

Network Rail Consulting Limited

Financial statements

Period ended 31 March 2013

Company registration number 08071984

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Officers and professional advisers

Directors

Nigel Ash (appointed 16 May 2012)
Patrick Butcher (appointed 16 May 2012)
Simon Kirby (appointed 16 May 2012)
Keith Ludeman (appointed 16 May 2012)

Company secretary

Winifred Chime (appointed 16 May 2012)

Registered office

Kings Place
90 York Way
London
N1 9AG

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Directors' report

for the period ended 31 March 2013

The directors present their annual report and audited financial statements for the period ended 31 March 2013

The directors' report has been prepared in accordance with the special provisions relating to small Companies under Section 417 (1) of the Companies Act 2006

The company was incorporated on 16 May 2012 with the first accounting period running from 16 May 2012 to 31 March 2013. As such there are no prior period comparatives within the financial statements for 31 March 2013

Principal activities

The principal activity of the company is to provide specialist consulting services to the global market. The company offers impartial expertise in running and developing a rail infrastructure business.

Future activities

The directors do not anticipate any changes in the company's principal activities in the foreseeable future.

Dividends

No dividend is proposed for the current period.

Business review

The company's ambition is to be a leading international rail consultancy whilst enhancing the perception of the Network Rail brand in the international marketplace.

Our core capabilities in the rail sector are focused around understanding institutional, regulatory and policy issues, strategic planning, operations, asset management and maintenance, and delivering renewal and enhancement projects.

To this end the board have identified and prioritised geographical focus on those countries that have large legacy rail systems in need of renewal or enhancement and that are deemed safe for our people, transparent in their commercial dealings and offer long term growth potential. As such, the board have agreed to set up commercial subsidiaries in the USA, India and Australia, and where required UK operations to service potential Middle East projects.

Network Rail Infrastructure Limited (NRIL), the company's immediate parent has invested £2.5million in the company and has agreed to lend, as and when required, a further £2.5million to facilitate future strategic ambitions. Under the terms of this intercompany loan agreement, interest will be charged to the company by NRIL at rates consistent with an arm's length commercial transaction. No other transactions have taken place during the period ended 31 March 2013.

Directors' report (continued)

for the period ended 31 March 2013

Going concern

The company has made an operating loss for the period ended 31 March 2013 as this is the first year of trading. The company is in a net assets position and therefore the directors have a reasonable expectation that the company has adequate resources to continue in operation existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

Directors

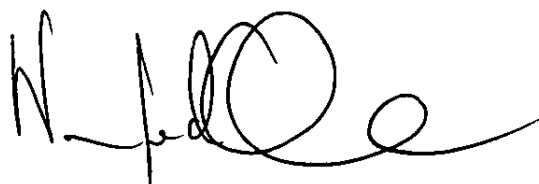
The directors of the company who were in office during the period and up to the date of signing the financial statements are detailed on page 1.

None of the directors had any interests in the shares of the company or any other group companies at any time in the period.

Statement of disclosure of information to auditors

Pursuant under the Companies Act 2006 Section 418 each of the directors confirms that, so far as he or she is aware, there is no relevant audit information of which the company's auditors are unaware and that the directors have taken all responsible steps in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the board of directors
and signed on behalf of the board

A handwritten signature in black ink, appearing to read 'Winifred Chime', with a large circular flourish at the end.

Winifred Chime (Company secretary)

17 September 2013

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Independent auditors' report

to the Members of Network Rail Consulting Limited

We have audited the financial statements of Network Rail Consulting Limited for the period ended 31 March 2013 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss and cash flows for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report (continued)

to the Members of Network Rail Consulting Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report



Jonathan Hook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

24 September 2013

Statement of comprehensive income

for the period ended 31 March 2013

	Note	2013 £'000
Operating costs		(823)
Operating Loss		(823)
Finance costs		-
Loss before taxation		(823)
Tax	5	197
Loss for the period attributable to owners		(626)

Statement of changes in equity

for the period ended 31 March 2013

	Share capital £'000	Retained Earnings £'000	Total £'000
At 16 May 2012	2,500	-	2,500
Net loss for the period	-	(626)	(626)
At 31 March 2013	2,500	(626)	1,874

Balance sheet

at 31 March 2013


	Note	2013 £'000
Current assets		
Trade and other receivables	6	1,941
Total assets		1,941
Current liabilities		
Trade and other payables	7	(67)
Net current assets		1,874
Net assets		1,874
Equity attributable to owners		
Share capital	8	2,500
Retained earnings		(626)
Total equity		1,874

The financial statements on pages 7 to 13 were approved by the board of directors and authorised for issue on 17 September 2013

They were signed on its behalf by



Simon Kirby (director)



Patrick Butcher (director)

Company registration number 08071984

Statement of cash flows

for the period ended 31 March 2013

	Note	2013 £'000
Cash flow from operating activities		
Cash generated from operations	9	(2,500)
Interest paid		-
Net cash flow from operating activities		(2,500)
Net cash used in investing activities		-
Financing activities		
Issue of share capital		2,500
Net cash flow from financing activities		2,500
Movement in cash and cash equivalents		-
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period		-

Notes to the financial statements

for the period ended 31 March 2013

1. General information

Network Rail Consulting Limited is a company incorporated in Great Britain and registered in England and Wales under the Companies Act 2006

The company's registration number is 08071984

The company's registered office is situated at Kings Place, 90 York Way, London, N1 9AG

The company's principal activities, details of the company's business activities and key events and changes during the period are contained within the directors' report on pages 2 to 3

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU), IFRIC interpretations, and the Companies Act 2006 applicable to companies reporting under IFRS

The financial statements have been prepared under the historical cost basis. The principal accounting policies are set out below

Adoption of new and revised standards

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective

IAS 27	<i>Separate Financial Statements</i>
IAS 28	<i>Investments in Associates and Joint Ventures</i>
IFRS 9	<i>Financial Instruments</i>
IFRS 10	<i>Consolidated Financial Statements</i>
IFRS 11	<i>Joint Arrangements</i>
IFRS 12	<i>Disclosure of Interests in Other Entities</i>
IFRS 13	<i>Fair Value Measurement</i>
Amendments to IAS 1	<i>Presentation of financial statements</i>
Amendments to IAS 19	<i>Employee Benefits</i>
Amendments to IFRS 1	<i>First-time Adoption of IFRS</i>
Amendments to IFRS 7	<i>Financial Instruments - Disclosures</i>

The company has yet to assess the full impact of adopting these new standards and amendments

Notes to the financial statements

for the period ended 31 March 2013

2. Accounting Policies (continued)

Intercompany transactions

The company does not have access to its own bank account and all cash transactions are therefore made through Network Rail Infrastructure Limited and settled through intercompany transactions

Tax

The tax expense represents the sum of the current tax payable and deferred tax. The company's current tax liability is calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Current taxes are based on the taxable results of the company and calculated in accordance with tax rules in the United Kingdom.

Financial risk management

The company is able to borrow from its parent company, Network Rail Infrastructure Limited, on an arm's length basis. Under the terms of the loan the company has the option of either repaying the annual interest charge or rolling the cost up into the principal.

The directors estimate that the fair value of all financial assets and liabilities approximate to their carrying value.

Credit risk

The company has receivables due from its parent company. The parent company is the company's sole equity holder. Credit risk is considered minimal.

3. Staff costs

The directors received no remuneration for their services in the period. Other than the directors, there were no employees of the company in the period.

The directors of the company are also directors of other trading and holding companies within the group and it is not practicable to allocate their remuneration for the current financial year between their services to each company. Details of their remuneration for the current and prior years are disclosed in the financial statements of Network Rail Limited.

4. Auditors' remuneration

Fees payable to the company auditors for the audit of the company's financial statements have been borne by Network Rail Infrastructure Limited. No other fees were payable by the company to the company auditors.

Notes to the financial statements

for the period ended 31 March 2013

5. Taxation

The company has a deferred tax credit of £197,000 for the current period which is calculated based on the loss before taxation of £823,000 at the UK corporation tax rate for the period of 24 per cent. The current period loss is surrendered to a fellow group undertaking for which the company receives payment on a tax saving basis.

6. Trade and other receivables

	31 March 2013 £'000
Amounts falling due within one year	
Prepayments	72
Amounts receivable from fellow group undertakings	1,869
	1,941

7. Trade and other payables

	31 March 2013 £'000
Other payables	67
	67

8. Share capital

	31 March 2013 £'000
Authorised, allotted and fully paid:	
2,500,000 ordinary shares of £1 each	2,500

Notes to the financial statements

for the period ended 31 March 2013

9. Notes to the statement of cash flows

	31 March 2013 £'000
Loss before tax	(823)
Operating cash flow before movements in working capital	(823)
Increase in receivables	(1,744)
Increase in payables	67
Cash generated from operations	(2,500)

10. Ultimate parent company

The company's ultimate parent company and controlling entity is Network Rail Limited, a company limited by guarantee without shares. The company's immediate parent company is Network Rail Infrastructure Limited. Both parent companies are incorporated in Great Britain and registered in England and Wales. The smallest and largest group of undertakings of which the company is a member and for which group financial statements are drawn up is Network Rail Limited. Copies of the parent companies' financial statements can be obtained by contacting the company secretary at Kings Place, 90 York Way, London N1 9AG.