Registered no: 2995468

Fastline Limited

Annual report and financial statements

for the period ended 31 March 2008

Fastline Limited
Annual report and financial statements for the period ended 31 March 2008

Fastline Limited
Directors and advisors

Directors	M A A Akinlade R W Entwistle S W Laird J W T Snowdon R M Thornton B L Westbrook
Secretary	Secretariat Services Limited
Registered office	Meridian House The Crescent York YO24 1AW
Auditors	Grant Thornton UK LLP No 1 Whitehall Riverside Whitehall Road Leeds LS1 4BN
Bankers	Lloyds TSB Bank plc PO Box 72 Bailey Drive Gillingham Business Park Kent ME8 0LS

Fastline Limited
Directors' report
for the period ended 31 March 2008

The dırectors present theır report and the audıted financıal statements for the penod ended 31 March 2008

Business review and principal activities

Fastlıne Lımıted (the "Company") ıs a wholly owned subsıdıary undertakıng of Jarvıs plc (the "Parent" or "Jarvıs") and a guarantor of the financıng facılıtıes of the Parent's group of companıes (the "Group"), detaıls of whıch are gıven ın note 20 to the Fınancıal Statements The Company provıdes specıalıst plant and transport solutıons to the raıl ındustry and ıs also a raıl freıght operatıng company

Actıvıty ın those areas of the UK raıl market where the Company ıs engaged was affected by the late start of a number of enhancement projects for Network Raıl but these all started ın the second half of the year and wıll contınue ınto 2008/09. The Company's success ın bıddıng for work under the Natıonal On Track Plant contract mıtıgated the ımpact of thıs downturn and the Company ıs well placed to benefit from the ıncreasıng number of projects now beıng awarded

The Company ıs workıng wıth Network Raıl and Jarvıs Raıl, ıts sıster track renewals busıness, to develop ınnovatıve ways of delıvenng projects and renewals work that ımprove productıvıty and safety and ıncrease efficıency The Company's plant and machınery ıs central to thıs ınnovatıon as ıncreased mechanısatıon of tasks reduces the safety rısk ınherent ın manual labour as well as ımprovıng productıvıty and efficıency

The Company has sold some of ıts surplus heavy plant to Poland and Egypt Thıs has ımproved the Dırectors' understandıng of the secondhand market for these machınes As a result, a reversal of an ımpaırment provısıon of £1,421,000 has been reflected ın the profit and loss account ın cost of sales for the year ended 31 March 2008 (2007 an ımpaırment charge of £2,720,000)

On 4 July 2007 the contract wıth e on for our freıght operatıons to haul coal was announced and the first actıvıty under thıs contract began ın May 2008 The Company contınues to see ıts raıl contaıner busıness as capable of further expansıon ın a market whıch ıs expected to grow substantıally ın the comıng years

Results and dividends for the period

The loss for the penod reported ın the accounts was £2,981,000 (2007: Loss of £8,186,000) The dırectors do not recommend the payment of a dıvıdend (2007 £nıl)

Key performance indicators (KPI's)

The KPI's of the Group, ıncludıng non-financıal measures, are dısclosed ın the Report and Accounts of Jarvıs plc As a subsıdıary company of the Group, the prıncıpal financıal performance ındıcators used by the management team to measure the performance of Fastlıne Lımıted are revenue, operatıng (loss)/profit before non-recurrıng costs, operatıng margın and operatıng cashflow

Fastline Limited
Directors' report
for the period ended 31 March 2008 (continued)

Key performance indicators (continued)

Key performance indicator	**2008**	2007
	£'000	£'000
Revenue	65,792	95,432
Operatıng profit/(loss) before non-recurrıng costs	(967)	(145)
Operatıng margın	(1 5)%	(0 2)%
Operatıng cashflow adjusted for non recurrıng costs	3,081	2,296

Risks and Uncertainties

In order to manage the busıness effectıvely the dırectors have to ıdentıfy and respond both to the rısks ınherent ın the busıness envıronment and those partıcular to the fields ın whıch the Company operates Busıness rısk contınues to be a formal consıderatıon ın the Monthly Operating Revıew meetıng for the dıvısıon's operatıonal management Key ıssues are escalated wıthın the Group management hıerarchy.

The Company's dırectors contınue to evaluate the future prospects of the busıness, ın conjunctıon wıth the Group dırectors The management team recognıse the uncertaınty for the busıness wıth the majorıty of ıts revenue arısıng from ıts On Track Machıne supply to Network Raıl The development of busıness ın other areas ıncludıng event lıghtıng, small plant, freıght transportatıon and plans to extend the market reach to ınternatıonal markets are representatıve of the management's desıre to address these rısks

Financial risk management

The Company's operatıons expose ıt to a varıety of financıal rısks but the prıncıpal financıal rısk ıs fundıng and lıquıdıty due to the contractual nature of the busıness and ıts commercıal arrangements wıth clıents The treasury department of the Group ımplements approprıate rısk management strategıes to ensure adequate cost effectıve fundıng whılst lımıtıng the adverse effects of lıquıdıty credıt and ınterest rate rısks on the Company The treasury team ensures that financıal rısks are ıdentıfied by means of formalısed reportıng, a regular revıew of operatıonal results and ınvolvement ın the plannıng and forecastıng processes

Credıt rısk
The Company's credıt rısk ıs prımarıly attrıbutable to the structure of ıts customer base wıth certaın customers who operate through measured contracts and ıts exposure to leasıng of plant assets for the busıness The Group's maın workıng capıtal fundıng facılıty ıs syndıcated wıth hıghly credıt rated banks and ınstıtutıons, wıth surplus cash beıng ınvested wıth hıghly credıt rated banks

Interest rate rısk
The Company benefits from loan facılıtıes negotıated by the Group The Group facılıtıes are predomınantly subject to floatıng ınterest rates due to the type of facılıty ın place

Fastline Limited
Directors' report
for the period ended 31 March 2008 (continued)

Financial risk management (continued)

Fundıng and lıquıdıty rısk
A key functıon of the Group's Treasury department ıs to ensure that the Company has suffıcıent cost effectıve facılıtıes to meet ıts oblıgatıons ın the short medıum and long terms wıth regard to the Company's underlyıng cash generatıon and usage In order to establısh the fundıng requırement the Group's treasury department monıtors

- Regular cash flow forecasts prepared by the Company's finance team,
- Budgets and forecasts;
- Actual tradıng results and resultant debt and balance sheet posıtıons, and
- Capıtal expendıture requests

Directors

The dırectors holdıng office durıng the perıod ended 31 March 2008 and subsequent to that date, together wıth dates of appoıntment and resıgnatıon, are shown below

M A A Akınlade	(Appoınted 31 May 2007)
R W Entwıstle	
M D Houghton	(Resıgned 13 May 2008)
S W Laırd	(Appoınted 23 Aprıl 2008)
G K H Mason	(Resıgned 31 May 2007)
J W T Snowdon	(Appoınted 9 January 2008)
R M Thornton	
B L Westbrook	

Employment policies

The Dırectors recognıse the need for communıcatıon wıth employees at every level All employees have access to a copy of the Jarvıs plc Annual Report and Accounts, whıch together wıth staff brıefings, ınternal notıceboard statements and newsletters, keeps them ınformed of the Group's progress

The Company contınues to be commıtted to the health, safety and welfare of ıts employees and to observe the terms of the Health & Safety at Work Act 1974 and all other relevant regulatory and legıslatıve requırements It ıs the polıcy of the Company that there shall be no dıscrımınatıon or less favourable treatment of employees, workers or job applıcants ın respect of race, colour, ethnıc or natıonal orıgıns, relıgıous belıefs, sex, sexual orıentatıon, dısabılıty, polıtıcal belıefs or marıtal status Full consıderatıon wıll be gıven to suıtable applıcatıons for employment from dısabled persons, where they have the necessary abılıtıes and skılls for that posıtıon, and, wherever possıble, to re-traın employees who have become dısabled so that they can contınue theır employment ın another posıtıon The Group and ıts subsıdıarıes engage, promote and traın staff on the basıs of theır capabılıtıes, qualıfıcatıons and experıence, wıthout dıscrımınatıon, gıvıng all employees an equal opportunıty to progress wıthın the Group

Fastline Limited
Directors' report
for the period ended 31 March 2008 (continued)

Creditor payment terms

When entering into commitments for the purchase of services and goods the Company gives due consideration to quality, delivery, price and the terms of payment Suppliers are made aware of these terms. The Company abides by these terms whenever it is satisfied that suppliers have provided the services or goods in accordance with agreed terms and conditions. In the event of disputes, efforts are made to resolve them quickly.

During the period ended 31 March 2008 the Company on average paid its creditors within 46 days (2007 63 days) of receipt of the invoice

Environment

The Company's policy with regard to the environment is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities Our operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out our business During the period covered by this report the Company has not incurred any fines or penalties or been investigated for any breach of environmental regulations

Statement of directors' responsibilities for the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 period 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, subject to any material departures disclosed and explained in the financial statements, and
- prepare 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 proper accounting records which 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

Fastline Limited
Directors' report
for the period ended 31 March 2008 (continued)

Disclosure to the auditors

At the date of making this report each of the Company's directors, as set out above, confirm the following.

- so far as each director is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditors are unaware; and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information

Auditors

Following the merger in July 2007 of the audit practice of RSM Robson Rhodes LLP ("Robson Rhodes") with that of Grant Thornton UK LLP ("Grant Thornton"), Robson Rhodes' successor firm, Grant Thornton, was appointed auditors of the Company

By order of the board

K. Hogg

For and on behalf of
Secretariat Services Ltd

On behalf of
Secretariat Services Limited
Secretary

31 July 2008

Report of the Independent Auditor to the members of Fastline Limited

We have audited the financial statements of Fastline Limited for the period ended 31 March 2008 which comprise the profit and loss account, the balance sheet and notes 1 to 22 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 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 Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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

Report of the Independent Auditor to the members of Fastline Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements

Grant Thornton UK LLP.

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants

Leeds, England
31 July 2008

Fastline Limited
Profit and loss account
for the period ended 31 March 2008

	Notes	Period ended 31 March 2008 £'000	Period ended 2 April 2007 £'000
Turnover	2	**65,792**	95,432
Cost of sales		**(56,592)**	(83,137)
Gross profit		**9,200**	12,295
Administration expenses		**(9,547)**	(16,704)
Operating loss	3	**(347)**	(4,409)
Dividends received from subsidiaries		**6,300**	20
Interest receivable	7	**3,485**	2,578
Interest payable and similar charges	8	**(12,419)**	(6,154)
Loss on ordinary activities before taxation		**(2,981)**	(7,965)
Taxation	9	**-**	(221)
Loss on ordinary activities after taxation	18	**(2,981)**	(8,186)

The results reported above reflect the continuing operations of the Company

The Company has no recognised gains and losses other than the losses stated above and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 11 to 20 form part of these financial statements

Fastline Limited
Balance sheet
as at 31 March 2008

	Notes	31 March 2008 £'000	2 April 2007 £'000
Fixed assets			
Tangible fixed assets	10	**12,950**	15,742
Investments	11	**20,487**	20,487
		33,437	36,229
Current assets			
Stocks and work in progress	12	**1,479**	1,184
Debtors	13	**22,534**	19,967
Cash at bank and in hand		**818**	311
		24,831	21,462
Creditors amounts falling due within one year	14	**(78,232)**	(74,159)
Net current liabilities		**(53,401)**	(52,697)
Total assets less current liabilities		**(19,964)**	(16,468)
Creditors amounts falling due after more than one year	15	**(7,383)**	(7,898)
Net liabilities		**(27,347)**	(24,366)
Capital and reserves			
Called up share capital	17	**5,000**	5,000
Profit and loss account	18	**(32,347)**	(29,366)
Equity shareholders' deficit	18	**(27,347)**	(24,366)

The notes on pages 11 to 20 form part of these financial statements

The financial statements on pages 9 to 20 were approved by the Board on 31 July 2008 and were signed on its behalf by

M A A Akinlade
Director

Fastline Limited
Notes to the financial statements for the period ended 31 March 2008

1. Principal accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards and the Companies Act 1985 The results are presented for the financial period 3 April 2007 to 31 March 2007 As a parent undertaking of a large group, the Company extended its reporting period by two days in line with the reporting period of the Jarvis plc Group The comparative results are for the financial period 1 April 2006 to 2 April 2007

The Company is a subsidiary undertaking of Jarvis plc and is dependent upon the continued provision of financial support by Jarvis plc and its subsidiary undertakings in order to meet its liabilities as they fall due

(b) Consolidated accounts

By virtue of section 228 of the Companies Act 1985, the results of the Company's subsidiary undertakings have not been consolidated in these financial statements as the Company is itself a wholly owned subsidiary of Jarvis plc, a company incorporated in England and Wales, which is preparing consolidated accounts The financial statements present information about the Company and not its group

(c) Tangible fixed assets

Tangible fixed assets are stated at cost to the company, being their purchase cost together with any incidental expenses of acquisition

Depreciation is calculated so as to write off the cost of tangible fixed assets, less any residual value, on a straight line basis over the expected useful lives of the assets concerned

The principal rates of depreciation used for this purpose are

Plant and machinery	5% - 20% per annum
Motor vehicles	25% per annum
Fixtures and fittings	10% - 25% per annum
Office equipment	25% - 50% per annum

In accordance with Financial Reporting Standard 11, any impairment of fixed assets is charged to the profit and loss account in the period it arises

(d) Stocks

Stocks and manufacturing work-in-progress are stated at the lower of cost, including attributable overheads, and net realisable value

(e) Long-term contracts

When the outcome of a long-term contract can be estimated reliably, contract revenue is recognised by reference to the degree of completion of each contract, based on the amounts certified and to be certified by the customer

1. **Principal accounting policies (continued)**

(e) **Long-term contracts (continued)**

Incentive payments and insurance claims arising from long-term contracts are included where they have been agreed with the client. Variations and other claims are included where it is probable that the amount will be settled, based on agreements in principle with the customer When the outcome of a long-term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable

Contract costs are recognised as expenses in the period in which they are incurred When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately

(f) **Pre-contract costs**

All costs incurred in advance of a contract being awarded are written off to the profit and loss account until the date that, in the opinion of the directors, it is virtually certain that the contract has been secured Where the directors consider virtual certainty has been achieved but the contract has not yet been awarded, costs are carried as work in progress to the extent that the contract is expected to result in future net cash inflows (i e future revenues less attributable costs)

(g) **Taxation**

The charge or credit for taxation is based on the result for the period as adjusted for disallowable items

(h) **Deferred taxation**

Full provision has been made for deferred taxation in respect of timing differences that have originated but not reversed at the balance sheet date as the result of an event which results in an obligation to pay more or less tax in the future, except that

- Provision is not made for the remittance of a subsidiary, associate or joint venture's earnings that would cause tax to be payable where no commitment has been made to the remittance of the earnings

- Deferred tax assets are recognised to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates expected to apply in the period in which the timing differences reverse, based on tax rates enacted at the balance sheet date

Fastline Limited
Notes to the financial statements (continued)
for the period ended 31 March 2008

1. Principal accounting policies (continued)

(i) Leases

Costs in respect of operating leases are charged against operating profit on a straight line basis over the lease term

Leasing agreements which transfer to the Company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases Finance charges are allocated to the profit and loss account so as to produce a constant periodic rate of charge on the remaining balance of the obligation depreciation on such assets is charged to the profit and loss account over the shorter of the lease term and their useful life

(j) Pensions

The Company contributes to defined contribution pension schemes and to personal pension plans according to the arrangements agreed with employees Contributions paid by the Company are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

The Company contributes to defined benefit pension schemes according to the arrangements agreed with employees These schemes are valued every three years by a qualified actuary, the rates of contribution payable being determined by the actuary In the intervening years, the appropriateness of the last valuation is reviewed annually The Company is unable to identify its share of the underlying assets and liabilities of these defined benefit schemes on a consistent and reasonable basis and is therefore accounting for these as defined contribution schemes, in accordance with FRS 17 - Retirement Benefits

(k) Cash flow statement

The Company is a wholly owned subsidiary of Jarvis plc and the cash flows of the Company are included in the consolidated cash flow statement of Jarvis plc Consequently, the Company is exempt under the terms of Financial Reporting Standard 1 (revised) from publishing a cash flow statement

(l) Related party transactions

The Company is a wholly owned subsidiary of Jarvis plc and as such the Company has taken advantage of the exemption available under Financial Reporting Standard 8 not to disclose related party transactions which are eliminated on consolidation

Fastline Limited
Notes to the financial statements (continued)
for the period ended 31 March 2008

2. Turnover

Turnover excludes value added tax and represents the value of contract work carried out during the period All turnover in the period ended 31 March 2008 and the period ended 2 April 2007 arises from operations within the United Kingdom

3. Operating loss

	Period ended 31 March 2008 £'000	Period ended 2 April 2007 £'000
This is stated after charging / (crediting)		
Hire of plant and machinery	3,843	14,847
Depreciation charge for the period		
- Tangible owned fixed assets	3,104	2,345
- Tangible fixed assets held under finance leases	-	96
Loss on disposal of fixed assets	944	-
Impairment provision (reversal)/charge	(1,421)	2,720
Operating lease rentals - plant and machinery	13,033	16,845
Redundancy costs	801	1,544

The redundancy costs arise from the Group's ongoing overhead reduction and rationalisation programme

The audit fees for the period ended 31 March 2008 and the period ended 2 April 2007 were borne by a fellow group undertaking

4. Directors' emoluments

	Period ended 31 March 2008 £'000	Period ended 2 April 2007 £'000
Aggregate emoluments	267	193
Contributions to defined contribution pension arrangements	28	26
	295	219

Highest Paid Director

	Period ended 31 March 2008 £'000	Period ended 2 April 2007 £'000
Aggregate emoluments	225	193
Contributions to defined contribution pension arrangements	28	26
	253	219

The emoluments of Messrs M A A Akinlade, R W Entwistle, GKH Mason, and B L Westbrook were paid by Jarvis plc and the emoluments of R M Thornton were paid by Jarvis Rail Limited Their emoluments are included in the employment costs of these companies It is not practical to apportion their remuneration between their services as an employee of Jarvis plc and Jarvis Rail Limited and as directors of the Company

5. Employee information

The average monthly number of persons employed by the Company, including executive directors, during the period was as follows

	Period ended 31 March 2008 Number	Period ended 2 April 2007 Number
Plant operations	**643**	756
Transport	**16**	25
Freight	**19**	15
Total	**678**	796

The employment costs of all employees included above were

	Period ended 31 March 2008 £'000	Period ended 2 April 2007 Number
Wages and salaries	**26,285**	29,216
Social security costs	**2,657**	2,955
Pension costs	**1,357**	1,436
	30,299	33,607

6. Retirement benefits

The Company operates a number of pension arrangements comprising both defined benefit and defined contribution schemes The Railway Pension Scheme (RPS) is the only material scheme for the purpose of calculating defined benefit costs and pension scheme assets and liabilities, in accordance with FRS17 – Retirement Benefits The RPS is a funded UK defined benefit scheme, the assets of which are held in trustee administered funds separate from the Company and the Group

The defined benefit schemes are closed to new entrants, other than for new employees who qualify for participation in the RPS Other eligible new employees are offered participation in the Group's defined contribution scheme

Eligible employees participate in three shared cost sections of the RPS, comprising Jarvis Facilities, Fastline and Relayfast sections The Company is unable to identify its share of the RPS underlying assets and liabilities on a consistent and reasonable basis and is therefore accounting for it as a defined contribution scheme, in accordance with FRS 17

The FRS17 surplus on the three Jarvis sections of the RPS, as recognised in the Jarvis plc annual report and accounts, was £40 4 million (2007 £36 4 million)

For the period ended 31 March 2008, employer contributions to the three Jarvis sections of the RPS were 16 74%, 16 56% and 16 2% for the Relayfast, Fastline and Jarvis Facilities sections respectively Total employer contributions paid by the Company in respect of the three RPS sections for the period ended 31 March 2008 were £1 2 million (2007 £1 2 million)

For other eligible employees, contributions are made to defined contribution arrangements based on a pre-determined percentage of individual salaries The cost of contributions to defined contribution arrangements, and other non-material defined benefit schemes accounted for as defined contribution schemes, for the period ended 31 March 2008 was £0 2 million (2007 £0 3 million)

Fastline Limited
Notes to the financial statements (continued)
for the period ended 31 March 2008

7. Interest receivable

	Period ended 31 March 2008 £'000	Period ended 2 April 2007 £'000
Interest receivable from other group undertakings	**3,345**	2,514
Other bank interest	**140**	64
	3,485	2,578

8. Interest payable and similar charges

	Period ended 31 March 2008 £'000	Period ended 2 April 2007 £'000
On loans from ultimate parent undertaking	**6,731**	4,148
On finance leases	**-**	8
Other bank interest	**5,688**	1,998
	12,419	6,154

9. Taxation

	Period ended 31 March 2008 £'000	Period ended 2 April 2007 £'000
(a) Analysis of tax charge in the period		
Current tax		
United Kingdom corporation tax	-	-
Adjustment in respect of previous years	-	(231)
Payment for group relief	-	-
Current tax (credit)/charge	-	(231)
Deferred tax		
Origination and reversal of timing differences	-	452
Tax charge on loss on ordinary activities	-	221

(b) Reconciliation of current tax (credit)/charge

	Period ended 31 March 2008 £'000	Period ended 2 April 2007 £'000
Loss on ordinary activities before taxation	**(2,981)**	(7,965)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 30%)	**(894)**	(2,390)
Effects of		
Expenses not deductible for tax purposes	**-**	236
Capital allowances for the year in excess of depreciation	**550**	119
Utilisation of tax losses	**2,080**	2,035
Non taxable income	**(1,898)**	-
Short-term timing differences	**163**	452
Adjustment to tax charge in respect of previous years	-	(231)
Current tax charge for the period (note 9(a))	-	221

Fastline Limited
Notes to the financial statements (continued)
for the period ended 31 March 2008

10. Tangible fixed assets

	Plant, equipment & motor vehicles
	£'000
Cost	
At 3 April 2007	27,963
Additions	344
Disposals	(2,193)
At 31 March 2008	**26,114**
Depreciation	
At 3 April 2007	12,221
Charge for the period	3,104
Reversal of impairment provision	(1,421)
Disposals	(740)
At 31 March 2008	**13,164**
Net Book Value	
At 31 March 2008	**12,950**
At 2 April 2007	15,742

11. Investment in subsidiaries

	31 March 2008	2 April 2007
	£'000	£'000
Cost at 3 April 2007 and 31 March 2008	**20,487**	**20,487**

Name of undertaking	Country of Incorporation	Description of shares held	Nature of Business	Holding
Jarvis Plant Hire (Holdings) Limited	England and Wales	Ordinary	Intermediate holding company	100%
On Track Plant Limited	England and Wales	Ordinary	Hire of rail plant	100%

12. Stocks and work in progress

	31 March 2008	2 April 2007
	£'000	£'000
Stock of spares	**1,479**	1,184

13. Debtors

	31 March 2008	2 April 2007
	£'000	£'000
Amounts falling due after more than one year		
Trade debtors	9,006	14,418
Amounts recoverable on contracts	5,107	1,005
Prepayments and accrued income	8,421	4,544
	22,534	19,967

Included in prepayments is an amount of £300,000 (2007 £300,000) which falls due after one year

14. Creditors: amounts falling due within one year

	31 March 2008 £'000	2 April 2007 £'000
Bank loan	10,433	17,337
Trade creditors	5,166	3,711
Amounts owed to group undertakings	59,185	45,697
Obligations under finance leases	-	32
Other taxation and social security	830	1,482
Other creditors	-	60
Accruals and deferred income	2,618	5,840
	78,232	74,159

Amounts owed to group undertakings are included under amounts falling due within one year as the dates of their repayment are not fixed Whilst the amounts are technically repayable on demand, and hence are included in creditors falling due within one year, the directors are of the opinion that, in the ordinary course of business, repayment within such a time scale would not be required

15. Creditors: amounts falling due after more than one year

	31 March 2008 £'000	2 April 2007 £'000
Bank loan	17,723	25,235
Other creditors	93	-
Less included in creditors falling due within one year	(10,433)	(17,337)
	7,383	7,898
The borrowing is repayable over the following period		
Within one year	10,433	17,337
Between one and two years	7,290	882
Between two and five years	-	7,016
	17,723	25,235

The borrowings relate to the Group's committed facility of £67m arranged by Burdale Financial Limited, the secured asset-based lending subsidiary of the Bank of Ireland, secured by way of a fixed and floating charge on the Group's assets, in particular its plant, machinery and receivables under its rail renewal and plant hire contracts

Subsequent to the period end, on 27 May 2008 the Group completed the refinancing of its subordinated debt facilities through its existing senior lenders, Burdale Financial Limited As part of the refinancing, the remaining £10 0m of the Group's subordinated debt was replaced with £5 0m of additional senior debt and a £5 0m cash flow loan, in each case with a term lasting to 31 January 2010

The Group has previously communicated that the £67 0m of loan facilities entered into in July 2006 would amortise down to £62 0m by June 2008 A further £2 0m of debt has now been repaid following asset disposals Accordingly, the Group's overall bank borrowing facilities stand at £60 0m following this refinancing

The effective interest rate on borrowings at the balance sheet date was 11 0% (2007 10 7%)

16. Provisions for liabilities

	31 March 2008 £'000	2 April 2007 £'000
Deferred tax liability arising in respect of accelerated capital allowances	1,900	1,200
Deferred tax asset arising in respect of taxation losses carried forward	(1,900)	(1,200)
	-	-

17. Share capital

	31 March 2008 No '000	2 April 2007 No '000
Authorised		
Ordinary shares of £1 each	10,000	10,000

	31 March 2008 £'000	2 April 2007 £'000
Allotted, called up and fully paid		
5,000,000 ordinary shares of £1 each	5,000	5,000

18. Reconciliation of movements in equity shareholders' deficit

	Share capital £'000	Profit & loss account £'000	Total equity shareholders' deficit £'000
At 3 April 2007	5,000	(29,366)	(24,366)
Loss for the period	-	(2,981)	(2,981)
At 31 March 2008	**5,000**	**(32,347)**	**(27,347)**

19. Capital and lease commitments

The Company had capital commitments of £111,000 at 31 March 2008 (2007 £Nil)

20. Contingent Liabilities

Guarantees have been given by the Company in the ordinary course of business, without limit, in respect of loans and overdrafts of its ultimate parent (Jarvis plc) and fellow subsidiary undertakings (together 'the Group'), which amounted to £67m as at 31 March 2008 (2007 £67m) Subsequent to the year end the Group refinanced its facilities, extending their term until 31 January 2010 and reducing the overall facility to £60m A termination of the Group's banking facilities would crystallise the Company's guarantee, both in respect of the repayment of these facilities and in respect of other costs associated with early redemption

The Company has also guaranteed performance bonds in respect of contracts entered into by fellow subsidiary undertakings in the normal course of business

Fastline Limited
Notes to the financial statements (continued)
for the period ended 31 March 2008

21. Financial commitments

The Company has the following obligations under non-cancellable operating leases

	31 March 2008 Vehicles, plant and machinery £'000	2 April 2007 Vehicles, plant and machinery £'000
Expiring within one year	**1,481**	4,114
Expiring between two and five years	**6,808**	7,356
Expiring in over five years	**561**	599
	8,850	12,069

22. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Jarvis Fastline Group Limited, a company registered in England and Wales The Company's ultimate parent undertaking and ultimate controlling party is Jarvis plc, a company registered and incorporated in England and Wales, whose annual report and financial statements may be obtained from the Secretary, Jarvis plc, Meridian House, The Crescent, York, YO24 1AW