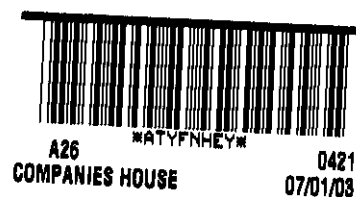


**TRANSPORTATION CONSULTANTS INTERNATIONAL
LIMITED**

Report and Financial Statements

For The Year Ended 31 March 2002



TRANSPORTATION CONSULTANTS INTERNATIONAL LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

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TRANSPORTATION CONSULTANTS INTERNATIONAL LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 March 2002.

ACTIVITIES

The company has been dormant since 1 April 2000.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company was dormant during the year; accordingly no Profit and Loss Account is presented.

RESULTS AND DIVIDENDS

The directors do not recommend the payment of a dividend for the year (2001 £nil).

Preference share dividends for the year ended 31 March 2002 were waived. No further dividends are payable.

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the year to 31 March 2002 are as follows:

Mr K J Russell

Mr M Alexander was appointed a director on 1 April 2001 and resigned on 12 September 2001

Mr D Lindsay was appointed a director on 12 September 2001.

The interests of the directors holding office at the end of the year in the ordinary shares of AEA Technology plc are given below:

	Ordinary shares of 10 pence each	
	At 31 March 2002	At 1 April 2001
	No.	No.
K J Russell	132	132
D Lindsay	-	-

TRANSPORTATION CONSULTANTS INTERNATIONAL LIMITED

DIRECTORS' REPORT

The interests of the directors to subscribe for ordinary shares of AEA Technology plc are all from options granted under the SAYE share option scheme or the company share option plan and are set out below:

	Number of options			At 31 March 2002	Exercise price	Date from which exercisable	Expiry date	Scheme
	At 1 April 2001	Granted /(lapsed) in the year	Exercised in the year					
D Lindsay	-	94,537	-	94,537	238.0p	26 September 2001	26 September 2011	CSOP
K J Russell	2,742	(2,742)	-	-				
	820	-	-	820	236.0p	1 March 2004	31 August 2004	SAYE
	22,641	-	-	22,641	397.5p	30 June 2003	30 June 2010	CSOP
	-	31,173		31,173	296.5p	26 June 2004	26 June 2011	CSOP
	-	3,877		3,877	196.0p	1 March 2005	31 August 2005	SAYE

None of the directors had any beneficial interest in the share capital of the company or other group companies at 1 April 2001 and 31 March 2002.

On behalf of the Board



K J Russell

Director

Date 6.1.03

TRANSPORTATION CONSULTANTS INTERNATIONAL LIMITED

BALANCE SHEET

AT 31 MARCH

	Note	2002 £'000	2001 £'000
FIXED ASSETS			
Investments	2	3,382	3,382
		<u>3,382</u>	<u>3,382</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,382</u>	<u>3,382</u>
CREDITORS: amounts falling due after more than one year - amounts owed to parent company		(1,259)	(1,259)
NET ASSETS		<u>2,123</u>	<u>2,123</u>
CAPITAL AND RESERVES			
Called up share capital	3	453	453
Share premium	4	957	957
Capital reserve	4	2,514	2,514
Reserve for redemption of non-equity shares	4	129	129
Profit and loss account	4	(1,930)	(1,930)
SHAREHOLDERS' FUNDS	5	<u>2,123</u>	<u>2,123</u>
Attributable to equity shareholders		1,037	1,037
Attributable to non-equity shareholders		<u>1,086</u>	<u>1,086</u>
		<u>2,123</u>	<u>2,123</u>

For the year ended 31 March 2002 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

-ensuring the company keeps accounting records which comply with section 221; and

-preparing 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 its profit and loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements on pages 3 to 7 were approved by the Board of Directors on 6.1.03 and were signed on its behalf by:



D Lindsay

Director

TRANSPORTATION CONSULTANTS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2002

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of preparation

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The company is exempt under section 228 of the Companies Act 1985 from the preparation of consolidated accounts since it is included in the consolidated accounts of the ultimate holding company AEA Technology plc, a company registered in England and Wales. Accordingly the financial statements present information about the company as an individual entity and not about its Group.

Investments

Investments in the company's subsidiary undertakings are stated at cost less any provision for impairment.

Pensions

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll. The costs of providing pensions to members of the defined contribution scheme are charged to the profit and loss account as they are incurred.

2. INVESTMENTS

	Shares £'000	Loans £'000	Total £'000
Investment in subsidiaries Cost and net book value			
At 1 April 2001 and 31 March 2002	<u>948</u>	<u>2,434</u>	<u>3,382</u>

The company's subsidiary undertakings are as follows:

Subsidiary	Activity	Percentage of ordinary shares held at 31 March 2002
TCI Signalling Limited	Dormant	100
TCI Operational Research Limited	Dormant	100
Addspice Limited	Dormant	100
Transportation Consultants International Limited**	(Hong Kong) Dormant	100

TRANSPORTATION CONSULTANTS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2002

All subsidiaries are incorporated in England & Wales except that denoted by ** which is incorporated in Hong Kong.

3. CALLED UP SHARE CAPITAL

	2002 £'000	2001 £'000
Authorised:		
3,567,446 Ordinary shares of 10p each	357	357
956,521 Cumulative redeemable preference shares of 10p each	96	96
	<u>453</u>	<u>453</u>
Allotted, called up and fully paid:		
3,567,446 Ordinary shares of 10p each	357	357
956,521 Cumulative redeemable preference shares of 10p each	96	96
	<u>453</u>	<u>453</u>

As provided by the Articles of Association (clause 7.2) the cumulative redeemable preference shares are redeemable in two equal instalments of £318,840 and thereafter one instalment of £318,841 (or such lesser figure as will redeem the balance of all the redeemable preference shares in issue) on 30 June in each year commencing on 30 June 1999, together with the premium payable on redemption. On redemption the holder of each cumulative redeemable preference share shall receive the issue price, a premium of 30 per cent of the issue price and all arrears of preference dividends up to the date of payment. The company may between 1 April and 30 June in any year, within one month of having obtained the written consent of the holders of the cumulative redeemable preference shares, serve a redemption notice and at the expiration of such redemption notice redeem, in tranches of not less than £50,000, such total number of cumulative redeemable preference shares as specified in such notice.

The cumulative redeemable preference shares yield fixed cumulative preference dividends at the rate of 10 per cent per annum, or, in the event of (i) a failure to pay a preference dividend on the due date or (ii) a failure to redeem any preference shares on the due date, at a rate of 15 per cent per annum, which shall be paid in four equal instalments on 31 March, 30 June, 30 September and 31 December in each year, save that the first payment should be on 31 December 1996 in respect of the period from the date of issue to 31 December 1996.

Cumulative redeemable preference shareholders have priority over the holders of ordinary shares in a winding up of the company, or other return of capital of the company. Cumulative redeemable preference shareholders have the right to receive notice of all general meetings of the company but do not have the right to attend or vote at any general meeting.

On 23 March 1999, AEA Technology plc, the sole shareholder of the 10% cumulative redeemable preference shares signed a deed acknowledging that from 18 August 1998, the date of AEA Technology plc becoming the sole shareholder, it had agreed to waive any rights to dividend and interest payments in respect of the 10% cumulative redeemable preference shares. Furthermore as a consequence of AEA Technology plc becoming the sole shareholder it was agreed that the provisions of clause 7.2 would be waived and the company would not have to redeem the shares.

TRANSPORTATION CONSULTANTS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2002

4. RESERVES

	Share premium £'000	Capital reserve £'000	Reserve for redemption of non- equity shares £'000	Profit and loss account £'000
Balance brought forward at 1 April 2001 and carried forward at 31 March 2002	957	2,514	129	(1,930)

5. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2002 £'000	2001 £'000
Opening and closing shareholders' funds	2,123	2,123

6. PENSIONS

All permanent employees of the group were encouraged to become members of an occupational pension scheme. At present employees of the group are members of the TCI (formerly BR Projects) Section (the TCI Section) of the Railways Pension Scheme, the majority belonging to the defined benefit pension scheme. Other employees have the option of joining a defined contribution scheme. On the hive up of the assets to AEA Technology plc, the operations of these schemes were transferred to AEA Technology plc.

(a) Defined contribution scheme

The company operates a funded defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. As the contributions are now paid by AEA Technology plc the pension cost charge amounted to £nil (2001: £Nil). Contributions totalling £nil (2001: £Nil) were payable to the fund at the year end and are included in creditors.

(b) Defined benefit scheme

The defined benefit scheme, whose assets are held separately from the company, is contributory and provides pensions related to pay at retirement. Contributions are determined in accordance with advice received from the Scheme's independent actuary.

The assets and liabilities of the British Rail Pension Scheme were transferred to the Railways Pension Scheme on 1 October 1994. Liabilities in respect of the company's employees were transferred from the British Rail Section to the TCI Section on 26 June 1996.

A formal valuation of the TCI Section as at 31 December 1998 has been carried out by Watson Wyatt Partners, Actuaries and Consultants. The valuation was based on the projected unit method and showed that the market value of the scheme's assets was £16,299,000 and that the actuarial value of those assets and the actuarial value of future government support represented 109% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The valuation disclosed a surplus of assets over the accrued pension liability attributable to the Group of £1,341,000.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2002

6. PENSIONS (Continued)

The principal assumptions used were the following:

Rate of interest	6.75%
Rate of salary escalation	4.50%
Rate of pension increases	3.00%
Rate of dividend growth	3.75%

The pension surplus was recognised as an asset following the acquisition of BR Projects Ltd on 26 June 1996 in accordance with FRS 7.

Following the 1998 valuation the directors reviewed the basis of the valuation of the pension surplus of the merged scheme and the surplus was written down to £1,341,000 at 31 March 2000.

As the contributions are now paid by AEA Technology plc the pension cost during the period was £nil (2001: £Nil). Contributions totalling £nil (2001: £Nil) were payable to the fund at the year-end and are included in creditors.

7. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of AEA Technology plc.

The directors consider AEA Technology plc to be the ultimate controlling party, ultimate parent undertaking and parent of the largest and smallest group of undertakings to include the company in its own published consolidated financial statements.

The financial statements of AEA Technology plc are available to the public and may be obtained from AEA Technology plc, 329 Harwell, Didcot, Oxfordshire, OX11 0QJ.