

GREAT WESTERN TRUSTEES LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2006



**Company Registered
Number: 3161093**

GREAT WESTERN TRUSTEES LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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DIRECTORS' REPORT

31 March 2006

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

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 financial statements are those of the company acting in its capacity as Trustee. Accordingly, the company 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 6. The directors have not recommended payment of a final dividend (2005: nil). The company has taken advantage of exemption from enhanced business review on the grounds that it is a small company (s246(4)(a) CA85).

Financial instruments

The company's principal financial assets are its bank balances.

Directors and their interests

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

Nick Chevis
Dean Finch

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

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

	Ordinary 5p shares		Share options under savings related share option scheme		
	At beginning of year	At end of year	At beginning of year	At end of year	
N Chevis	947	1,251	1,968	345	
	Deferred share bonus scheme		Executive share option scheme		
	At beginning of year	At end of year	At beginning of year	Granted	At end of year
N Chevis	36,105	36,233	77,311	-	61,727

DIRECTORS' REPORT
31 March 2006

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

Information, including details of exercise prices, relating to the savings related share option scheme and the long-term incentive plan are given in note 35 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, 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.

The interests of Dean Finch in the ordinary shares of FirstGroup plc are disclosed in the directors' report of FirstGroup plc.

Audit information

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

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

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

Auditors

The company has passed an elective resolution dispensing with the requirement to appoint auditors annually; Deloitte & Touche LLP 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

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



Nick Chevis
Director
25 January 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Great Western Trustees Limited for the year ended 31 March 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

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

Basis of audit opinion

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREAT WESTERN TRUSTEES LIMITED (continued)

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Deloitte Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

29 January 2007

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2006

	Notes	2006 £	2005 £
Operating costs	2	-	(30)
Loss on ordinary activities before taxation	4	-	(30)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation		-	(30)
Loss for the year, transferred to reserves	8	-	(30)

All activities relate to continuing operations.

No separate Statement of Total Recognised Gains and Losses is given as all gains or losses for the current and preceding year passed through the profit and loss account.

BALANCE SHEET
At 31 March 2006

	Notes	2006 £	2005 £
Assets employed:			
Current asset			
Cash at bank and in hand		78,368	78,368
Creditors: amounts falling due within one year	6	(57,427)	(57,427)
Total assets less current liabilities		<u>20,941</u>	<u>20,941</u>
Financed by:			
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account	8	20,939	20,939
Shareholders' funds		<u>20,941</u>	<u>20,941</u>

These financial statements were approved by the Board of directors on 25 January 2007 and were signed on its behalf by:

Nick Chevis
Director



RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS
For the year ended 31 March 2006

	2006 £	2005 £
Loss for the financial year	<u>-</u>	<u>(30)</u>
Net reduction in equity shareholders' funds	-	(30)
Opening equity shareholders' funds	20,941	20,971
Closing equity shareholders' funds	<u>20,941</u>	<u>20,941</u>

NOTES TO THE FINANCIAL STATEMENTS

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) Cash flow statement

The company is a wholly owned subsidiary of FirstGroup plc, a company registered in Scotland. Accordingly, the company has taken advantage of the exemption offered by Financial Reporting Standard 1, enabling it not to produce a cash flow statement as the parent company has included a consolidated cash flow statement within its Group financial statements.

(c) Taxation

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

The taxation liability is reduced wholly or in part by the surrender of losses by group undertakings. The tax benefits arising from group relief are recognised in the financial statements of the surrendering undertaking.

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

2 Operating costs

	2006 £	2005 £
External charges	<u>-</u>	<u>30</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 Employee numbers and costs

During the current and prior year the number of employees was nil. The directors received no remuneration in respect of their services to the company in either the current or preceding year. Details of directors' options are given in the Directors' report.

4 Loss on ordinary activities before taxation

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

5 Tax on loss on ordinary activities

As noted in the directors' report, the company, acting in its capacity as trustee to employee share schemes, has no beneficial interest in the results of the trust. Accordingly, no corporation tax was chargeable for the year ended 31 March 2006 (2005: £nil).

6 Creditors

	2006 £	2005 £
Amounts falling due within one year		
Amounts owed to group undertakings	<u>57,427</u>	<u>57,427</u>

7 Called up share capital

	2006 £	2005 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

The number of ordinary shares of £1 each in issue at the end of the year was 2 (2005: 2).

8 Profit and loss account

	Profit and loss account £
At 1 April 2005	20,939
At 31 March 2006	<u>20,939</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 Commitments

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

10 Related party transactions

The company is taking advantage of the exemption under FRS8 not to disclose transactions with group companies that are related parties.

11 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's results and for which group financial statements are prepared.

The company's immediate controlling party is Great Western Holdings Limited.

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