CrossCountry Trains Limited

Directors' report and financial statements

Registered number 3007937

For the year ended 28 February 2009

Contents

Co# 3007937

Directors' report

The directors present their annual report and the audited financial statements for the year ended 28 February 2009. The previous financial year ended on 1 March 2008. As described below, for the year ended 1 March 2008, the Company was operational for the 36 week period ended 10 November 2007.

Principal activities

The principal activity of the Company during the prior year was the operation of the passenger rail services which linked a number of cities and other destinations in England, Scotland and Wales.

As part of the re-mapping of various rail franchises, the Department for Transport ("DfT") gave notice that the original CrossCountry franchise would expire on 10 November 2007. The franchise, in revised form, was re-tendered and on 10 July 2007 it was announced that the new franchise had been awarded to Arriva Group plc.

Following the termination of the franchise on 10 November 2007, the Company no longer has an ongoing operational business. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

Results for the year and business review

The profit and loss account for the current year reflects the results of the Company for the year ended 28 February 2009.

The operating profit for the year was £0.7 million *(2008: £0.4 million loss)*. The profit after tax for the year was £0.8 million *(2008: £1.5 million)*. The profit after tax has arisen principally due to the receipt of £0.85 million from the DfT as described in note 3.

Dividends

Dividends paid during the year totalled £1.0 million *(2008: £2.5 million)*.

Directors

The directors who held office during the year were as follows:

Anthony Collins
Chris Gibb
Graham Leech

The Company maintains Directors' and Officers' Liability insurance in respect of legal action that might be brought against its directors and senior officers.

Political and charitable contributions

The Company made no political or charitable contributions during the year *(2008: £Nil)*.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report *(continued)*

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board

Anthony Collins
Director

The School House
50 Brook Green
London
W6 7RR

28 May 2009

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 judgments 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. As explained in note 1, the directors do not believe that it is appropriate to prepare the financial statements on a going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of CrossCountry Trains Limited

We have audited the financial statements of CrossCountry Trains Limited for the year ended 28 February 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have not been prepared on the going concern basis for the reason set out in note 1 to the financial statements but under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of CrossCountry Trains Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP 28 May 2009
Chartered Accountants
Registered Auditor

Profit and loss account
for the year ended 28 February 2009

	Note	Year ended 28 February 2009 £000	Year ended 1 March 2008 £000
Turnover	*2*	239	217,241
Franchise income	*3*	2,164	153,647
Train operating income	*4*	-	5,351
Train operating expenditure	*5*	(1,765)	(308,457)
Staff costs	*8*	-	(47,442)
Depreciation	*6*	-	(768)
Other operating income/(charges)		54	(19,966)
Operating profit/(loss)		692	(394)
Profit on transfer of assets and liabilities	*9*	-	460
Income from other fixed asset investments		-	30
Interest receivable and similar income	*10*	163	1,258
Interest payable and similar charges	*11*	(3)	(664)
Other finance income (net)	*20 (ii)*	-	1,490
Profit on ordinary activities before taxation	*6*	852	2,180
Tax charge on profit on ordinary activities	*13*	(35)	(722)
Profit for the financial year		817	1,458

The results set out above relate to discontinued operations.

There is no difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

Movements in reserves are set out in note 17.

Co# 3007937

Balance sheet
at 28 February 2009

	Note	28 February 2009 £000	28 February 2009 £000	1 March 2008 £000	1 March 2008 £000
Current assets					
Debtors	*14*	**2,007**		1,835	
Cash at bank and in hand		**818**		5,460	
		2,825		7,295	
Creditors: Amounts falling due within one year	*15*	**(2,119)**		(6,406)	
Net current assets			**706**		889
Total assets less current liabilities and Net assets			**706**		889
Capital and reserves					
Called up share capital	*16*		**-**		-
Profit and loss account	*17*		**706**		889
Shareholders' funds	*18*		**706**		889

These financial statements were approved by the board of directors on 28 May 2009 and were signed on its behalf by:

Anthony Collins
Director

Chris Gibb
Director

Statement of total recognised gains and losses
for the year ended 28 February 2009

	Year ended 28 February 2009 £000	Year ended 1 March 2008 £000
Profit for the financial year	**817**	1,458
Actuarial loss recognised on defined benefit pension scheme (see note 20 (iii))	-	(900)
Taxation on actuarial loss on defined benefit pension scheme	-	270
Total recognised gains relating to the financial year	**817**	828

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under FRS 1 'Cash flow statements', the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Under FRS 8 'Related party disclosures', the Company is exempt from the requirement to disclose transactions with related parties, which are part of the group, on the grounds that it is a wholly owned subsidiary undertaking of Virgin Rail Group Holdings Limited and the Company's results are consolidated in its parent company financial statements.

Following the termination of the franchise on 10 November 2007, the Company no longer has an ongoing operational business. As the directors do not intend to acquire a replacement trade for the Company, they have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the net assets are included in these financial statements compared with the values at which they would have been stated had the going concern basis of accounting been adopted.

Turnover

Turnover represents the amounts receivable, excluding VAT, for services and goods supplied to external customers, primarily in respect of passenger transportation. Turnover originates wholly in the United Kingdom.

Passenger revenue represents principally amounts attributed to the Company by the Railway Settlement Plan (which administers the income allocation system within the UK rail industry) for each financial period. Income is attributed based on models of certain aspects of passenger behaviour and to a lesser extent from allocations agreed for specific revenue flows.

Other trading income consists principally of the hire out of train crew and rolling stock. Other trading income and catering income are recognised as the income is earned.

Franchise income

Revenue grants receivable in respect of the operation of the rail franchise are taken to the profit and loss account in the year to which they relate.

Compensation for service disruption

Compensation receivable/payable for service disruption under the performance regime provisions of the track access agreement with Network Rail is recognised over the period of disruption and the net amount is shown as train operating income.

Track access costs

Track access costs are charged to the profit and loss account in the period to which they relate based on terms of the contract.

Notes *(continued)*

1 Accounting policies *(continued)*

Leases

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element, which reduces the outstanding obligation for future instalments.

All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pensions and other post-retirement benefits

On the grounds of materiality as the Company has had no pension scheme deficit since the termination of the franchise, the amendment to FRS17 'Retirement Benefits' has not been adopted in these financial statements.

Until the termination of the franchise, the Company participated in its own separate section of the Railways Pension Scheme ("RPS"), which provides benefits on a defined benefit basis. The assets of the scheme were held separately from those of the Company in an independently administered fund. The RPS is a shared cost scheme with costs being shared between the employer and the members on the basis of a 60:40 split.

The Company has no rights or obligations in respect of the RPS following expiry of the related franchise. Therefore, the liabilities recognised for the relevant section only represent that part of the net deficit of the section that the employer is obliged to fund over the life of the franchise to which the scheme relates. The restriction on the liabilities is presented as a "franchise adjustment" to the overall deficit.

The Company's contributions to the scheme are paid in accordance with the scheme rules and the recommendation of the actuary. The charge to the profit and loss account reflects the current service costs of such obligations. The expected return on scheme assets, the interest cost on scheme liabilities and the unwinding of the discount on the franchise adjustment are included within other finance income (net) in the profit and loss account.

Differences between the actual and expected returns on assets and experience gains/(losses) arising on the scheme liabilities during the year, together with differences arising from changes in assumptions, are recognised in the statement of total recognised gains and losses in the year.

Assets are taken at mid-market value. Details of the pension scheme are provided in note 20.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Tax charges and credits are accounted for through the same primary statement (being either the profit and loss account or the statement of total recognised gains and losses) as the related pre-tax items.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19 'Deferred Tax'. A net deferred tax asset is regarded as recoverable and therefore recognised only when on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes *(continued)*

2 Turnover

	2009 £000	2008 £000
Passenger revenue	181	207,220
Catering income	58	5,041
Other trading income	-	4,980
	239	217,241

Other trading income consists primarily of the hire out of train crew and rolling stock.

3 Franchise income

	2009 £000	2008 £000
Receipts under July 2002 Arrangement	-	149,416
Adjustments under the Supplemental Letter	1,314	4,231
Receipts outside of Supplemental Letter	850	-
	2,164	153,647

Franchise income arises under the original Franchise Agreement between the DfT and the Company as supplemented by the July 2002 Arrangement and the Supplemental Letter. Amongst other things, the July 2002 Arrangement specified interim support arrangements whilst the franchise terms were being re-negotiated. These interim support arrangements were on the basis of the Company receiving a pre-tax profit margin equivalent to 1% of revenue.

As well as the franchise support receipts determined by the DfT for the year under the terms of the July 2002 Arrangement, franchise income adjustments have been recognised under the Supplemental Letter relating to costs and revenues varying from the determined budget.

During the year the Company received £850,000 from the DfT, being an agreed payment, outside of the Letter Agreement, in relation to the Company's requirement to correct a funding shortfall on the pension scheme as a result of the franchise re-mapping.

4 Train operating income

	2009 £000	2008 £000
Performance regime	-	5,351

Performance regime income is in respect of the performance regime provisions of the Track Access Agreement.

Notes *(continued)*

5 Train operating expenditure

	2009 £000	2008 £000
Rolling stock costs	1,918	89,458
Track access costs	(35)	140,276
Station and depot access costs	-	17,585
Power costs	-	30,310
Other operating expenditure	(118)	30,828
	1,765	308,457

Other operating expenditure consists primarily of retail commissions payable, catering supplies, British Transport Police and the National Rail Enquiry Scheme charges.

6 Profit on ordinary activities before taxation

	2009 £000	2008 £000
Profit on ordinary activities before taxation is stated after charging		
Depreciation	-	768
Operating lease rentals:		
Hire of plant and machinery	-	31,087
Other operating leases	-	9,206
Auditors' remuneration:		
Audit of these financial statements	5	49

7 Remuneration of directors

	2009 £000	2008 £000
Aggregate emoluments of directors	-	198

The aggregate emoluments of the highest paid director were £Nil *(2008: £197,693).*

Notes *(continued)*

8 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the 36 week period of operational business to 10 November 2007 was as follows:

	Number of employees	
	2009	2008
Management	-	248
Other staff	-	1,428
	-	1,676

The aggregate payroll costs were as follows:

	£000	£000
Wages and salaries	-	39,464
Redundancy costs	-	138
Social security costs	-	3,340
Other pension costs	-	4,500
	-	47,442

On 10 November 2007, the franchise termination date, pursuant to a statutory transfer scheme, all staff were transferred out of the Company.

9 Profit on transfer of assets and liabilities

On 10 November 2007 the termination of the franchise came into formal effect and, pursuant to a statutory transfer scheme, certain assets, rights and liabilities were transferred to the new franchise operator, XC Trains Limited. The profit on transfer of assets and liabilities for the year ended 1 March 2008 was £460,000.

10 Interest receivable and similar income

	2009	2008
	£000	£000
Bank interest	**97**	1,258
Other interest receivable	**66**	-
	163	1,258

11 Interest payable and similar charges

	2009	2008
	£000	£000
Amounts payable to group undertakings	-	659
Other interest payable	**3**	5
	3	664

Notes *(continued)*

12 Dividends

	2009 £000	2008 £000
Dividends paid	**1,000**	2,500

13 Taxation

Analysis of charge in year

	2009 £000	2009 £000	2008 £000	2008 £000
UK corporation tax				
Current tax on income for the year	**45**		597	
Adjustments in respect of prior years	**(249)**		(507)	
Total current tax (credit)/charge		**(204)**		90
Deferred tax (see note 14)				
Origination/reversal of timing differences	**238**		628	
Effect of decreased tax rate	**-**		17	
Adjustments in respect of prior years	**1**		(13)	
Total deferred tax		**239**		632
Tax charge on profit on ordinary activities		**35**		722

Factors affecting the tax (credit)/charge for the current year

The standard rate of tax for the year based on the UK standard rate of corporation tax is 28% *(2008: 30%)*. The current tax (credit)/charge for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation.

	2009 £000	2008 £000
Current tax reconciliation		
Profit on ordinary activities before tax	**852**	2,180
Current tax at 28% *(2008: 30%)*	**239**	654
Effects of:		
Expenses not deductible for tax purposes	**-**	190
Depreciation for year in excess of capital allowances	**-**	58
Non taxable income	**-**	(9)
UK tax losses not utilised or not recognised	**44**	2
Other timing differences	**(238)**	(298)
Adjustments in respect of prior years	**(249)**	(507)
Total current tax (credit)/charge (see above)	**(204)**	90

Notes *(continued)*

14 Debtors

	2009	2008
	£000	£000
Amounts falling due within one year:		
Trade debtors	1,388	813
Amounts owed by group undertakings	547	497
Other debtors	72	286
Deferred tax	-	239
	2,007	1,835

The deferred tax asset, which has been recognised at 28% *(2008: 28%)*, is set out below:

	2009	2008
	£000	£000
At beginning of year	239	601
Charge to profit and loss account	(239)	(632)
Credit to statement of total recognised gains and losses	-	270
At end of year	-	239

The elements of deferred taxation are as follows:

	£000	£000
Other timing differences	-	239

There is an unrecognised deferred tax asset of £46,000 *(2008: £2,000)* which relates to tax losses carried forward.

15 Creditors: Amounts falling due within one year

	2009	2008
	£000	£000
Trade creditors	1,775	3,132
Amounts owed to group undertakings	66	50
Corporation tax	91	78
Other creditors	177	2,707
Accruals and other deferred income	10	439
	2,119	6,406

Notes *(continued)*

16 Called up share capital

	2009 £	2008 £
Authorised:		
9,000,000 ordinary shares of £1 each	**9,000,000**	9,000,000
Allotted, called up and fully paid:		
1 ordinary share of £1	**1**	1

17 Reserves

	Profit and loss account £000
At beginning of year	889
Profit for the financial year	817
Dividends paid (see note 12)	(1,000)
At end of year	**706**

18 Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
Profit for the financial year	**817**	1,458
Dividends paid (see note 12)	**(1,000)**	(2,500)
Actuarial loss on pension scheme (see note 20 (iii))	**-**	(900)
Deferred taxation on actuarial loss on pension scheme	**-**	270
Net reduction in shareholders' funds	**(183)**	(1,672)
Opening shareholders' funds	**889**	2,561
Closing shareholders' funds	**706**	889

19 Commitments

The Company had capital commitments of £Nil at 28 February 2009 *(2008: £Nil)*.

Notes *(continued)*

20 Pension scheme

On the grounds of materiality as the Company has had no pension scheme deficit since the termination of the franchise, the amendment to FRS17 'Retirement Benefits' has not been adopted in these financial statements.

Until the termination of the franchise, the Company participated in its own separate shared cost section of the Railways Pension Scheme ("RPS"). The RPS is a funded scheme and provides benefits based on final pensionable pay. The assets of the RPS are held separately from those of the Company. The RPS is a shared cost scheme with costs being shared between the employer and the members on the basis of a 60:40 split.

The Company has no rights or obligations in respect of the RPS following expiry of the related franchise. Therefore, the liabilities recognised for the relevant section of the RPS only represent that part of the net deficit of the section that the employer is obliged to fund over the life of the franchise to which the section relates. The restriction on the liabilities is presented as a "franchise adjustment" to the overall deficit.

On 10 November 2007, the franchise termination date, pursuant to a statutory transfer scheme, all staff transferred out of the Company. At the point of transfer the deficit on the section relevant to the Company was £Nil. The gross assets and liabilities of the section transferred out in line with the transfer of the re-mapped franchise.

Prior to transfer, the latest actuarial valuation of the Company's section of the RPS was undertaken at 31 December 2004 using the projected unit method. The movement in deficit up to the point of transfer was determined by a qualified independent actuary, using revised assumptions that are consistent with the requirements of FRS 17.

	2009 **%**	2008 %	2007 %
Rate of increase in salaries	-	4.9	4.5
Rate of increase in pensions in payment and deferred pensions	-	3.4	3.0
Discount rate	-	6.1	5.1
Inflation assumption	-	3.4	3.0

The assumptions used by the actuary are the best estimates chosen from a large range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Notes *(continued)*

20 Pension scheme *(continued)*

The fair value of the section's scheme assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the section's scheme liabilities, which are derived from cash flow projections over long periods and are therefore inherently uncertain, are:

	2009		2008		2007	
	Expected rate of return	**Fair value**	Expected rate of return	Fair value	Expected rate of return	Fair value
	% pa	**£000**	% pa	£000	% pa	£000
Fair value of assets						
Equities	-	-	-	-	8.5	95,700
Bonds	-	-	-	-	5.1	14,070
Property	-	-	-	-	7.5	13,430
Other	-		-	-	6.5	11,780
Total market value of assets	-	-	-	-	7.8	134,980
Present value of section liabilities		-		-		(146,170)
Deficit in the section		-		-		(11,190)
Franchise adjustment		-		-		10,240
Deficit recognised by company		-		-		(950)
Related deferred tax asset at 30%		-		-		285
Net pension liability		-		-		(665)

The amounts included in the financial statements are as follows:

(i) Analysis of the amount charged to operating profit

	2009	2008
	£000	£000
Current service cost	-	4,500
Total charged to operating profit	-	4,500

(ii) Analysis of the amount credited to other finance income

	2009	2008
	£000	£000
Interest on section liabilities	-	(3,240)
Expected return on section assets	-	4,370
Interest credit on franchise adjustment	-	360
Net credit to other finance income	-	1,490

Notes *(continued)*

20 Pension scheme *(continued)*

(iii) Analysis of the amount recognised in statement of total recognised gains and losses

	2009 £000	2008 £000
Actual return less expected return on section assets	-	3,460
Experience loss arising on section liabilities	-	(4,310)
Changes in assumptions underlying the present value of section liabilities	-	(50)
Actuarial loss recognised in statement of total recognised gains and losses	-	(900)

(iv) Movement in deficit during the year on an FRS 17 basis

	2009 £000	2008 £000
Deficit at beginning of year	-	(950)
Current service cost	-	(4,500)
Contributions paid	-	4,860
Other finance income	-	1,490
Actuarial loss	-	(900)
Deficit at end of year	-	-

(v) Experience gains and losses

	2009	2008	2007	2006	2005
Difference between actual and expected return on section assets:					
amount (£000)	-	-	2,410	8,193	1,600
percentage of section assets	-	-	2%	7%	2%
Experience (loss)/gain on section liabilities:					
amount (£000)	-	-	(7,062)	6,867	3,240
percentage of present value of section liabilities	-	-	(5%)	4%	3%
Total actuarial (loss)/gain recognised in statement of total recognised gains and losses:					
amount (£000)	-	-	(982)	1,453	2,240
percentage of present value of section liabilities	-	-	(1%)	1%	2%

Notes *(continued)*

21 Ultimate parent company and parent undertaking of larger group

The parent undertaking of the smallest group of undertakings, including the Company, for which group financial statements are drawn up is Virgin Rail Group Holdings Limited. The parent undertaking of the largest group of undertakings, including the Company, for which group financial statements are drawn up is Virgin Wings Limited.

Copies of the Virgin Rail Group Holdings Limited and Virgin Wings Limited consolidated financial statements are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3HZ.

As at 28 February 2009, the ultimate parent company is Virgin Group Holdings Limited, a company registered in the British Virgin Islands.