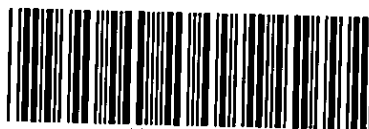


**SECO-RAIL LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

TUESDAY



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COMPANIES HOUSE

**Howard Lee, Fellows & Co**  
*Chartered Accountants*

# SECO-RAIL LIMITED

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# **SECO-RAIL LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008**

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The directors present their report and financial statements for the year ended 31 March 2008.

### **Principal activities and review of the business**

The principal activity of the company until 30 November 2007 was that of railway maintenance. The company is now dormant.

Until that date the company continued as a partner in a joint arrangement with Amey Railways Limited, which had been created for the performance of a contract for railway track renewal. These financial statements include the company's 50% interest in the activities of the joint arrangement.

On 30 November 2007 all assets and business activities of the company were transferred to Colas Rail Limited. The net book value of the assets transferred was £5,690,494, which sum remains outstanding on an intercompany loan account due to Seco-Rail Limited from Colas Rail Limited. This is an unsecured debt repayable on demand.

Colas Rail Limited is a multi-disciplinary railway construction company acquired during the previous year by Colas S.A. With both companies under common ownership, their activities in the UK have been combined to create a strong market presence in track renewals, rail plant and major rail projects.

### **Results and dividends**

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

### **Directors**

The following directors have held office since 1 April 2007:

C A Girai  
B Bodman  
T Genestar

### **Creditor payment policy**

The company no longer has any creditors.

### **Auditors**

Howard Lee, Fellows & Co were appointed auditors to the company and in accordance with section 487(2) of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

# SECO-RAIL LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

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### 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 and of the profit or loss of the company for that period. In preparing those financial statements, 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 financial statements;
- prepare the financial statements 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 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.

### Statement of disclosure to auditor

In the case of each of the persons who are directors at the time when this report is approved:-

(a) so far as the director is aware, there is no relevant information needed by the company's auditors in connection with the preparation of their report of which the company's auditors are unaware, and

(b) each 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.

On behalf of the board

C A Giral

Director

13 February 2009

# **SECO-RAIL LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SECO-RAIL LIMITED**

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We have audited the financial statements of SECO-RAIL LIMITED on pages 5 to 13 for the year ended 31 March 2008. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the directors and auditors**

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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 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 financial statements. It also includes an assessment of the significant estimates and judgements 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.

# SECO-RAIL LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SECO-RAIL LIMITED

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### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Howard Lee, Fellows & Co*

Howard Lee, Fellows & Co

13 February 2009

Chartered Accountants  
Registered Auditor

11-14 First Floor  
Rushmoor Business Centre  
19 Kingsmead  
Farnborough  
Hampshire  
GU14 7SR

# SECO-RAIL LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 £	2007 £
Turnover	2	16,476,535	25,745,868
Cost of sales		(10,914,946)	(18,271,852)
<b>Gross profit</b>		<b>5,561,589</b>	<b>7,474,016</b>
Administrative expenses		(5,033,214)	(7,072,588)
<b>Operating profit</b>	3	<b>528,375</b>	<b>401,428</b>
Other interest receivable and similar income	4	87,923	172,343
Interest payable and similar charges	5	(1,899)	(7,224)
<b>Profit on ordinary activities before taxation</b>		<b>614,399</b>	<b>566,547</b>
Tax on profit on ordinary activities	6	(188,228)	(185,040)
<b>Profit on ordinary activities after taxation</b>	14	<b>426,171</b>	<b>381,507</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# SECO-RAIL LIMITED

## BALANCE SHEET AS AT 31 MARCH 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Tangible assets	7		-	6,450,426	
<b>Current assets</b>					
Stocks	8	-		156,941	
Debtors	9	5,690,494		5,570,023	
Cash at bank and in hand		-		6,594,410	
		5,690,494		12,321,374	
<b>Creditors: amounts falling due within one year</b>	10	-		(13,165,739)	
<b>Net current assets/(liabilities)</b>		5,690,494		(844,365)	
<b>Total assets less current liabilities</b>		5,690,494		5,606,061	
<b>Provisions for liabilities and charges</b>	11	-		(341,738)	
		5,690,494		5,264,323	
<b>Capital and reserves</b>					
Called up share capital	13		100		100
Profit and loss account	14	5,690,394		5,264,223	
<b>Shareholders' funds</b>	15	5,690,494		5,264,323	

The financial statements were approved by the Board on 13 February 2009

C A Giral  
Director



# SECO-RAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is ascertained by an evaluation of the work carried out to date.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	12.5 - 33% straight line
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#### 1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.5 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.6 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

#### 1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

#### 1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.10 Joint arrangement

The company's interest in Amey-Seco is considered a "joint arrangement that is not an entity", as defined by FRS 9, and consequently its results include its 50% share of the results of that joint arrangement for the same period.

# SECO-RAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

### 1.11 Cashflow Statement

A cashflow statement has not been prepared on the grounds that 100% of the voting rights are controlled within the group, and these financial statements will be consolidated into publicly available group accounts.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating profit	2008 £	2007 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	540,093	618,807
	Operating lease rentals	165,278	221,395
	Auditors' audit remuneration	13,665	12,740
	Auditors' non-audit remuneration - Other services relating to taxation	1,335	8,485
	- All other services	3,880	1,721
		<u>540,093</u>	<u>618,807</u>
4	Investment income	2008 £	2007 £
	Bank interest	87,923	172,343
		<u>87,923</u>	<u>172,343</u>
5	Interest payable	2008 £	2007 £
	On overdue tax	1,899	7,224
		<u>1,899</u>	<u>7,224</u>
6	Taxation	2008 £	2007 £
	<b>U.K. current year taxation</b>		
	U.K. corporation tax	65,035	(148,013)
	Deferred taxation	123,193	330,439
		<u>188,228</u>	<u>182,426</u>
	<b>Prior years</b>		
	U.K. corporation tax	9,588	4,796
	Deferred taxation	(9,588)	(2,182)
		<u>188,228</u>	<u>185,040</u>

# SECO-RAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

### 7 Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
At 1 April 2007	9,981,945
Additions	300,653
Transfer to group company	(10,282,598)
	<hr/>
At 31 March 2008	-
	<hr/>
<b>Depreciation</b>	
At 1 April 2007	3,531,519
Charge for the period	540,093
Transfer to group company	(4,071,612)
	<hr/>
At 31 March 2008	-
	<hr/>
<b>Net book value</b>	
At 31 March 2008	-
	<hr/>
At 31 March 2007	6,450,426
	<hr/>

At 30 November 2007 the tangible fixed assets with a net book value of £6,210,986 were transferred to Colas Rail Limited.

8 Stocks	2008 £	2007 £
Raw materials and consumables	-	156,941
	<hr/>	<hr/>

# SECO-RAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

9 Debtors	2008 £	2007 £
Trade debtors	-	301,127
Amounts recoverable on long term contracts	-	928,481
Other debtors	-	4,171,635
Amounts owed by parent and fellow subsidiary undertakings	5,690,494	-
Prepayments and accrued income	-	168,780
	<u>5,690,494</u>	<u>5,570,023</u>

10 Creditors: amounts falling due within one year	2008 £	2007 £
Trade creditors	-	6,488,826
Amounts owed to parent and fellow subsidiary undertakings	-	97,984
Taxes and social security costs	-	400,974
Other creditors	-	4,148,520
Accruals and deferred income	-	2,029,435
	<u>-</u>	<u>13,165,739</u>

### 11 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 April 2007	341,738
Profit and loss account	113,605
Transfer to group company	(455,343)
Balance at 31 March 2008	<u>-</u>

The deferred tax liability was transferred as at 30 November 2007 to Colas Rail Limited.

### 12 Pension costs

#### Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	<u>180,489</u>	<u>215,346</u>

Contributions due to the scheme as at 31 March 2008 were £nil (2007: £nil).

# SECO-RAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

13 Share capital	2008	2007
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
14 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 April 2007		5,264,223
Profit for the year		426,171
Balance at 31 March 2008		5,690,394
15 Reconciliation of movements in shareholders' funds	2008	2007
	£	£
Profit for the financial year	426,171	381,507
Opening shareholders' funds	5,264,323	4,882,816
Closing shareholders' funds	5,690,494	5,264,323

# SECO-RAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

### 16 Financial commitments

At 31 March 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2009:

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Operating leases which expire:				
Within one year	-	13,140	-	26,589
Between two and five years	-	19,360	-	177,035
	<u>-</u>	<u>32,500</u>	<u>-</u>	<u>203,624</u>

The commitments of the company under non-cancellable operating leases were transferred on 30 November 2007 to Colas Rail Limited.

### 17 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
SECO-RAIL Limited staff	48	48
Amey Seco joint arrangement staff	113	116
	<u>161</u>	<u>164</u>

The above average in respect of the year ended 31 March 2008 was calculated over the period of trading to 30 November 2007.

Employment costs	2008 £	2007 £
Wages and salaries	3,642,940	5,674,456
Social security costs	360,563	601,616
Other pension costs	180,489	215,346
	<u>4,183,992</u>	<u>6,491,418</u>

# **SECO-RAIL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008**

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### **18 Control**

The company is controlled by its immediate parent, SECO-RAIL S. A., a company incorporated in France.

The directors consider the ultimate parent company to be Bouygues S. A., a company incorporated in France.

Copies of the ultimate parent company's consolidated financial statements may be obtained from Bouygues S. A., 90 Avenue des Champs-Elysees, 75008 Paris, France.

### **19 Related party transactions**

The company has taken advantage of the exemptions under Financial Reporting Standard 8 (Related Party Disclosures) and is not required to disclose transactions occurring within the group.