



**FIRST/KEOLIS TRANSPENNINE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**



**Company Registered  
Number: 4113923**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**

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## **FIRST/KEOLIS TRANSPENNINE LIMITED**

### **DIRECTORS' REPORT**

#### **For the year ended 31 March 2022**

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The directors have pleasure in submitting their annual report and audited financial statements for the year ended 31 March 2022. 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.

#### **Business review, future outlook and going concern**

The company is wholly owned by First/Keolis Transpennine Holdings Limited. The company ceased to operate on 1 April 2016. The company previously operated intercity passenger railway services in the north of England and into Scotland. On 1 April 2016, the company transferred its operations to a fellow FirstGroup plc subsidiary undertaking, First Transpennine Express Limited, and Arriva Rail North Limited. The company continues to close out its contractual obligations.

Given the cessation of trade, the financial statements have been prepared on a basis other than going concern. No adjustments arose from ceasing to apply the going concern basis. The company expects to continue to close out remaining obligations over the forthcoming period.

On 12 July 2021, a special resolution was passed to reduce the company's issued share capital from £250,001 to £1.

#### **Coronavirus pandemic**

The company has been unaffected by the coronavirus pandemic because it is no longer trading.

#### **Key performance indicators**

No key performance indicators were reported during the year due to the company's operations having ceased.

#### **Principal risks and uncertainties**

As discussed in the Business review, future outlook and going concern section above, the company ceased to operate as a Train Operating Company on 1 April 2016. Therefore, no principal risks and uncertainties exist for this company.

#### **Results and dividends**

The profit for the year was £2k (2021: loss of £6k). Outstanding matters with third parties were substantially resolved in prior years.

During the year the company declared and paid a dividend of £800k (2021: £nil dividend declared or paid). There was no final dividend declared (2021: £nil).

#### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Clive Burrows

Elizabeth A. Collins (resigned 3 October 2022)

Andrew James (appointed 3 October 2022)

Virginie Merle

Stephen Montgomery

#### **Financial risk management objectives and policies**

The company's principal financial assets are bank balances. The credit risk on liquid funds is limited because the counterparties are banks with a minimum "A" credit rating.

## **FIRST/KEOLIS TRANSPENNINE LIMITED**

### **DIRECTORS' REPORT (continued)**

**For the year ended 31 March 2022**

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#### **Directors' and officers' liability insurance**

The company's ultimate 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.

#### **Disclosure of information to auditors**

Each of the directors at the date of approval of this report confirms that:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors to make themselves 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 provisions of s418 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 27 July 2022.

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

8<sup>th</sup> Floor  
The Point  
37 North Wharf Road  
London  
W2 1AF



Andrew James  
Director  
7 October 2022

## FIRST/KEOLIS TRANSPENNINE LIMITED

### DIRECTORS' RESPONSIBILITIES STATEMENT

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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



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

Andrew James  
Director  
7 October 2022

# **Independent auditors' report to the members of First/Keolis Transpennine Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, First/Keolis Transpennine Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 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 2022; 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.

### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 3 (a) to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

### **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.

## **FIRST/KEOLIS TRANSPENNINE 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 2022 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 UK tax legislation, 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. Audit procedures performed by the engagement team included:

# FIRST/KEOLIS TRANSPENNINE LIMITED

- Reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations; and
- Identifying and testing journal entries, in particular any journal entries posted by the 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](http://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  
7 October 2022



**FIRST/KEOLIS TRANSPENNINE LIMITED****PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 March 2022**

	Note	2022 £000	2021 £000
Operating income / (expenditure)	5	<u>3</u>	<u>(10)</u>
<b>Operating profit / (loss)</b>		3	(10)
Interest receivable and similar income	7	<u>-</u>	<u>2</u>
<b>Profit / (loss) before taxation</b>	8	3	(8)
Tax on profit / (loss)	9	<u>(1)</u>	<u>2</u>
<b>Profit / (loss) for the financial year</b>		<u><u>2</u></u>	<u><u>(6)</u></u>

All activities in the current and preceding year relate to discontinued operations.

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 March 2022**

	2022 £000	2021 £000
Profit / (loss) for the financial year	<u>2</u>	<u>(6)</u>
Total comprehensive income / (expense) for the year	<u><u>2</u></u>	<u><u>(6)</u></u>

# FIRST/KEOLIS TRANSPENNINE LIMITED

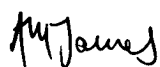
## BALANCE SHEET

At 31 March 2022

	Note	2022 £000	2021 £000
<b>Current assets</b>			
Debtors	10	5	7
Cash at bank and in hand		<u>954</u>	<u>1,747</u>
		959	1,754
Creditors: amounts falling due within one year	11	<u>(908)</u>	<u>(905)</u>
<b>Net current assets</b>		<u>51</u>	<u>849</u>
<b>Total assets less current liabilities</b>		51	849
<b>Net assets</b>		<u><u>51</u></u>	<u><u>849</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	-	250
Profit and loss account		51	599
<b>Total shareholder's funds</b>		<u><u>51</u></u>	<u><u>849</u></u>

The accompanying notes on pages 10 to 13 are an integral part of these financial statements.

These financial statements for First/Keolis Transpennine Limited (Company Number: 4113923) on pages 7 to 13 were approved by the Board of Directors on 7 October 2022 and were signed on its behalf by:



Andrew James  
Director

**FIRST/KEOLIS TRANSPENNINE LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 March 2022**

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
<b>Balance at 1 April 2020</b>	<b>250</b>	<b>605</b>	<b>855</b>
Loss and total comprehensive expense for the financial year	-	(6)	(6)
<b>Balance at 31 March 2021</b>	<b>250</b>	<b>599</b>	<b>849</b>
Profit and total comprehensive income for the financial year	-	2	2
Called-up share capital reduction (note 12)	(250)	250	-
Dividend payments (note 13)	-	(800)	(800)
<b>Balance at 31 March 2022</b>	<b>-</b>	<b>51</b>	<b>51</b>

**FIRST/KEOLIS TRANSPENNINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

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**1 General information**

First/Keolis Transpennine 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 8<sup>th</sup> 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 First/Keolis Transpennine 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 and going concern**

As a result of the cessation of trade, the company's financial statements have been prepared on a basis other than going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

The functional and presentation currency of First/Keolis Transpennine Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

**(b) 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 financial instruments, preparation of a cashflow statement and remuneration of key management personnel which have been disclosed in FirstGroup plc's financial statements.

**(c) 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 and Section 12 of FRS 102. Instruments classified as 'basic' financial instruments are measured subsequently at amortised cost using the effective interest method.

**(d) 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.

**FIRST/KEOLIS TRANSPENNINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

**3 Principal accounting policies (continued)**

**(e) Taxation**

UK current 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.

**(f) Interest income**

Interest income is recognised on an accruals basis.

**4 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In the view of the directors there are no critical judgements and estimates that the directors have made in the process of applying the company's accounting policies.

**5 Operating income / (expenditure)**

	2022 £000	2021 £000
Operating income / (expenditure)	3	(10)
	<u>3</u>	<u>(10)</u>

Operating income in the current year represents income of £18k offset by expenses of £7k and asset write-offs of £8k. Operating expenditure in the prior year represents asset write-offs of £10k.

**6 Employee numbers and costs**

There were no employees in the current or preceding year.

The directors received remuneration from other companies in the groups headed by FirstGroup plc and Keolis SA, in the current and prior years, details of which are disclosed in their financial statements. It is not considered practicable to allocate this between services provided to those companies, and services provided in their capacity as directors to First/Keolis Transpennine Limited.

**FIRST/KEOLIS TRANSPENNINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

**7 Interest receivable and similar income**

	2022	2021
	£000	£000
Income from short term deposits	-	2

**8 Profit / (loss) before taxation**

Auditors' remuneration for the audit of the financial statements was borne by First Rail Holdings Limited and has not been recharged. The directors estimate the audit fee relating to this company to be £5k (2021: £3k). There were no non-audit fees payable in the year (2021: £nil).

**9 Tax on profit / (loss)**

	2022	2021
	£000	£000
Current taxation		
- UK corporation tax charge / (credit) for the year	1	(2)
Total current taxation	<u>1</u>	<u>(2)</u>

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 19% (2021: 19%).

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Legislation increasing the rate to 25% was substantively enacted on 24 May 2021 but as the company has no transactions that give rise to timing differences the change in rate does not impact these financial statements.

On 23 September 2022 the Government announced that the corporation tax rate will remain at 19% from 1 April 2023. As legislation making this change was not substantively enacted at the balance sheet date this has not been adjusted for in these financial statements. If the rate change were substantively enacted there would be no impact on these financial statements as the company has no transactions that give rise to timing differences.

The actual current tax charge / (credit) for the current and previous year did not differ from the standard rate:

	2022	2021
	£000	£000
Profit / (loss) before tax	3	(8)
Profit / (loss) before tax multiplied by standard rate of corporation tax in the United Kingdom of 19% (2021: 19%)	1	(2)
Total tax charge / (credit) on profit / (loss)	<u>1</u>	<u>(2)</u>

**10 Debtors**

	2022	2021
	£000	£000
Trade debtors	-	6
Amounts owed from fellow subsidiary undertakings	5	-
Other debtors	-	1
	<u>5</u>	<u>7</u>

**FIRST/KEOLIS TRANSPENNINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2022**

<b>11</b>	<b>Creditors: amounts falling due within one year</b>		
		2022	2021
		£000	£000
	Amounts owed to fellow subsidiary undertakings	903	902
	Other creditors	5	-
	Accruals and deferred income	-	3
		<u>908</u>	<u>905</u>

Amounts owed to fellow subsidiary undertakings is in respect of group tax relief payable, which is unsecured, interest-free and repayable on demand.

<b>12</b>	<b>Called up share capital</b>		
		2022	2021
		£000	£000
	<b>Authorised</b>		
	250,001 ordinary shares of £1 each (2021:		
	250,001 ordinary shares of £1 each)	<u>250</u>	<u>250</u>
	<b>Allotted, called up and fully paid</b>		
	1 ordinary share of £1 each (2021:		
	250,001 ordinary shares of £1 each)	<u>-</u>	<u>250</u>

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

On 12 July 2021, a special resolution was passed to reduce the company's issued share capital from £250,001 to £1.

**13 Dividends**

A dividend of £800,000 was declared and paid in the year to First/Keolis Transpennine Holdings Limited (2021: £nil dividend declared or paid).

**14 Ultimate and immediate parent company and controlling party**

The immediate parent company is First/Keolis Transpennine Holdings Limited, which is registered in England and Wales.

The ultimate parent and controlling company is FirstGroup plc, which is incorporated in Great Britain and registered in Scotland. The largest and smallest group in which these financial statements are consolidated is FirstGroup plc. Copies of the financial statements of FirstGroup plc can be obtained from its registered address: 395 King Street, Aberdeen AB24 5RP.