

GREAT WESTERN TRUSTEES LIMITED

FINANCIAL STATEMENTS

31 MARCH 2002

**Company Registered
Number: 3161093**



GREAT WESTERN TRUSTEES LIMITED

FINANCIAL STATEMENTS

31 March 2002

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DIRECTORS' REPORT
31 March 2002

The directors have pleasure in submitting their annual report and financial statements for the year ended 31 March 2002.

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. The company plans to continue performing its current activities.

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.

Directors

The directors who held office throughout the year were:

Mike Carroll
Nick Chevis
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 | |
|--------------|---------------------------|---|
| | At end of year | At beginning of year or date of subsequent appointment |
| Mike Carroll | 86,563 | 236,563 |
| Nick Chevis | - | - |

DIRECTORS' REPORT**31 March 2002**

| | Share options under savings related share option scheme | | | Share options under long term incentive plan | | | | |
|-----------|---|---------------------------|------------------|--|-------------------------|------------------|------------------------------|------------------|
| | At 1 April 2001 | Exercised during the year | At 31 March 2002 | At 1 April 2001 | Granted during the year | Lapsed or waived | Exercised/ Exchange for Cash | At 31 March 2002 |
| M Carroll | 323 | - | 323 | 32,150 | 28,336 | 7,786 | - | 52,700 |
| N Chevis | - | - | - | 42,983 | 25,586 | 7,376 | 6,408 | 54,785 |

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 33 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 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 have indicated their willingness to continue as auditors of the company and are therefore, deemed to be reappointed for a further term.

By order of the Board



Milford House
1, Milford Street
Swindon
SN1 1HL

Marie Smith
Company Secretary
29 July 2002

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 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 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 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. They are also responsible for the system of internal control.

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 2002, which comprise the profit and loss account, the balance sheet, 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.

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 or material inconsistencies with the financial statements.

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 forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche
Deloitte & Touche
Chartered Accountants and
Registered Auditors
31 July 2002

Hill House
1 Little New Street
London
EC4A 3TR

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2002

| | Notes | Year to 31 March 2002 £ | Year to 31 March 2001 £ |
|--|-------|-------------------------------|-------------------------------|
| Operating costs | 2 | <u>(37)</u> | <u>(3,943)</u> |
| Loss on ordinary activities before taxation | 4 | (37) | (3,493) |
| Tax on loss on ordinary activities | 5 | <u>-</u> | <u>-</u> |
| Loss for the financial year | | (37) | (3,943) |
| Retained loss for the financial year | 9 | <u><u>(37)</u></u> | <u><u>(3,943)</u></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. All activities in the current and preceding year are a result of continuing operations

BALANCE SHEET

At 31 March 2002

| | Notes | 31 March 2002 | | 31 March 2001 | |
|---|-------|-----------------|---------------|-----------------|---------------|
| | | £ | £ | £ | £ |
| Assets employed: | | | | | |
| Current assets | | | | | |
| Cash at bank and in hand | 6 | 78,452 | | 85,673 | |
| Creditors: amounts falling due within one year | 7 | <u>(57,427)</u> | | <u>(64,611)</u> | |
| Net current assets | | | 21,025 | | <u>21,062</u> |
| Total assets less current liabilities | | | <u>21,025</u> | | <u>21,062</u> |
| Financed by: | | | | | |
| Capital and Reserves | | | | | |
| Called up share capital | 8 | | 2 | | 2 |
| Profit and loss account | 9 | | <u>21,023</u> | | <u>21,060</u> |
| Equity shareholders' funds | | | <u>21,025</u> | | <u>21,062</u> |

These financial statements were approved by the Board of directors on 29 July 2002 and were signed on its behalf by:



Nick Chevis
Director

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 31 March 2002

| | Year to 31 March 2002 £ | Year to 31 March 2001 £ |
|--|-------------------------------|-------------------------------|
| Loss for the financial year | <u>(37)</u> | <u>(3,943)</u> |
| | (37) | (3,943) |
| Shareholders' funds at beginning of year | 21,062 | 25,005 |
| Shareholders' funds at end of year | <u><u>21,025</u></u> | <u><u>21,062</u></u> |

NOTES TO THE ACCOUNTS

31 March 2002

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) Taxation

The company has adopted FRS 19 on Deferred Tax. 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 tax 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 2002 £ | Year to 31 March 2001 £ |
|------------------|-------------------------------|-------------------------------|
| External charges | <u>37</u> | <u>3,943</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.

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.

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 31st March 2002 (2001: £nil).

NOTES TO THE ACCOUNTS
31 March 2002
6 Current asset investments

| | Year to 31 March 2002 £ | Year to 31 March 2001 £ |
|---------------|-------------------------------|-------------------------------|
| Bank Deposits | <u>78,452</u> | <u>85,673</u> |

7 Creditors

| | 31 March 2002 £ | 31 March 2001 £ |
|--|--------------------|--------------------|
| Amounts falling due within one year | | |
| Amounts owed to group undertakings | <u>57,427</u> | <u>64,611</u> |

8 Called up share capital

| | Year to 31 March 2002 £ | Year to 31 March 2001 £ |
|---|-------------------------------|-------------------------------|
| 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 Profit and loss account

| | Profit and loss account £ |
|----------------------------|------------------------------------|
| At beginning of year | 21,060 |
| Retained loss for the year | (37) |
| At end of year | <u>21,023</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.

NOTES TO THE ACCOUNTS

31 March 2002

11 Ultimate parent company

The ultimate parent company and 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 London Office of this company at 3rd Floor Macmillan House, Paddington Station, London W2 1FG. The company's immediate controlling party is Great Western Holdings Limited.