

Company Registration No. 03263210

GB Railways Group Limited

Annual Report and Financial Statements

For the year ended 31 March 2021

COMPANIES HOUSE

25 MAR 2022

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GB Railways Group Limited

Report and financial statements 2021

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GB Railways Group Limited

Directors' report

The directors have pleasure in submitting their annual report and financial statements for the year ended 31 March 2021. In preparing the financial statements, the directors have taken the exemption available for small companies in accordance with section 414B of the UK Companies Act, in respect of the requirement to prepare a strategic report.

Principal activities

GB Railways Group Limited is a holding company and owns a passenger railway business in England, Hull Trains Company Limited ("Hull Trains"). Details of the performance of this passenger railway business are included in its published financial statements.

Coronavirus Pandemic response

The company has not been directly affected by the coronavirus pandemic unlike one of its subsidiary undertaking, Hull Trains, as disclosed below in the Review of the business and future prospects.

As more fully explained in the statement on going concern included below the company is dependent on its ultimate parent company, FirstGroup plc, for liquidity support.

Review of the business and future prospects

The company is a holding company to the subsidiary undertakings listed in note 5 – Fixed asset investments. There are two dormant subsidiary undertakings: East West Rail Limited and First Dublin Metro Limited. Hull Trains is the only trading entity. In March 2016, Hull Trains secured its track access for a further ten years until December 2029. The agreement has enabled Hull Trains to procure five new bi-mode trains. The first of these trains entered passenger service in December 2019 and the fifth unit was accepted in June 2020.

Since March 2020 Hull Trains has been significantly affected by the coronavirus pandemic. It has suspended passenger services on three occasions and has taken actions to mitigate its operating losses. The Office of Rail and Road agreed to a three-year extension of the track access agreement to December 2032, recognising the benefits in the new fleet will take longer to realise. Hull Trains remains optimistic its direct service from East Yorkshire to London will play an important part in the region's economic recovery in the coming years. Its passenger revenues have recovered substantially and were at circa 70% of pre pandemic levels for the first half of financial year ending 31 March 2022. Further incremental revenue improvements have been delivered during Autumn 2021.

The results for the year are given in the profit and loss account on page 7, which shows an overall profit of £240k for the financial year, which has arisen due to the release of a group relief tax liability no longer due (2020: profit of £482k). No dividends were received during the year (2020: £495k) and a loss on disposal of £13k from the dissolution of GB Railways Limited was recorded in the prior year. The net assets at the end of the year were £3,041k (2020: £2,801k).

The key performance indicators for the company are dividend income, net assets and profit for the financial year, which have been discussed above. The company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The directors consider the performance in the year to be satisfactory.

Principal risks and uncertainties

The company's principal risk is the recoverability of its investment in Hull Trains. The principal risks and uncertainties of its trading subsidiary, Hull Trains, are included in its published financial statements, which are available at 8th Floor, The Point, 37 North Wharf Road, London W2 1AF.

The company does not manage its financial risk using financial derivative instruments.

Directors

The directors who held office throughout the year and up to the date of this report are as follows: A James and C Burrows.

Dividends

During the year, the company did not declare a dividend to its parent company, FirstGroup plc (2020: £nil). No final dividend is proposed (2020: £nil).

Directors' and officers' liability insurance

The company's parent company, FirstGroup plc, has made qualifying third-party indemnity provisions for the benefit of the company's directors which were made during the year and remain in force at the date of this report.

GB Railways Group Limited

Directors' report

Going concern

The directors have considered the going concern assumption given the current economic climate and have reviewed the company forecasts for the foreseeable future. At 31 March 2021, the company had cash of £1k, net current assets of £1k and net assets of £3,041k.

The directors are required to state whether they consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements and identify any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

Background for going concern

The company directors used the financial forecasts prepared for business modelling and liquidity purposes as the basis for their assessment of the company's ability to continue as a going concern for the twelve months from the date of the financial statements.

FirstGroup plc has provided the directors of the company with a letter confirming that it will provide support to the company, such that it is able to meet its obligations for a period of at least 12 months from the date of signing of these financial statements. The directors have made enquiries and understand that the parent company has adequate resources to be able to provide this financial support.

This has been taken into account in the going concern assessment for the company.

Going concern statement

Based on their review of the financial forecasts and having regard to the risks and uncertainties to which the company is exposed the directors believe that the company has adequate resources to continue in operational existence for the 12 month period from the date on which the financial statements were approved. Accordingly, the financial statements have been prepared on a going concern basis.

Disclosure of information to auditors

Each of the persons who are 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 section 418 of the Companies Act 2006.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment was passed at FirstGroup plc's Annual General Meeting on 13 September 2021.

Approved by the Board of Directors and signed on behalf of the Board



A James
Director

24 March 2022

8th Floor, The Point
37 North Wharf Road
London
W2 1AF

GB Railways Group Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

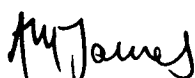
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board



A James
Director

24 March 2022

8th Floor, The Point
37 North Wharf Road
London
W2 1AF

Independent auditors' report to the members of GB Railways Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, GB Railways Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2021; the Profit and Loss Account, Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of GB Railways Group Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting manual journal entries to manipulate financial performance and management bias in determining key sources of estimation uncertainty. Audit procedures performed by the engagement team included:

Independent auditors' report to the members of GB Railways Group Limited

- Reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations;
- Obtaining supporting evidence for the key sources of estimation uncertainty and assumptions made by management in respect of determining the recoverable amount for investment in subsidiary undertakings; and
- Identifying and testing journal entries, in particular any journal entries posted by the statutory directors.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Kenneth Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
24 March 2022

GB Railways Group Limited
Profit and loss account
For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Income from other fixed asset investments	7	-	495
Loss on disposal of investment	7	-	(13)
Profit before taxation	4	-	482
Tax on profit	6	240	-
Profit for the financial year		<u>240</u>	<u>482</u>

All activities relate to continuing operations.

Statement of Comprehensive Income
For the year ended 31 March 2021

	2021 £'000	2020 £'000
Profit for the financial year	<u>240</u>	<u>482</u>
Total comprehensive income for the financial year	<u>240</u>	<u>482</u>

GB Railways Group Limited
Balance sheet
At 31 March 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Investments	7	3,040	3,040
Current assets			
Debtors	8	21	21
Cash at bank and in hand		1	1
		22	22
Creditors: amounts falling due within one year	9	(21)	(261)
Net current assets / (liabilities)		1	(239)
Total assets less current liabilities		3,041	2,801
Net assets		3,041	2,801
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account		3,041	2,801
Total shareholder's funds		3,041	2,801

The accompanying notes on pages 10 to 14 are an integral part of these financial statements.

The financial statements of GB Railways Group Limited (registered number 03263210) on pages 7 to 14 were approved by the Board of Directors on 24 March 2022 and were signed on its behalf by:



A James
Director

GB Railways Group Limited
Statement of changes in equity
For the year ended 31 March 2021

	Called up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 2019	-	2,319	2,319
Total comprehensive income for the financial year	-	482	482
Balance at 31 March 2020	-	2,801	2,801
Total comprehensive income for the financial year	-	240	240
Balance at 31 March 2021	-	3,041	3,041

GB Railways Group Limited

Notes to the financial statements

For the year ended 31 March 2021

1 General information

GB Railways Group Limited is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office address is 8th Floor, The Point, 37 North Wharf Road, London W2 1AF. The nature of the company's operations and its principal activities are set out in the Directors' report on page 1.

2 Statement of compliance

The financial statements of GB Railways Group Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3 Principal accounting policies

The following accounting policies have been applied consistently throughout the current and preceding year.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, modified to include certain items at fair value in accordance with FRS 102.

The functional and presentation currency of GB Railways Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

(b) Going concern

The company currently meets its day-to-day working capital requirements through its bank facilities. FirstGroup plc has provided the directors of the company with a letter confirming that it will provide support to the company, such that it is able to meet its obligations for a period of at least 12 months from the date of signing of these financial statements. The directors have made enquiries and understand that the parent company has adequate resources to be able to provide this financial support.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Exemptions for qualifying entities under FRS 102

The company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions in relation to share-based payments, financial instruments, preparation of a cashflow statement and remuneration of key management personnel which have been disclosed in FirstGroup plc's financial statements.

Group financial statements are not presented as the company is a wholly-owned subsidiary undertaking of FirstGroup plc, which is incorporated in Great Britain and registered in Scotland. In accordance with Section 400 of the Companies Act 2006, no consolidated financial statements have been prepared. Accordingly, these financial statements present information about the company as an individual undertaking and not about its group.

(d) Investments and dividends

Fixed asset investments are shown at cost less provision for impairment. Dividend distribution to the company's shareholder is recognised as a liability in the company's financial statements in the period in which the dividends are approved. Dividends receivable from the company's subsidiaries are recognised only when they are approved.

GB Railways Group Limited

Notes to the financial statements

For the year ended 31 March 2021

3. Principal accounting policies (continued)

(e) Impairment of investments

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

(f) Financial assets and liabilities

All financial assets and liabilities are measured at transaction price (including transaction cost). All the financial assets and liabilities are classified as 'basic' under Section 11 of FRS 102. Instruments classified as 'basic' financial instruments are measured subsequently at amortised cost using the effective interest method.

(g) Impairment of financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

(h) 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 profit 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 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.

(i) Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the company's accounting policies as described above, management have made no critical accounting judgements. The estimate that has the most significant effect on the amounts recognised in the financial statements is as follows.

Impairment of fixed asset investments

Determining whether a fixed asset investment is impaired requires an estimation of the cash generation of that investment including significant judgement in deciding what assumption to make regarding how the impact of the coronavirus pandemic might evolve over the coming months in Hull Trains. This is covered in more detail in note 7, including a sensitivity analysis.

4. Profit before taxation

Auditors' remuneration for the audit of the financial statements was borne by First Rail Holdings Limited, a fellow subsidiary undertaking, and not recharged. The directors estimate the audit fee relating to this company to be £5,000 (2020: £500). No other services were provided by PricewaterhouseCoopers LLP during the current year or by Deloitte LLP in the prior year.

GB Railways Group Limited
Notes to the financial statements
For the year ended 31 March 2021

5. Employee numbers and costs

There were no persons employed by the company (2020: none). The directors who served during the year were employed by a fellow subsidiary undertaking. The directors received no remuneration for their services to the company in the year (2020: £nil).

6. Tax on profit

	2021 £'000	2020 £'000
Current taxation	240	-
Adjustment in respect of prior years: group relief not paid for	-	-
Total current taxation	240	-
Deferred taxation	-	-
Adjustment in respect of prior years	-	-
Total tax credit on profit	240	-

The adjustment in respect of prior years has arisen due to the release of a group relief tax liability no longer due.

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 19% (2020: 19%).

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

The actual current tax charge on profit for the current and previous years differed from the profit multiplied by the standard rate of corporation tax for the reasons set out in the following reconciliation:

	2021 £'000	2020 £'000
Profit before taxation	-	482
Profit before taxation multiplied by the standard rate of Corporation	-	92
Tax in the UK of 19% (2020: 19%)	-	92
Factors affecting charge:		
- Non-taxable income / expense	-	(92)
- Prior year adjustments: group relief not paid for	240	-
Total tax credit on profit	240	-

GB Railways Group Limited
Notes to the financial statements
For the year ended 31 March 2021

7. Investments

	Total £'000
Cost	
At 1 April 2020	3,040
Movement in year	-
At 31 March 2021	<u>3,040</u>
Provision for impairment	
At 1 April 2020 and 31 March 2021	<u>-</u>
Net book value	
At 31 March 2021	<u>3,040</u>
At 31 March 2020	<u>3,040</u>

The subsidiary undertakings at the end of the year, and the nature of their business, are:

Subsidiary undertakings	Country of incorporation	Principal activity	Holding (ordinary shares) %
East West Rail Limited	Great Britain	Dormant company	100
First Dublin Metro Limited	Great Britain	Dormant company	100
Hull Trains Company Limited	Great Britain	Train Operating Company	100

All of the subsidiary undertakings are held directly by GB Railways Group Limited and they all have their registered address at 8th Floor, The Point, 37 North Wharf Road, London W2 1AF.

Group accounts are not presented as the company is exempt from the requirement to do so by Section 400 of the Companies Act 2006 as it is a wholly-owned subsidiary undertaking of FirstGroup plc, which prepares group accounts and is incorporated in Great Britain and registered in Scotland. Accordingly, these accounts present information about the company as an individual undertaking and not about its group.

During the prior year, the company received dividends of £495k from GB Railways Limited. The cost of investment of £13k has been shown as a loss on disposal of investment as reported in the profit and loss account for the prior year. GB Railways Limited was dissolved on 10 March 2020.

The carrying value of Hull Trains was £3,040k, which has been tested for impairment because the impact of coronavirus on passenger demand represents an indication of impairment. Cash flow forecasts have been prepared for Hull Trains through to the end of the current open access agreement in December 2032. These forecasts take into account past performance and expectations for future developments. Revenues are assumed to recover to pre-Covid levels in 2022/23 and cash flows have been projected forward from that point using an average annual revenue growth rate of 4.6%, an operating cost growth rate of 2.7% and a pre-tax discount rate of 3.4%. On this basis the value in use of Hull Trains exceeds its carrying value by £39m. The calculation of value in use for Hull Trains is most sensitive to the principal revenue growth rate assumption. A deferral in the pre-Covid recovery to 2024/25 with average annual revenue growth rate of 3.5% from 2023/24 reduces the value in use to nil. A material impairment arises if revenue growth falls short of this breakeven level. Deferral of the pre-Covid revenue recovery and a small movement in the annual growth rate can have material impacts because the revenue loss accumulates over the contract length.

GB Railways Group Limited
Notes to the financial statements
For the year ended 31 March 2021

8. Debtors

	2021	2020
	£'000	£'000
Amounts owed by fellow subsidiary undertakings	21	21

Amounts owed by fellow subsidiary undertakings are unsecured, interest-free and repayable on demand.

9. Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Amounts owed to fellow subsidiary undertakings	21	261
At 31 March 2021	21	261

Amounts owed to fellow subsidiary undertakings are unsecured, interest-free and repayable on demand.

10. Called up share capital

	2021	2020
	£'000	£'000
Authorised		
30,000,000 ordinary shares of 0.75p each (2020: 30,000,000 ordinary shares of 0.75p each)	225	225
Allotted, called up and fully paid		
1 ordinary share of 0.75p (2020: 1 ordinary share of 0.75p)	-	-

The company has one class of ordinary shares which carries no right to fixed income.

11. Contingent liabilities and financial commitments

The company is a member of a Value Added Tax ("VAT") group covering a number of subsidiary undertakings. All members of the VAT group are jointly and severally liable in respect of any VAT owed to HM Revenue & Customs.

12. Ultimate parent company

The directors regard FirstGroup plc, a company incorporated in Great Britain and registered in Scotland, as the ultimate and immediate parent and controlling company, and parent of the smallest and largest group that includes the company for which group financial statements are prepared.

Copies of the financial statements of FirstGroup plc can be obtained on request from its registered address: 395 King Street, Aberdeen AB24 5RP.