

West Anglia Great Northern Railway Limited

Directors' Report and Accounts

For the year ended 31 December 2001

Company number: 3007944



Registered office:

Hertford House
1 Cranwood Street
London
EC1V 9QS

West Anglia Great Northern Railway Limited

Directors' Report and Accounts

Contents

	Page
Directors' Report	3
Statement of Directors' Responsibilities	8
Auditors' Report	9
Profit and Loss Account	10
Balance Sheet	11
Notes to the Accounts	12

West Anglia Great Northern Railway Limited

Directors' Report

The Directors present their Report and Accounts for the year ended 31 December 2001.

Principal activities

The principal activity of the company during the last financial period was the operation of passenger railway services between Kings Cross and Peterborough, and Liverpool Street and Kings Lynn.

Review of business developments and prospects

In March we launched the London Lines organisation to encompass the support functions of c2c, Silverlink and WAGN (including Stansted Express) businesses, which are all part of the National Express Group PLC. This involved the consolidation of a number of central functions such as fleet maintenance and customer relations.

WAGN's performance was badly disrupted by Emergency Speed Restrictions (ESRs) and the poor quality of the infrastructure on which the service runs. We are strongly encouraging Railtrack as a matter of urgency to address this issue. This did not, however, stop us from investing in the service with the delivery of a new bonding partnership with local councils and the installation of CCTV at selected stations.

Results and dividend

The profit for the period attributable to the shareholders amounts to £4,945,000 (nine months to 31.12.00: loss of £484,000). The Directors do not propose the payment of a dividend (nine months to 31.12.00: £3,500,000 paid).

Significant Events after Balance Sheet date

On the 10th May 2002 one of our Great Northern trains was involved in a serious accident at Potters Bar station. Services from that date have been severely disrupted and a full investigation launched. We are working with Railtrack and the Health and Safety Executive to establish the cause of the accident and potential impacts. The station reopened on the 20th May 2002 and normal service was resumed.

West Anglia Great Northern Railway Limited

Directors' Report

Directors

The Directors of the Company who served during the year are listed below:-

	Date of Appointment	Date of Resignation
D.D.G. Booth		
R.H. Brown		13.08.2001
I.J. Buchan	14.06.2001	
A.N. Chivers	03.05.2001	14.01.2002
A.C.R. Golton	06.02.2001	
R. Lockett		03.05.2001
A.J. McDonald		13.08.2001
R.J.Morris	14.01.2002	
R. O'Toole		
E.A.Pike		
M.A. Powles		03.05.2001
J.B.Ratcliffe	14.06.2001	
W.P. Rollason		13.08.2001
C.N.Tilley	14.06.2001	
P.M.White		13.08.2001

Directors' interests

None of the directors had a beneficial interest in the shares of the Company.

R. O'Toole is a director of the ultimate parent company, and his interest in the share capital of that company are shown in the accounts of National Express Group PLC.

West Anglia Great Northern Railway Limited

Directors' Report

The Directors in office at 31 December 2001 and their families had the following beneficial interest in the share capital of National Express Group PLC.

	Ordinary Shares			Share options			At 31 December 2001
	At 1 January 2001	At 31 December 2001	At 1 January 2001	Granted during period	Exercised during period		
D. D. G. Booth	-	-	-	3,478	A	-	3,478
				11,522	B	-	11,522
A.N.Chivers	-	-	-	3,478	A	-	3,478
				1,522	B	-	1,522
A.C.R.Golton	2,157	-	5,000	D	-	-	5,000
			5,000	E	-	-	5,000
			10,000	G	-	-	10,000
			-	1,522	B	-	1,522
			-	3,478	A	-	3,478
E.A.Pike	183	183	3,544	C	-	3,544	C
			6,456	D	-	6,456	D
			10,000	F	-	-	10,000
			20,000	I	-	-	20,000
			10,000	G	-	-	10,000
			-	7,500	B	-	7,500
J.B.Ratcliffe	-	-	3,115	H	-	-	3,115
			4,385	I	-	-	4,385
			-	7,500	B	-	7,500
C.N.Tilley	-	-	3,544	C	-	-	3,544
			3,956	D	-	-	3,956
			10,000	I	-	-	10,000
			20,000	G	-	-	20,000
			-	1,750	B	-	1,750

Options Granted Under National Express Group PLC Executive Share Option Scheme:

- A Granted on 19.04.01 under the 1992 Executive Share Option Scheme at £8.625.
- B Granted on 19.04.01 under the 1996 Executive Share Option Scheme (Unapproved) at £8.625.
- C Granted on 23.03.98 under the 1992 Executive Share option Scheme at £8.465. E Pike exercised option on 15.05.01 and sold 3,544 shares on 16.05.01 for £9.15.
- D Granted on 23.03.98 under the 1996 Executive Share option Scheme (Unapproved) at £8.465. E Pike exercised option on 15.05.01 and sold 6,456 shares on 16.05.01 for £9.15.
- E Granted on 14.09.98 under the 1996 Executive Share Option Scheme (Unapproved) at £9.465.
- F Granted on 22.03.99 under the 1996 Executive Share Option Scheme (Unapproved) at £12.24.
- G Granted on 20.04.00 under the 1996 Executive Share Option Scheme (Unapproved) at £5.25
- H Granted on 13.09.99 under the 1992 Executive Share Option Scheme at £9.63.
- I Granted on 13.09.99 under the 1996 Executive Share Option Scheme (Unapproved) at £9.63.

West Anglia Great Northern Railway Limited

Directors' Report

Employee involvement

West Anglia Great Northern Railway Limited is a non-discriminatory employer operating an Equal Opportunities Policy which aims to eliminate unfair discrimination, harassment, victimisation and bullying. The Company is committed to ensuring that all individuals are treated fairly, with respect and are valued irrespective of disability, race, gender, health, social class, sexual preference, marital status, nationality, religion, employment status, age or membership or non-membership of a trade union.

The Company uses the consultative procedures agreed with its staff and elected representatives with a view to ensuring that employees are aware of the financial and economic factors which affect the Company's performance and prospects.

It is policy to continue to employ those who become disabled in service, together with some recruitment where circumstances permit. Training is adjusted to cater for an individual disability and the disabled share the same conditions of service as other staff in relation to career development and promotion.

Charitable and political contributions

The company made charitable donations of £nil (nine months to 31.12.00: £300) during the year.

It is the Company's policy not to make political contributions and accordingly none were made in the year.

Supplier payment policy

It is the policy of the company to pay its suppliers within contractual and invoiced terms. Trade creditor days of the Company for the year ended 31 December 2001 were 45 days based on the ratio of company trade creditors at the end of the year to the amounts invoiced during the year by trade creditors (nine months to 31.12.00: 62 days).

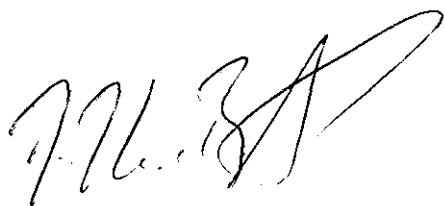
West Anglia Great Northern Railway Limited

Directors' Report

Auditors

In accordance with section 386 of the Companies Act 1985 a resolution has been passed to dispense with the obligations to appoint auditors annually. Accordingly, Ernst & Young LLP shall be deemed to be reappointed as auditors 28 days after the accounts are sent to members.

By order of the Board



D Booth
Director

Registered Office:
Hertford House
1 Cranwood Street
London
EC1V 9QS

Date approved by the Directors: 22/05/02

West Anglia Great Northern Railway Limited

Statement of Directors' Responsibilities

Company law requires the Directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that these accounts comply with the above requirements.

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 accounts 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.

Report of the auditors' to the members of West Anglia Great Northern Railway

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, and the related notes 1 to 23. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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 mis-statement, 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 accounts.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP *Ernst & Young LLP*
Registered Auditor
London
Date approved: *23 May 2002*

West Anglia Great Northern Railway Limited

Profit and Loss Account

For the year ended 31 December 2001

		Year ended 31 December 2001 £000	9 months ended 31 December 2000 £000
	Note		
Turnover	2		
Passenger Income		213,344	137,737
Revenue Grant		21,898	10,645
Other operating income		1,332	10,865
		<u>236,574</u>	<u>159,247</u>
Operating costs	3	<u>(228,617)</u>	<u>(161,100)</u>
Operating profit/(loss)	3	7,957	(1,853)
Net interest receivable	6	<u>1,258</u>	<u>1,160</u>
Profit/(loss) on ordinary activities before taxation		9,215	(693)
Taxation on profit on ordinary activities	7	<u>(4,270)</u>	<u>209</u>
Profit/(loss) on ordinary activities after taxation		4,945	(484)
Dividends		-	(3,500)
Retained profit/(loss) for the financial period/year		<u>4,945</u>	<u>(3,984)</u>

All activities relate to continuing operations.

Operating costs includes exceptional costs of £6,932,000 (2000: Nil)

There are no recognised gains or losses other than the profit/(loss) attributable to the shareholders of the Company stated above.

West Anglia Great Northern Railway Limited

Balance Sheet

As at 31 December 2001

	Note	31 December 2001 £000	31 December 2000 £000
Fixed assets			
Tangible assets	8	10,323	13,738
Investments	9	-	-
Current assets			
Stocks	10	2,632	2,510
Debtors	11	73,018	96,082
Cash at bank and in hand		362	155
		<u>76,012</u>	<u>98,747</u>
Creditors: amounts falling due within one year	12	<u>(70,135)</u>	<u>(101,864)</u>
Net current assets/(liabilities)		<u>5,877</u>	<u>(3,117)</u>
Total assets less current liabilities		<u>16,200</u>	<u>10,621</u>
Creditors: amounts falling due after more than one year	13	-	(73)
Provisions for liabilities and charges	14	(707)	-
		<u>15,493</u>	<u>10,548</u>
Capital and reserves			
Share capital	16	2,375	2,375
Share premium account	17	7,125	7,125
Profit and loss account	17	5,993	1,048
Equity shareholders' funds		<u>15,493</u>	<u>10,548</u>

On behalf of the board:

Date:

23/05/02

Director

The notes on pages 12 to 22 form part of the accounts.

West Anglia Great Northern Railway Limited

Notes to the Accounts

For the year ended 31 December 2001

1. Accounting policies

(a) Basis of preparation

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

(b) Turnover

- (i) Passenger income represents amounts agreed as attributed to the company by the income allocation systems of the Rail Settlement Plan Limited, mainly in respect of passenger receipts. Income is attributed based principally on models of certain aspects of passengers' travel patterns and, to a lesser extent, from allocations agreed for specific revenue flows. The attributed share of season ticket income is deferred within creditors, and released to the profit and loss account over the period of the relevant season ticket.
- (ii) Revenue grant relates to amounts receivable from the Strategic Rail Authority (SRA). Income is recognised on an accruals basis.
- (iii) Other income is derived from ticket commissions, station trading income, depot and station access payments, performance regime payments, and the provision of goods or services to other train operating companies and excludes VAT. It is recognised on an accruals basis.

(c) Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred tax is calculated using the liability method in respect of timing differences arising from the difference between the accounting and tax treatment of various items. Provision is made where the timing differences are expected to reverse in the foreseeable future.

(d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost. Depreciation is provided on a straight line basis to write off the cost less estimated residual value of fixed assets over their expected useful economic lives as follows:-

Leasehold improvement	10 – 15 years
Plant and equipment	5 – 10 years
Motor vehicles	3 years

West Anglia Great Northern Railway Limited

Notes to the Accounts

For the year ended 31 December 2001

(e) Leased assets

Assets held under finance leases are included as tangible fixed assets and depreciated over their expected useful lives. The corresponding obligations relating to finance leases, excluding finance charges allocated to future periods, are included in creditors. Finance costs are allocated to the profit and loss account on a straight line basis.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

(f) Grants

Capital grants are credited to deferred grant income and released to the profit and loss account over the estimated useful economic lives of the related assets.

(g) Pension

The charge to the profit and loss account for defined benefit pension schemes reflect evenly over the working lives of the employees, as recommended by the pension scheme's actuaries, subject to the limit that the cost during the franchise period shall not exceed the total cash contributions projected to be made during this period. Contributions to defined contribution schemes and to personal pension arrangements are expensed as incurred.

2. Turnover

All turnover originates in the United Kingdom.

The Directors consider that the whole of the activities of the Company constitute a single class of business.

West Anglia Great Northern Railway Limited

Notes to the Accounts

For the year ended 31 December 2001

3. Operating profit

	Year ended 31 December 2001	9 months ended 31 December 2000
	£000	£000
Operating profit is stated after charging/(crediting):		
Depreciation -- owned assets	6,077	1,366
Operating lease rentals		
- rolling stock charges	50,120	34,734
- other plant and equipment	-	2,637
Rents receivable	(1,331)	(917)
Exceptional items - restructuring costs	1,963	-
Exceptional items - Fair Value	4,969	-
Auditors' remuneration - audit fees	26	35
- other services	5	3
Access charges payable to Railtrack plc	71,832	53,969

The results for the period ended 31 December 2001 reflect the reassessment of the carrying values of the net assets following the acquisition of WAGN by National Express Group PLC, resulting in charges of £4,969,000 (9 months to year end: charges against turnover of £2,109,000 and cost of sales of £5,634,000).

The restructuring costs were incurred as a result of the formation of London Lines organisation. London Lines encompasses the support functions of c2c, Silverlink and WAGN (including Stansted Express) businesses, which are all part of the National Express Group PLC

West Anglia Great Northern Railway Limited

Notes to the Accounts

For the year ended 31 December 2001

4. Directors' emoluments

	Year ended 31.12.01 £000	9 months ended 31.12.00 £000
Aggregate emoluments in respect of qualifying services to the company	318	373
	<u>318</u>	<u>373</u>

The emoluments excluding pension contributions of the highest paid director were £147,000 (for nine months ended 31 December 2000: £229,000). His accrued pension and accrued lump sum benefit as at 31 December 2001 were £3,082 and £2,427 respectively.

The Directors of National Express Group PLC received no remuneration in respect of their services to this company.

Retirement benefits accrued during the year to five directors under a defined benefit scheme in respect of services provided to the company.

5. Staff costs

	Year ended 31.12.01 £000	9 months ended 31.12.00 £000
Wages & salaries	43,758	31,550
Social security costs	3,438	2,476
Other pension costs	-	1,190
	<u>47,196</u>	<u>35,216</u>

The average number of employees (including directors) during the year was as follows:

	Year ended 31.12.01 No.	9 months ended 31.12.00 No.
Managerial and administrative	136	113
Operational	1,661	1,570
	<u>1,797</u>	<u>1,683</u>

West Anglia Great Northern Railway Limited

Notes to the Accounts

For the year ended 31 December 2001

6. Interest

	Year ended 31.12.01 £000	9 months ended 31.12.00 £000
Interest receivable		
Bank deposits	61	903
Other interest receivable	1,197	257
	<u>1,258</u>	<u>1,160</u>

7. Taxation

The tax charge/(credit) on profit/(loss) on ordinary activities before taxation is made up as follows:

	Year ended 31.12.01 £000	9 months ended 31.12.00 £000
UK Corporation tax	4,270	812
Deferred tax	-	(1,021)
	<u>4,270</u>	<u>(209)</u>

West Anglia Great Northern Railway Limited

Notes to the Accounts

For the year ended 31 December 2001

8. Tangible assets

	Short Leasehold Improvements £000	Motor Vehicles £000	Plant & Equipment £000	Total £000
Cost				
At 1 January 2001	5,530	280	11,656	17,466
Re-classification	(5,530)	-	5,530	-
Additions	-	-	2,703	2,703
Disposals	-	(108)	(751)	(859)
At 31 December 2001	-	172	19,138	19,310
Depreciation				
At 1 January 2001	1,254	193	2,281	3,728
Re-classification	(1,254)	-	1,254	-
Charge for the year	-	46	6,031	6,077
Disposals	-	(67)	(751)	(818)
At 31 December 2001	-	172	8,815	8,987
Net book value				
At 31 December 2001	-	-	10,323	10,323
At 31 December 2000	4,276	87	9,375	13,738

9. Investments

The company held the following investments at the 31 December 2001 and at the 31 December 2000:

	Country of registration	Number of shares held	Class of share	Proportion held
ATOC Limited	UK	1	Ordinary (4p)	4%
Rail Settlement Plan Limited	UK	1	Ordinary (4p)	4%
Rail Staff Travel Limited	UK	1	Ordinary (4p)	4%
NRES Limited	UK	1	Ordinary (4p)	4%

The principal activity of the above companies is to provide a range of services to all passenger rail operators, each of which have an equal share in the companies.

West Anglia Great Northern Railway Limited

Notes to the Accounts

For the year ended 31 December 2001

10. Stocks

	31.12.01 £000	31.12.00 £000
Engineering spares and consumable supplies	<u>2,632</u>	<u>2,510</u>

11. Debtors

	31.12.01 £000	31.12.00 £000
Trade debtors	9,056	47,141
Amounts due from group undertakings	33,029	29,142
Other debtors	12,987	5,612
Corporation tax recoverable	-	884
ACT recoverable	-	267
Prepayments and accrued income	17,946	13,036
	<u>73,018</u>	<u>96,082</u>

12. Creditors: amounts falling due within one year

	31.12.01 £000	31.12.00 £000
Trade creditors	8,106	29,153
Bank overdraft	-	363
Amounts due to group undertakings	5,186	3,673
Other creditors	1,642	11,385
Corporation Tax	2,818	-
Social security and other taxation	2,230	2,293
Group tax relief payable	-	294
Accruals and deferred income	27,656	30,360
Deferred season ticket income	22,497	24,343
Proposed dividend	-	-
	<u>70,135</u>	<u>101,864</u>

West Anglia Great Northern Railway Limited

Notes to the Accounts

For the year ended 31 December 2001

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

	31.12.01	31.12.00
	£000	£000
Deferred grants	-	73

14. Provision and Liabilities

	£000
At 1 January 2001	-
Provided in the year	(707)
Utilised in the year	-
At 31 December 2001	(707)

Insurance provision arises from estimated exposure at year end on existing insurance claims, the majority of which will be utilised in the next six years.

15. Deferred taxation

The amounts of deferred tax unprovided in the accounts are as follows:

	31.12.01	31.12.00
	£000	£000
Capital allowances in excess of depreciation	360	861
Short term timing differences	(275)	374
	85	1,235

16. Share capital

<i>Authorised</i>	31.12.01	31.12.00
	£000	£000
9,500,000 Ordinary shares of 25p each	2,375	2,375
<i>Allotted, called up and fully paid</i>		
	31.12.01	31.12.00
	£000	£000
9,500,000 Ordinary shares of 25p each	2,375	2,375

West Anglia Great Northern Railway Limited

Notes to the Accounts

For the year ended 31 December 2001

17. Reserves

	Share Capital	Share Premium	Profit and Loss account	Total
	£000	£000	£000	£000
At 1 January 2001	2,375	7,125	1,048	10,548
Retained profit for the year	-	-	4,945	4,945
At 31 December 2001	<u>2,375</u>	<u>7,125</u>	<u>5,993</u>	<u>15,493</u>

18. Reconciliation of Movements in Shareholders' Funds

	31.12.01 £000	31.12.00 £000
Profit/(Loss) attributable to members of the Company	4,945	(3,984)
Net movement in shareholders' funds	<u>4,945</u>	<u>(3,984)</u>
Shareholders' funds at 1 January	10,548	14,532
Shareholders' funds at 31 December	<u>15,493</u>	<u>10,548</u>

19. Capital Commitments

	31.12.01 £000	31.12.00 £000
Contracted	<u>-</u>	<u>686</u>

20. Operating lease commitments

	Land & buildings 31.12.01 £'000	Other 31.12.01 £'000	Land & buildings 31.12.00 £'000	Other 31.12.00 £'000
Leases which expire:				
Between one and five years	2,031	102,077	697	129,989
Over five years	-	-	271	-
	<u>2,031</u>	<u>102,077</u>	<u>968</u>	<u>129,989</u>

The company has contracts with Railtrack PLC for access to the railway infrastructure (track, stations and depots), which are due to expire on 31 March 2004.

West Anglia Great Northern Railway Limited

Notes to the Accounts

For the year ended 31 December 2001

21. Pension schemes

The majority of the employees are members of the appropriate shared-cost section of the Railways Pension Scheme ("RPS"), a defined benefit scheme. The last actuarial valuations for the RPS sections of the train operating companies were at 31 December 1998. The aggregate market value of the assets in these schemes at the date of the last actuarial valuation was £599m. The actuarial value of the assets for the schemes represented a range of approximately 104% to 123% of the liability for the benefits that had accrued to that date, after making full allowance for the future earnings increases. Any available surpluses are dealt with in accordance with recognised distribution limits.

The principal assumptions made when valuing the schemes are that the rate of investment returns will be 6.75% per annum and that earnings will increase at 4.5% per annum.

The regular pension costs for each section is based on the results of the most recent actuarial valuation and makes allowance for the fact that the shared cost section has been re-opened to new entrants. The variation from regular pension cost, which recognises the employers' share of the excess of assets over liabilities of each shared cost section, is spread over the remaining respective franchise periods.

The additional disclosures required by FRS 17, during the transitional period are set out below:

Rate of increase in salaries	4.0%
Rate of increase of pensions in payment	2.5%
Discount rate	6.0%
Inflation assumption	2.5%

The assets in the scheme and the expected long-term rate of return as at 31 December 2001 were:

	Rate of return	£m
Equities	8.0%	80.7
Bonds	5.4%	9.4
Property	6.7%	5.4
Others	5.0%	(0.1)

The following amounts at 31 December 2001 were measured in accordance with the requirements of FRS17:

	£m
Total market value of assets	95.4
Present value of scheme liabilities	<u>85.9</u>
Surplus in the scheme	9.5
Irrecoverable surplus	<u>(0.5)</u>
Pension asset recognised in balance sheet	9.0
Related deferred tax liability	(2.7)
Net pension asset	6.3

West Anglia Great Northern Railway Limited

Notes to the Accounts

For the year ended 31 December 2001

21. Pension schemes (Cont.)

If FRS 17 had been adopted in the financial statements, the Company's net assets and profit and loss reserve at 31 December 2001 would have been as follows:

	£m
Net assets excluding pension asset	15.5
Pension asset	<u>6.3</u>
Net assets including pension asset	21.8
Profit and loss reserve excluding Pension asset	6.0
Pension reserve	<u>6.3</u>
Profit and loss reserve	<u>12.3</u>

Under SSAP 24 a prepayment of £nil (2000: £1,543,000) is included in prepayments and accrued income, note 11.

22. Cashflow statement

The Company has taken advantage of the exemption granted by FRS No. 1 (Revised), "Cash flow statements", whereby it is not required to publish its own statement of cash flows.

The financial statements of National Express Group PLC for the year ending 31 December 2001 contain a consolidated statement of cash flows.

23. Ultimate parent and controlling undertaking

The Company has taken advantage of the exemption granted by FRS 8(3), whereby it is not required to publish details of transactions with the controlling parent company or companies within the group.

The Company is a wholly owed subsidiary undertaking of, and is controlled by, National Express Trains Ltd, a company registered in England and Wales.

The ultimate parent company is National Express Group PLC.

The results of the Company are included in the consolidated accounts of National Express Group PLC for the year ending 31 December 2001.

Copies of these accounts are available from:-

The Secretary
National Express Group PLC
75 Davies Street
London
W1K 5HT