

Company Registration No. 02996875

**First Rail Procurement Limited
(formerly Great Western Holdings Limited)**

Annual Report and Financial Statements

For the year ended 31 March 2020



First Rail Procurement Limited (formerly Great Western Holdings Limited)

Annual Report and Financial Statements 2020

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First Rail Procurement Limited (formerly Great Western Holdings Limited)

Officers and professional advisers

Directors

H Clancy (appointed 26 June 2020)

A James

S Montgomery

Company secretary

B Salter

Registered Office

4th Floor, Capital House

25 Chapel Street

London

NW1 5DH

Auditor

Deloitte LLP

Statutory Auditor

London

United Kingdom

First Rail Procurement Limited

Directors' report

The directors have pleasure in submitting their annual audited report and financial statements for the year ended 31 March 2020. In preparing the financial statements, the directors have taken the exemption available for small companies in respect of the requirement to prepare a strategic report.

Principal activities and future outlook

The company is a holding company and was previously the franchisee of the operation of passenger railway franchises and responsible for FirstGroup plc's UK Rail bidding activities. The directors expect the company to trade in the foreseeable future in undertaking certain procurement activities. The company changed its name on 16 June 2020 from Great Western Holdings Limited to First Rail Procurement Limited. Contracts were signed in December 2020 to procure and supply seats to Angel Leasing Company Limited as part of the refurbishment of the Pendolino fleet of trains.

Business review and prospects

Two of the company's former subsidiary undertakings have been dissolved: Great Western Trains Company Limited on 14 June 2020 and First Great Western Link Limited on 28 July 2020. The final distributions from the liquidations were made in the year. Great Western Trustees Limited is the only remaining subsidiary undertaking, which is dormant.

Coronavirus pandemic

The company has not been directly affected by the coronavirus pandemic. Its parent company, FirstGroup plc, has disclosed material uncertainties in its ability to continue as a going concern as more fully explained in the going concern assessment below.

Going concern

At 31 March 2020 the company had cash at bank and in hand of £1k and net assets of £1,257k.

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

Background for going concern

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

The directors of FirstGroup plc, the ultimate parent company of First Rail Procurement Limited, have confirmed that FirstGroup plc will continue to provide operational and financial support to the company to enable it to trade within the group and to meet its liabilities in full as they fall due for a period of at least twelve months from the date of approval of these financial statements. However, as a result of the coronavirus pandemic, all of the businesses of FirstGroup plc have benefitted, and continue to benefit, from contractual or direct fiscal support from governments. The form and quantum of these support measures varies across the group. All of the group's businesses are however in receipt of material levels of support to ensure the ongoing delivery of services throughout the pandemic, or to enable them to restart services quickly once needed.

The company directors have made enquiries and note that the FirstGroup plc 2020 Annual Report and Accounts state that material uncertainties exist in its ability to continue as a going concern in the event of certain circumstances (as explained in pages 72 to 73 of the FirstGroup plc 2020 Annual Report and Accounts). The group's half year results for the six months to 30 September 2020 (published on 10 December 2020) continue to disclose that there are a number of risks, when combined (set out below), which indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. The group's downside model indicates that both the minimum liquidity and net debt to EBITDA covenants have low headroom at certain points within the going concern review period. The downside model also indicates that additional funding may be required during 2021. Such additional funding, whether through drawdown of the group's existing uncommitted facilities or through the group securing new facilities, may not be available at that time. Given the reliance on group support, this has the ability to directly impact the company and, therefore, the company has a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

First Rail Procurement Limited

Directors' report

Material uncertainty related to going concern

The company directors consider that the group risks set out below indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The risks causing this material uncertainty are:

- materially lower service levels and revenue recovery in the group's First Student division, if the impact of the pandemic is more severe or protracted than assumed;
- the impact on future demand for the group's passenger revenue-based divisions, First Bus and First Greyhound, being worse than anticipated; and
- the group being unable to complete its refinancing arrangements as planned, or the availability of its uncommitted facilities and the receipt of covenant waivers if required.

In addition to funding arrangements, the continuation of FirstGroup is critical to the future of the company, given its management and infrastructure are closely linked with that of the Group.

The half year results of FirstGroup plc provide significant additional detail to the above, including mitigating actions identified by the group, and are publicly available. If the impact on the group of the pandemic were to be more protracted than assumed, the group would reduce and defer planned growth capital expenditure and further reduce costs in line with a lower operating environment to the extent that the essential services the group operates are not required to be run for the governments and communities the group supports.

Going concern statement

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

Principal risks and uncertainties

The company has a well-established risk management methodology which we use throughout the business to allow us to identify and manage the principal risks which could:

- adversely impact the safety and security of the company's employees, customers and assets;
- have a material impact on the financial or operational performance of the company;
- impede achievement of our strategic objectives and financial targets; and/or
- adversely impact the company's reputation or stakeholder expectations.

The company's principal risks are set out below; these risks have been assessed considering their potential impact (both financial and reputational), the likelihood of occurrence and any change to this compared to the prior year and the residual risk after the implementation of controls.

Compliance, litigation and claims, health and safety

The company's operations are subject to a wide range of legislation and regulation. Failure to comply can lead to litigation, claims, damages, fines and penalties. The company has three main risks; third party injury and other claims arising from general operations, employee injuries and property damage. A higher volume of litigation and claims can lead to increased costs and reputational impact.

We have a very strong focus on safety and it is one of our five values. The company self-insures third party and employee injury claims up to a certain level commensurate with the historical risk profile. We purchase insurance above these limits from reputable global insurance firms. Claims are managed by experienced claims handlers. Non-insured claims are managed by FirstGroup plc's dedicated in-house legal teams with external assistance as appropriate.

First Rail Procurement Limited

Directors' report

Principal risks and uncertainties (continued)

Environmental risk

FirstGroup plc recognises the importance of its environmental policies, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's Annual Report, which do not form part of this report. Initiatives designed to minimise the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

We recognise the environmental impacts arising from our business activities and are committed to reducing these through effective environmental management.

Economic conditions

Changing economic conditions affect our business in different ways. A less positive economic outlook could have a negative impact on our business in terms of reduced demand and reduced opportunities for growth. Improving economic conditions may also result in a tightening of labour markets resulting in employee shortages, pressure to increase pay, or affect the availability of public funding for transport services. The same factors could also affect our key suppliers.

To mitigate these risks, we continue to focus on building revenue streams and controlling costs to ensure we remain competitive.

Financial risk management

The company's principal financial assets are intercompany debtors. As disclosed in the going concern statement above, a material uncertainty exists in the ability of the ultimate parent company FirstGroup plc to fulfil its obligations as more fully explained on pages 72 to 73 of the FirstGroup plc 2020 Annual Report and Accounts and the group's half year results for the six months to 30 September 2020 (published on 10 December 2020). The company does not manage its financial risk through the use of financial derivative instruments.

Financial matters

The results for the year are given in the profit and loss account on page 10. The company made a profit for the year of £1.1m (2019: £0.3m). During the year, the company did not declare a dividend to its parent company FirstGroup plc (2019: £nil). No final dividend is proposed (2019: £nil).

Directors

The directors who served during the year and to the approval date of these financial statements are set out on page 1.

Directors' and officers' liability insurance

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

Post balance sheet events

Coronavirus continues to have an adverse impact on both the rail industry and the wider economy of the United Kingdom. Until the vaccine is substantially deployed it appears these impacts will continue. Therefore, there is an ongoing material uncertainty relating to the ability of the ultimate parent company, FirstGroup plc, to fulfil its obligations to provide funding as more fully explained on pages 72 to 73 of the FirstGroup plc 2020 Annual Report and Accounts and the group's half year results for the six months to 30 September 2020 (published on 10 December 2020). This impacts the future measurement of the significant receivable from FirstGroup plc.

Contracts were signed in December 2020 to procure and supply seats to Angel Leasing Company Limited as part of the refurbishment of the Pendolino fleet of trains.

There are no adjusting events.

First Rail Procurement Limited

Directors' report

Audit information

Each of the persons who is a director at the date of approval of this report confirms that:

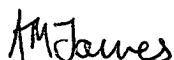
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

The company has passed an elective resolution dispensing with the requirement to appoint an auditor annually. During the year a new audit firm has been selected to succeed Deloitte LLP, who has been the group's auditor since 1999. As a result, PricewaterhouseCoopers LLP has indicated their willingness to act as auditor to the company from the date of these accounts and are therefore deemed appointed.

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



A James
Director
4th Floor Capital House, 25 Chapel Street, London NW1 5DH

30 June 2021

Great Western 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 those 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; 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 and disclose 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.

First Rail Procurement Limited

Independent auditor's report to the member of First Rail Procurement Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of First Rail Procurement Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account;
- the Statement of Changes in Equity;
- the Balance Sheet; and
- the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the company relies on support from FirstGroup plc which has a material uncertainty over its ability to continue as a going concern. A material uncertainty exists at a Group level regarding FirstGroup plc's reliance on government support while passenger demand for transportation services is reduced and regarding the Group's ability to continue to access sufficient funding during the going concern period. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

First Rail Procurement Limited

Independent auditor's report to the member of First Rail Procurement Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

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

First Rail Procurement Limited

Independent auditor's report to the member of First Rail Procurement Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, 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 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.

Edward Salter

Edward Salter (Senior Statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
30 June 2021

Great Western Holdings Limited
Profit and loss account
Year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Operating costs	2	-	-
Operating loss		-	-
Other gains and losses	4	1,065	259
Interest receivable and similar income	2	-	-
Profit before taxation		1,065	259
Tax charge on profit	3	-	-
Profit after taxation	2	1,065	259

All activities relate to discontinued operations.

No statement of comprehensive income is presented as all income and expense for the current and preceding year are passed through the profit and loss account.

Great Western Holdings Limited
Statement of changes in equity
Year ended 31 March 2020

	Called up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 2018	-	(67)	(67)
Total comprehensive income for the financial year	-	259	259
Balance at 31 March 2019	-	192	192
Total comprehensive income for the financial year	-	1,065	1,065
Balance at 31 March 2020	-	1,257	1,257

Great Western Holdings Limited
Balance sheet
As at 31 March 2020

	Notes	- 2020 £'000	2019 (restated) £'000
Fixed assets			
Equity investments	4	-	1,026
Investment in debt instrument	5	1,335	1,354
		<u>1,335</u>	<u>2,380</u>
Current assets			
Cash at bank and in hand		1	1
		<u>1</u>	<u>1</u>
Creditors: amounts falling due within one year	6	(79)	(2,189)
Net current liabilities		<u>(78)</u>	<u>(2,187)</u>
Total assets less current liabilities / Net assets		<u>1,257</u>	<u>192</u>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account		1,257	192
Shareholder's funds		<u>1,257</u>	<u>192</u>

As set out in note 5, the financial statements have been restated to reflect that the intercompany receivable balances of £1,354,000 were intended for use on a continuing basis and therefore are more appropriately presented as fixed assets.

The financial statements of Great Western Holdings Limited, registered number 02996875, were approved by the Board of Directors on 30 June 2021.

Signed on behalf of the Board of Directors



A James
Director

Great Western Holdings Limited

Notes to the financial statements

Year ended 31 March 2020

1. Principal accounting policies

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

General information and basis of accounting

First Rail Procurement Limited is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The registered office address is 4th Floor, Capital House, 25 Chapel Street, London NW1 5DH. The nature of the company's operations and its principal activities are set out in the Director's report on page 2. The functional currency of First Rail Procurement Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Basis of preparation

The financial statements have been prepared under a historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council.

The company meets the definition of a qualifying entity under FRS102 because its parent company publishes consolidated accounts which give a true and fair view and has therefore taken disclosure exemptions in respect of its separate financial statements. Exemptions have been taken in relation to presentation of a cash-flow statement and intra group transactions.

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

Going concern

At 31 March 2020 the company had cash at bank and in hand of £1k and net assets of £1,257k.

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

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

Background for going concern

The directors of FirstGroup plc, the ultimate parent company of First Rail Procurement Limited, have confirmed that FirstGroup plc will continue to provide operational and financial support to the company to enable it to trade within the group and to meet its liabilities in full as they fall due for a period of at least twelve months from the date of approval of these financial statements. However, as a result of the coronavirus pandemic, all of the businesses of FirstGroup plc have benefitted, and continue to benefit, from contractual or direct fiscal support from governments. The form and quantum of these support measures varies across the group. All of the group's businesses are however in receipt of material levels of support to ensure the ongoing delivery of services throughout the pandemic, or to enable them to restart services quickly once needed.

The company directors have made enquiries and note that the FirstGroup plc 2020 Annual Report and Accounts state that material uncertainties exist in its ability to continue as a going concern in the event of certain circumstances (as explained in pages 72 to 73 of the FirstGroup plc 2020 Annual Report and Accounts). The group's half year results for the six months to 30 September 2020 (published on 10 December 2020) continue to disclose that there are a number of risks, when combined (set out below), which indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. The group's downside model indicates that both the minimum liquidity and net debt to EBITDA covenants have low headroom at certain points within the going concern review period. The downside model also indicates that additional funding may be required during 2021. Such additional funding, whether through drawdown of the group's existing uncommitted facilities or through the group securing new facilities, may not be available at that time.

Great Western Holdings Limited

Notes to the financial statements

Year ended 31 March 2020

1. Principal accounting policies (continued)

Going concern (continued)

Given the reliance on group support, this has the ability to directly impact the company and, therefore, the company has a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

Material uncertainty related to going concern

The company directors consider that the group risks set out below indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The risks causing this material uncertainty are:

- materially lower service levels and revenue recovery in the group's First Student division, if the impact of the pandemic is more severe or protracted than assumed;
- the impact on future demand for the group's passenger revenue-based divisions, First Bus and First Greyhound, being worse than anticipated; and
- the group being unable to complete its refinancing arrangements as planned, or the availability of its uncommitted facilities and the receipt of covenant waivers if required.

In addition to funding arrangements, the continuation of FirstGroup is critical to the future of the company, given its management and infrastructure are closely linked with that of the Group.

The half year results of FirstGroup plc provide significant additional detail to the above, including mitigating actions identified by the group, and are publicly available. If the impact on the group of the pandemic were to be more protracted than assumed, the group would reduce and defer planned growth capital expenditure and further reduce costs in line with a lower operating environment to the extent that the essential services the group operates are not required to be run for the governments and communities the group supports.

Going concern statement

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

Investments and impairment

Fixed asset investments are shown at cost less provision for impairment. At each balance sheet date the company reviews the carrying amount of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an investment is determined to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Financial assets and liabilities

All financial assets and liabilities are measured at transaction price (including transaction cost) and subsequently measured at amortised cost.

Great Western Holdings Limited

Notes to the financial statements

Year ended 31 March 2020

1. Principal accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

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

Impairment of fixed asset investments

Determining whether a fixed asset investment is impaired requires an estimation of the cash generation of that investment. The carrying amount of fixed asset investments is disclosed in note 4.

Recoverability of intercompany debtors

As more fully disclosed in the going concern paragraph above, the parent company has disclosed material uncertainties exist in its ability to continue as a going concern. Estimation is required in relation to the recoverability of amounts due from the parent company.

2. Profit before taxation

The company received interest on deposits of £1.93 (2019: £1.18).

Audit fees for the audit of the financial statements of £5,000 (2019: £1,000) have been borne by the ultimate parent company, FirstGroup plc. No other services were provided by Deloitte LLP in either year.

During the current and prior year, the number of employees was nil. The directors received remuneration from another group company, First Rail Holdings Limited, in the current and prior years, details of which are disclosed in their accounts. It is not considered practicable to allocate this between services provided to those companies, and services provided in their capacity as directors to First Rail Procurement Limited.

3. Tax charge on profit

	2020 £'000	2019 £'000
Current taxation	-	-
- UK corporation tax	-	-
Total current taxation and tax charge on profit	-	-

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 19% (2019: 19%).

The UK Government enacted legislation to maintain the main rate of UK corporation tax at 19% from 1 April 2020.

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

	2020 £'000	2019 £'000
Profit before tax	1,065	259
Profit multiplied by the standard rate of Corporation Tax in the UK of 19% (2019: 19%)	202	49
Factors affecting charge		
- Other gains and losses not chargeable for tax purposes	(202)	(49)
Total tax charge on profit	-	-

Great Western Holdings Limited
Notes to the financial statements
Year ended 31 March 2020

4. Fixed asset investments

	Total
Cost	£'000
At 1 April 2019	1,258
Dissolution of Great Western Trains Company Limited	(1,258)
	<hr/>
At 31 March 2020	-
	<hr/>
Provision for impairment	
At 1 April 2019	(232)
Dissolution of Great Western Trains Company Limited	232
	<hr/>
At 31 March 2020	-
	<hr/>
Net book value	
At 31 March 2020	-
	<hr/>
At 31 March 2019	1,026
	<hr/>

The company has one subsidiary undertaking at the end of the year, Great Western Trustees Limited, which is non-trading and dormant. This company is wholly-owned and is incorporated in Great Britain and registered in England and Wales. All shares held are ordinary shares. Its registered office is Milford House, 1 Milford Street, Swindon SN1 1HL.

A final distribution of £1,016,000 was received in the year from Great Western Trains Company Limited. Its carrying value was £1,026,000 and a further loss of £10,000 was recorded in the profit and loss account for the year. A final distribution of £1,075,000 was received in the year from First Great Western Link Limited. Its carrying value was £nil and a gain of £1,075,000 was recorded in the profit and loss account for the year.

5. Fixed asset investments in debt instruments

	2020	2019
	£'000	(restated)
	£'000	£'000
Amounts owed by FirstGroup plc	1,289	1,308
Amounts owed by fellow subsidiary undertakings	46	46
	<hr/>	<hr/>
	1,335	1,354
	<hr/>	<hr/>

The financial statements have been restated to reflect that the intercompany receivable balances of £1,354,000 were intended for use on a continuing basis and therefore are more appropriately presented as fixed assets.

In the opinion of the directors, the fair value does not differ materially from the carrying value. Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

Great Western Holdings Limited
Notes to the financial statements
Year ended 31 March 2020

6. Creditors

	2020	2019
	£'000	£'000
Amounts falling due within one year		
Amounts owed to subsidiary undertakings	79	2,189
	<u>79</u>	<u>2,189</u>

In the opinion of the directors, the fair value of amounts owed to group undertakings does not differ materially from the carrying value. Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

7. Called up share capital

	2020	2019	2020	2019
	Number	Number	£'000	£'000
Authorised:				
Ordinary shares of 1p each	5,100,000	5,100,000	51	51
A Ordinary shares of 1p each	4,900,000	4,900,000	49	49
	<u>10,000,000</u>	<u>10,000,000</u>	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:				
Ordinary shares of 1p each	1	1	-	-
A Ordinary shares of 1p each	-	-	-	-
	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

The A ordinary shares rank above the ordinary shares with respect to dividends and upon winding up. In addition, A ordinary shares may at any time be converted in whole into a like number of ordinary shares. The number of ordinary shares of 1p each in issue at the end of the year was 1 (2019: 1).

8. Post balance sheet events

Coronavirus continues to have an adverse impact on both the rail industry and the wider economy of the United Kingdom. Until the vaccine is substantially deployed it appears these impacts will continue. Therefore, there is an ongoing material uncertainty relating to the ability of the ultimate parent company, FirstGroup plc, to fulfil its obligations to provide funding as more fully explained on pages 72 to 73 of the FirstGroup plc 2020 Annual Report and Accounts and the group's half year results for the six months to 30 September 2020 (published on 10 December 2020). This impacts the future measurement of the significant receivable from FirstGroup plc.

Contracts were signed in December 2020 to procure and supply seats to Angel Leasing Company Limited as part of the refurbishment of the Pendolino fleet of trains.

There are no adjusting events.

9. 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 Financial Statements of FirstGroup plc can be obtained on request from its registered office: 395 King Street, Aberdeen AB24 5RP.