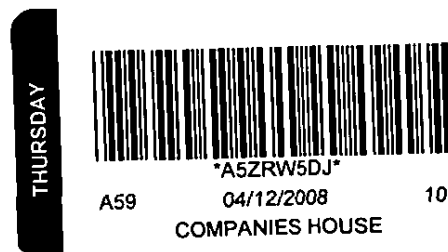


RICARDO MTC LIMITED



RICARDO MTC LIMITED

**Report and Financial Statements
for the year ended 30 June 2008**



Company Registration No. 1029568

REPORT AND FINANCIAL STATEMENTS 2008

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

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 2008.

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 Limited on 28 March 2003.

DIVIDENDS AND TRANSFERS TO RESERVES

No ordinary dividend was paid in 2008 (2007: £nil). A preference dividend of £1,680 (2007: £1,680) was payable for the year. The retained loss for the year of £1,680 (2007: £1,680) was deducted from reserves.

DIRECTORS

The directors who held office during the year were:

M.S. Barge

S. J. Clarke

D.R.T. Oglethorpe

L.M. Sykes

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 June 2008 and that applicable accounting standards have been followed.

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.

AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- The director has taken all the 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.

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

Ricardo MTC Limited 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

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

D R T Oglethorpe
Company Secretary
17 November 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 2008, 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 2008 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
Southampton
17 November 2008

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2008

	Notes	2008 £	2007 £
OPERATING PROFIT	2	-	-
Interest payable and similar charges	4	(1,680)	(1,680)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,680)	(1,680)
Tax on loss on ordinary activities	5	-	-
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 as at 30 June 2008

	Notes	2008 £	2007 £
CURRENT ASSETS			
Cash at bank and in hand		148,595	148,595
		<u>148,595</u>	<u>148,595</u>
CREDITORS: amounts falling due within one year	6	(6,720)	(5,040)
NET CURRENT ASSETS		<u>141,875</u>	<u>143,555</u>
CREDITORS: amounts falling due after more than one year			
Preference share capital	7	(42,000)	(42,000)
		<u>99,875</u>	<u>101,555</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	8	11,000	11,000
Share premium account		4,000	4,000
Profit and loss account	9	84,875	86,555
TOTAL SHAREHOLDER'S FUNDS	10	<u>99,875</u>	<u>101,555</u>

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

These financial statements were approved by the Board of Directors on 17 November 2008.

Signed on behalf of the Board of Directors by:



D R T Oglethorpe
Director

NOTES TO THE ACCOUNTS for the year ended 30 June 2008

1. ACCOUNTING POLICIES

Accounting convention

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

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.

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

There were no audit fees in either year as they have been paid by another group company.

3. DIRECTORS' REMUNERATION

No emoluments were paid to any director in either year.

The emoluments of M.S. Barge, S. J. Clarke, D.R.T. Oglethorpe and L.M. Sykes were paid by the other group companies. Their services to the company are considered incidental to his duties in respect of other group entities.

4. INTEREST PAYABLE AND SIMILAR CHARGES

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

5. TAXATION

Analysis of tax charge in year

	2008	2007
	£	£
Current tax (see note below)		
UK corporation tax on loss for the year	-	-
Total current tax	-	-

Factors affecting tax charge for year

	2008	2007
	£	£
Loss on ordinary activities before tax	(1,680)	(1,680)
Loss on ordinary activities at 28% (2007: 30%)	(470)	(504)
Effects of		
Expenses not deductible for tax purposes	470	504
Current tax charge for year	-	-

Group relief may continue to affect tax charges in the future.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Amounts owed to group undertakings	6,720	5,040

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

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

	2008 £	2007 £
Preference share capital	42,000	42,000
Preference share capital	2008	2007
Authorised issued and fully paid	£	£
Fixed rate preference shares of £1 each	42,000	42,000

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.

8. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised		
Non-Voting Ordinary shares of £1 each	11,000	11,000
Called up, allotted and fully paid		
Non-Voting Ordinary shares of £1 each	11,000	11,000

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.

9. PROFIT AND LOSS ACCOUNT

	2008 £	2007 £
Retained profit brought forward	86,555	88,235
Loss for the year	(1,680)	(1,680)
Retained profit carried forward	84,875	86,555

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER FUNDS

	2008 £	2007 £
Loss for the financial year	(1,680)	(1,680)
Net deduction from shareholder's funds	(1,680)	(1,680)
Opening shareholder's funds	101,555	103,235
Closing shareholder's funds	99,875	101,555

11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate and 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.

12. CONTINGENT LIABILITIES

The company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to other group members. In addition, the company has issued an unlimited guarantee to support these group facilities.

13. 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.