet Holdings Limited and its cash flows are included within the consolidated cash flow statement of that entity.

#### ***Related parties***

As the company is a wholly owned subsidiary of Interfleet Holdings Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Interfleet Holdings Limited, within which this company is included, can be obtained from the address given in note 11.

#### ***Foreign currency***

Transactions in foreign currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate ruling at the balance sheet date. Any exchange gain or loss is included in the profit and loss account.

#### ***Post retirement benefits***

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account so as to spread the costs of pensions over the employees' working lives with the company.

#### ***Research and development expenditure***

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

#### ***Taxation***

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.



## Notes (continued)

### 2 Remuneration of directors

None of the directors received any remuneration from the company during the year (2004: £nil).

### 3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2005 Number	2004 Number
Support staff	-	-
Management and engineers	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2005 £	2004 £
Wages and salaries	8,748	-
Social security costs	473	-
Other pension costs	602	-
	<hr/>	<hr/>
	9,823	-
	<hr/>	<hr/>

The company has no employees. Staff costs are recharged from fellow group companies.

### 4 Loss on ordinary activities before tax

	2005 £	2004 £
<i>Loss on ordinary activities before tax is stated after charging:</i>		
Auditors' remuneration - audit	-	-
- non-audit	-	-
	<hr/>	<hr/>

The audit fee is borne by another group company.

## Notes (continued)

### 5 Tax on loss on ordinary activities

<i>Analysis of charge in year:</i>	2005 £	2004 £
<i>UK corporation tax</i>		
Total current tax on income for the year	-	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	-	-
	<hr/>	<hr/>

#### *Factors affecting the tax charge for the current year*

The current tax charge for the year is higher than (2004: the same as) the standard rate of corporation tax in the UK of 30% (2004: 30%). The differences are explained below:

	2005 £	2004 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(10,712)	-
	<hr/>	<hr/>
Current tax at 30% (2004: 30%)	(3,213)	-
<i>Effects of:</i>		
Addition to trading losses	3,213	-
	<hr/>	<hr/>
Total current tax charge	-	-
	<hr/>	<hr/>

### 6 Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts due to parent company	10,711	-
	<hr/>	<hr/>

### 7 Called up share capital

	2005 £	2004 £
<i>Authorised</i>		
Ordinary share of £1	1	1
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary share of £1	1	1
	<hr/>	<hr/>

## Notes (continued)

### 8 Movement on reserves

	Profit and loss account £
At 1 April 2004	-
Loss for the year	(10,712)
	<hr/>
At 31 March 2005	(10,712)
	<hr/>

### 9 Reconciliation of movements of shareholders (deficit)/funds

	2005 £	2004 £
Loss for the financial year	(10,712)	-
	<hr/>	<hr/>
Net change in shareholders' (deficit)/funds	(10,712)	-
Opening shareholders' funds	1	1
	<hr/>	<hr/>
Closing shareholders' (deficit)/funds	(10,711)	1
	<hr/>	<hr/>

### 10 Commitments

The company has a cross guarantee in place for bank facilities with its parent company; the amount exposed at the year end was £nil (2004: £nil).

### 11 Ultimate holding company and controlling party

The ultimate holding company and controlling party is Interfleet Holdings Limited, a company incorporated in England and Wales. The only group for which financial statements are prepared is that headed by Interfleet Holdings Limited. The consolidated financial statements of this company are available to the public and may be obtained from Interfleet Holdings Limited, Interfleet House, Pride Parkway, Derby DE24 8HX.