

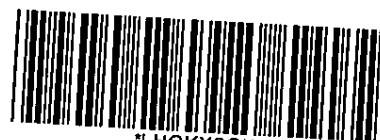
RAILWAY SAFETY

(Company limited by guarantee without shares)

Company Registration No. 3937800

Report and Accounts for the year ended 31 March 2008

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RAILWAY SAFETY REPORT OF THE DIRECTORS

1. The Directors submit their report and financial statements for the year ended 31 March 2008. The contents of this report and the format of the accounts have been prepared to comply with the provisions of the Companies Act 1985

2. **REVIEW OF ACTIVITIES**

The Company did not trade during the year

3. **DIVIDEND**

The directors do not recommend the payment of a dividend

4. **DIRECTORS**

The directors of the Company who held office during the year and to date

P Duff

I Thompson

A Litherland (resigned 1 November 2007)

In accordance with the Company's Articles of Association none of its directors is required to retire

5. **DIRECTORS STATEMENT OF RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period 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. 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, and
- prepare the financial statements on a 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

BY ORDER OF THE BOARD



L CRAWFORD

SECRETARY

22 SEPTEMBER 2008

**RAILWAY SAFETY
BALANCE SHEET
31 MARCH 2008**

	NOTE	31/3/2008 £	31/3/2007 £
CURRENT ASSETS			
Debtors	2	5,337,000	5,337,000
Creditors	3	(5,337,000)	(5,337,000)
Net Assets		<u>-</u>	<u>-</u>
CAPITAL AND RESERVES			
Called-Up Share Capital	4	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

For the year ended 31 March 2008 the company was entitled to exemption under section 249A (1) of the Companies Act 1985

Members have not required the company to obtain an audit in accordance with section 249B (2) of the Companies Act 1985

The directors acknowledge their responsibility for

- I ensuring the company keeps accounting records which comply with section 221, and
- II preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, as far as applicable to the company

These financial statements were approved by the board of directors on 22 September 2008

Signed on behalf of the board of directors


**P DUFF
DIRECTOR**

**RAILWAY SAFETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008**

1. ACCOUNTING POLICY

ACCOUNTING CONVENTION

The Accounts are prepared under the historical cost convention

2. DEBTORS

Debtors relate to amounts owed by Network Rail Infrastructure Limited, which is the sole member of the company

3. CREDITORS

Creditors relate to deferred income from Network Rail Infrastructure Limited

4. CALLED-UP SHARE CAPITAL

The Company is limited by Guarantee, and as such has no authorised or issued share capital

5. ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY

The Company is limited by guarantee with Network Rail Infrastructure Limited the sole member of the Company. The liability of the member is limited with the member undertaking to contribute up to £1 to the Company's assets in case of the Company being wound up

Under the terms of the Tripartite Agreement between the Company, Railtrack Group PLC and Railtrack PLC, dated 22 December 2000, updated for the advent of Network Rail, Network Rail Limited is responsible for the appointment of directors of the company and therefore the company is the legal subsidiary of Network Rail Limited

However, appointment can only be made after consultation with the Office of Rail Regulation and the railway industry. No benefit flows to Network Rail Limited as a result of Railway Safety's activities. Accordingly, severe long-term restrictions hinder the ability of Network Rail Limited to exercise rights over Railway Safety, with the result that Network Rail Limited is prevented from controlling the company and therefore does not consolidate Railway Safety within its group accounts

6. TRADING

The Company did not trade during the year