

**FASTTRAX LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2002**



**The Company's Registered Number is: 3565430**



## FASTTRAX LIMITED

### MISSION STATEMENT

Fasttrax, in **partnership** with the UK MoD, is **dedicated** to providing the Heavy Equipment Transporter capability **effectively** and **safely**.

## FASTTRAX LIMITED

### DIRECTORS' REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2002

The directors present their report on the affairs of the company together with the financial statements and auditors' report for the year ended 31 December 2002.

#### PRINCIPAL ACTIVITY

The company's principal activity is the provision of a Heavy Equipment Transporter, (HET) Service to the Ministry of Defence (MoD).

#### BUSINESS REVIEW

Fasttrax continued preparations for the service commencement due in 2003. As planned, no revenues were generated in 2002. During 2003, capital purchases will be made to equip the company with Heavy Equipment Transporters to fulfil its 20 year operational contract with the Ministry of Defence.

Losses shown were planned and reflect operating costs prior to contract revenues.

#### CHANGE IN ACCOUNTING POLICY

Under resolution made by the Board on December 13<sup>th</sup> 2002 it was accepted that a change in accounting policy would be adopted in respect of capitalisation of certain start up costs incurred prior to Service Commencement Date. On review of the nature of the costs, it is the opinion of the directors that they are directly attributable to bringing the assets into working condition for their intended use and should be capitalised and depreciated over the useful life of the assets in accordance with Financial Reporting Standard 15.

This change would apply to all relevant costs incurred in the current Financial Year (£1,038,326). The 2001 comparisons detailed in these accounts have been adjusted accordingly in line with this policy resulting in a reduction of £124,175 on the 2001 reported loss of £124,616. See also Note 2.

#### RESULTS AND DIVIDENDS

The Loss after taxation for the financial year amounted to £224,113 (2001 Loss - £441). No dividend has been paid.

The audited financial statements for the year ended 31 December 2002 are set out on pages 6 to 18.

#### DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were:

P Smart

M J Lemon

A Matthews

P McCulloch

## DIRECTORS' REPORT (Cont'd)

No Directors hold any beneficial interest in the shares of the company which are required to be disclosed under Schedule 7 of the Companies Act 1985.

### 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 or loss of the company for the year then ended. In preparing those financial statements, the directors are required to:

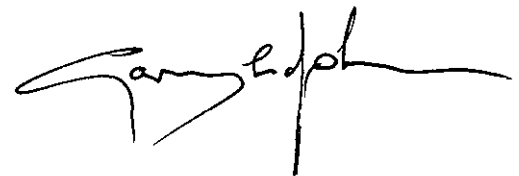
- Select suitable UK accounting policies and apply them on a consistent basis;
- Make judgements and estimates that are prudent and reasonable;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is not appropriate to presume that the company will continue in business;
- Keep proper accounting records, safeguard the assets of the company and take reasonable steps for the prevention and detection of fraud and other irregularities;
- Ensure that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

### CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year the company made no charitable contributions (2001- £Nil). There were no political contributions made during the year (2001 - £Nil).

Registered Office  
Hill Park Court  
Springfield Drive  
Leatherhead  
Surrey  
KT22 7NL

BY ORDER OF THE BOARD



G Johnson  
Company Secretary  
Appointed 20 Aug 2002

Dated: 11 July 2003

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FASTTRAX LIMITED**

We have audited the financial statements of Fasttrax Limited for the year ended 31 December 2002 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, Cash Flow Statement and the related notes. These financial statements have been prepared under 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 auditor's 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Directors' Report.

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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FASTTRAX  
LIMITED**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PKF

PKF

Registered auditors  
London, UK

Date 17 July 2003

**FASTTRAX LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

|                                                            | Notes | Year to<br>31/12/02<br>£'000 | As restated<br>Year to<br>31/12/01<br>£'000 |
|------------------------------------------------------------|-------|------------------------------|---------------------------------------------|
| TURNOVER                                                   |       | -                            | -                                           |
| Cost of sales                                              |       | -                            | -                                           |
| GROSS PROFIT                                               |       | -                            | -                                           |
| Administrative expenses (net)                              |       | (233)                        | (12)                                        |
| Other operating income                                     |       | 0                            | 8                                           |
| OPERATING (LOSS)- continuing operations                    |       | (233)                        | (4)                                         |
| Investment income                                          | 4     | 8                            | 4                                           |
| (LOSS) ON ORDINARY ACTIVITIES<br>BEFORE AND AFTER TAXATION | 5     | (225)                        | (-)                                         |
| RETAINED (LOSS) FOR THE FINANCIAL<br>YEAR                  | 12    | (225)                        | (-)                                         |

A statement of movement in reserves is given in note 12 to the financial statements.

The accompanying notes are an integral part of this profit and loss account.

# FASTTRAX LIMITED

## BALANCE SHEET - 31 DECEMBER 2002

|                                                | Notes  | 31/12/02<br>£'000 | As restated<br>31/12/01<br>£'000 |
|------------------------------------------------|--------|-------------------|----------------------------------|
| <b>FIXED ASSETS</b>                            |        |                   |                                  |
| Tangible assets                                | 7      | 20,458            | 11,969                           |
| <b>CURRENT ASSETS</b>                          |        |                   |                                  |
| Debtors - falling due within one year          | 8(i)   | 623               | 1,302                            |
| Debtors - falling due after one year           | 8(ii)  | 1,000             | 1,000                            |
| Cash at bank and in hand                       | 9      | 65,614            | 73,224                           |
|                                                |        | <u>67,237</u>     | <u>75,526</u>                    |
| CREDITORS: Amounts falling due within one year | 10(i)  | (1,199)           | (1,615)                          |
| <b>NET CURRENT ASSETS</b>                      |        | <u>66,038</u>     | <u>73,911</u>                    |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>   |        | 86,496            | 85,880                           |
| CREDITORS: Amounts falling due after one year  | 10(ii) | (85,721)          | (84,880)                         |
| <b>NET ASSETS</b>                              |        | <u><u>775</u></u> | <u><u>1,000</u></u>              |
| <b>CAPITAL AND RESERVES</b>                    |        |                   |                                  |
| Called-up share capital - equity               | 11     | 1,000             | 1,000                            |
| Profit and loss account                        | 12     | (225)             | (-)                              |
| <b>EQUITY SHAREHOLDER FUNDS</b>                | 13     | <u><u>775</u></u> | <u><u>1,000</u></u>              |

SIGNED ON BEHALF OF THE BOARD ON 11 July 2003

  
M J Lemon

Director

The accompanying notes are an integral part of this balance sheet.

FASTTRAX LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR  
ENDED 31 DECEMBER 2002

|                                                               | Notes | 2002<br>£000's | 2001<br>£000's |
|---------------------------------------------------------------|-------|----------------|----------------|
| Loss for the year                                             |       | (225)          | -              |
| Total gains and losses for the year                           |       | (225)          | -              |
| Prior year adjustment                                         | 2     | 124            | -              |
| Total recognised gains and losses since last<br>Annual Report |       | (101)          | -              |

# FASTTRAX LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

|                                                                                | Notes   | Year to<br>31/12/02<br>£000's | As restated<br>Year to<br>31/12/01<br>£000's |
|--------------------------------------------------------------------------------|---------|-------------------------------|----------------------------------------------|
| Net cash (outflow)/inflow from operating activities                            | 14(i)   | (576)                         | 309                                          |
| Returns on investments and servicing of finance                                |         |                               |                                              |
| Interest received                                                              |         | 2,633                         | 4                                            |
| Interest paid                                                                  |         | (2,711)                       | -                                            |
| Net cash (outflow)/inflow from returns on investments and servicing of finance |         | (78)                          | 4                                            |
| Capital expenditure and financial investment                                   |         |                               |                                              |
| Payments to acquire fixed assets                                               |         | (6,956)                       | (11,969)                                     |
| Net cash outflow before use of liquid resources and financing                  |         | (7,610)                       | (11,656)                                     |
| Management of liquid resources                                                 |         |                               |                                              |
| Payments out/(in) Guaranteed Investment Contract                               |         | 11,895                        | (66,316)                                     |
| Financing                                                                      |         |                               |                                              |
| Sale of Bonds                                                                  |         | -                             | 84,880                                       |
| Net cash inflow after financing                                                |         | 4,285                         | 6,908                                        |
| Increase in cash in period                                                     | 14(iii) | 4,285                         | 6,908                                        |

The accompanying notes are an integral part of this cash flow statement.

## FASTTRAX LIMITED

### NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2002

#### 1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and preceding year, other than as described in Note 2, are set out below.

##### i) Basis of Accounting:

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

##### ii) Fixed Assets:

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation will not be charged until the contract becomes operational in July 2003.

##### iii) Capitalised Interest and Fees:

The interest cost of financing the Company's obligations under its contract with the MoD has been capitalised, and is included in the value of asset in course of construction.

##### iv) Liquid Resources:

Liquid resources represent cash held in a Guaranteed Investment Contract. This money will be released to the company in projected instalments until June 2004.

##### v) Taxation:

Corporation tax is provided for on taxable profits at the current rate. Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse.

##### vi) Turnover:

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related discounts.

##### vii) Foreign Currencies:

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the time of transaction. All exchange differences are taken to the profit and loss account.

## NOTES TO FINANCIAL STATEMENTS (Cont'd)

### 2. CHANGE IN ACCOUNTING POLICY

Following a review of costs incurred in the start-up phase of the project, the directors have concluded that certain costs previously treated as expenditure are directly attributable to bringing the assets into working condition for their intended use and should be capitalised and depreciated over the useful life of the assets in accordance with Financial Reporting Standard 15. This represents a change in accounting policy and the comparative figures have been restated to reflect this. The effect of this change in the accounting treatment is to decrease the loss for the year by £1,038,326 (2001- £124,175) and to increase net assets by £124,175 at 31 December 2001.

### 3. SEGMENTAL ANALYSIS

The turnover and operating result were derived from the company's principal activity and was carried out wholly in the UK.

### 4. INVESTMENT INCOME

|                                  | Year to<br>31/12/02<br>£000's | Year to<br>31/12/01<br>£000's |
|----------------------------------|-------------------------------|-------------------------------|
| Bank Interest Received           | (240)                         | (6)                           |
| GIC Interest Received            | (2,684)                       | (145)                         |
| LPI Bond Interest Payable        | 2,781                         | 90                            |
| Fixed Rate Bond Interest Payable | 1,684                         | 78                            |
| Premiums & Fees                  | 177                           | -                             |
|                                  | <hr/> 1,718                   | <hr/> 17                      |
| Net Interest Capitalised         | (1,710)                       | (13)                          |
|                                  | <hr/>                         | <hr/>                         |
| Bank interest receivable         | <hr/> 8                       | <hr/> 4                       |

### 5. (LOSS) ON ORDINARY ACTIVITIES

The (loss) on ordinary activities is stated after charging the following:

|                        | Year to<br>31/12/02<br>£000's | Year to<br>31/12/01<br>£000's |
|------------------------|-------------------------------|-------------------------------|
| Auditors' remuneration |                               |                               |
| - audit fees           | 9                             | 9                             |
| - other                | 3                             | 3                             |
|                        | <hr/>                         | <hr/>                         |

In addition, in 2001 the company paid PKF £52,000 in respect of other services. These additional services represent development costs and as such have been capitalised.

## NOTES TO FINANCIAL STATEMENTS (Cont'd)

### 5. (LOSS) ON ORDINARY ACTIVITIES (Cont'd)

Fasttrax has no employees other than Directors.

The amount of £46,194 has been paid to third parties in respect of making the services of the Directors available to Fasttrax Limited.

### 6. TAX ON LOSS ON ORDINARY ACTIVITIES

#### a) ANALYSIS OF CHARGE IN PERIOD

|                                            | 2002<br>£000's | Restated<br>2001<br>£000's |
|--------------------------------------------|----------------|----------------------------|
| UK corporation tax on losses of the period | -              | -                          |
| Adjustments in respect of prior periods    | -              | -                          |
|                                            | <hr/>          | <hr/>                      |
| Total current tax (note 6(b))              | -              | -                          |
| Deferred tax (note 6(c))                   | -              | -                          |
|                                            | <hr/>          | <hr/>                      |
| Tax on loss on ordinary activities         | -              | -                          |

#### b) FACTORS AFFECTING TAX CHARGE FOR PERIOD

The tax assessed for the period is other than the standard rate of corporation tax in the UK (30%). The differences are explained below:

|                                                                                      | 2002<br>£000's | Restated<br>2001<br>£000's |
|--------------------------------------------------------------------------------------|----------------|----------------------------|
| Loss on ordinary activities before taxation                                          | (225)          | -                          |
|                                                                                      | <hr/>          | <hr/>                      |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK | (67)           | -                          |
| Effects of:                                                                          |                |                            |
| Accelerated tax relief for capitalised finance costs                                 | (648)          | (20)                       |
| Increase in tax losses in period                                                     | 715            | 20                         |
|                                                                                      | <hr/>          | <hr/>                      |
| Current tax charge for year                                                          | -              | -                          |

## NOTES TO FINANCIAL STATEMENTS (Cont'd)

### 6. TAX ON LOSS ON ORDINARY ACTIVITIES (Cont'd)

#### c) DEFERRED TAXATION

There is a potential deferred tax asset as at 31 December 2002 which has not been recognised in view of the anticipated period of time in which the losses are anticipated to be recovered.

|                                                              | 2002<br>£000's | Restated<br>2001<br>£000's |
|--------------------------------------------------------------|----------------|----------------------------|
| The deferred tax asset arises as follows:                    |                |                            |
| Accelerated tax relief for capitalised finance costs         | 668            | 20                         |
| Tax losses available to carry forward against future profits | (735)          | (20)                       |
|                                                              | <u>(67)</u>    | <u>-</u>                   |

### 7. TANGIBLE FIXED ASSETS

|                                    | Assets in<br>course of<br>construction<br>£000's |
|------------------------------------|--------------------------------------------------|
| Cost                               |                                                  |
| At 01/01/02 as previously reported | 11,845                                           |
| Prior Year Adjustment              | <u>124</u>                                       |
| At 01/01/02 restated               | 11,969                                           |
| Additions                          | 8,489                                            |
| Disposals                          | -                                                |
| Transfers                          | -                                                |
| At 31/12/02                        | <u>20,458</u>                                    |
| NET BOOK VALUE                     |                                                  |
| AT 31/12/02                        | <u>20,458</u>                                    |

The Net Book Value above included net interest capitalised £1,697,140.

Depreciation will not be charged until the contract becomes operational in July 2003.

## NOTES TO FINANCIAL STATEMENTS (Cont'd)

### 8. DEBTORS

|                                                  | 31/12/02<br>£000's | 31/12/01<br>£000's |
|--------------------------------------------------|--------------------|--------------------|
| (i) Amounts falling due within one year:         |                    |                    |
| Prepayments and accrued income                   | 469                | 155                |
| VAT                                              | 142                | 1,147              |
| Other debtors                                    | 12                 | -                  |
|                                                  | <u>623</u>         | <u>1,302</u>       |
| (ii) Amounts falling due after one year:         |                    |                    |
| Other debtors – Called up share capital not paid | 1,000              | 1,000              |
|                                                  | <u>1,000</u>       | <u>1,000</u>       |

### 9. CASH AT BANK

Included in this balance is a Guaranteed Investment Contract to the value of £54,421,000 (2001- £66,316,000). This will be released to Fasttrax in projected instalments until June 2004.

Release of funds from the other bank accounts requires authorisation from Ambac Assurance UK Limited as Bond Insurer.

### 10. CREDITORS

|                                          | 31/12/02<br>£000's | 31/12/01<br>£000's |
|------------------------------------------|--------------------|--------------------|
| (i) Amounts falling due within one year: |                    |                    |
| Trade Creditors                          | 204                | -                  |
| Accruals and deferred income             | 995                | 1,615              |
|                                          | <u>1,199</u>       | <u>1,615</u>       |
| (ii) Amounts falling due after one year: |                    |                    |
| Due within 2-5 years                     | 20,355             | 12,200             |
| Due after more than 5 years              | 65,366             | 72,680             |
|                                          | <u>85,721</u>      | <u>84,880</u>      |

The Senior Debt balance is Bond Certificates issued as follows:

Class A 3.459% Index Linked Bonds - £56,000,000 due 2021 Prudential Annuities Limited

Class A Indexation rolled into the Bond for its term - for the year £841,132.

Class B 5.91% Fixed Rate Bonds - £7,680,000 due 2021 Prudential Assurance Company Limited

Class B 5.91% Fixed Rate Bonds - £9,000,000 due 2021 Prudential Retirement Income Limited

Class C 5.72% Fixed Rate Bonds - £12,200,000 due 2005 Prudential Assurance Company Limited

All Classes of Bond are repayable by instalments between March 2005 and the due dates noted above.

## NOTES TO FINANCIAL STATEMENTS (Cont'd)

### 10. CREDITORS (Cont'd)

All are entered in the register of The Bank of New York as the Registered Holders. Issue is subject to and with benefit of a trust deed dated 14 December 2001 between Fasttrax Limited (the Issuer), Ambac Assurance UK Limited and Law Debenture Trustees Limited as trustee for the holders of the Bonds. The Law Debenture Trust Corporation Plc has a fixed and floating charge over the undertaking and all property and assets present and future.

A Class B Bond - £4,000,000 is registered but not issued to The Bank of New York and is being held in reserve.

### 11. CALLED-UP SHARE CAPITAL

|                                      | 31/12/02<br>£000's | 31/12/01<br>£000's |
|--------------------------------------|--------------------|--------------------|
| Authorised                           |                    |                    |
| 1,000,000 ordinary shares of £1 each | <u>1,000</u>       | <u>1,000</u>       |
| Allotted and called-up               |                    |                    |
| 1,000,000 ordinary shares of £1 each | <u>1,000</u>       | <u>1,000</u>       |

### 12. RESERVES

Reserves comprise the distributable profit and loss account. The movement in the profit and loss account during the year was as follows:-

|                                    | Year to<br>31/12/02<br>£000's |
|------------------------------------|-------------------------------|
| <u>Profit and Loss Account</u>     |                               |
| At 01/01/02 as previously reported | (124)                         |
| Prior Year Adjustment              | <u>124</u>                    |
| Restated 01/01/02                  | -                             |
| Retained (loss) for the year       | <u>(225)</u>                  |
| At 31/12/02                        | <u>(225)</u>                  |

## NOTES TO FINANCIAL STATEMENTS (Cont'd)

### 13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER FUNDS

|                                     | 31/12/02<br>£000's |
|-------------------------------------|--------------------|
| At 01/01/02 as previously reported  | 876                |
| Prior Year Adjustment               | 124                |
| Restated 01/01/02                   | <u>1000</u>        |
| Retained (loss) for the year        | (225)              |
| Share capital issued                | -                  |
| Net addition to shareholder's funds | <u><u>775</u></u>  |

### 14. NOTES TO THE CASH FLOW STATEMENT

#### (i) RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

|                                                 | Year to<br>31/12/02<br>£000's | As restated<br>Year to<br>31/12/01<br>£000's |
|-------------------------------------------------|-------------------------------|----------------------------------------------|
| Operating (loss)                                | (233)                         | (4)                                          |
| Decrease/(Increase) in debtors                  | 986                           | (1,302)                                      |
| (Decrease)/Increase in creditors                | <u>(1,329)</u>                | <u>1,615</u>                                 |
| Net cash (out)/inflow from operating activities | <u><u>(576)</u></u>           | <u><u>309</u></u>                            |

#### (ii) ANALYSIS OF CHANGES IN NET DEBT

|                                | 01/01/0<br>2           | Cash<br>Flows         | Other<br>non cash<br>changes | 31/12/02               |
|--------------------------------|------------------------|-----------------------|------------------------------|------------------------|
|                                | £000's                 | £000's                | £000's                       | £000's                 |
| Cash in hand and in bank       | 6,908                  | 4,285                 | -                            | 11,193                 |
| Guaranteed Investment Contract | 66,316                 | (11,895)              | -                            | 54,421                 |
| Debt due after 1 year          | (84,880)               | -                     | (841)                        | (85,721)               |
|                                | <u><u>(11,656)</u></u> | <u><u>(7,610)</u></u> | <u><u>(841)</u></u>          | <u><u>(20,107)</u></u> |

## NOTES TO FINANCIAL STATEMENTS (Cont'd)

### 14. NOTES TO THE CASH FLOW STATEMENT (Cont'd)

#### (iii) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

|                                                          | Year to<br>31/12/02<br>£000's | Year to<br>31/12/01<br>£000's |
|----------------------------------------------------------|-------------------------------|-------------------------------|
| Increase in cash in year                                 | 4,285                         | 6,908                         |
| Cash outflow from management of liquid resources         | -                             | 66,316                        |
| Cash inflow from management of liquid resources          | (11,895)                      |                               |
| Cash inflow from sale of bonds                           | -                             | (84,880)                      |
| Changes in net debt resulting from cashflows             | (7,610)                       | (11,656)                      |
| Changes in net debt resulting from non cash transactions | (841)                         | -                             |
| Movement in net debt in year                             | <u>(8,451)</u>                | <u>(11,656)</u>               |

Non cash transactions comprise Bond indexation.

### 15. PARENT UNDERTAKINGS

Fasttrax Limited is a wholly-owned subsidiary of Fasttrax Holdings Limited registered in England and Wales.

There is no ultimate controlling party.

### 16. RELATED PARTY TRANSACTIONS

During the year the company made no related party transactions with Fasttrax Holdings Limited the sole holding company.

Other related party transactions represented in these accounts consist of:

Kellogg Brown & Root (KBR) – 50% JV partner of Fasttrax Holdings Limited and subcontracted for Vehicle Supply to Fasttrax Limited.

Capitalised payments made to KBR – Management fee £3,981,766 (Exc. VAT) (2001 - £1,198,000 Exc. VAT) and (2001 - legal fee £615,000 Exc. VAT – Development Fee £5,000,000 Exc. VAT)

FTX Logistics Ltd (FTX) – subcontracted for the provision of a maintained service to Fasttrax Limited and 100% subsidiary of Kellogg Brown & Root.

Capitalised Management Information System and Other fees made to FTX £1,596,483 (Exc. VAT) (2001 - £536,468 Exc. VAT) and Start up costs, now capitalised in line with the change in accounting policy note, in the year of £1,038,326 (Exc. VAT) (2001 - £124,175 Exc. VAT). Management Fees charged in the year £125,000 (Exc. VAT). (2001 – Nil)

## NOTES TO FINANCIAL STATEMENTS (Cont'd)

### 16. RELATED PARTY TRANSACTIONS (Cont'd)

The aggregate amounts receivable are: KBR £11,000 and FTX £191,000 with no amounts payable to either related party at the year end.

### 17. CAPITAL COMMITMENTS

A vehicle supply sub-contract has been entered into with Kellogg Brown & Root covering the period December 2001 to June 2004. The value of outstanding commitment in respect of this contract at the year end is £57,350,470.