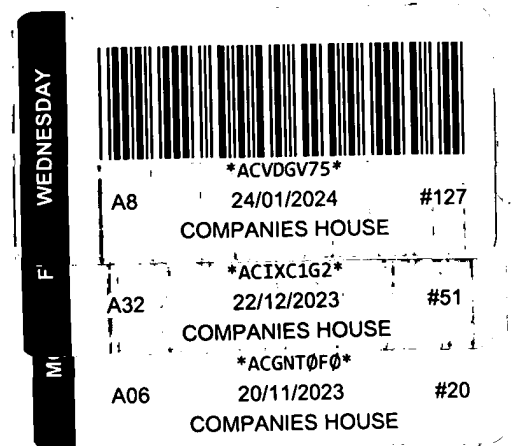


FIRST SCOTRAIL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



**Company Registered
Number: SC185018**

Registered Office:

**395 King Street
Aberdeen
AB24 5RP**

FIRST SCOTRAIL LIMITED

REPORT AND FINANCIAL STATEMENTS 2023

Contents	Page(s)
Directors' report	1 - 2
Directors' responsibilities statement	3
Profit and loss account	4
Statement of comprehensive income	4
Balance sheet	5
Statement of changes in equity	6
Notes to the financial statements	7 - 9

FIRST SCOTRAIL LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their annual report and financial statements for the year ended 31 March 2023. 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

The principal activity of the company was the operation of passenger railway services in Scotland and sleeper services to and from London under a franchise agreement with Transport Scotland. These activities ceased by 1 April 2015.

Business review and future outlook

On 31 March 2015, the sleeper services were transferred to Serco Caledonian Sleepers Limited and on 1 April 2015, the passenger railway services in Scotland were transferred to Abellio ScotRail Limited. As a result, the company is no longer a going concern and ceased to trade from 1 April 2015. The transfer schemes resulted in all significant operating assets and liabilities of the company passing to Serco Caledonian Sleepers Limited and Abellio ScotRail Limited, including employees. The company continues to deal with residual issues, including tax liabilities. Estimates of remaining liabilities have been included in these financial statements.

Operating profit in the year to 31 March 2023 was £1k (2022 - £207k), which reflected the settlement of residual issues.

Principal risks and uncertainties

The company does not have any principal risks and uncertainties because it is no longer trading and does not expect to trade for the foreseeable future.

Directors

The directors who held office throughout the year and to the date of this report are as follows:

Andrew James
Stephen Montgomery

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.

Basis other than going concern

The directors have considered the going concern assumption given the franchise end date with the company ceasing to trade at 01:59 on 1 April 2015. Accordingly, the financial statements have been prepared on a basis other than going concern. No material adjustment has arisen as a result of ceasing to apply the going concern basis.

Financial matters

The results for the year are set out in the profit and loss account on page 4. The directors have not recommended payment of a final dividend. Interim dividends of £nil (2022 - £nil) were paid.

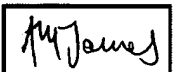
FIRST SCOTRAIL LIMITED

DIRECTORS' REPORT

Financial risk management

The company's principal financial assets are intercompany debtors with the ultimate parent undertaking. The directors have made an assessment with regards to the recoverability of the receivables and determined that no impairment loss has been incurred at the balance sheet date. The credit risk on liquid funds is limited because the counterparties are banks with a minimum "A" credit rating.

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



395 King Street
Aberdeen
AB24 5RP

Andrew James
Director
19 October 2023

FIRST SCOTRAIL 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 by order of the Board



395 King Street
Aberdeen
AB24 5RP

Andrew James
Director
19 October 2023

FIRST SCOTRAIL LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2023

	Note	2023 £000	2022 £000
Other operating income	5	-	193
Operating costs	6	<u>1</u>	<u>14</u>
Operating profit		1	207
Profit before taxation		<u>1</u>	<u>207</u>
Tax on profit	8	<u>-</u>	<u>(39)</u>
Profit for the financial year		<u><u>1</u></u>	<u><u>168</u></u>

All amounts relate to discontinued operations.

The notes on pages 7 to 9 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2023

	2023 £000	2022 £000
Profit for the financial year	<u>1</u>	<u>168</u>
Total comprehensive income for the year	<u><u>1</u></u>	<u><u>168</u></u>

FIRST SCOTRAIL LIMITED

BALANCE SHEET As at 31 March 2023

	Note	2023 £000	2022 £000
Current assets			
Debtors	9	1,982	2,102
Cash at bank and in hand		98	126
		<u>2,080</u>	<u>2,228</u>
Creditors: amounts falling due within one year	10	(11)	(160)
Net current assets		<u>2,069</u>	<u>2,068</u>
Total assets less current liabilities		<u>2,069</u>	<u>2,068</u>
Net assets		<u>2,069</u>	<u>2,068</u>
Equity and reserves			
Called up share capital	11	-	-
Profit and loss account		<u>2,069</u>	<u>2,068</u>
Total shareholder's funds		<u>2,069</u>	<u>2,068</u>

For the year ended 31 March 2023 the company was entitled to exemption from audit by parent guarantee under section 479A of the Companies Act 2006 relating to subsidiary companies.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The notes on pages 7 to 9 form an integral part of these financial statements.

The financial statements of First ScotRail Limited, company registered number SC185018, on pages 4 to 9 were approved by the Board of Directors on 19 October 2023 and were signed on its behalf by:



Andrew James
Director

FIRST SCOTRAIL LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended 31 March 2023

	Called up share capital £000	Profit and loss account £000	Total £000
Balance at 1 April 2021	-	1,900	1,900
Profit and total comprehensive income for the financial year	-	168	168
Balance at 31 March 2022	-	2,068	2,068
Profit and total comprehensive income for the financial year	-	1	1
Balance at 31 March 2023	-	2,069	2,069

1 General information

First ScotRail Limited is a private company limited by shares, incorporated in Scotland under the Companies Act 2006 and registered in Scotland. The registered office address is 395 King Street, Aberdeen AB24 5RP. 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 ScotRail 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

The financial statements have been prepared on the historical cost basis and on a basis other than going concern as described in the Directors' report on page 1. No adjustments arose as a result of ceasing to apply the going concern basis.

The functional and presentation currency of First ScotRail 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) Taxation

UK corporation tax is provided at amounts expected to be paid 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.

(d) 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.

(e) 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 SCOTRAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3 Principal accounting policies (continued)

(f) Turnover

Turnover (Revenue) is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business and is shown net of VAT where appropriate. The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the services; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity; and (e) when the specific criteria relating to the each of company's sales channels have been met.

4 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. There are no estimation uncertainties that have a significant effect on the amounts recognised in the financial statements.

5 Other operating income

	2023 £000	2022 £000
Other	-	193
	<u>-</u>	<u>193</u>

During the prior year, the company concluded three matters with Network Rail Infrastructure Limited with regard to receipt of funding for certain projects undertaken in the period to 31 March 2015.

6 Operating costs

	2023 £000	2022 £000
Operating costs	1	14
	<u>1</u>	<u>14</u>

Operating costs consist of the release of accruals no longer needed of £1,000 (2022: £14,000 supplier accruals release).

7 Employee numbers and costs

There were no persons employed by the company in either year, other than the directors. The directors received remuneration from other group companies, 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 ScotRail Limited.

FIRST SCOTRAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8 Tax on profit

	2023 £000	2022 £000
Current taxation		
- Group relief payable	-	39
- Adjustments in respect of prior years	-	-
Total current taxation and total tax charge	-	39

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 19% (2022: 19%).

From 1 April 2023 the corporation tax rate increased to 25%.

The actual current tax charge on profit for the current and previous years did not differ from the profit multiplied by the standard rate of corporation tax:

	2023 £000	2022 £000
Profit before tax	1	207
Profit before tax multiplied by the standard rate of Corporation Tax in the UK of 19% (2022: 19%)	-	39
Total tax charge	-	39

9 Debtors

	2023 £000	2022 £000
Amounts owed by group undertakings	1,982	2,102
	1,982	2,102

The amounts owed by group undertakings relate to FirstGroup plc. Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

10 Creditors: amounts falling due within one year

	2023 £000	2022 £000
Group tax relief payable	-	120
Other taxation and social security	-	29
Accruals and deferred income	11	11
	11	160

Group tax relief payable is owed to FirstGroup plc.

11 Called up share capital

	2023 £	2022 £
Authorised		
100 (2022: 100) ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
2 (2022: 2) ordinary shares of £1 each	2	2

The shares carry no right to fixed income nor confer any rights of redemption.

12 Ultimate parent company

The directors regard FirstGroup plc, a company incorporated in Great Britain and registered in Scotland, as the ultimate parent and controlling company, which is the smallest and largest group that includes the company's results and for which group financial statements are prepared. The company's immediate parent company is First Rail Holdings Limited, which is registered in England and Wales.

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