

3

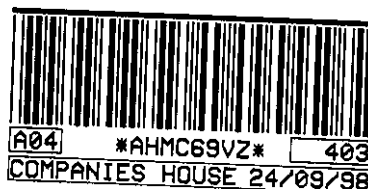
**BRITISH RAIL ENGINEERING LIMITED**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**31 March 1998**

**Registered Number: 965219**



## **BRITISH RAIL ENGINEERING LIMITED**

### **BOARD OF DIRECTORS**

J.K. Welsby (Chairman)  
P.G. Hewett (Ceased 11 April 1997)

### **REPORT OF THE DIRECTORS**

#### 1. **ACCOUNTS**

The Directors submit their Report and Accounts for the year to 31 March 1998.

#### 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.

#### 3. **DIVIDENDS**

No dividend is proposed for the year.

#### 4. **DIRECTORS**

The Directors who served during the year were:-

J.K. Welsby (Chairman)  
P.G. Hewett (Ceased 11 April 1997)

No Directors at any time during the year had any interest in the shares of the Company.

#### 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.

5. DIRECTORS' RESPONSIBILITIES (continued)

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.

BY ORDER OF THE BOARD

R.A. Porter  
Secretary  
21<sup>st</sup> July 1998

A handwritten signature in black ink, appearing to be 'R.A. Porter', written over the typed name and date.

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

We have audited the financial statements set out on pages 5 to 7 which have been prepared in accordance with the accounting policies on page 6.

**Respective Responsibilities of Directors and Auditors**

As described on pages 2 and 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 1998 and of its result 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

21<sup>st</sup> July 1998

**BRITISH RAIL ENGINEERING LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1998**

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during those years the Company made neither a profit nor a loss.

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

The Company realised property revaluation gains of £576,000 during the year (1996/7 Nil).

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There were no recognised gains or losses during the year except those in the above profit and loss account.

**BALANCE SHEET AS AT 31 MARCH 1998**

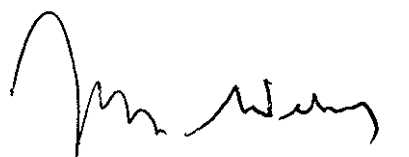
	Note	31 March 1998 £000	31 March 1997 £000
<b>CURRENT ASSETS</b>			
Non-Operational Property	3	-	585
Amounts owed by Parent Undertaking		2,408	1,823
		<u>2,408</u>	<u>2,408</u>
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	4	1,000	1,000
Revaluation Reserve	5(a)	-	576
Profit & Loss Reserve	5(b)	1,408	832
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>2,408</u>	<u>2,408</u>

The Notes on pages 6 and 7 form part of these accounts.

These accounts were approved by the Board of Directors on 21<sup>st</sup> July 1998.

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. **DIRECTORS' EMOLUMENTS**

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

### 3. **NON-OPERATIONAL PROPERTY**

Non-Operational Property has been transferred to the Parent Undertaking at a valuation of £585,000. The realised gain of £576,000 has been transferred to the Profit & Loss Reserve.

### 4. **SHARE CAPITAL**

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

### 5. **RESERVES**

		£000
(a)	<b><u>REVALUATION RESERVE</u></b>	
	Balance at 1 April 1997	576
	Transfer of realised profits	<u>(576)</u>
	Balance at 31 March 1998	<u>-</u>
		£000
(b)	<b><u>PROFIT &amp; LOSS RESERVE</u></b>	
	Balance at 1 April 1997	832
	Transfer of realised profits	<u>576</u>
	Balance at 31 March 1998	<u>1,408</u>

6. 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. The investment is included in the accounts at a carrying value of £nil (31 March 1997 £nil).

7. ULTIMATE PARENT UNDERTAKING

The Company's immediate and 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, Whittles House, 14 Pentonville Road, London, N1 9HF.

8. CASHFLOW

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