

BRITISH RAIL ENGINEERING LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 March 1995

Registered Number: 965219



BRITISH RAIL ENGINEERING LIMITED

BOARD OF DIRECTORS

J.K. Welsby Chairman
M.V. Casey
J.A. Horton

REPORT OF THE DIRECTORS

1. **ACCOUNTS**

The Directors submit their Report and Accounts for the year to 31 March 1995.

2. **BUSINESS REVIEW**

Until 31 March 1992 British Rail Engineering Ltd. was responsible for the rundown of its old workshops and for the administration of outstanding liabilities for claims, restructuring and alternative employment schemes. Since that date the Company has not traded, however, during the year it disposed of one non-operational property for an amount in excess of the carrying value generating a profit of £50,000 for the year ended 31 March 1995 (1993/94 £nil).

The Company does not employ any staff.

No charitable or political donations were made by the Company during the year.

No dividend is proposed for the year.

3. **DIRECTORS AND DIRECTORS' INTERESTS**

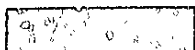
The Directors who served during the year were:

J.K. Welsby Chairman
M.V. Casey
J.A. Horton

No Directors at any time during the period had an interest in the shares of the Company. J.A. Horton has an interest of £1 in Europabus Ltd, a fellow subsidiary company of the British Railways Board.

4. **FIXED ASSETS**

The Company held no fixed assets during the year.



5. DIRECTORS RESPONSIBILITIES

The Companies Act 1985 requires the Directors to prepare accounts 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 period. In preparing the accounts, 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 accounts;
- prepare the accounts 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 accounts 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.

6. AUDITORS

In accordance with Section 384 of the Companies Act 1985 a resolution to reappoint Price Waterhouse as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.



BY ORDER OF THE BOARD

R.A. Porter
Secretary
15 January 1996

REPORT OF THE AUDITORS TO THE MEMBERS OF
BRITISH RAIL ENGINEERING LIMITED

We have audited the financial statements set out on pages 5 to 8 which have been prepared in accordance with the accounting policies on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 3 the Directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

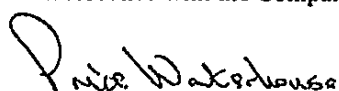
Basis of Opinion

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 the 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 Company's affairs as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants and Registered Auditors
London

15 January 1996

PROFIT & LOSS ACCOUNT

Year to 31 March 1994 <u>£'000</u>		Year to 31 March 1995 <u>£'000</u>
-	Profit on disposal of fixed assets	50
-	Retained profit for the financial year	50

The Company does not employ any staff.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year to 31 March 1994 <u>£'000</u>		Year to 31 March 1995 <u>£'000</u>
-	Profit for the year	50
150	Unrealised surplus/(deficit) on revaluation of properties	(185)
150	Total gains and losses recognised since last annual report	(135)

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Year to 31 March 1994 <u>£'000</u>		Year to 31 March 1995 <u>£'000</u>
-	Profit for the year	50
25	Realisation of property revaluation gains of previous years	757
25	Historical cost Profit for the year after taxation	807

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Year to 31 March 1994 <u>£'000</u>		Year to 31 March 1995 <u>£'000</u>
-	Profit for the year	50
150	Other recognised gains and (losses) relating to the year	(185)
150	Net increase in capital and reserves for the year	(135)
2,348	Opening capital and reserves	2,498
2,498	Closing capital and reserves	2,363

BRITISH RAIL ENGINEERING LIMITED**BALANCE SHEET AS AT 31 March 1995**

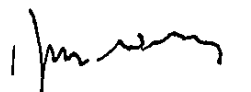
	Note	<u>31 March 1995</u> £'000	<u>31 March 1994</u> £'000
<u>CURRENT ASSETS</u>			
Non-Operational Property	(4)	540	1,725
Amounts owed by Parent Undertaking		<u>1,823</u>	<u>773</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>2,363</u>	<u>2,498</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	(5)	1,000	1,000
Revaluation Reserve	(6a)	531	1,473
Profit & Loss Reserve	(6b)	<u>832</u>	<u>25</u>
<u>EQUITY SHAREHOLDERS' FUNDS</u>		<u>2,363</u>	<u>2,498</u>

The Notes on pages 7 to 8 form part of these accounts

These accounts were approved by the Board of Directors on 15 January 1996

Director

J.K. Welsby



BRITISH RAIL ENGINEERING LIMITED

NOTES TO THE ACCOUNTS

1. **ACCOUNTING POLICIES**

The accounts have been prepared under the historical cost convention as amended by the revaluation of non-operational properties on a basis which is consistent with previous years and in accordance with applicable accounting standards.

Non-operational property is carried at estimated market value, being revalued annually on an open market basis by the British Rail Property Board. In order to comply with applicable Accounting Standards any revaluation surplus is taken to Revaluation Reserve and on disposal of a property is transferred to the Profit and Loss Account as a reserve movement. Income from disposals is accounted for when contractually due.

2. **CONSOLIDATION REQUIREMENT**

Consolidated Accounts have not been prepared as the Company is a wholly owned subsidiary of the British Railways Board.

3. **DIRECTORS' EMOLUMENTS**

The Directors receive no payments in respect of their services to the Company.

4. **NON-OPERATIONAL PROPERTY**

Land and Buildings no longer required by the Company have been transferred to non-operational property pending disposal. During the year non-operational property with a carrying value of £1.0m (historic cost £242,831) was disposed of for a consideration of £1.05m. British Rail Property Board has revalued properties held at 31 March 1995 downwards by £185,000 to their estimated open market value of £540,000 (original cost £8,869). The revaluation downwards of £185,000 has been taken to Revaluation Reserve.

5. **SHARE CAPITAL**

The authorised, allocated, called-up and fully paid share capital remains unchanged for the year and consists of 1,000,000 ordinary shares of £1 each.

6. RESERVES

(a)

<u>REVALUATION RESERVE</u>	<u>£000</u>
Balance at 1 April 1994	1,473
Transfer to Profit and Loss Reserve	(757)
Revaluation of Non-operational Property	<u>(185)</u>
Balance at 31 March 1995	<u>531</u>

(b)

<u>PROFIT & LOSS RESERVE</u>	<u>£000</u>
Balance at 1 April 1994	25
Transfer from Revaluation Reserve	757
Profit for the year	<u>50</u>
Balance at 31 March 1995	<u>832</u>

7. INVESTMENTS

The Company owns 5,000 ordinary shares of £1 each, being 50% of the issued share capital of BRE-Metro Limited (registered in England) which is now dormant.

8. ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking is the British Railways Board, whose accounts consolidate the accounts of the Company, which was established in Great Britain under the Transport Act 1962. The British Railways Board is the only group of which the company is a member for which group accounts are prepared.

Group Accounts can be obtained from the principal place of business, Euston House, 24 Eversholt Street, London, NW1 1DZ.

9. CASHFLOW

The company is exempt from producing a cashflow statement under the provisions of FRS1.