

ANGLIA RAILWAYS TRAIN SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2004

**Company Registered
Number: 3006570**



ANGLIA RAILWAYS TRAIN SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

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DIRECTORS' REPORT

The directors have pleasure in submitting their annual report and financial statements for the year ended 31 March 2004.

Principal activities

Anglia Railways Train Services Limited operated the Anglia Railways franchise during the year.

Change of ultimate holding company

On 16 August 2003 Anglia Railways Train Services Limited's ultimate holding company, GB Railways Group plc, was acquired by FirstGroup plc and as a result FirstGroup plc became the ultimate holding company.

Review of the business and future developments

The franchise performed well, being at or near the top of most industry measures for InterCity rail operators. A highlight of the year was the receipt of Train Operator of the Year Award 2003 at the HSBC Rail Business Awards in February 2004. The new Norwich – Cambridge service, introduced in September 2002, continued to exceed passenger forecasts and performed well, providing over 500,000 journeys in its first 12 months. At the Company's Norwich Crown Point depot, a Centre of Excellence for the Class 170 Electrical Multiple Units was established in partnership with our lessor and maintenance company Porterbrook Leasing and their supplier Bombardier Transportation. Anglia's Crown Point telesales operation was awarded Investors in People status. In a program funded by the East of England Development Agency and Norfolk County Council, Anglia Railways introduced late night trains on the Bittern Line between Norwich and Sheringham. The Company also extended its trial of Class 90 locomotives on the mainline between London and Norwich, which was recognised by the industry as a valuable initiative for improvement on the route. The company continued to maintain excellent relations with stakeholders.

Franchise expiry

The franchise expired at the end of the financial year. The company met all bonus targets set out in the Deed of Amendment which resulted in additional income for the company. This was partially offset by bonus payments to key members of management and staff who helped the company achieve the targets.

Future

With the expiry of the Anglia Franchise, the Company will no longer operate train services as these have been incorporated into the Greater Anglia Franchise, the competition for which was won by London Eastern Railway Limited a wholly owned subsidiary of National Express Group Plc.

The employees, assets and certain property liabilities were transferred to London Eastern Railway Limited under a transfer scheme made by the Strategic Rail Authority on 1 April 2004 under Schedule 21 of the Transport Act 2000.

Anglia Railways Train Services Limited remains responsible for the fulfilment of residual obligations relating to the business. These include the payment of creditors, collection of debtors, agreement of hand back liabilities under the respective rolling stock and office accommodation leases and settlement of any claims that relate to prior to the 1 April 2004.

Provisions relating to the fulfilment of these obligations have been raised in the outgoing year and we expect that these will be substantially resolved by the end of the 2005 financial year.

DIRECTORS' REPORT (continued)

Financial matters

The results for the year are given in the profit and loss account on page 7.

The directors do not recommend payment of a final dividend. No interim dividend was paid in the year (2003 - £nil).

Fixed assets

In the opinion of the directors, there were no material differences between the market values of the company's properties and their net book values.

Supplier payment policy

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. A number of significant purchases, such as fuel and tyres and commitments under finance leases and hire purchase contracts and under operating leases are paid by direct debit. At 31 March 2004 the company had 24 days' (2003 - 41 days') purchases outstanding.

Directors and their interests

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

J Long	
T Clarke	resigned 01/04/04
J Smith	resigned 01/04/04
J Ellis	resigned 01/04/04
J Morgan	
S Taylor	resigned 01/04/04
R Drake	

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		Share options under long term incentive plan	
	At end of year	At beginning of year	At end of year	At beginning of year	At end of year	At beginning of year
	5p shares	5p shares	5p shares	5p shares	5p shares	5p shares
J Long	-	-	3,760	-	-	-
T Clarke	-	-	759	-	-	-
J Smith	-	-	4,062	-	-	-
J Morgan	-	-	1,699	-	-	-
R Drake	-	-	4,062	-	-	-

DIRECTORS' REPORT (continued)

Directors (continued)

The Directors of the Company during the year and their beneficial interests in the ordinary share capital of GB Railways Group plc were as follows:

	Ordinary shares 75p each	
	31 March 2004	1 April 2003
T Clarke	-	237
J Long	-	490,000
J Morgan	-	244,237
J Smith	-	7,459
R Drake	-	40,000

The Directors participated in one or more of the immediate parent company, GB Railways Group plc, share option schemes.

On 16 August 2003, FirstGroup plc acquired 100% of the share capital of GB Railways Group Plc upon which the Directors exercised their share options for consideration of £2.50 per share.

Details are as follows:

	J Morgan		J Ellis		T Clarke		J Smith		Market value at date of grant (p)	Period of exercise
	Number granted	Exercise price (p)	Number granted	Exercise price (p)	Number granted	Exercise price (p)	Number granted	Exercise price (p)		
Unapproved Share Option Scheme 1998										
Brought forward	-	-	10,000	100.0	-	-	-	-	85.0	15/11/05-14/11/12
Exercised	-	-	(10,000)	-	-	-	-	-	-	-
Total carried forward	-	-	-	-	-	-	-	-	-	-
Shadow Share Scheme 1997										
Brought forward	-	-	-	-	47,500	100.0	47,500	100.0	100.0	31/05/00-30/05/07
Exercised	-	-	-	-	(47,500)	-	(47,500)	-	-	-
Total carried forward	-	-	-	-	-	-	-	-	-	-
EMI Scheme										
Brought forward	50,000	100.0	-	-	10,000	100.0	10,000	100.0	85.0	15/11/05-14/11/12
Exercised	(50,000)	-	-	-	(10,000)	-	(10,000)	-	-	-
Total carried forward	-	-	-	-	-	-	-	-	-	-

The interests of J P W Long and R Drake in the share option schemes of GB Railways Group plc are disclosed in the accounts of that company.

There is no contract or arrangements with the company or any of its fellow group undertakings, other than service contracts, in which any of the directors is 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.

DIRECTORS' REPORT (continued)

Employee involvement

Communication with employees is effected mainly through regular briefing and negotiating meetings between the directors, the senior management and employee representatives on the central and depot negotiating committees. The briefing meetings enable senior management to consult employees and to ascertain their views on matters likely to affect their interests. Employee involvement has been extended by the appointment of employee directors nominated by the workforce.

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.

Charitable and political donations

The company made various donations to UK charities totalling £450 (2003 - £205) during the year. There were no payments made for political purposes in either the current or prior year.

Auditors

BDO Stoy Hayward resigned as the Company's auditors on 2 October 2003. A resolution to appoint Deloitte & Touche LLP as auditors for the financial year was passed on 2 October 2003.

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.

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

15-25 Artillery Lane
London
E1 7HA



Secretary

25 January

2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 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; 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 are responsible for the system of internal control, for safeguarding the assets of the company and hence 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

We have audited the financial statements of Anglia Railways Train Services Limited for the year ended 31 March 2004 which comprise the profit and loss account, the balance sheet, reconciliation of movement in shareholders' funds and the related notes 1 to 24. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Deloitte & Touche LLP**Chartered Accountants and Registered Auditors
London

25 Jan 2005

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2004

	Notes	2004 £000	2003 £000
Turnover	2	<u>77,621</u>	<u>68,498</u>
Operating costs			
- General	3	<u>76,130</u>	<u>68,642</u>
Operating profit/(loss)		<u>1,491</u>	<u>(144)</u>
Income from fixed asset investments	6	<u>-</u>	<u>20</u>
Profit/(loss) on ordinary activities before interest		<u>1,491</u>	<u>(124)</u>
Net interest receivable and similar income	7	<u>133</u>	<u>132</u>
Profit on ordinary activities before taxation	2, 8	<u>1,624</u>	<u>8</u>
Tax charge on profit on ordinary activities	9	<u>(155)</u>	<u>(8)</u>
Profit on ordinary activities after taxation for the financial year, transferred to reserves	17	<u>1,469</u>	<u>-</u>

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 2004

	Notes	2004 £000	2003 £000
Assets employed:			
Fixed assets			
Tangible assets	10	1,200	1,693
Investments	11	-	-
		<u>1,200</u>	<u>1,693</u>
Current assets			
Stocks	12	676	493
Debtors	13	6,810	7,262
Cash at bank and in hand		5,904	7,613
		<u>13,390</u>	<u>15,368</u>
Creditors: amounts falling due within one year	14	<u>(12,921)</u>	<u>(17,061)</u>
Net current assets/(liabilities)		469	(1,693)
Due within one year		458	(1,709)
Amounts due after more than one year	13	11	16
Net current assets/(liabilities)		<u>469</u>	<u>(1,693)</u>
Total assets less current liabilities		1,669	-
Provisions for liabilities and charges	15	<u>(200)</u>	<u>-</u>
Net assets		<u><u>1,469</u></u>	<u><u>-</u></u>
Financed by:			
Capital and reserves			
Called up share capital	16	3,250	3,250
Profit and loss account	17	(1,781)	(3,250)
Equity shareholders' funds		<u><u>1,469</u></u>	<u><u>-</u></u>

These financial statements were approved by the Board of Directors on 25 Jan 2004 and were signed on its behalf by:



Richard Drake
Director

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 31 March 2004

	2004 £000	2003 £000
Profit for the financial year	1,469	-
Net addition to shareholders' funds	<u>1,469</u>	<u>-</u>
Opening shareholders' funds	-	-
Closing shareholders' funds	<u><u>1,469</u></u>	<u><u>-</u></u>

NOTES TO THE ACCOUNTS

1 Principal accounting policies

The following accounting policies have been applied consistently throughout the current and preceding year 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 United Kingdom accounting standards.

(b) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

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

Property related capital expenditure	-	period of lease
Other plant and equipment	-	3 to 8 years straight line

(c) Investments

Fixed asset investments are shown at cost less provision for impairment.

(d) Leases and hire purchase

All leases are operating leases and the rental charges are taken to the profit and loss account on a straight line basis over the life of the lease.

(e) Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete and slow moving or defective items where appropriate.

(f) 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. 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.

NOTES TO THE ACCOUNTS (continued)

1 Principal accounting policies (continued)

(g) Pension costs

Retirement benefits are provided for some employees of the company by means of a defined benefit pension scheme or money purchase 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 on ordinary activities before taxation

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

The whole of the turnover and profit on ordinary activities before taxation derives from the company's principal activities within the United Kingdom. The company has one principal class of business, namely the provision of passenger transport services.

3 Operating costs

	2004 £000	2003 £000
Staff costs	21,205	19,115
Other external charges	54,253	49,078
Depreciation	672	449
	<u>76,130</u>	<u>68,642</u>

NOTES TO THE ACCOUNTS (continued)

4 Employee numbers and costs

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

	2004 No.	2003 No.
Operations	727	737
Administration	168	130
	<u>895</u>	<u>867</u>

The aggregate payroll costs of these persons were as follows:

	2004 £000	2003 £000
Wages and salaries	19,210	17,504
Social security costs	1,642	1,383
Other pension costs	275	143
Redundancy costs	78	85
	<u>21,205</u>	<u>19,115</u>

5 Directors' remuneration

The remuneration of the directors during the year was as follows:

	2004 £000	2003 £000
Aggregate emoluments (excluding pension contributions)	189	174
Company pension contributions to money purchase scheme	6	4
	<u>195</u>	<u>178</u>

At 31 March 2004 there was 1 director (2003 – 1) accruing retirement benefits in respect of qualifying services in respect of defined benefit schemes and 1 director (2003 – 1) 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 Income from fixed asset investments

	2004 £000	2003 £000
Income from shares in subsidiary undertakings	-	20
	<u>-</u>	<u>20</u>

NOTES TO THE ACCOUNTS (continued)

7 Net interest receivable and similar income

	2004 £000	2003 £000
<i>Interest payable</i>		
Amounts payable to other group undertakings	(21)	-
Corporation Tax Interest	-	(15)
Other loans	-	(13)
	<u>(21)</u>	<u>(28)</u>
<i>Interest receivable</i>		
Bank interest	154	160
	<u>133</u>	<u>132</u>

8 Profit on ordinary activities before taxation

	2004 £000	2003 £000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Auditors' remuneration (2003 auditors' remuneration relates to BDO Stoy Hayward)		
- Audit fee	62	43
- Non audit fees	8	(2)
Depreciation		
- owned assets	672	449
Rentals payable under operating leases		
- plant and machinery	13,197	13,175
- other operating leases	21,484	21,512
Net rents receivable from property	(490)	(458)

9 Tax charge on profit on ordinary activities

	2004 £000	2003 £000
Current taxation		
- UK corporation tax charge for the year	153	-
- Adjustment in respect of prior years	2	8
Total tax charge on profit on ordinary activities	<u>155</u>	<u>8</u>

NOTES TO THE ACCOUNTS (continued)

9 Taxation (continued)

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 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:

	2004 %	2003 %
Standard rate of taxation	30.0	30.0
Factors affecting charge		
- Expenses not deductible for tax purposes	1.3	20.0
- Capital allowances in excess of depreciation	0.7	(75.0)
- Utilisation of tax losses	(22.4)	100.0
- Prior years' tax charge	(0.1)	100.0
- Income not charged to tax	-	(75.0)
Current taxation rate for the year	<u>9.5</u>	<u>100.0</u>

10 Tangible fixed assets

	Other plant and equipment and property related capital expenditure £000
Cost	
At 1 April 2003	3,267
Additions	179
At 31 March 2004	<u>3,446</u>
Depreciation	
At 1 April 2003	1,574
Charge for year	672
At 31 March 2004	<u>2,246</u>
Net book value	
At 31 March 2004	<u>1,200</u>
At 31 March 2003	<u>1,693</u>

11 Fixed asset investments

In accordance with a Direction from the Secretary of State for Transport a 4 pence share in each of the following companies was transferred from the Board to the Company for nil consideration on 2 February 1996.

ATOC Limited
Rail Settlement Plan Limited
Rail Staff Travel Limited

During the prior year the company was allotted a £1 ordinary share in RITC Ltd.

NOTES TO THE ACCOUNTS (continued)

Fixed asset investments	Country of incorporation and operation	Activity	Proportion of ordinary shares held %
ATOC Limited	UK	Provision of a secretariat for association of train operating companies	3.8%
Rail Settlement Plan Limited	UK	Manages the operation of the ticketing and settlement scheme	4%
Rail Staff Travel Limited	UK	Procures provision of staff travel facilities for various employees and former employees	4%
RITC Limited	UK	National training organisation for the UK rail industry	1%

12 Stocks

	2004 £000	2003 £000
Spare parts and consumables	676	493

There is no material difference between the balance sheet value of the stocks and their replacement cost.

13 Debtors

	2004 £000	2003 £000
Amounts due within one year		
Trade debtors	4,532	4,514
Amounts owed by group undertakings	1,029	1,059
VAT	673	464
Other debtors	7	12
Other prepayments and accrued income	558	1,197
	<u>6,799</u>	<u>7,246</u>
Amounts due after one year		
Other debtors	11	16
	<u>11</u>	<u>16</u>
	<u>6,810</u>	<u>7,262</u>

14 Creditors

	2004 £000	2003 £000
Amounts falling due within one year		
Trade creditors	5,324	4,955
Amounts owed to group undertakings	421	428
Corporation tax	153	8
Other tax and social security	475	1,008
Other creditors	1,534	1,561
Accruals and deferred income	5,014	9,101
	<u>12,921</u>	<u>17,061</u>

NOTES TO THE ACCOUNTS (continued)

15 Provisions for liabilities and charges

	Dilapidations £000
At 1 April 2003	-
Charged to the profit and loss account	200
At 31 March 2004	<u>200</u>

As a result of the end of the Anglia Railways franchise, dilapidations costs for stations and St Clare's House will be incurred under their lease terms. This provision is expected to be utilised by the end of 2004.

16 Called up share capital

	2004 £000	2003 £000
Authorised:		
3,250,000 ordinary shares of £1 each	<u>3,250</u>	<u>3,250</u>
Allotted, called up and fully paid:		
3,250,000 ordinary shares of £1 each	<u>3,250</u>	<u>3,250</u>

17 Profit and Loss Account

	Profit and loss account £000
At 1 April 2003	(3,250)
Retained profit for the year	1,469
At 31 March 2004	<u>(1,781)</u>

18 Commitments

The company had no capital commitments or any other commitments at 31 March 2004 or at 31 March 2003.

NOTES TO THE ACCOUNTS (continued)

19 Operating leases

Commitments for payments in the next year under non-cancellable operating leases are as follows:

	2004		2003	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	-	-	3,807	30,832
Between two and five years	-	-	48	-
After five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>3,855</u>	<u>30,832</u>

20 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.

21 Pension scheme

During the year to 31 March 2004, the company operated a defined benefit pension scheme, which was funded. All eligible employees were offered membership of the Anglia Railways Shared Cost Section part of the Railways Pension scheme. A full actuarial valuation of the Section was carried out at 31 December 2001 and updated to 31 March 2004 on a FRS 17 basis by Watson Wyatt LLP, independent qualified actuaries. At the date of the latest full actuarial valuation, the market value of the scheme's assets totalled £35.3m. The actuarial value of these assets was sufficient to cover 87.8% of the benefits which had accrued to the scheme's members.

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

Contributions during the year were 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 were 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 new investments will be 6.3% per annum, the rate of earnings increase will be 4.10% per annum and the rate of inflation will be 2.60% per annum. The valuation was made using the projected unit method.

The total pension cost in the year was £275,000 (2003 - £143,000), of which £100,000 (2003 - £nil) relates to defined benefit schemes and £175,000 (2003 - £143,000) relates to money purchase schemes.

At 31 March 2004 there were outstanding pension contributions of £96,000 (2003 - £56,000).

NOTES TO THE ACCOUNTS (continued)

22 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.

During the year the Company entered into the following arrangements with related parties.

Hull Trains Company Limited
(80% subsidiary of the immediate parent company)

(a)	Hire agreement for class 170/2 trains	£1,873,001	(2003 - £1,793,912).
(b)	Contract for provision of train crew	£nil	(2003 - £253,777).
(c)	Contract for support services	£579,796	(2003 - £591,290).

At 31 March 2004 £810,966 (2003 - £764,871) was payable to the Company by Hull Trains Company Limited.

23 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 3rd Floor, MacMillan House, Paddington Station, London W2 1FG.

24 Subsequent event

On 1 April 2004 the Anglia franchise expired. Further information regarding this event is disclosed in the directors' report.