

GREAT WESTERN TRUSTEES LIMITED

FINANCIAL STATEMENTS

31 MARCH 2004



**Company Registered
Number: 3161093**

GREAT WESTERN TRUSTEES LIMITED

FINANCIAL STATEMENTS

31 March 2004

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DIRECTORS' REPORT
31 March 2004

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

Principal activities and future developments

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.

Results and dividends

The results for the year are given in the profit and loss account on page 6.

The directors do not recommend payment of a final dividend (2003: nil).

Directors

The directors who held office throughout the year except as noted below were:

Nick Chevis
 Dean Finch
 Dr Mike Mitchell

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		Share options under long term incentive plan			
	At beginning of year	At end of year	At beginning of year	At end of year	At beginning of year	Exercised/Exchange for cash	At end of year	Gain at exercise
N Chevis	5,476	5,820	1,968	1,968	21,186	21,186	-	£64,247

DIRECTORS' REPORT

31 March 2004

	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	17,102	30,270	36,268	19,833	56,101

Information stated at the beginning of the year are 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 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, 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 Dr Mike Mitchell and Dean Finch in the ordinary shares of FirstGroup plc are disclosed in the directors' report of FirstGroup plc.

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 re-appointed for a further term.

By order of the Board



Marie Smith
Company Secretary
10 December 2004

Milford House
1, Milford Street
Swindon
SN1 1HL

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 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 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 responsible for the system of internal control, 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 2004, which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds 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 auditor's 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

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

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 loss 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

10 December 2004

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2004

	Notes	Year to 31 March 2004 £	Year to 31 March 2003 £
Operating costs	2	<u>(39)</u>	<u>(15)</u>
Loss on ordinary activities before taxation	4	(39)	(15)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation and for the year		(39)	(15)
Retained loss for the financial year	9	<u><u>(39)</u></u>	<u><u>(15)</u></u>

All activities in the current and preceding year are a result of continuing operations.

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.

BALANCE SHEET
At 31 March 2004

	Notes	31 March 2004 £	31 March 2003 £
Assets employed:			
Current assets			
Cash at bank and in hand	6	78,398	78,437
Creditors: amounts falling due within one year	7	<u>(57,427)</u>	<u>(57,427)</u>
Net current assets and total assets less current liabilities		<u>20,971</u>	<u>21,010</u>
Financed by:			
Capital and Reserves			
Called up share capital	8	2	2
Profit and loss account	9	<u>20,969</u>	<u>21,008</u>
Equity shareholders' funds		<u>20,971</u>	<u>21,010</u>

These financial statements were approved by the Board of directors on 10 December 2004 and were signed on its behalf by:



Nick Chevis
Director

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 31 March 2004

	Year to 31 March 2004 £	Year to 31 March 2003 £
Loss for the financial year	<u>(39)</u>	<u>(15)</u>
Net reduction in shareholders' funds	(39)	(15)
Shareholders' funds at beginning of year	21,010	21,025
Shareholders' funds at end of year	<u>20,971</u>	<u>21,010</u>

NOTES TO THE ACCOUNTS
31 March 2004

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 United Kingdom accounting standards.

(b) Taxation

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. 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.

2 Operating costs

	Year to 31 March 2004 £	Year to 31 March 2003 £
External charges	<u>39</u>	<u>15</u>

3 Employee numbers and costs

During the current and prior year the number of employees was nil. No director's emoluments were paid in either the current or preceding year. One director exercised their share options.

4 Loss on ordinary activities before taxation

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

NOTES TO THE ACCOUNTS

31 March 2004

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 2004 (2003: £nil).

6 Cash at bank and in hand

	Year to 31 March 2004 £	Year to 31 March 2003 £
Bank Deposits	<u>78,398</u>	<u>78,437</u>

7 Creditors

	31 March 2004 £	31 March 2003 £
Amounts falling due within one year		
Amounts owed to group undertakings	<u>57,427</u>	<u>57,427</u>

8 Called up share capital

	Year to 31 March 2004 £	Year to 31 March 2003 £
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 (2003: 2).

NOTES TO THE ACCOUNTS

31 March 2004

9 Profit and loss account

	Profit and loss account £
At beginning of year	21,008
Retained loss for the year	(39)
At end of year	<u>20,969</u>

10 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.

11 Ultimate and immediate parent company and controlling party

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 Great Western Holdings Limited.

Copies of the accounts of FirstGroup plc can be obtained on request from 3rd Floor, Macmillan House, Paddington Station, London W2 1FG.