

**Company Registration No. 05154485**

**First Rail Holdings Limited**

**Report and Financial Statements**

**31 March 2013**



# **First Rail Holdings Limited**

## **Report and financial statements 2013**

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# **First Rail Holdings Limited**

## **Report and financial statements 2013**

### **Officers and professional advisers**

#### **Directors**

Nicholas Chevis  
David Gausby  
Hugh Clancy  
Clive Burrows  
Timothy O'Toole  
Vernon Barker  
Kenneth Scott

#### **Registered Office**

50 Eastbourne Terrace,  
Paddington,  
London  
W2 6LG

#### **Company Secretary**

Paul Lewis

#### **Auditor**

Deloitte LLP  
Chartered Accountants  
London

# **First Rail Holdings Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 March 2013

### **Principal activities**

The company is a holding company for some of FirstGroup plc's rail operations. In addition, it leases rolling stock to fellow FirstGroup plc companies and also bids for heavy rail operations

### **Business review and future prospects**

The company continues to provide services for the benefit of FirstGroup plc's rail operations and to lease its high-speed trains to First Greater Western Limited, a subsidiary undertaking

The company made an operating profit of £0.4m (2012: £4.2m operating loss) on turnover of £15.4m (2012: £13.2m)

The company engaged in bidding activity during the year, principally in relation to the cancelled competitions for InterCity West Coast and Great Western and the paused competitions for Essex Thameside and the combined Thameslink, Southern and Great Northern. The Department for Transport ("DfT") reimbursed costs in respect of the InterCity West Coast franchise bid.

During the year, Transport Scotland confirmed the extension of the First ScotRail franchise to March 2015 from its previous expiry date of November 2014 and the DfT confirmed extensions of the existing First Great Western and First Capital Connect franchises to October 2013 and March 2014, respectively. In October 2013, First Great Western agreed a new franchise agreement with the DfT, which will expire in September 2015. First Capital Connect is in discussions with the DfT for a new franchise agreement, which is expected to operate from April 2014 to September 2014.

In the year to 31 March 2014, bid submissions will be made in respect of the Essex Thameside franchise, the combined Thameslink, Southern and Great Northern franchise and the ScotRail sleeper franchise and bid activity is ongoing for the ScotRail franchise.

An impairment charge of £5.0m was made against the investment in DSB First ApS in the year as current and projected trading indicates that there will be no recovery of this amount at the end of the franchise.

The company's subsidiary undertaking, First Greater Western Limited, made the commercial decision not to take up the option to extend its franchise for a further three years beyond the initial franchise term of 2013. This resulted in that company making a contract provision of £59.9m in the year ended 31 March 2011. It recorded a further provision of £9.9m in the year ended 31 March 2013 due to incremental losses following the DfT exercising its option to extend the franchise to October 2013. At 31 March 2013 the company reported net liabilities of £42m. First Greater Western Limited has received a letter of support from FirstGroup plc to meet these liabilities.

The company made a one-off cash contribution to First Greater Western Limited of £46.4m in October 2013.

The company looks forward to competing for future rail franchises.

### **Principal risks and uncertainties**

#### **Legislation and regulation**

Our business is subject to numerous laws and regulations covering a wide range of matters including health and safety, equipment, employment, environmental, insurance coverage and other operating issues. These laws and regulations are constantly subject to change. The costs associated with complying with the adoption of new legislation, regulations or other laws could adversely impact the results of our operations. The company has embedded operating policies and procedures to ensure compliance with existing legislation and regulation. The company has access to FirstGroup plc's legal team, who oversee compliance and training programmes and advise on emerging issues.

# **First Rail Holdings Limited**

## **Directors' report**

### **Principal risks and uncertainties (continued)**

#### **Labour costs**

Labour costs represent a significant component of the company's operating costs. Labour shortages, or low unemployment rates, could hinder the company's ability to recruit and retain qualified employees leading to a higher than expected increase in the cost of recruitment, training and other staff costs. To mitigate this risk, the company seeks to structure its recruitment and retain the right people.

#### **Financial matters**

The results for the year are given in the profit and loss account on page 7.

No final dividend was paid in the year (2012: £Nil). Dividends of £22 m (2012: £21 m) were received in the year.

#### **Supplier payment policy**

It is the company's policy to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods and services in accordance with agreed terms and conditions. At 31 March 2013 the company had 27 days purchases outstanding (2012: 29 days).

#### **Financial assets**

The company's principal financial assets are receivables from other group companies and bank balances.

The company's credit risk is primarily attributable to its receivables from group companies. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on bank balances is limited because the counter parties are banks.

#### **Directors**

The directors who held office throughout the year, and to the date of signing of these financial statements, except as noted, were as follows:

Nicholas Chevis  
David Gausby  
Hugh Clancy  
Clive Burrows  
Timothy O'Toole  
Vernon Barker  
Kenneth Scott

#### **Employee involvement**

Communication with employees is effected mainly through briefing meetings between the directors, the senior management and employees. The briefing meetings enable senior management to consult employees and to ascertain their views on matters likely to affect their interests.

#### **Disabled persons**

The company recognises its obligations to give disabled people full and fair consideration for all vacancies within the statutory medical requirement, which have to be met for certain grades of staff. Wherever reasonable and practicable, the company will retain newly disabled employees and at the same time provide full and fair opportunities for the career development of disabled people.

# **First Rail Holdings Limited**

## **Directors' report**

### **Going concern**

At 31 March 2013 the company had cash of £34.6m, net current assets of £41.2m and net assets of £52.2m

The directors have considered the going concern assumption given the current economic climate and have formed the conclusion that there is a reasonable expectation that the company will continue to operate in the foreseeable future. The directors have considered the company forecasts in forming this judgment.

After making enquiries and considering the above facts, the directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **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 auditor is 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 auditor is 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.

### **Auditor**

The company has passed an elective resolution dispensing with the requirement to appoint an auditor annually. Deloitte LLP have indicated their willingness to continue as auditor of the company and are therefore deemed to be reappointed for a further term.

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



David Gausby  
Director

Milford House  
1 Milford Street  
Swindon  
SN1 1HL

20 December 2013

## **First Rail Holdings Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the 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 these 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 UK 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 adequate accounting records that are sufficient to show and explain the company's transactions 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 2006. 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 auditor's report to the member of First Rail Holdings Limited**

We have audited the financial statements of First Rail Holdings Limited for the year ended 31 March 2013 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholder's funds and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed in the Companies Act 2006**

In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Mark Tolley (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

20 December 2013



**First Rail Holdings Limited**  
**Profit and loss account**  
**Year ended 31 March 2013**

	Notes	2013 £'000	2012 £'000
<b>Turnover</b>	2	15,441	13,193
Operating costs (net)			
- General		(17,096)	(14,785)
- Bid costs (net)		(5,988)	(10,573)
- Management recharges		8,058	7,958
	3	<u>(15,026)</u>	<u>(17,400)</u>
<b>Operating profit / (loss)</b>		415	(4,207)
Income from fixed asset investments	8	22,000	21,000
Impairment of fixed asset investments	9	<u>(4,982)</u>	<u>-</u>
<b>Profit before tax on ordinary activities</b>	6	17,433	16,793
Tax (charge) / credit on profit on ordinary activities	7	<u>(118)</u>	<u>1,218</u>
<b>Profit after taxation / Profit for the year</b>	18	<u><u>17,315</u></u>	<u><u>18,011</u></u>

All activities in the current and preceding year relate to continuing operations

No separate statement of total recognised gains and losses is presented as all gains or losses for the current and preceding year passed through the profit and loss account

**First Rail Holdings Limited**  
**Reconciliation of movements in shareholders' funds**  
**Year ended 31 March 2013**

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Profit for the financial year	17,315	18,011
Share based payments	-	5
Net addition to shareholder's funds	17,315	18,016
Opening shareholder's funds	34,836	16,820
Closing shareholder's funds	52,151	34,836

**First Rail Holdings Limited**  
**Balance sheet**  
**31 March 2013**

	Notes	2013 £'000	2012 £'000
<b>Fixed assets</b>			
Investments	9	-	4,154
Tangible assets	10	11,908	14,058
		<u>11,908</u>	<u>18,212</u>
<b>Current assets</b>			
Stock	11	25	-
Debtors	12	18,027	14,303
Cash at bank and in hand	13	34,567	50,220
		<u>52,619</u>	<u>64,523</u>
<b>Creditors: amounts falling due within one year</b>	14	(11,828)	(46,343)
<b>Net current assets</b>		<u>40,791</u>	<u>18,180</u>
<b>Total assets less current liabilities</b>		52,699	36,392
<b>Provisions for liabilities and charges</b>	15	(548)	(1,556)
<b>Net assets</b>		<u>52,151</u>	<u>34,836</u>
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Called up share capital	17	-	-
Profit and loss account	18	52,151	34,836
<b>Shareholders' funds</b>		<u>52,151</u>	<u>34,836</u>

The financial statements of First Rail Holdings Limited, registered number 05154485 were approved by the Board of Directors on 20 December 2013

Signed on behalf of the Board of Directors



David Gausby  
Director

# **First Rail Holdings Limited**

## **Notes to the accounts**

### **Year ended 31 March 2013**

#### **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

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The going concern basis has been applied as described in the going concern statement in the Directors' Report on page 4

##### **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

##### **Investments**

Fixed asset investments are stated at cost, net of any provision for impairment

##### **Group accounts**

Group accounts 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 accounts have been prepared. Accordingly, these accounts present information about the company as an individual undertaking and not about its group

##### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment

Depreciation is provided to write off the cost less residual value of tangible fixed assets over their estimated useful economic lives

Rolling stock - 10 to 15 years

Information technology - 3 to 5 years

##### **Stock**

Stock is valued at the lower of cost or net realisable value

##### **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 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

##### **Leases and hire purchase**

All leases are operating leases and the rental charges are taken to the profit and loss account on a straight-line basis over the life of the lease. Benefits received and receivable as an incentive to enter into an operating lease are spread on a straight-line basis over the lease term

**First Rail Holdings Limited**  
**Notes to the accounts**  
**Year ended 31 March 2013**

**1. Principal accounting policies (continued)**

**Turnover**

Turnover represents the amounts receivable from third party contracts as well as rolling stock leased to FirstGroup plc's rail operations. Turnover is recognised in the period by reference to the stage of completion of the services provided.

The whole of the turnover and profit on ordinary activities before taxation derives from the company's principal activities within the United Kingdom. The company has one principal class of business, namely, the provision of management services and rolling stock to other group companies.

**2. Turnover**

	2013 £'000	2012 £'000
Lease of rolling stock	1,679	1,679
Group management services	13,762	11,514
	<u>15,441</u>	<u>13,193</u>

**3. Operating costs (net)**

	2013 £'000	2012 £'000
General		
Staff costs (see note below)	3,438	4,456
Other external charges	11,389	8,134
Management recharges	(8,058)	(7,958)
Bid and mobilisation costs	23,260	10,573
Bid and mobilisation reimbursement	(17,272)	-
Depreciation	1,965	2,085
Rentals payable under operating leases other	304	110
	<u>15,026</u>	<u>17,400</u>

In the year ended 31 March 2013 the company was engaged in bidding activity, principally in relation to the cancelled competitions for InterCity West Coast and Great Western and the paused competitions for Essex Thameside and the combined Thameslink, Southern and Great Northern. The company incurred bid costs of £18 605m (2012 £10 573m). In addition, the company incurred mobilisation costs of £4 655m in relation to the InterCity West Coast franchise award. The bid and mobilisation costs include staff costs of £9 185m (2012 £2 889m). The DfT reimbursed costs in respect of the InterCity West Coast franchise bid of £12 617m and mobilisation costs committed up to the date of cancellation of that franchise award of £4 655m. The tax effect of the net bid and mobilisation costs / income was a credit of £1 4m (2012 £2 7m credit).

**First Rail Holdings Limited**  
**Notes to the accounts**  
**Year ended 31 March 2013**

**4 Employee numbers and costs**

The average number of persons employed by the company (including directors) during the year was as follows

	<b>2013</b>	<b>2012</b>
	<b>No.</b>	<b>No</b>
Administration and management	91	63

The aggregate payroll costs of these persons were as follows

	<b>£'000</b>	<b>£'000</b>
Wages and salaries	10,683	6,197
Social security costs	1,233	589
Pension costs	707	559
	<b>12,623</b>	<b>7,345</b>

**5. Directors' remuneration**

Certain directors received remuneration from FirstGroup plc, the ultimate parent company, in the current and prior years, details of which are disclosed in its accounts. It is not considered practicable to allocate this between services provided to that company, and services provided in their capacity as directors to First Rail Holdings Limited. Details of retirement benefits accruing to the directors under the group defined benefit schemes are detailed in the financial statements of FirstGroup plc.

The remuneration of the directors during the year paid by First Rail Holdings Limited was as follows

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments (excluding pension contributions)	2,234	1,224

Directors' emoluments include salary, fees, bonuses, sums paid by way of expense allowances subject to UK income tax and the money value of other non-cash benefits and exclude share options, company pension contributions and payments made under long-term incentive schemes.

The emoluments of the highest paid director amounted to

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments	767	339
<i>Defined benefit scheme</i>		
Accrued pension at end of year	36	-
Accrued lump sum at end of year	23	-

The highest paid director did not exercise share options during the year and did not become entitled to receive shares under the FirstGroup long-term incentive plan.

**6 Profit on ordinary activities**

Audit fees of £4,249 (2012 £4,657) were incurred during the year. Deloitte LLP provided no other services in either year.

**First Rail Holdings Limited**  
**Notes to the accounts**  
**Year ended 31 March 2013**

**7. Tax charge / (credit) on profit on ordinary activities**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Current taxation		
- Group relief payable/( receivable)	571	(984)
- Adjustment in respect of prior years	555	-
Total current taxation	<u>1,126</u>	<u>(984)</u>
Deferred taxation		
- Origination and reversal of timing differences	(453)	(101)
- Effect of decrease in tax rate on opening deferred tax balance	(43)	(138)
- Adjustment in respect of prior years	(512)	5
Total deferred taxation	<u>(1,008)</u>	<u>(234)</u>
Total tax charge / (credit) on profit on ordinary activities	<u>118</u>	<u>(1,218)</u>

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 24 % (2012 26%) The actual current tax charge for the current year differed from the standard rate for the reasons set out in the following reconciliation

	<b>2013</b>	<b>2012</b>
	<b>%</b>	<b>%</b>
Standard rate of taxation	24.0	26.0
Factors affecting charge		
- Capital allowances in excess of depreciation	2.7	0.6
- Profit from fixed asset investments not chargeable for tax	(30.3)	(32.5)
- Disallowable expenses	6.9	-
- Adjustment in respect of prior year	3.2	-
Current taxation rate for the year	<u>6.5</u>	<u>(5.9)</u>

During the period the UK government enacted legislation to reduce the main rate of UK corporation tax to 23% with effect from 1 April 2013. The impact of this rate reduction has reduced the deferred tax liability on UK timing differences.

It was expected that further legislation would be included within Finance Bill 2013 to reduce the rate further to 22% for the financial year commencing 1 April 2014. However, government has subsequently announced that the rate will instead be reduced to 21% from 1 April 2014 and then again to 20% from 1 April 2015. None of these expected future rate reductions have been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The effective tax rate for the period to 31 March 2014 and 31 March 2015 is expected to reduce accordingly.

**First Rail Holdings Limited**  
**Notes to the accounts**  
**Year ended 31 March 2013**

**8. Income from fixed asset investments**

	2013	2012
	£'000	£'000
Dividend income from subsidiary undertakings	22,000	21,000

**9. Fixed asset investments**

	£'000
<b>Cost</b>	
At 1 April 2012	5,343
Additions	828
At 31 March 2013	6,171
<b>Provisions for impairment</b>	
At 1 April 2012	(1,189)
Impairment	(4,982)
At 31 March 2013	6,171
<b>Net book value</b>	
At 31 March 2013	-
At 31 March 2012	4,154

During 2009, the company subscribed for 30% of the share capital of DSB First ApS as part of a joint venture agreement with Danske Statsbaner (Danish State Railways, "DSB"), who subscribed 70%. DSB First ApS is the management company for two operating companies. The provision for impairment of £1.2m against the original investment in DSB First ApS was made in the year ended 31 March 2011 due to operational and financial uncertainties in the underlying trading companies of DSB First ApS, which arose in late March 2011. The company invested DKK35 million (£4.2m) into DSB First ApS during the year ended 31 March 2012 in order to re-capitalise these trading entities. The Swedish franchise ceased operations in December 2011 and another operator now delivers the services. In the year ended 31 March 2013, the company invested a further DKK7.4 million (£0.8m) into DSB First ApS in connection with the liquidation of its Swedish subsidiary company. The Danish company continues to trade, however, current and projected trading indicates that there will be no recovery of the £5m carrying value at the end of the franchise and a full impairment charge has been recognised.

**Subsidiary undertakings**

At the end of the year the principal subsidiary undertakings of the company, all of whom are wholly owned and operate UK rail franchises, were

First Capital Connect Limited  
First Greater Western Limited  
First ScotRail Limited

Group accounts 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. Accordingly, these accounts present information about the company as an individual undertaking and not about its group.



**First Rail Holdings Limited**  
**Notes to the accounts**  
**Year ended 31 March 2013**

**10 Tangible fixed assets**

	<b>Rolling stock £'000</b>	<b>Information technology £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 April 2012	20,992	2,544	23,536
Disposals	-	(185)	(185)
At 31 March 2013	<u>20,992</u>	<u>2,359</u>	<u>23,351</u>
<b>Accumulated depreciation</b>			
At 1 April 2012	7,618	1,860	9,478
Charge for the year	1,499	466	1,965
At 31 March 2013	<u>9,117</u>	<u>2,326</u>	<u>11,443</u>
<b>Net book value</b>			
At 31 March 2013	<u>11,875</u>	<u>33</u>	<u>11,908</u>
At 31 March 2012	<u>13,374</u>	<u>684</u>	<u>14,058</u>

**11. Stock**

	<b>2013 £'000</b>	<b>2012 £'000</b>
Spare parts	25	-

**12. Debtors. Amounts due within one year**

	<b>2013 £'000</b>	<b>2012 £'000</b>
Trade debtors	134	63
Amounts owed by group undertakings	9,163	13,165
VAT	112	1,075
Prepayments and accrued income	8,618	-
	<u>18,027</u>	<u>14,303</u>

**13 Cash at bank and in hand**

	<b>2013 £'000</b>	<b>2012 £'000</b>
Bank deposit	<u>34,567</u>	<u>50,220</u>

**First Rail Holdings Limited**  
**Notes to the accounts**  
**Year ended 31 March 2013**

**14. Creditors: amounts falling due within one year**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	2,188	2,615
Amounts owed to group undertakings	1,423	37,071
Accruals and deferred income	8,217	6,657
	<u>11,828</u>	<u>46,343</u>

**15. Provisions for liabilities and charges**

	<b>Deferred tax</b>
	<b>£'000</b>
At 1 April 2012	1,556
Credited to the profit and loss account	(1,008)
At 31 March 2013	<u>548</u>

Details of the deferred tax provision are given in note 16

**16. Deferred taxation**

Provision for deferred taxation consists of the following amounts

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Capital allowances in excess of depreciation	1,058	1,769
Other timing differences	(510)	(213)
Deferred tax provision	<u>548</u>	<u>1,556</u>

**17 Called up share capital**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised.</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

**18 Profit and loss account**

	<b>£'000</b>
At 1 April 2012	34,836
Profit for the year transferred to reserves	<u>17,315</u>
At 31 March 2013	<u>52,151</u>

**First Rail Holdings Limited**  
**Notes to the accounts**  
**Year ended 31 March 2013**

**19. Operating leases and capital commitments**

Commitments for payments in the next year under operating leases are as follows

	2013		2012	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire				
Within one year	435	-	-	-
Between two and five years	-	-	190	-
	<u>435</u>	<u>-</u>	<u>190</u>	<u>-</u>

The company had no capital commitments at 31 March 2013 or at 31 March 2012

**20. Contingent liabilities**

As at 31 March 2013, the company had contingent liabilities of £7m (2012 £7m) in the form of guarantees issued to the Danish and Swedish authorities in relation to the operating companies held by DSB First ApS (see note 9). Subsequent to the year end, the guarantee to the Swedish authorities was reduced from SEK160m to SEK 15m, of which the company's share is 30%. After this reduction the company's contingent liabilities were £4m.

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.

**21. Related party transactions**

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

**22. 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, which is the smallest and largest group that includes the company's results and for which group financial statements are prepared.

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