

**ANGLIA RAILWAYS TRAIN SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31 MARCH 2006**

**Company Registered  
Number. 3006570**

**SATURDAY**



**\*ACQRZ518\***

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**22/11/2008**

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**COMPANIES HOUSE**

**ANGLIA RAILWAYS TRAIN SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2006**

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**DIRECTORS' REPORT**

The directors have pleasure in submitting their annual report and financial statements for the year ended 31 March 2006

**Principal activities**

The principal activity of the company was the operation of the Anglia Railways franchise. This expired on 31 March 2004.

**Review of the business and future developments**

Anglia Railways Train Services Limited remains responsible for the fulfilment of residual obligations relating to the business prior to 1 April 2004.

The company has taken advantage of exemption from enhanced business review on the grounds that it is a small company (s246(4)(a) CA85).

It is anticipated that any remaining provisions will be settled by the end of the 2007 financial year.

**Financial matters**

The results for the year are given in the profit and loss account on page 6. The directors do not recommend payment of a dividend (2005 £nil).

**Financial instruments**

The company's principal financial assets are bank balances and trade debtors. The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. The company has no significant concentration of credit risk, with exposure spread over a large number of customers. The credit risk on liquid funds is limited because the counterparties are banks.

**Directors and their interests**

The directors who held office throughout the year, (except as noted) are as follows:

|          |                            |
|----------|----------------------------|
| R Drake  | resigned 19 December 2005  |
| D Gausby | appointed 19 December 2005 |
| J Long   | resigned 7 April 2005      |
| J Morgan |                            |

None of the directors held any shares in the company or any other group company at any time during the year, except as disclosed below.

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

|            | Ordinary shares             |                                    | Share options under savings related share option scheme |                                    | Deferred Share Bonus Scheme |                       |
|------------|-----------------------------|------------------------------------|---|------------------------------------|-----------------------------|-----------------------|
|            | At end of year<br>5p shares | At beginning of year<br>5p shares* | At end of year<br>5p shares                             | At beginning of year<br>5p shares* | At end of year              | At beginning of year* |
| D C Gausby | 431                         | -                                  | -   | -                                  | 5,878                       | -                     |
| J G Morgan | 514                         | 289                                | 3,009   | 3,009                              | 5,800                       | -                     |

\* or date of appointment if later

DIRECTORS' REPORT

|            | Executive share option scheme |         |                       |
|------------|-------------------------------|---------|-----------------------|
|            | At end of year                | Granted | At beginning of year* |
| D C Gausby | 9,997                         | -       | 9,997                 |
| J G Morgan | 18,467                        | -       | 18,467                |

\* or date of appointment if later

Information, including details of exercise prices, relating to the savings related share option scheme and the long term incentive plan are given in the notes 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, in which any of the directors are materially interested and which is significant in relation to the business of the company or any of its fellow group undertakings taken as a whole

**Audit information**

Each of the persons who is a director at the date of approval of this report confirms that

- as far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

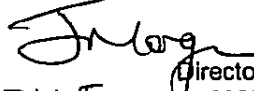
This confirmation is given and should be interpreted in accordance with the provision of S234ZA of the Companies Act 1985

**Auditors**

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

15-25 Artillery Lane  
London  
E1 7HA

Approved by the Board of Directors  
And signed by order of the Board

  
31st January 2007  
Director

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

United Kingdom Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable accounting standards have been followed, and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANGLIA RAILWAYS TRAIN SERVICES LIMITED**

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We have audited the financial statements of Anglia Railways Trains Services Limited for the year ended 31 March 2006 which comprise the profit and loss account, the balance sheet, reconciliation of movements in equity shareholders' funds and the related notes 1 to 18. 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 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANGLIA RAILWAYS TRAIN SERVICES LIMITED**

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**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 2006 and of its loss for the year 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

**Emphasis of matter – Going concern financial statements prepared on a basis other than that of a going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London, United Kingdom

31 January 2007

**PROFIT AND LOSS ACCOUNT**  
For the year ended 31 March 2006

|   | Notes     | 2006<br>£000      | 2005<br>£000       |
|---|-----------|-------------------|--------------------|
| <b>Turnover</b>   | <b>2</b>  | <b><u>3</u></b>   | <b><u>(25)</u></b> |
| Operating costs   |           |                   |                    |
| - General   | 3         | <u>(3)</u>        | <u>25</u>          |
| <b>Profit on ordinary activities before interest</b>  |           | <b>-</b>          | <b>-</b>           |
| Net interest receivable and similar income  | 6         | <u>3</u>          | <u>46</u>          |
| <b>Profit on ordinary activities before taxation</b>  | <b>7</b>  | <b><u>3</u></b>   | <b><u>46</u></b>   |
| Tax charge on profit on ordinary activities   | 8         | <u>(5)</u>        | <u>(52)</u>        |
| <b>Loss on ordinary activities after taxation for the financial year, transferred from reserves</b> | <b>13</b> | <b><u>(2)</u></b> | <b><u>(6)</u></b>  |

All activities relate to discontinued operations

No separate 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

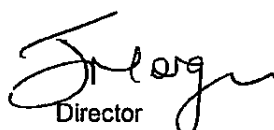


**BALANCE SHEET**

**At 31 March 2006**

|   | Notes | £000         | 2006<br>£000        | £000           | 2005<br>£000        |
|---|-------|--------------|---------------------|----------------|---------------------|
| <b>Assets employed:</b>                               |       |              |                     |                |                     |
| <b>Current assets</b>                                 |       |              |                     |                |                     |
| Debtors   | 9     | 2,454        |                     | 2,797          |                     |
|   |       | <u>2,454</u> |                     | <u>2,797</u>   |                     |
| <b>Creditors, amounts falling due within one year</b> | 10    | <u>(493)</u> |                     | <u>(1,014)</u> |                     |
| <b>Net current assets</b>                             |       |              | 1,961               |                | 1,783               |
| <b>Total assets less current liabilities</b>          |       |              | <u>1,961</u>        |                | <u>1,783</u>        |
| <b>Provisions for liabilities</b>                     | 11    |              | <u>(500)</u>        |                | <u>(320)</u>        |
| <b>Net assets</b>                                     |       |              | <u><u>1,461</u></u> |                | <u><u>1,463</u></u> |
| <b>Financed by</b>                                    |       |              |                     |                |                     |
| <b>Capital and reserves</b>                           |       |              |                     |                |                     |
| Called up share capital                               | 12    |              | 3,250               |                | 3,250               |
| Profit and loss account                               | 13    |              | <u>(1,789)</u>      |                | <u>(1,787)</u>      |
| <b>Equity shareholders' funds</b>                     |       |              | <u><u>1,461</u></u> |                | <u><u>1,463</u></u> |

These financial statements were approved by the Board of Directors on 31st January 2007 and were signed on its behalf by

  
Director

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

For the year ended 31 March 2006

|   | 2006<br>£000        | 2005<br>£000        |
|---|---------------------|---------------------|
| Loss for the financial year                 | (2)                 | (6)                 |
| Net reduction in equity shareholders' funds | <u>(2)</u>          | <u>(6)</u>          |
| Opening equity shareholders' funds          | 1,463               | 1,469               |
| Closing equity shareholders' funds          | <u><u>1,461</u></u> | <u><u>1,463</u></u> |

NOTES TO THE FINANCIAL STATEMENTS

**1 Principal accounting policies**

The following accounting policies have been applied consistently throughout the current and preceding year

**(a) Basis of preparation**

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

At the end of the franchise the company transferred its trade and relevant assets and liabilities on 31<sup>st</sup> March 2004 and ceased trading. The remaining assets and liabilities are still being settled. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future cost of terminating the business of the company except to the extent that such were committed at the balance sheet date. No material adjustments arose as a result of ceasing to apply the going concern basis.

**(b) Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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. Deferred taxation is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**2 Turnover and profit on ordinary activities before taxation**

The whole of the turnover and profit on ordinary activities before interest is derived from the movement of provisions and additional costs in relation to the residual obligations relating to the business prior to 1 April 2004.

**3 Operating costs**

|                        | 2006<br>£000 | 2005<br>£000 |
|------------------------|--------------|--------------|
| Staff costs            | -            | (80)         |
| Other external charges | 3            | 55           |
|                        | <u>3</u>     | <u>(25)</u>  |

NOTES TO THE FINANCIAL STATEMENTS

**4 Employee numbers and costs**

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

|                | 2006<br>No | 2005<br>No |
|----------------|------------|------------|
| Operations     | -          | -          |
| Administration | -          | -          |
|                | <u>-</u>   | <u>-</u>   |

The aggregate payroll costs of these persons were as follows:

|                       | 2006<br>£000 | 2005<br>£000 |
|-----------------------|--------------|--------------|
| Wages and salaries    | -            | (122)        |
| Social security costs | -            | 42           |
|                       | <u>-</u>     | <u>(80)</u>  |

**5 Directors' remuneration**

The directors received no remuneration in respect of their services to the company in either the current or preceding year

At 31 March 2006 there were no directors (2005 – nil) accruing retirement benefits in respect of qualifying services in respect of defined benefit schemes and no directors (2005 – nil) accruing retirement benefits in respect of qualifying services in respect of money purchase schemes

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

**6 Net Interest receivable and similar income**

|  | 2006<br>£000 | 2005<br>£000 |
|--|--------------|--------------|
| <i>Interest receivable</i>                       |              |              |
| Bank interest                                    | -            | 46           |
| Amounts receivable from other group undertakings | 3            | -            |
|  | <u>3</u>     | <u>46</u>    |

NOTES TO THE FINANCIAL STATEMENTS

**7 Profit on ordinary activities before taxation**

There are no audit fees for either the current or preceding year as they are borne by the ultimate parent company, FirstGroup plc

**8 Tax (credit)/charge on profit on ordinary activities**

|  | 2006<br>£000 | 2005<br>£000 |
|--|--------------|--------------|
| Current taxation   |              |              |
| - UK corporation tax charge for the year                                     | 1            | (19)         |
| - Adjustment in respect of prior years                                       | 4            | 71           |
| Total current taxation and total tax charge on profit on ordinary activities | <u>5</u>     | <u>52</u>    |

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 30% (2005 30%) The actual current tax charge for the current and previous year differed from the standard rate for the reasons set out in the following reconciliation

|  | 2006<br>%    | 2005<br>%    |
|--|--------------|--------------|
| Standard rate of taxation                      | 30.0         | 30.0         |
| Factors affecting charge                       |              |              |
| - Capital allowances in excess of depreciation |              | (71.3)       |
| - Prior years' tax charge                      | 136.7        | 154.3        |
| Current taxation rate for the year             | <u>166.7</u> | <u>113.0</u> |

NOTES TO THE FINANCIAL STATEMENTS

**9 Debtors**

|                                    | 2006<br>£000 | 2005<br>£000 |
|------------------------------------|--------------|--------------|
| <b>Amounts due within one year</b> |              |              |
| Trade debtors                      | -            | 128          |
| Amounts owed by group undertakings | 2,454        | 2,608        |
| VAT                                | -            | 46           |
| Prepayments and accrued income     | -            | 15           |
|                                    | <u>2,454</u> | <u>2,797</u> |

**10 Creditors**

|  | 2006<br>£000 | 2005<br>£000 |
|--|--------------|--------------|
| <b>Amounts falling due within one year</b> |              |              |
| Trade creditors                            | -            | 201          |
| Amounts owed to group undertakings         | 4            | 62           |
| Other creditors                            | 148          | 203          |
| Accruals and deferred income               | 341          | 548          |
|  | <u>493</u>   | <u>1,014</u> |

**11 Provisions for liabilities**

|  | Dilapidations<br>£000 |
|--|-----------------------|
| At 1 April 2005                        | 320                   |
| Charged to the profit and loss account | 280                   |
| Released during the year               | (17)                  |
| Utilised during the year               | (83)                  |
| At 31 March 2006                       | <u>500</u>            |

As a result of the end of the Anglia Railways franchise, dilapidations costs for stations will be incurred under their lease terms

The dilapidations for St Clare's House were settled in the year

**12 Called up share capital**

|  | 2006<br>£000 | 2005<br>£000 |
|--|--------------|--------------|
| <b>Authorised:</b>                         |              |              |
| 3,250,000 ordinary shares of £1 each       | <u>3,250</u> | <u>3,250</u> |
| <b>Allotted, called up and fully paid:</b> |              |              |
| 3,250,000 ordinary shares of £1 each       | <u>3,250</u> | <u>3,250</u> |

NOTES TO THE FINANCIAL STATEMENTS

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**13 Profit and Loss Account**

Profit and  
loss  
account  
£000

|                            |                |
|----------------------------|----------------|
| At 1 April 2005            | (1,787)        |
| Retained loss for the year | (2)            |
| At 31 March 2006           | <u>(1,789)</u> |

**14 Commitments**

The company had no capital commitments or any other commitments at 31 March 2006 or at 31 March 2005

**15 Contingent liabilities**

The company is a member of a Value Added Tax ("VAT") group covering a number of subsidiary undertakings. All members of the VAT group are jointly and severally liable in respect of any VAT owed to H M Customs and Excise

**16 Pension scheme**

Following the end of the franchise as described in the Directors' Report, the company no longer has any obligations in respect of a pension scheme

**17 Related party transactions**

The company is taking advantage of the exemption under FRS 8 not to disclose transactions with group companies that are related parties, except for the following:

At 31 March 2006 £nil (2005 - £nil) was payable to the Company by Hull Trains Company Limited (80% subsidiary of the ultimate holding company)

**18 Ultimate parent company**

The directors regard FirstGroup plc, a company incorporated in Great Britain and registered in Scotland, as the ultimate parent and controlling company, which is the smallest and largest group that includes the company for which group financial statements are prepared

The company's immediate controlling party is GB Railways Group plc

Copies of the accounts of FirstGroup plc can be obtained on request from Ground Floor, 50 Eastbourne Terrace, London, W2 6LX.