

FIRSTINFO LIMITED

Financial Statements

31 March 2001



**Company Registered
Number: 2180352**

FIRSTINFO LIMITED

FINANCIAL STATEMENTS

31 March 2001

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FIRSTINFO LIMITED

DIRECTORS' REPORT 31 March 2001

The directors have pleasure in submitting the annual report and financial statements for the year ended 31 March 2001.

Principal activities

The company commenced trading on 1 May 2000, providing internet-based information services for FirstGroup bus and rail companies as well as running the National Rail Enquiry Service and fulfilment of telesales orders for First Great Western.

Review of business and future prospects

This is the first year of trading for FirstInfo following the transfer in of First Great Western's contact service operations in April 2000. The company has traded in line with expectations and the financial year culminated with a successful bid to retain its NRES contract for at least a further 3 years.

FirstInfo is well positioned to develop new business initiatives from within the transport sector with information provision high on the agenda of government and transport companies. The combined E-commerce and contact centre services provided currently will be further developed with a focus on E-commerce fulfilment and gaining other contracts in the area of information provision via telephone and new distribution channels.

Financial Matters

The results for the year are given in the profit and loss account on page 5.

The directors recommend payment of a final dividend of £500,000 (£ 250,000 per share) for the year.
(2000: £nil)

Creditors

It is the company's policy to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods and services in accordance with agreed terms and conditions. At 31 March 2001 the company had 35 days purchases outstanding (2000: nil).

Directors

The directors who held office during the year were as follows:

Wilma Allan	(resigned 24.01.2001)
Vernon Barker	(appointed 24.01.2001)
Mike Carroll	
Rodney Dickinson	(appointed 1.12.2000)
Peter Hendy	(appointed 14.6.2000 – resigned 1.12.2000)
Elaine Holt (Managing Director)	(appointed 7.4.2000)
Piers Marlow	(resigned 14.6.2000)
Dr Mike Mitchell	(appointed 7.4.2000)

None of the directors held any shares in the company at any time during the year.

FIRSTINFO LIMITED

DIRECTORS' REPORT
31 March 2001

Directors (continued)

The directors who held office at the end of the year had the following interests in ordinary shares of FirstGroup plc:

Director	Ordinary shares		Share options under savings related share option scheme	Share options under long term incentive plan			
	At end of year 5p shares	At beginning of year 5p shares	At end of year	At end of year	Granted during year	Lapsed/ waived during the year	At beginning of year
Vernon Barker	85	-	-	-	-	-	-
Mike Carroll	236,563	335,857	323	32,150	24,364	-	7,786
Rodney Dickinson	115,367	115,367	-	26,104	16,948	(2,860)	12,016
Elaine Holt	85	-	-	-	-	-	-

Information stated at the beginning of the year show the interests at the start of the financial year or the date of appointment, if later. Information, including details of exercise prices, relating to the savings related share option scheme and the performance share plan are given in note 33 to the financial statements of FirstGroup plc.

There are no contracts or arrangements with the company or any of its fellow group undertakings, other than service contracts or loan notes mentioned above, in which any of the directors are materially interested and which are significant in relation to the business of the company or any of its fellow group undertakings taken as a whole.

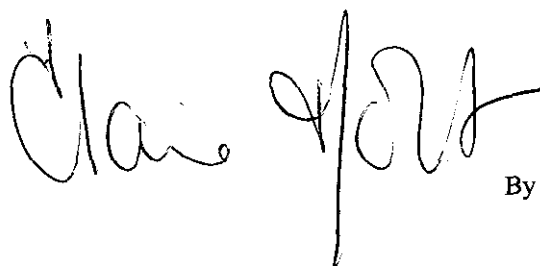
The interests of Dr Mike Mitchell in the ordinary shares of FirstGroup plc are disclosed in the directors' report of FirstGroup plc.

Disabled persons

The company recognises its obligations to give disabled people full and fair consideration for all vacancies within the statutory medical requirement which have to be met for certain grades of staff. Wherever reasonable and practicable, the company will retain newly disabled employees and at the same time provide full and fair opportunities for the career development of disabled people.

Auditors

The company has passed an elective resolution dispensing with the requirement to appoint auditors annually. Deloitte & Touche have indicated their willingness to continue as auditors of the company and are therefore deemed to be reappointed for a further term.



By order of the Board

3rd Floor
Macmillan House
Paddington Station
London
W2 1FG

Elaine Holt
Director
11 July 2001

DIRECTORS' RESPONSIBILITIES

31 March 2001

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 as at the end of the financial year and of the profit or loss 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 the financial statements on a 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 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 them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

FIRSTINFO LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF FIRSTINFO LIMITED
31 March 2001

We have audited the financial statements on pages 5 to 14, which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 March 2001 and of the profit for the year ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and
Registered Auditors

11 July 2001

Hill House
1 Little New Street
London
EC4A 3TR

FIRSTINFO LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2001

	Notes	Year to 31 March 2001 £'000
Turnover	2	9,573
Operating costs	3	<u>(8,508)</u>
Operating profit		<u>1,065</u>
Profit on ordinary activities before taxation	6	1,065
Tax on profit on ordinary activities	7	<u>(345)</u>
Profit for the financial year		720
Equity dividends paid and proposed	8	<u>(500)</u>
Retained profit for the financial year	14	<u>220</u>

There are no prior year comparatives as the company only started trading on 1 May 2000.

All transactions are derived from continuing operations.


No statement of total recognised gains and losses is given as all gains or losses for the current and preceding year passed through the profit and loss account.

FIRSTINFO LIMITED

BALANCE SHEET
at 31 March 2001

	Notes	31 March 2001		31 March 2000	
		£'000	£'000	£'000	£'000
Assets employed:					
Fixed assets					
Tangible assets	9		979		-
Current assets					
Debtors	10	8,920		-	
Creditors: amounts falling due within one year	11	<u>(9,679)</u>		<u>-</u>	
Net current liabilities					
Due within one year			<u>(759)</u>		<u>-</u>
Total assets less current liabilities			<u>220</u>		<u>-</u>
Financed by:					
Capital and reserves					
Called up share capital	13		-		-
Profit and loss account	14		<u>220</u>		<u>-</u>
Equity shareholders' funds			<u>220</u>		<u>-</u>

These financial statements were approved by the Board of Directors on 11 July 2001 and were signed on its behalf by:


Vernon Barker
Director

FIRSTINFO LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 March 2001

	Year to 31 March 2001 £'000
Profit for the financial year	720
Dividends	<u>(500)</u>
Net additions to shareholders' funds	220
Shareholders' funds at beginning of year	<u>-</u>
Shareholders' funds at end of year	<u>220</u>

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of preparation

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

(b) Depreciation

Depreciation is provided to write off the cost less residual value of tangible fixed assets over their estimated useful economic lives as follows:

Other plant and equipment- 3 to 8 years straight line

(c) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax to the extent that it is probable that a liability or asset will crystallise.

(d) Pension costs

Retirement benefits are provided for most employees of the company by means of a defined benefit pension scheme. This is funded by contributions from the company and employees. The company's contributions are charged to the profit and loss account, based on recommendations by an independent actuary, in such a way as to provide for the liabilities evenly over the average remaining working lives of the employees. The difference between the charge to the profit and loss account and the contributions paid by the company is shown as an asset or liability in the balance sheet and the tax effect of this timing difference is included in deferred taxation.

2 Turnover and profit before taxation

Turnover represents the amounts receivable for services supplied to customers during the year.

The whole of the turnover and profit before taxation derives from the company's principal activities within the United Kingdom. The company has one principal class of business.

3 Operating costs

	Year to 31 March 2001 £'000
Materials and consumables	48
Staff costs	6,234
External charges	2,027
Depreciation and other amounts written off tangible fixed assets	<u>199</u>
	<u>8,508</u>

FIRSTINFO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2001

4 Employee numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows:

	Year to 31 March 2001
Commercial	14
Other	<u>61</u>
	<u>75</u>

The aggregate payroll costs of these persons were as follows:

	Year to 31 March 2001 £'000
Wages and salaries	1,327
Social security costs	94
Other pension costs	23
Redundancy costs	-
	<u>1,444</u>

5 Directors' remuneration

	Year to 31 March 2001 £'000	Year to 31 March 2000 £'000
Aggregate emoluments (excluding pension contributions)	<u>94</u>	<u>-</u>

Retirement benefits accrue to one director under defined benefit schemes.

The emoluments of the highest paid director amounted to:

	Year to 31 March 2001 £'000	Year to 31 March 2000 £'000
Aggregate emoluments (excluding pension contributions)	<u>94</u>	<u>-</u>
Defined benefit scheme		
Accrued pension at end of year	2	-
Accrued lump sum at end of year	2	-

Details of directors' options are given in the Directors' report.

FIRSTINFO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 March 2001

6 Profit on ordinary activities before taxation

Year to
31 March 2001
£'000

Profit on ordinary activities before taxation is stated after charging:

Auditors' remuneration	
Depreciation	
- owned assets	199
Rentals payable under operating leases	
- plant and machinery	290
- other assets	67

There are no audit fees for the current or prior years as they are borne by the ultimate parent company, FirstGroup plc.

7 Tax on profit on ordinary activities

Year to 31 March 2001 £'000	Year to 31 March 2000 £'000
-----------------------------------	-----------------------------------

UK corporation tax at 30%		
Group relief payable	350	-
Transfer to deferred tax		
- current year	(5)	-
	<u>345</u>	<u>-</u>

The charge for UK corporation tax has been reduced by the availability of group loss relief, for which payment will be made.

8 Equity dividends

Year to 31 March 2001 £'000	Year to 31 March 2000 £'000
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Ordinary shares of £1 each	
- Final proposed (£250,000 per share (2000: £nil))	<u>500</u>

FIRSTINFO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2001

9 Tangible fixed assets

	Other plant and equipment £'000
Cost	
At beginning of year	-
Additions	185
Intra group transfers	<u>1,115</u>
At end of year	<u>1,300</u>
Depreciation	
At beginning of year	-
Charge for the year	199
Intra group transfers	<u>122</u>
At end of year	<u>321</u>
Net book value	
At 31 March 2001	<u>979</u>
At 31 March 2000	<u>-</u>

10 Debtors

	31 March 2001 £'000	31 March 2000 £'000
Amounts due within one year		
Trade debtors	612	-
Amounts owed from group undertakings	7,505	-
Other debtors	109	-
Deferred taxation (note 12)	5	-
Prepayments and accrued income	671	-
SSAP24 pension debtor	<u>18</u>	<u>-</u>
	<u>8,920</u>	<u>-</u>

FIRSTINFO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2001

11 Creditors

	31 March 2001 £'000	31 March 2000 £'000
Amounts falling due within one year		
Bank overdraft	781	
Trade creditors	682	-
Amounts owed to group undertakings	7,678	-
Tax and social security	150	-
Accruals and deferred income	388	-
	<u>9,679</u>	<u>-</u>

12 Deferred taxation

The amounts provided for deferred taxation and the amounts not provided are set out below.

	Deferred Tax £'000
Opening balance	-
Current year credit	(5)
Closing balance	<u>(5)</u>

The amounts un-provided represent contingent liabilities and are calculated using a tax rate of 30% (2000 - 30%).

	31 March 2001		31 March 2000	
	Provided £'000	Un-provided £'000	Provided £'000	Un-provided £'000
Accelerated capital allowances	29	-	-	-
Other timing differences	(34)	-	-	-
Deferred tax asset	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>-</u>

13 Called up share capital

	31 March 2001 £'000	31 March 2000 £'000
Authorised:		
Ordinary shares of £1 each	<u>105</u>	<u>105</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>-</u>	<u>-</u>

The number of ordinary shares of £1 each in issue at the end of the year was two (2000 – two).

FIRSTINFO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 March 2001

14 Reserves

	Profit and loss account £'000
At beginning of year	-
Retained profit for the year	<u>220</u>
At end of year	<u>220</u>

15 Commitments

Capital expenditure

Capital commitments at the end of the year for which no provision has been made are as follows:

	31 March 2001 £'000	31 March 2000 £'000
Contracted for but not provided	<u>128</u>	-

Operating leases

Commitments for payments in the next year under these operating leases are as follows:

	31 March 2001 £'000	31 March 2000 £'000
Operating leases which expire:		
Due within two to five years	<u>357</u>	-
	<u>357</u>	-

16 Pension scheme

The company is a member of the Great Western Trains Company Limited (GWT) section of the Railways Pension Scheme, which is a defined benefit pension scheme, which is funded. All eligible employees are offered membership of the scheme. The valuation of the scheme was carried out by independent actuaries at 31 December 1998 in respect of the costs used in these accounts. At the date of this actuarial valuation, the market value of the scheme's assets totalled £123.5 million. The scheme's actuaries Watson & Wyatt estimated the market value of the assets notionally attributable to the GWT section to have a surplus of £14.8 million over the market value of reserves required to meet benefit and contribution commitments. The actuarial value of these assets was sufficient to cover 114% of the benefits which had accrued to the scheme's members. This surplus of £14.8 million is being utilised by increasing the benefits offered to the members as well as a reduction in the company's contribution to the scheme. Reduced contribution rates are in force until February 2004.

16 Pension scheme (continued)

Contributions are paid to the scheme at rates recommended by the actuaries and the assets of the scheme are held in a separately administered trust. The schemes' assets are held and managed independently of the company's finances by independent investment managers appointed by the trustees of the scheme.

The actuarial assumptions used in determining the costs used in these accounts were that the rate of return on investments will be 8.5% per annum; the rate of employees earnings increase will be 6.5% per annum; the rate of dividend growth will be 4% per annum; and the rate of inflation will be 4.5% per annum. The valuation was made using the projected unit method.

17 Related party transactions

The company has taken advantage of the exemptions conferred in Financial Reporting Standard No. 8 not to disclose transactions with other group companies.

18 Ultimate parent company

The immediate and ultimate parent company and ultimate controlling party is FirstGroup plc, which is incorporated in Great Britain and registered in Scotland. Copies of the accounts of FirstGroup plc can be obtained from the London office of this company at 3rd Floor, Macmillan House, Paddington Station, London, W2 1FG.