

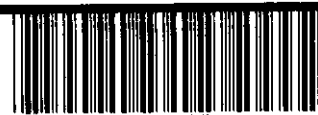
UIC TRANSPORT (JNP) LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2005



COMPANY REGISTRATION NO. 4328683



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UIC Transport (JNP) Limited

Report of the Directors

FOR THE YEAR ENDED 31 MARCH 2005

The Directors present herewith their annual report and audited accounts for the year ended 31 March 2005 for UIC Transport (JNP) Limited.

1. Business Review

The activities of the company remain unchanged since last year. The principal activity is to hold an investment in Tube Lines (Holdings) Limited a company participating in the development and refurbishment of the Jubilee, Northern and Piccadilly Lines for London Underground. The investment was acquired on 31 December 2002, and it is expected that the company will continue to hold this investment for the foreseeable future.

2. Results and dividends

The company's profit for the financial year was £8,766,000 (2004: £2,074,000), which includes a dividend of £8,547,000 (2004: £2,000,000) from Tube Lines (Holdings Limited). The Directors of the company do not recommend the payment of a dividend for the year (2004: £nil).

3. Directors

The Directors of the company during the year ended 31 March 2005, all of whom were Directors for the whole of the year then ended unless otherwise stated, were:

Mr M.C. Bailey	(Resigned 14 June 2004)
Mr B.J. Corbin	(Resigned 23 December 2004)
Mr R.W. Dove	
Mr A.R. Gartshore	(Resigned 8 April 2005)
Mr J.M. Malarkey	(Appointed 24 August 2005)
Mr A.D. Mawdsley	(Resigned 23 August 2005)
Mr J. Roehl	

4. Directors' Interests in Shares

According to the register required to be kept under Section 325 of the Companies Act 1985, no Director had, either at the beginning or the end of the year ended 31 March 2005, any interest in the shares of the company or any other group company which is required to be notified to the company. For this purpose the Directors are exempt from notifying the company of interests in the shares of a body incorporated outside Great Britain.

5. Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial period 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 31 March 2005 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.

UIC Transport (JNP) Limited
Report of the Directors (continued)
FOR THE YEAR ENDED 31 MARCH 2005

6. Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

A handwritten signature in black ink, appearing to read 'DL Taylor', with a stylized flourish at the end.

David L. Taylor
Company Secretary
BY ORDER OF THE BOARD

21 December 2005

UIC Transport (JNP) Limited

Independent Auditors' Report to the Members of UIC Transport (JNP) Limited

We have audited the financial statements on pages 4 to 11 which comprise a profit and loss account, a balance sheet, a cash flow statement and related notes and which have been prepared under the accounting policies set out in the statement of principal accounting policies.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 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 the information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' report.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

21 December 2005

UIC Transport (JNP) Limited
Profit and Loss Account
FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £'000	2004 £'000
Dividends Receivable from Joint Venture Undertaking		8,547	2,000
Other Operating Income		-	94
Operating Profit		<u>8,547</u>	<u>2,094</u>
Interest Income		<u>160</u>	<u>11</u>
Profit on Ordinary Activities Before Tax		8,707	2,105
Tax Credit/(Charge) on Profit on Ordinary Activities	5	59	(31)
Profit for the Year		<u>8,766</u>	<u>2,074</u>
Retained Profit Brought Forward		2,113	39
Retained Profit Carried Forward		<u>10,879</u>	<u>2,113</u>

The company has no recognised gains and losses other than those included in the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

All of the company's activities are continuing.

The notes on pages 7 to 11 form part of these financial statements.
The Independent Auditors' Report is on page 3.

UIC Transport (JNP) Limited

Balance Sheet

AS AT 31 MARCH 2005

	Notes	2005 £'000	2004 £'000
Fixed Assets			
Investments	7	<u>-</u>	<u>-</u>
Current Assets			
Debtors	8	10,893	2,457
Current Liabilities			
Creditors falling due within one year	9	<u>(14)</u>	<u>(344)</u>
Net Current Assets		<u>10,879</u>	<u>2,113</u>
Net Assets		<u>10,879</u>	<u>2,113</u>
Capital and Reserves			
Called Up Share Capital	6	-	-
Profit and Loss Account		10,879	2,113
Equity Shareholders' Funds	11	<u>10,879</u>	<u>2,113</u>

The financial statements on pages 4 to 11 were approved by the Board of Directors on *21 December* 2005 and were signed on its behalf by:



The notes on pages 7 to 11 form part of these financial statements.
The Independent Auditors' Report is on page 3.

UIC Transport (JNP) Limited
Cash Flow Statement
FOR THE YEAR ENDED 31 MARCH 2005

	2005 £'000	2004 £'000
Net cash (outflow)/inflow from operating activities (note a)	(605)	473
Returns on investments and servicing of finance		
Interest received	160	11
Taxation received/(paid)	445	(484)
Increase in cash for the year	<u>-</u>	<u>-</u>
Reconciliation of net cash flow to movement in net funds		
Increase in cash for the year	-	-
Opening net funds	-	-
Closing net funds	<u>-</u>	<u>-</u>

UIC Transport (JNP) Limited
Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 MARCH 2005

Note a – reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2005	2005	2004	2004
	£'000	£'000	£'000	£'000
Operating profit		8,547		2,094
Increase in amounts owed by group companies	(8,811)		(1,927)	
Decrease in amounts owed by joint venture undertaking	-		400	
Decrease in amounts owed to group companies	<u>(341)</u>		<u>(94)</u>	
		<u>(9,152)</u>		<u>(1,621)</u>
Net cash (outflow)/inflow from continuing operating activities		<u>(605)</u>		<u>473</u>

UIC Transport (JNP) Limited
Notes to the Accounts
FOR THE YEAR ENDED 31 MARCH 2005

1. Principal Accounting Policies

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

(a) Basis of accounting

These accounts have been prepared under the historical cost convention and on a going concern basis.

(b) Investments in joint ventures

The company's investment in Tube Lines (Holdings) Limited is stated at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the business or disposal value if higher.

Tube Lines (Holdings) is a joint venture entity in which the company holds a 33.333% interest. The company does not have any subsidiaries and is therefore exempt from the requirement to prepare consolidated accounts. Supplementary financial information relating to Tube Lines (Holdings) Limited is disclosed in note 7.

(c) Investment Income

Dividends receivable in respect of the company's investment in Tube Lines (Holdings) Limited are recognised when the company's right to receive payment is established.

(d) Deferred tax

Tax deferred or accelerated as a result of timing differences is accounted for in full, except that deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

(e) Format of profit and loss account

In accordance with the Companies Act 1985, the format of the company's profit and loss account has been modified to include dividends receivable within operating profit because the company's principal activity is to hold an investment in a joint venture undertaking.

2. Segmental Reporting

The company operates in one class of business being the holding of an investment in a UK joint venture undertaking. All profits are derived from this activity.

3. Directors' Emoluments

The company has no employees (2004: nil) and the Directors received no remuneration in respect of their services during the year ended 31 March 2005 (2004: £nil).

UIC Transport (JNP) Limited
Notes to the Accounts (Continued)
FOR THE YEAR ENDED 31 MARCH 2005

4. Profit on Ordinary Activities

Auditors' remuneration for audit services is borne by another group company. The auditors have received no remuneration for non-audit services during the financial year (2004: £nil).

5. Tax on Profit on Ordinary Activities

	2005 £'000	2004 £'000
United Kingdom Corporation Tax:		
Current year charge	48	-
Prior year over provision	(107)	-
Amount payable to a fellow subsidiary in respect of group relief	-	31
Tax (credit)/charge for the year	<u>(59)</u>	<u>31</u>

The tax (credit)/charge for the year is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

Profit on ordinary activities before tax	8,707	2,105
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	2,612	631
<i>Effects of:</i>		
Non-taxable income credited to the profit and loss account	(2,564)	(600)
Prior year over provision	(107)	-
Current tax (credit)/charge for the year	<u>(59)</u>	<u>31</u>

6. Called up Share Capital

	2005 £	2004 £
100 authorised ordinary shares of £1	100	100
1 allotted, called up and fully paid ordinary share of £1	1	1

7. Investment in Joint Venture Undertaking

The principal investment of the company as at 31 March 2005 is as follows:

Name of undertaking	Description of shares held	% Holding
Tube Lines (Holdings) Limited	Ordinary £0.10 shares	33.333

The company purchased 1,000 shares on 31 December 2002 at a cost of £100.

Tube Lines (Holdings) Limited is registered and operates in the United Kingdom. It is engaged in underground railway maintenance and refurbishment in the UK through its wholly owned subsidiary Tube Lines Limited.

Tube Lines (Holdings) Limited is a joint venture company.

UIC Transport (JNP) Limited
Notes to the Accounts (Continued)
FOR THE YEAR ENDED 31 MARCH 2005

7. Investment in Joint Venture Undertaking (Continued)

The following details relate to Tube Lines (Holdings) Limited and have been extracted from that company's consolidated financial statements for the year ended 31 March 2005. The joint venture company's financial statements have been audited by Deloitte & Touche, Chartered Accountants and Registered Auditors, and have not been subject to separate checking and verification procedures by the auditors of UIC Transport (JNP) Limited:

	2005	2004
	£'000	£'000
Balance sheet		
Share of gross assets	533,467	335,448
Share of gross liabilities	(514,839)	(331,889)
	<u>18,628</u>	<u>3,559</u>
Profit and loss account		
Share of turnover	<u>288,134</u>	<u>198,849</u>
Share of operating profit	43,357	25,057
Share of net interest	(21,696)	(8,256)
Share of taxation	(4,841)	(6,108)
Share of profit for the financial year	<u>16,820</u>	<u>10,693</u>
Commitments		
Share of capital commitments – contracted but not provided for	<u>2,108</u>	<u>539</u>
Share of non-cancelable operating lease commitments:		
Leases for land and building expiring:		
Within one year	-	174
Between two and five years	1,841	1,608
After five years	-	53
	<u>1,841</u>	<u>1,835</u>
Less for motor vehicles expiring:		
Within one year	-	-
Between two and five years	805	904
After five years	-	-
	<u>805</u>	<u>904</u>

8. Debtors

	2005	2004
	£'000	£'000
Amounts receivable from fellow group undertakings	10,893	1,973
Taxation	-	484
	<u>10,893</u>	<u>2,457</u>

UIC Transport (JNP) Limited
Notes to the Accounts (Continued)
FOR THE YEAR ENDED 31 MARCH 2005

9. Creditors: Amounts Falling Due Within One Year

	2005	2004
	£'000	£'000
Taxation	11	-
Amounts payable to fellow group undertakings	3	344
	<u>14</u>	<u>344</u>

10. Commitments

The company has entered into a binding commitment to invest a further £45,000,000 in Tube Lines (Holdings) Limited on 31 December 2007. This investment will involve subscribing £30,000,000 for loan notes and £15,000,000 for additional shares. The company has also issued a letter of credit for £11,666,667 to cover certain potential funding requirements of Tube Lines Limited, as required by that company's lenders.

11. Reconciliation of Movements in Shareholders' Funds

	2005	2004
	£'000	£'000
Opening shareholders' funds	2,113	39
Profit for the financial year	8,766	2,074
Closing shareholders funds	<u>10,879</u>	<u>2,113</u>

12. Related Party Transactions

The company is a subsidiary of, and controlled by UIC Transport (JNP) LLC and it and its ultimate holding company, Bechtel Group, Inc. (BGI), are both incorporated in the United States of America. BGI prepares consolidated accounts but they are not publicly available.

Income was receivable from BGI or its subsidiaries for which the total amounts receivable for the year were as follows:

	2005	2004
	£'000	£'000
Amounts receivables:		
Interest	150	11
Other income	-	171

13. Deferred tax

The company has no liability for actual or potential deferred tax.