

**REGISTERED NUMBER: 02461708**

**EUROPEAN PASSENGER SERVICES LIMITED**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**31 March 1996**



**EUROPEAN PASSENGER SERVICES LIMITED**  
**(formerly Eurostar (U.K.) Limited and Eurostar Passenger Services Limited)**

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**DIRECTORS' REPORT**

The Directors present their report and accounts for the year ended 31 March 1996.

1. **Business Review**

The Company acts as a holding company and receives dividends from the subsidiary undertaking which are paid to the Company's parent.

During the year the Company's authorised share capital was increased to £15,000 by the creation of an additional 14,900 shares of £1 each and 14,998 shares were issued to its parent, in exchange for the entire share capital of European Passenger Services BV, a company registered in the Netherlands.

2. **Dividends**

During the year, the Company received dividends of £577,000. This sum was paid as dividend to the parent undertaking.

3. **Directors and Interests**

The following Directors, none of whom have any interest in the shares of the Company, served during the year:

J.D. Cook	(appointed 10 July 1995)
P.G. Hewett	(appointed 31 May 1995, resigned 25 January 1996)
J.A. Horton	(appointed 10 July 1995)
R.A. Porter	(resigned 18 July 1995)

On 10 December 1996, J.A. Horton resigned and R.D. Holden was appointed a Director.

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**DIRECTORS' REPORT (continued)**

**4. Going Concern**

The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

On this basis, the Directors have satisfied themselves that the Company is in a satisfactory financial position and that sufficient borrowing facilities will be made available to meet the Company's foreseeable cash requirements.

**5. Post Balance Sheet events**

On 31 May 1996 the entire share capital of the parent company was acquired by London & Continental Railways Limited from The Secretary of State for Transport.

On 8 August 1996, the Company changed its name from Eurostar Passenger Services Limited to Eurostar (U.K.) Limited. On 1 October 1996, the Company changed its name to European Passenger Services Limited and the parent company simultaneously changed its name from European Passenger Services Limited to Eurostar (U.K.) Limited.

**6. Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Ernst & Young as auditors of the Company is to be proposed at a forthcoming General Meeting.

**BY ORDER OF THE BOARD**



**R C Clifton**  
**Secretary**

**30 January 1997**

**EUROPEAN PASSENGER SERVICES LIMITED**  
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE**  
**PREPARATION OF ACCOUNTS**

The Directors are required by the Companies Act 1985 to prepare accounts 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 for the financial year. The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the accounts comply with the Companies Act 1985.

The Directors also have a 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.

The Directors consider that, in preparing the accounts on pages 5 to 9, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

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**REPORT OF THE AUDITORS TO THE MEMBERS OF**

**EUROPEAN PASSENGER SERVICES LIMITED**

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of Directors and Auditors**

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

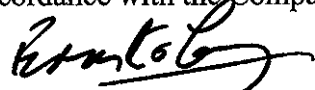
**Basis of opinion**

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 consider 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 affairs of the Company as at 31 March 1996 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**ERNST & YOUNG**  
**CHARTERED ACCOUNTANTS**  
**REGISTERED AUDITOR**

**30 January 1997**

**EUROPEAN PASSENGER SERVICES LIMITED**  
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**PROFIT AND LOSS ACCOUNT**

	<u>Note</u>	<u>Year ended</u> <u>31 March 1996</u> £(000)	<u>Year ended</u> <u>31 March 1995</u> £(000)
<b>Income receivable from Group undertakings</b>	2	<u>577</u>	—
<b>Profit on ordinary activities before taxation</b>		577	-
Taxation	5	<u>-</u>	—
<b>Profit on ordinary activities after taxation</b>		577	-
Dividends	6	577	-
<b>Profit retained</b>	10	<u>-</u>	<u>-</u>

There were no recognised gains or losses in the year other than the profit on ordinary activities.

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**BALANCE SHEET**

	<u>Note</u>	<u>31 March 1996</u> £(000)	<u>31 March 1995</u> £
<b>Fixed Assets</b>			
Investments	7	<u>15</u>	<u>-</u>
<b>Current assets</b>			
Cash at bank		227	2
<b>Creditors: amounts falling due within one year</b>	8	<u>(227)</u>	<u>-</u>
<b>Net current assets</b>		<u>-</u>	<u>2</u>
<b>Total assets less current liabilities</b>		<u>15</u>	<u>2</u>
<b>Capital and reserves</b>			
Issued share capital	9	15	2
Profit and loss account	10	<u>-</u>	<u>-</u>
		<u>15</u>	<u>2</u>

These accounts were approved by the Directors on 30 January 1997.

  
**R.D. HOLDEN, Director**

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**NOTES TO THE ACCOUNTS**

**1. Accounting Policies**

Basis of accounts

The accounts have been prepared under the historical cost convention, in accordance with applicable accounting standards and in a manner consistent with previous years.

Fixed assets

All investments are held at cost.

Deferred taxation

Deferred taxation is provided on the liability method at current rates of taxation in respect of short-term timing differences between profits computed for taxation purposes and profits as stated in the accounts. Provision is made for other timing differences where a liability is expected to arise in the foreseeable future.

Foreign exchange

Transactions in a foreign currency are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate ruling at the balance sheet date.

**2. Income from shares in subsidiary undertakings**

The income represents dividends received from the Company's subsidiary undertaking, European Passenger Services BV.

**3. Operating expenditure**

The Company employs no staff. All services are provided by the parent company. The parent company pays for the audit of the Company as part of its own audit charge and consequently no audit fee is included in operating expenses.



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**NOTES TO THE ACCOUNTS (continued)**

**4. Directors' emoluments**

The Company's Directors are all employees of the parent company or ultimate holding company and, as such, receive no emoluments or expenses in respect of their Directorship. No Director held any material interest in any contract so far as the relevant provisions of the Companies Act are concerned.

**5. Taxation**

There is no taxation charge for the year. No provision is considered necessary for deferred tax, as no liability is likely to crystallise in the foreseeable future.

**6. Dividends**

	<u>31 March 1996</u> £(000)	<u>31 March 1995</u> £(000)
Interim dividend of £23.33 per Ordinary Share,	350	-
Second interim dividend of £15.13 per Ordinary share, paid 9 April 1996	<u>227</u> <u>577</u>	<u>      </u> <u>      </u>

**7. Fixed Assets Investments**

On 21 July 1995 the Company acquired from the immediate parent undertaking 100% of the issued share capital of European Passenger Services BV a company registered in the Netherlands. This investment is carried at the cost to the Company, being the nominal value of the shares issued as consideration.

**8. Creditors**

	<u>31 March 1996</u> £(000)	<u>31 March 1995</u> £
Amounts falling due within one year:		
Amounts due to parent undertaking	<u>227</u>	<u>-</u>

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**NOTES TO THE ACCOUNTS (continued)**

9. **Share Capital**

	<u>31 March 1996</u>	<u>31 March 1995</u>
Authorised	15,000	100
Allotted, issued and fully paid	15,000	2

The shares are all ordinary shares with a nominal value of £1 each. During the year the Company allotted and issued at par 14,998 shares to its parent, in return for 100% of the issued share capital of European Passenger Services BV, a company registered in the Netherlands.

10. **Profit and loss account**

	£(000)
Balance as at 1 April 1995	-
Result for the year	-
Balance as at 31 March 1996	-

11. **Group Accounts and Ownership**

Group Accounts have not been prepared as the Company has taken advantage of the dispensation available to wholly-owned subsidiary undertakings where Group accounts have been prepared by the UK parent undertaking.

As at the balance sheet date, the accounts of the Company are included within the consolidated accounts of Eurostar (U.K.) Limited (EUKL) which is incorporated in England & Wales.

On 31 May 1996 the entire share capital of EUKL was acquired by London & Continental Railways Limited and therefore in future the accounts of the Company will be included in the consolidated accounts of London & Continental Railways Limited.