

# DIRECTORS' REPORT AND ACCOUNTS

## West Anglia Great Northern Railway Limited

COMPANY No. 3007944

31 March 2000



Registered Office

Hertford House  
1 Cranwood Street  
London, EC1V 9QS

## **DIRECTORS' REPORT AND ACCOUNTS**

### **WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED**

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**WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000**

The Directors submit their report and accounts for the year ended 31 March 2000.

**PRINCIPAL ACTIVITY**

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

**BUSINESS REVIEW AND PROSPECTS**

During 1999/2000 passenger income grew by 11.3% to £185,771,000

The results from the fast Kings Cross to Cambridge train and the Liverpool Street to Stansted Airport service were again very encouraging. Further changes were made to the summer timetables, introduced in June 1999, which more closely met the requirements of our customers, improved the punctuality of trains and contributed to income growth.

The prospects for 2000/01 remain promising, particularly with the continuing growth expected at Stansted Airport, and the continued investment in Customer Services

**RESULTS AND DIVIDENDS**

Details of the results are set out on page 6. The Company made distributable profits of £ 7,094,000 in the year. A final dividend of £4,000,000 is proposed.

**DIRECTORS AND THEIR INTERESTS**

The Directors of the Company at the date of this report were as follows:-

R L Howells - Chairman  
M Adams  
E A R Cameron  
G R Fearnley  
R Lockett  
M A Powles

All served as Directors throughout the year, except Mr. M Adams who was appointed on 6th December 1999. Messrs. R F Smyth and H B Nichol resigned as Directors on 31st December 1999 and 30th September 1999 respectively.

The interests of the Directors in the share capital and contractual arrangements with the Company and other group undertakings are disclosed in note 19.

## **WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **DIRECTORS RESPONSIBILITIES**

Company law requires the Directors to prepare accounts for each financial year 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 year. In preparing these accounts 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 accounts;
- \* prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm the above requirements have been complied with in the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the 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.

#### **EMPLOYEES**

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.

The Company's policy is to continue to employ those who become disabled in service, together with some recruitment of disabled persons 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.

#### **SUPPLIER PAYMENT POLICY**

It is the policy of the Company to agree terms of payment with suppliers, or to make suppliers aware of standard payment terms at the time that orders for goods and services are placed, and to settle accounts with suppliers in accordance with those terms, subject to the satisfactory provision of the goods and services. Trade creditors at 31 March 2000 represented 31 days purchases (1999 : 34 days).

WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED

DIRECTORS' REPORT (CONTINUED)

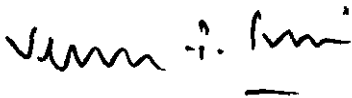
CHARITABLE AND POLITICAL CONTRIBUTIONS

The Company made charitable donations of £2,175 during the year.

AUDITORS

A resolution to re-appoint PricewaterhouseCoopers as the Auditors and to authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting.

On behalf of the Board.

A handwritten signature in black ink, appearing to read 'J P Simon', with a horizontal line underneath.

J P Simon  
Secretary

15th June 2000

**AUDITORS' REPORT TO THE MEMBERS OF  
WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED**

We have audited the financial statements on pages 6 to 17 which have been prepared under the historical cost convention and the accounting policies on pages 8 and 9.

**Respective responsibilities of Directors and Auditors**

The Directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

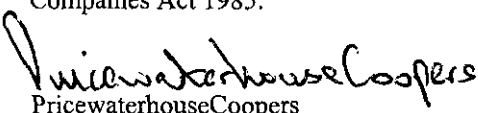
**Basis of opinion**

We conducted our audit in accordance with 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 judgments 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 at 31 March 2000 and of its profit for the year then ended, and have been properly prepared in accordance with the United Kingdom Companies Act 1985.

  
PricewaterhouseCoopers

Chartered Accountants and Registered Auditors  
1 Embankment Place  
London  
WC2N 6NN

15th June 2000

**WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2000**

		<b>Year ended 31 March 2000</b>	<b>Year ended 31 March 1999</b>
	Notes	£'000	£'000
<b>Turnover</b>	2		
Passenger income		185,771	166,861
Revenue grant		27,000	35,934
Other income		<u>11,399</u>	<u>11,046</u>
		224,170	213,841
Operating expenses	3	<u>(215,528)</u>	<u>(203,420)</u>
<b>Operating profit</b>	3	8,642	10,421
Interest receivable & similar income	6	1,720	2,838
Interest payable	6	<u>(1)</u>	<u>(1)</u>
<b>Profit on ordinary activities before taxation</b>		10,361	13,258
Taxation	7	<u>(3,267)</u>	<u>(3,731)</u>
<b>Profit on ordinary activities after taxation</b>		7,094	9,527
Dividends: paid		-	(6,700)
proposed		(4,000)	(2,100)
<b>Retained profit for the year</b>	17	<u><u>3,094</u></u>	<u><u>727</u></u>

All amounts relate to continuing operations.

**STATEMENT OF TOTAL  
RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2000**

	<b>2000 £'000</b>	<b>1999 £'000</b>
Profit on ordinary activities after taxation	<u>7,094</u>	<u>9,527</u>
Total recognised gains for the year	7,094	9,527
Prior year adjustment	-	287
Total recognised gains since last Annual Report	<u><u>7,094</u></u>	<u><u>9,814</u></u>

The notes on pages 8 to 16 form part of these accounts.

WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED

BALANCE SHEET  
as at 31 March 2000

		31 March 2000 £'000	31 March 1999 £'000
<b>Fixed assets</b>	Notes		
Tangible fixed assets	8	10,547	5,443
Investments	9	<u>-</u>	<u>-</u>
		<u>10,547</u>	<u>5,443</u>
<b>Current assets</b>			
Stocks and work in progress	10	2,290	1,744
Debtors and prepayments	11	20,012	14,733
Cash at bank and in hand	12	<u>34,735</u>	<u>43,404</u>
		57,037	59,881
<b>Creditors: Amounts falling due within one year</b>	13	<u>(51,959)</u>	<u>(53,081)</u>
<b>Net current assets</b>		<u>5,078</u>	<u>6,800</u>
<b>Total assets less current liabilities</b>		15,625	12,243
<b>Creditors: Amounts falling due after more than one year</b>	14	(72)	(326)
<b>Provisions for liabilities and charges</b>	15	<u>(1,021)</u>	<u>(479)</u>
<b>Net assets</b>		<u><u>14,532</u></u>	<u><u>11,438</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	2,375	2,375
Share premium account	17	7,125	7,125
Profit and loss account	17	<u>5,032</u>	<u>1,938</u>
<b>Equity shareholders' funds</b>	17	<u><u>14,532</u></u>	<u><u>11,438</u></u>

On behalf of the Board

Managing Director:

*E A Cameron*

E A Cameron

Date: 15 June 2000

The notes on pages 8 to 16 form part of these accounts.



**WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000**

**1 ACCOUNTING POLICIES**

**a) Basis of Preparation**

The accounts have been prepared under the historical cost convention and are 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 Office of Passenger Rail Franchising (OPRAF). 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) 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 improvements	10 - 15 years
Plant and equipment	5 - 10 years
Motor vehicles	3 years

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

**d) 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.

**WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**(e) 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.

**f) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**g) Investments**

Fixed asset investments are stated at cost less provision for any impairment.

**h) Pensions**

The charge to the profit and loss account for defined benefit pension schemes reflects the cost of pension obligations spread 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.

**i) Restructuring Costs**

Provision has been made for the restructuring costs only when the Company is committed to incurring such costs and they can be reliably estimated, in accordance with FRS 12.

**2 TURNOVER**

All turnover was generated in the United Kingdom from the Company's principal activity, the operation of passenger rail services.

**3 OPERATING PROFIT**

	2000	1999
	£'000	£'000
(i) Operating expenses comprise :		
Cost of sales (including exceptional restructuring costs)	191,052	187,197
Distribution costs	17,073	10,058
Administrative Expenses	7,403	6,165
	<u>215,528</u>	<u>203,420</u>

WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED

NOTES TO THE ACCOUNTS (continued)

(ii) Operating profit is stated after charging / (crediting):	2000	1999
	£'000	£'000
Auditors' remuneration		
Audit services	19	20
Non-audit services	14	25
Tax Consultancy	13	-
Access charges payable to Railtrack PLC	96,353	87,187
Operating lease rentals:		
Rolling stock charges	45,133	41,597
Other plant and equipment	650	673
Other	-	272
Depreciation: Owned assets	1,226	438
Rents receivable	(1,108)	(965)
Exceptional items - Restructuring costs	552	36

4 DIRECTORS' EMOLUMENTS

	2000	1999
	£'000	£'000
Aggregate emoluments in respect of qualifying services to the company	591	450
Compensation for loss of office	993	-
	<u>1,584</u>	<u>450</u>

The emoluments of M Adams, G R Fearnley and R L Howells for services performed in connection with the Company were paid by Prism Rail PLC, the Company's parent undertaking, and recharged to the Company as part of a management charge.

The emoluments excluding pension contributions of the highest paid director were £219,000 (1999: £101,000). His accrued pension and accrued lump sum benefit as at 31 March 2000 were £18,627.19 and £607.00 respectively.

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

5 EMPLOYEES

	2000	1999
	£'000	£'000
Staff costs:		
Wages and salaries	37,852	32,689
Social security costs	3,194	2,484
Other pension costs	450	185
	<u>41,496</u>	<u>35,358</u>

The average number of persons employed by the Company during the year including directors was:

	2000	1999
	Number	Number
Operations	1,579	1,327
Management and administration	78	99
	<u>1,657</u>	<u>1,426</u>

WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED

NOTES TO THE ACCOUNTS (continued)

6 INTEREST RECEIVABLE AND PAYABLE

2000  
£'000

1999  
£'000

a) Interest receivable:

Bank deposits

1,484

2,738

Inter-group interest

200

68

Other

36

32

1,720

2,838

b) Interest payable:

Finance charges - finance leases

1

1

Other interest payable

-

-

1

1

7 TAXATION

2000  
£'000

1999  
£'000

UK Corporation tax at 30%

-

-

Group relief payable at 30%

2,682

3,290

Deferred taxation at 30%

542

479

Tax charge on franked investment income

-

-

Prior year Corporation tax @ 30%

43

(38)

3,267

3,731

8 TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
--	------------------------------------	---------------------------------	----------------------------	----------------

Cost

At 1 April 1999

1,018

5,308

370

6,696

Additions

2,025

4,284

28

6,337

Disposals

-

(5)

(55)

(60)

At 31 March 2000

3,043

9,587

343

12,973

Depreciation

At 1 April 1999

315

669

269

1,253

Charge for the year

355

865

6

1,226

Disposals

-

(1)

(52)

(53)

At 31 March 2000

670

1,533

223

2,426

Net book value

At 31 March 2000

2,373

8,054

120

10,547

At 31 March 1999

703

4,639

101

5,443

**WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**9 INVESTMENTS**

The Company held the following unlisted investments at 31 March 2000 and 31 March 1999.

	Country of registration	Number of shares held	Class of share	Proportion held
Rail Staff Travel Ltd.	England	1	Ordinary (4p)	4%

These investments are shown at cost.

**10 STOCKS**

	2000 £'000	1999 £'000
Engineering spares and consumable supplies	<u>2,290</u>	<u>1,744</u>

**11 DEBTORS**

	2000 £'000	1999 £'000
Trade debtors	9,054	6,838
Amounts due from group undertakings:		
parent undertaking	3,400	500
fellow subsidiary undertaking	35	402
Other debtors	2,090	3,410
Corporation Tax recoverable	248	248
ACT recoverable	267	267
Prepayments and accrued income	<u>4,918</u>	<u>3,068</u>
	<u>20,012</u>	<u>14,733</u>

**12 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes an amount of £20,160,000 (1999: £20,094,000) held in a designated account to support a season ticket bond provided by the Company's bankers to the Director of Passenger Rail Franchising in support of the Company's franchise obligations.

**13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2000 £'000	1999 £'000
Obligations under hire purchase and finance leases	-	12
Trade creditors	16,679	15,274
Amounts due to group undertakings:		
to parent undertaking	927	294
to fellow subsidiary undertaking	106	112
Other creditors	1,627	4,332
Corporation tax payable	-	267
Group tax relief payable	1,071	3,290
Other taxation and social security	914	833
Proposed dividend	4,000	2,100
Deferred season ticket income	20,773	20,140
Accruals and other deferred income	<u>5,862</u>	<u>6,427</u>
	<u>51,959</u>	<u>53,081</u>

WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED

NOTES TO THE ACCOUNTS (continued)

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2000 £'000	1999 £'000
Obligations under hire purchase and finance leases	-	15
Other creditors	-	213
Deferred grants	<u>72</u>	<u>98</u>
	<u>72</u>	<u>326</u>

Obligations under hire purchase and finance leases are due as follows:

	2000 £'000	1999 £'000
Within 1 year	-	12
Within 1 - 2 years	-	15
Within 2 - 5 years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>27</u>

15 PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges represent deferred taxation provisions. The movement during the year was as follows :

	Capital allowances in advance of Depreciation £'000	Other Timing Differences £'000	Total £'000
At 1 April 1999	232	247	479
Profit and loss account	340	202	542
At 31 March 2000	<u>572</u>	<u>449</u>	<u>1,021</u>

At 31 March 2000 deferred tax assets relating to accelerated capital allowances and other timing differences not recognised in the accounts amounted to Nil (1999: Nil).

16 CALLED UP SHARE CAPITAL

	Authorised Number of shares	£	Issued Number of shares	£
Ordinary shares of 25p each				
At 1 April 1999 and 31 March 2000	<u>9,500,000</u>	<u>2,375,000</u>	<u>9,500,000</u>	<u>2,375,000</u>

WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED

NOTES TO THE ACCOUNTS (continued)

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital	Share premium	Profit and loss account	2000	1999
	£'000	£'000	£'000	£'000	£'000
Opening shareholder's funds:					
As originally stated	2,375	7,125	1,938	11,438	10,424
Prior year adjustment	-	-	-	-	287
	<u>2,375</u>	<u>7,125</u>	<u>1,938</u>	<u>11,438</u>	<u>10,711</u>
Retained profit for the year	-	-	3,094	3,094	727
Closing shareholder's funds	<u>2,375</u>	<u>7,125</u>	<u>5,032</u>	<u>14,532</u>	<u>11,438</u>

18 FINANCIAL COMMITMENTS

(a) Operating lease and similar commitments

The Company has the following annual commitments due under operating leases which expire as follows:

	2000		1999	
	Land & buildings	Other	Land & buildings	Other
	£'000	£'000	£'000	£'000
Under one year	-	-	-	1,433
Between one and five years	272	49,979	272	45,444
Over five years	-	-	-	-
	<u>272</u>	<u>49,979</u>	<u>272</u>	<u>46,877</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 (continued)**

**(b) Pension commitments**

All Company employees are offered membership of the Railways Pension Scheme, an industry-wide scheme, which was established with effect from 1 October 1994 when the British Rail Pension Scheme was partitioned. Until 1 September 1998, all employees who joined the scheme became members of a shared cost section, providing defined benefits. On that date these shared cost sections were closed to new joiners and the Company established a defined contribution section for them instead. On 1 March 2000, it was decided to re-open the shared cost sections to new joiners and close the defined contributions sections. The latest actuarial valuations of the shared cost sections are:

	Valuation Date	Accrued Liabilities and Reserves £'000	Assets £'000	Funding Level
West Anglia Great Northern Railway Limited	31 December 1998	66,500	73,700	113%

This valuation was carried out by the Scheme's independent actuaries and contribution rates have been determined using the attained age method. The principal assumptions underlying this latest valuations were that the long term average return on investments would exceed price inflation by 3.75% per annum, that future pensionable pay awards would exceed price inflation by 1.5% per annum, and that dividend growth on UK equities would be 0.75% per annum more than the rate of price inflation.

The regular pension costs for each section is based on the result of the most recent actuarial valuation and makes allowance for the fact that the shared cost sections have 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. A prepayment of £1,543,000 (1999 - £877,000) is included in prepayments and accrued income in note 11.

Under the defined contribution sections of the Scheme for staff joining on or after 1 September 1998 and for service up to 28 February 2000, employers' contributions have been fixed at 7.5% of pensionable pay.



**WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**19 DIRECTORS' INTERESTS**

Messrs M Adams, E A R Cameron, G R Fearnley and R L Howells have interests in the shares of the ultimate parent Company, Prism Rail PLC, and are also Directors of that company. Their interests in the shares of Prism Rail PLC are disclosed in the accounts of that company.

Messrs R Lockett, M A Powles and R F Smyth, together with other senior management of the Company have been granted options over shares of Prism Rail PLC under the Prism Rail PLC 1996 Unapproved Employee Share Option Scheme as follows:

	Date of grant	Number of shares	Exercise Price	Exercise date
R Lockett	27 February 1997	14,286	392p	27 February 2000 to 26 February 2004
	11 September 199	3,383	286.5p	11 September 2000 to 10 September 2004
	1 July 1998	12,418	470p	1 July 2001 to 30 June 2005
	11 June 1999	16,458	405p	11 June 2002 to 10 June 2006
M A Powles	1 July 1998	15,505	470p	1 July 2001 to 30 June 2005
	11 June 1999	17,836	405p	11 June 2002 to 10 June 2006
R F Smyth	11 June 1999	18,519	405p	11 June 2002 to 10 June 2006

During the period the Company entered into a number of transactions in which Directors had an interest by nature of their management responsibilities and shareholdings. The costs charged to the Company related to the provision of bus and coach hire on a contractual basis, and were as follows:

Companies connected with Mr. G Fearnley	£85,100
Companies connected with Mr. R Howells	£7,104

**20 RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption (under Financial Reporting Standard 8) from providing details of related party transactions with group related parties as they are incorporated within the accounts of its parent company, Prism Rail PLC. Copies of that company's accounts can be obtained from its registered office at 32 Ludgate Hill, London, EC4M 7DR.

**21 ULTIMATE PARENT UNDERTAKING**

The Company's controlling party and ultimate parent undertaking is Prism Rail PLC.

**22 CASH FLOW STATEMENT**

The Company has used the exemption under Financial Reporting Standard 1 (revised 1996) not to prepare a cash flow statement as the company is included in the consolidated accounts of its ultimate parent company.

**WEST ANGLIA GREAT NORTHERN RAILWAY LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**3 SUBSEQUENT EVENT**

On 15 June 2000 the company's parent company, Prism Rail PLC, announced that it had signed Heads of Terms with the Shadow Strategic Rail Authority agreeing to surrender three years early, on 31 March 2001, certain of its existing operations. Those services operating out of Kings Cross and Moorgate (Great Northern), which are currently part of WAGN, will be one such surrendered operation. WAGN's West Anglia services out of Liverpool street, including Stansted Express, will continue to be run until its expiry date in 2004, but an agreement has also been made with the SSRA to co-operate with the SSRA in any refranchising process that might affect that business.