

RICARDO MTC LTD



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Report and Financial Statements

30 June 2007

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Company Registration No 1029568



REPORT AND FINANCIAL STATEMENTS 2007

CONTENTS	PAGE
Officers and professional advisers	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8 – 11

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M S Barge
S J Clarke
D R T Oglethorpe
L M Sykes

SECRETARY

D R T Oglethorpe

REGISTERED OFFICE

Southam Road
Radford Semele
Leamington Spa
Warwickshire
CV31 1FQ

BANKERS

Lloyds TSB Bank plc
55 Corn Street
Bristol
BS99 7LE

SOLICITORS

Wragge & Co
55 Colmore Row
Birmingham
B3 2AS

AUDITORS

PricewaterhouseCoopers LLP
Savannah House
3 Ocean Way
Ocean Village
Southampton
SO14 3TJ

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2007

This report has been prepared in accordance with the special provision relating to small companies under section 246 of the Companies Act 1985

PRINCIPAL ACTIVITIES

The company has not traded during the year

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company has not traded since it sold its trade and assets to Ricardo UK Ltd on 28 March 2003

DIVIDENDS AND TRANSFERS TO RESERVES

No ordinary dividend was paid in 2007 (2006 £nil) A preference dividend of £1,680 (2006 £1,680) was payable for the year The retained loss for the year of £1,680 (2006 £1,680) was deducted from reserves

DIRECTORS

The directors who held office during the year were

M S Barge

S J Clarke

A R Goodburn (resigned 5 January 2007)

D R T Oglethorpe

L M Sykes

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 as at the end of the financial year and of the profit or loss of the company for that period

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 30 June 2007 The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis

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 As far as the Directors are aware, there is no relevant audit information of which the auditors

are unaware and they have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

AUDITORS

Ricardo MTC Ltd has dispensed with the obligation to appoint auditors annually under Section 386 of the Companies Act 1985

In view of the dispensation of the obligation to appoint auditors annually, no resolution concerning their reappointment will be proposed at the Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board by



D R T Oglethorpe
Company Secretary
4 January 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RICARDO MTC LIMITED

We have audited the financial statements of Ricardo MTC Limited for the year ended 30 June 2007 which comprise the Profit and Loss Account, the Balance Sheet, 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.

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 June 2007 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

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Southampton
4 January 2008

PROFIT AND LOSS ACCOUNT
Year ended 30 June 2007

	Notes	Year Ended 30 June 2007	Year Ended 30 June 2006
		£	£
OPERATING PROFIT	2	-	-
Interest payable and similar charges	3	(1,680)	(1,680)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,680)	(1,680)
Tax on loss on ordinary activities	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(1,680)	(1,680)
RETAINED LOSS FOR THE YEAR		(1,680)	(1,680)

The company ceased to trade on 28 March 2003

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

There are no recognised gains or losses for the current and prior period other than as stated above

The notes on pages 8 to 11 form part of these accounts

BALANCE SHEET
30 June 2007

	Notes	30 June 2007 £	30 June 2006 £
CURRENT ASSETS			
Cash at bank and in hand		<u>148,595</u>	<u>148,595</u>
		148,595	148,595
CREDITORS: amounts falling due within one year			
	5	<u>(5,040)</u>	<u>(3,360)</u>
NET CURRENT ASSETS		143,555	145,235
CREDITORS: amounts falling due in more than one year			
Preference share capital	6	<u>(42,000)</u>	<u>(42,000)</u>
NET ASSETS		<u>101,555</u>	<u>103,235</u>
CAPITAL AND RESERVES			
Called up share capital	7	11,000	11,000
Share premium account		4,000	4,000
Profit and loss account	8	<u>86,555</u>	<u>88,235</u>
TOTAL SHAREHOLDERS' FUNDS	9	<u>101,555</u>	<u>103,235</u>

The notes on pages 8 to 11 form part of these accounts

These financial statements were approved by the Board of Directors on 4 January 2008

Signed on behalf of the Board of Directors by


 A handwritten signature in black ink, appearing to read 'D R T Oglethorpe'.

D R T Oglethorpe
Director

NOTES TO THE ACCOUNTS**Year ended 30 June 2007****1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards
The particular accounting policies adopted are described below

Accounting convention

The financial statements have been prepared under the historical cost accounting convention

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date with the following exceptions

- deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing difference can be reversed
- provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of those replacement assets

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Preference shares

In accordance with FRS25 'Financial Instruments. Disclosure and Presentation', the company's preference shares have been reclassified as creditors due in more than one year and the preference dividends reclassified as finance costs

Cashflow statement

The company is a wholly owned subsidiary of Ricardo plc and is included in the consolidated financial statements of Ricardo plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 'Cash Flow Statements' (revised 1996)

2. OPERATING PROFIT

No director received emoluments and no directors have benefits accruing under pension schemes
The company has no employees other than the directors

3. INTEREST PAYABLE AND SIMILAR CHARGES

A preference dividend of £1,680 was payable in respect of each year

4. TAXATION

Analysis of tax charge in year

	2007	2006
	£	£
Current tax (see note below)		
UK corporation tax on loss for the year	-	-
Total current tax	-	-

Factors affecting tax charge for year

	2007	2006
	£	£
Loss on ordinary activities before tax	(1,680)	(1,680)
Loss on ordinary activities at 30% (2006 30%)	(504)	(504)
Effects of		
Group relief	504	504
Current tax charge for year	-	-

Factors that may affect future tax charges

Group relief may continue to affect tax charges in the future

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Amounts owed to group undertakings	5,040	3,360

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £	2006 £
Preference share capital	<u>42,000</u>	<u>42,000</u>
Preference share capital	2007	2006
Authorised issued and fully paid	£	£
Fixed rate preference shares of £1 each	<u>42,000</u>	<u>42,000</u>

The Fixed Rate Preference shareholders have the right to vote at a General meeting of the Company and each share carries one vote

The Fixed Rate Preference Shares have the right to receive a fixed rate cumulative dividend equal to 4% of their nominal value per annum, in preference to dividends paid on the Non-Voting Ordinary Shares

On a return of capital on winding up or repayment of capital by any other means, the Fixed Rate Preference shareholders are entitled to receive an amount equal to the amount paid up on these shares, in preference to any return of capital to the holders of the Non-Voting Ordinary Shares

The holders of the Fixed Rate Preference Shares have no rights to any further participation in the profits or other assets of the Company

7. CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised		
Non-Voting Ordinary shares of £1 each	<u>11,000</u>	<u>11,000</u>
Called up, allotted and fully paid		
Non-Voting Ordinary shares of £1 each	<u>11,000</u>	<u>11,000</u>

The Non-Voting Ordinary Shares do not normally have the right to vote at a General meeting of the Company, except where a resolution is to be proposed modifying any of their share rights, in which case they are entitled to vote on this resolution and each share carries one vote

On a return of capital on winding up or repayment of capital by any other means, the Non-Voting Ordinary shareholders have the right to receive assets of the Company in proportion to their holding of the Non-Voting Ordinary Shares, after capital has first been returned to the holders of the Fixed Rate Preference shares

The Non-Voting Ordinary Shares have the right to receive dividends up to the value of the Company's distributable reserves, after payment has been made of dividends on the Fixed Rate Preference Shares

8. PROFIT AND LOSS ACCOUNT

	2007 £	2006 £
Retained profit brought forward	88,235	89,915
Loss for the year	(1,680)	(1,680)
	<hr/>	<hr/>
Retained profit carried forward	86,555	88,235
	<hr/>	<hr/>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Loss for the financial year	(1,680)	(1,680)
Dividends	-	-
	<hr/>	<hr/>
Net deduction from shareholders' funds	(1,680)	(1,680)
Opening shareholders' funds	103,235	104,915
	<hr/>	<hr/>
Closing shareholders' funds	101,555	103,235
	<hr/>	<hr/>

10. ULTIMATE PARENT COMPANY

The ultimate parent company is Ricardo plc a company incorporated in England and Wales. Ricardo plc is the smallest and largest company to consolidate these financial statements. Copies of the Ricardo plc financial statements are available from Ricardo plc, Shoreham Technical Centre, Shoreham By Sea, West Sussex, BN43 5FG. The company is controlled by Investec Trust Guernsey Limited.

11. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption available under FRS8 to dispense with the requirement to disclose transactions with fellow subsidiaries, 90% or more whose voting rights are held with the Group, and which are included within the consolidated financial statements of Ricardo plc.