

Bombardier Transportation (Rolling Stock) UK Ltd

Report and Financial Statements

For the Year Ended 31 December 2004



Registration number 2988520 (England)

Bombardier Transportation (Rolling Stock) UK Ltd
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Bombardier Transportation (Rolling Stock) UK Ltd
Directors and Officers

DIRECTORS

C S Walton (Chairman)

S F Gackowski

M D Green

J J Hampton

K E Medhurst

S McCloud

SECRETARY

S F Gackowski

REGISTERED OFFICE

Litchurch Lane

Derby

DE24 8AD

AUDITORS

Ernst & Young LLP

1 Colmore Square

Birmingham

B4 6HQ

BANKERS

National Westminster Bank

Waterhouse Square

138-142 Holborn

London

EC1N 2TH

SOLICITORS

Pinsent Masons

30 Aylesbury Street

London

EC1R 0ER

Registration number 2988520 (England)

Bombardier Transportation (Rolling Stock) UK Ltd Directors' Report

The directors present their report and financial statements for the year ended 31 December 2004.

Principal Business Activity and Business Review

The company has not traded during the year.

Given that no transactions occurred in the year that impact the profit and loss account or statement of total recognised gains and losses, these two statements have not been produced in the financial statements for the year ended 31 December 2004.

It is the intention of the directors to liquidate the company in the foreseeable future. As a consequence of the intention to liquidate the company, the financial statements have been prepared on a break-up basis.

Directors and their Interests

The directors who served during the year were as follows:

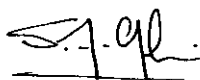
	Appointed	Resigned
C S Walton (Chairman)	18 June 2004	
J Arnsperger		8 June 2005
K E Medhurst	16 June 2005	
A Booth		21 April 2005
S McCloud	21 April 2005	
S F Gackowski		
R Giles		8 July 2005
M Green	28 May 2004	
P F Staehr		18 June 2004
I H Vandeweyer		28 May 2004
J J Hampton	8 July 2005	

The directors have no beneficial interest in the shares of the company, or in any contracts entered into by the group during the year.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board.


S F Gackowski
Secretary

17th Day of August, 2005

Bombardier Transportation (Rolling Stock) UK Ltd Statement of 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 and loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and the 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; and
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditors' Report to the Members of Bombardier Transportation (Rolling Stock) UK Ltd

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Balance Sheet and related notes 1 to 6. These financial statements have been prepared on the basis of 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 auditors' 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 directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 United Kingdom 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 affairs of the company as at 31 December 2004 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Birmingham

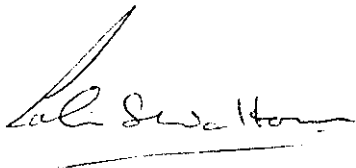
31st October

2005

Bombardier Transportation (Rolling Stock) UK Ltd
Balance Sheet
As at 31 December 2004

	Notes	31.12.04 £'000	31.12.03 £'000
Current assets			
Debtors	3	12,000	12,000
Net assets		<u>12,000</u>	<u>12,000</u>
Capital and reserves			
Called up share capital	4	12,000	12,000
Equity shareholders' funds	5	<u>12,000</u>	<u>12,000</u>

C S Walton
Chairman



Approved by the board on *17th August* 2005

Bombardier Transportation (Rolling Stock) UK Ltd
Notes to the Financial Statements
For the Year Ended 31 December 2004

1 Accounting policies

Accounting convention

The financial statements have been prepared on a break-up basis and in accordance with applicable accounting standards.

2 Operating Profit

No directors or staff were paid by the company during the period.

Director's emoluments were borne by Bombardier Transportation UK Limited. The directors of the company are also directors of a number of companies within the Bombardier Transportation group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 December 2004 and 31 December 2003.

Audit fees were borne by other group companies.

3	Debtors	31.12.04 £'000	31.12.03 £'000
	Amounts due from group undertakings	<u>12,000</u>	<u>12,000</u>

4	Share capital	31.12.04 No.	31.12.03 No.	31.12.04 £'000	31.12.03 £'000
	Authorised:				
	Ordinary shares of £1 each	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000</u>	<u>50,000</u>
	Allotted, called up and fully paid:				
	Ordinary shares of £1 each	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000</u>	<u>12,000</u>

5 Reconciliation of shareholders' funds and movements on reserves

	Share Capital £'000	Profit & Loss £'000	Total '000
At 1 January 2003	12,000	-	12,000
Result for the year	-	-	-
At 1 January 2004	12,000	-	12,000
Result for the year	-	-	-
At 31 December 2004	<u>12,000</u>	-	<u>12,000</u>

Bombardier Transportation (Rolling Stock) UK Ltd
Notes to the Financial Statements
For the Year Ended 31 December 2004

6 Related parties

The company's immediate parent undertaking is Bombardier Transportation UK Ltd, a company registered in England. Bombardier Transportation UK Ltd is itself part of the group headed by Bombardier Transportation (Holdings) UK Ltd. The company is therefore included in the consolidated accounts of this group, copies of which may be obtained from the registered office.

In the directors' opinion, the company's ultimate parent company and controlling party is Bombardier Inc, which is incorporated in Canada.

The company has not disclosed balances with other group companies, as it has taken advantage of the exemption conferred by Paragraph 3 of Financial Reporting Standard No 8 on the grounds that it is a 90% or more owned subsidiary undertaking.