

GREAT WESTERN TRUSTEES LIMITED

Financial Statements

31 March 2000



**Company Registered
Number: 3161093**

GREAT WESTERN TRUSTEES LIMITED

FINANCIAL STATEMENTS

31 March 2000

Contents	Pages
Directors' Report	1 - 2
Directors' Responsibilities	3
Report of the Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Reconciliation of Movements in Shareholders' Funds	7
Notes to the Accounts	8 - 9

GREAT WESTERN TRUSTEES LIMITED

DIRECTORS' REPORT

31 March 2000

The directors have pleasure in submitting their annual report and financial statements for the year ended 31 March 2000.

Principal activities

Great Western Trustees Limited was established by Great Western Holdings Limited (GWH) as a Trustee of the Great Western Profit Sharing Scheme and the Great Western Employee Share Ownership Trust which are approved by the Inland Revenue in accordance with Schedules 9 and 10 of the Income and Corporation Taxes Act 1988. The transactions, assets and liabilities recognised in these accounts are those of the company acting in its capacity as Trustee. Accordingly, the company itself has no beneficial interest in the transactions entered into during the year.

Financial Matters

The results for the year are given in the profit and loss account on page 5. The directors do not recommend payment of a dividend (1999 – nil).

Directors

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

Mike Carroll	(appointed 07.02.00)
Nick Chevis	
Richard George	(resigned 24.01.00)
Dr Mike Mitchell	(appointed 07.02.00)

None of the directors held any shares in the company at any time during the year. The directors who held office at the end of the year had the following interests in ordinary shares of FirstGroup plc:

Director	Ordinary shares		Share options under savings related share option scheme			Share options under long term incentive plan			At beginning of year
	At end of year 5p shares	At beginning of year 5p shares	At end of year	Granted during year	Adjust't for bonus element of rights issue	At beginning of year	At end of year	Granted during year	Adjust't for bonus element of rights issue
Mike Carroll	335,857	349,054	323	311	12	-	7,786	7,508	278
Nick Chevis	-	-	-	-	-	-	25,284	7,114	900
									17,270

Information stated at the beginning of the year is the interest at the start of the financial year or the date of appointment, if later.

The numbers of options and the exercise prices were varied during the year to take account of the dilutive effect of the FirstGroup plc rights issue. The market price of FirstGroup plc shares at 31 March 2000 was 174p and the range during the year was 152p to 399p. Information, including details of exercise prices, relating to the savings related share option scheme and the performance share plan are given in note 31 to the financial statements of FirstGroup plc.

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

GREAT WESTERN TRUSTEES LIMITED

DIRECTORS' REPORT

31 March 2000

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

Year 2000

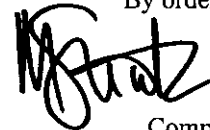
Following the initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the Year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business. However, the situation is still being monitored. Any further costs associated with this issue cannot be quantified but are not expected to be significant.

Auditors

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

Milford House
1 Milford Street
Swindon
SN1 1HL

By order of the Board



Marie Smith
Company Secretary
26 January 2001

GREAT WESTERN TRUSTEES LIMITED

DIRECTORS' RESPONSIBILITIES

31 March 2000

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

GREAT WESTERN TRUSTEES LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF GREAT WESTERN TRUSTEES LIMITED

31 March 2000

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

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

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2000 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and
Registered Auditors

26 January 2001

Hill House
1 Little New Street
London
EC4A 3TR

GREAT WESTERN TRUSTEES LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2000

	Notes	Year to 31 March 2000 £	Year to 31 March 1999 £
Operating costs and operating loss – continuing operations	2	(34)	(52,174)
Profit on sale of investments		<u>95,460</u>	<u>-</u>
Profit/(loss) on ordinary activities before taxation		95,426	(52,174)
Tax on profit on ordinary activities	4	<u>(2,250)</u>	<u>-</u>
Retained profit/(loss) for the financial year	9	<u>93,176</u>	<u>(52,174)</u>

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

GREAT WESTERN TRUSTEES LIMITED

BALANCE SHEET
at 31 March 2000

	Notes	31 March 2000 £	31 March 1999 £
Assets employed:			
Fixed assets			
Investments	5	-	2,720,188
Current assets			
Cash at bank and in hand	6	<u>44,034</u>	<u>44,067</u>
		44,034	44,067
Creditors: amounts falling due within one year	7	<u>(19,029)</u>	<u>(2,832,426)</u>
Net current assets/(liabilities)		<u>25,005</u>	<u>(2,788,359)</u>
Total assets less current liabilities		<u>25,005</u>	<u>(68,171)</u>
Financed by:			
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	<u>25,003</u>	<u>(68,173)</u>
Equity shareholders' funds/(deficit)		<u>25,005</u>	<u>(68,171)</u>

These financial statements were approved by the board of directors on 26 January 2001 and were signed on its behalf by:



Nick Chevis
Director

GREAT WESTERN TRUSTEES LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 March 2000

	Year to 31 March 2000 £'000	Year to 31 March 1999 £'000
Profit/(loss) for the financial year	<u>93,176</u>	<u>(52,174)</u>
Net increase/(reduction) in shareholders' funds	93,176	(52,174)
Shareholders' deficit at beginning of year	<u>(68,171)</u>	<u>(15,997)</u>
Shareholders' funds/(deficit) at end of year	<u>25,005</u>	<u>(68,171)</u>

GREAT WESTERN TRUSTEES LIMITED

NOTES TO THE ACCOUNTS

31 March 2000

1 Principal accounting policies

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

(a) Basis of preparation

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

(b) Investments

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

2 Operating costs

	Year to 31 March 2000 £	Year to 31 March 1999 £
External charges	34	<u>52,174</u>

3 Employee numbers and costs

During the current and prior year the number of employees was nil. No directors' emoluments were paid in either the current or preceding year.

4 Tax on profit on ordinary activities

	Year to 31 March 2000 £'000	Year to 31 March 1999 £'000
UK corporation tax at 30% (1999 – 31%)		
- current year	<u>2,250</u>	<u>-</u>
	<u>2,250</u>	<u>-</u>

5 Investments

	£'000
Shares in group undertaking at cost	
At beginning of year	2,720,188
Disposals	<u>(2,720,188)</u>
At end of year	<u>-</u>

During the year, the company, in its capacity as trustee of the Great Western Employee Share Ownership Trust disposed of 127,984 shares in Great Western Holdings Limited for £2,815,648. The amount borrowed from Great Western Holdings Limited to purchase these shares was repaid with the proceeds of the sale.

GREAT WESTERN TRUSTEES LIMITED

NOTES TO THE ACCOUNTS

31 March 2000

6 Cash at bank and in hand

	31 March 2000 £	31 March 1999 £
Amounts held by bankers	-	15,714
Bank deposits	<u>44,034</u>	<u>28,353</u>
	<u>44,034</u>	<u>44,067</u>

7 Creditors

	31 March 2000 £	31 March 1999 £
Amounts falling due within one year		
Amounts owed to group undertakings	16,779	2,832,426
Corporation tax	<u>2,250</u>	-
	<u>19,029</u>	<u>2,832,426</u>

8 Called up share capital

	31 March 2000 £	31 March 1999 £
Authorised		
100,000 ordinary shares of 1p each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
200 ordinary shares of 1p each	<u>2</u>	<u>2</u>

9 Reserves

	Profit and loss account £'000
At 1 April 1999	(68,173)
Retained profit for the year	<u>93,176</u>
At 31 March 2000	<u>25,003</u>

10 Related party transactions

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

11 Ultimate parent company

The ultimate parent company and ultimate controlling party is FirstGroup plc, which is incorporated in Great Britain and registered in Scotland. Copies of the accounts of FirstGroup plc can be obtained from the Corporate Headquarters of this company at 32a Weymouth Street, London W1N 3FA. The company's immediate controlling party is Great Western Holdings Limited.