ASSOCIATION of TRAIN OPERATING COMPANIES

ATOC Limited

Directors' report and financial statements

Registered number 3069033

31 March 2008

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COMPANIES HOUSE

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2008

Business review and principal activities

The principal activities of the Company during the year were the continued provision of a secretariat for the Association of Train Operating Companies and its associated schemes, companies and structures and the discharge of the role of agent for the various contractual arrangements entered into on behalf of scheme participants There have not been any significant changes in the company's principal activities in the year under review The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year

The company has continued to match its activities to the demands of the various ATOC activities and to provide trade association style services on behalf of the train operating companies, its members.

A programme of building works to expand and refurbish the current offices was completed in April 2008 This along with new property leases for the accommodation should prepare the Association for the next 10 years

During the year, the company made a profit before tax of £421,000 *(2007 a profit of £210,000)* and after provisions for corporation tax this profit became £206,000 *(2007 a profit of £63,000)* The directors do not recommend the payment of a dividend

The company does not use a large number of key performance indicators to monitor its business as each scheme, or activity, is closely monitored by the members involved There are, however, three main indicators

- Administration costs per employee fell by 7 2% from £17,792 in 2006/7 to £16,510 this year This is calculated by dividing the administration cost centre by the average numbers of employees in the year The administration cost centre includes accommodation, personnel, IT, communications and general office expenses
- Staff turnover has risen from 10% in 2006/7 to 14% this year This is the number of leavers divided by the average number of employees in the year
- Scheme specific expenditure is monitored against budgets formally set within the ATOC Scheme structures For 2007/8, all schemes reported expenditure below the levels of these budgets

Going concern

Although the company has net assets less current liabilities of £61,000 *(2007 £98,000)*, the impact of the Net Pension Asset results in net assets of £142,000 *(2007 Net liabilities £955,000)* Through the mechanism of the ATOC Schemes, ATOC's members are obliged to fund all liabilities in ATOC Ltd and if a pension deficit arises, it will be covered by increased employer and employee contributions, through a plan agreed with the Pension Trustees Accordingly, the financial statements are prepared on a going concern basis as the company's management believes that it will be able to meet all its liabilities as they fall due for payment

Directors' report *(continued)*

Principal risks and uncertainties

ATOC Ltd has engaged external risk assessors to help identify and prioritise the key risk pressures on the company The main areas of risk identified were

- Failure of a major contractor and general contract risks – ATOC Ltd is a major outsourcer of the activities of the Association of Train Operating Companies – there is very little that is done in house Consequently there is the risk of a major contractor failing, but to mitigate this, contract procurement follows European Union best practice guidelines and processes and every major contractor is assessed and regularly monitored for business risks To avoid contractual arrangements that do not adequately protect the company, our in house legal team also ensure that all contracts are properly vetted and reviewed to ensure that the company enjoys maximum protection
- Business changes and key people – the success of ATOC is built around two major factors – the ability to recruit and retain key people and the ability to respond to the continually changing industry environment We ensure that the needs of our key employees are properly addressed and tailor our employment packages accordingly To keep up with the constant stream of changes in the industry, apart from the need for annual budgets for the Train Companies to be able to us for planning, the company has a six month time horizon for performance appraisals, department reviews and forward planning
- Industry publications, especially Codes of Best Practice, are discussed by the train companies and issued by ATOC They are thoroughly vetted and are formally agreed by all industry participants before issue

Employees

Details of the numbers of employees and related costs can be found in note 4 to the financial statements on page 13

Directors and directors' interests

The directors who held office during the year were as follows

M Alexander (Appointed 4 June 2008)
A E Collins
D K Finch (Resigned 8 June 2007)
K L Ludeman
A D McTavish
G W Muir (Resigned 7 May 2008)
M A Roberts (Appointed 24 January 2008)
A Shooter

The Board would like to express its appreciation to the contribution of the Directors who have resigned during the year and wish them well for the future

None of the directors had a beneficial interest in any shares of the company No director had a material interest in any contract with the company

Charitable contributions

The company made no political donations but made charitable donations of £775 during the year.

Directors' report *(continued)*

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 directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution is to be proposed at the forthcoming Annual General Meeting for the re-appointment of KPMG LLP as auditors of the company

By order of the board

CJ Yelland
Secretary

40 Bernard Street
London
WC1N 1BY

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards

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

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

PO Box 695
8 Salisbury Square
London EC4Y 8BB
United Kingdom

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATOC LIMITED

We have audited the financial statements of ATOC Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes These financial statements have been prepared 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

As described in the Statement of Directors' Responsibilities on page 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 We also 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 ATOC 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 31 March 2008 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
Chartered Accountants
Registered Auditor

London
7 July 2008

Profit and loss account
for the year ended 31 March 2008

	Note	2008 £000	*2007* *£000*
Turnover		**38,200**	*37,831*
Operating expenditure		**(38,121)**	*(37,929)*
Operating Profit/(loss)		79	*(98)*
Interest receivable and similar income	5	**44**	*110*
Other finance Income	12	**300**	*200*
Interest payable and similar charges	5	**(2)**	*(2)*
Profit on ordinary activities before taxation	2	**421**	*210*
Taxation on profit on ordinary activities	6	**(215)**	*(147)*
Profit for the year		**206**	*63*

There are no other recognised gains and losses other than the profit for the year All items relate to continuing activities

Statement of total recognised gains and losses
for the year ended 31 March 2008

	2008 £000	*2007 £000*
Profit for the financial year	**206**	*63*
Actuarial gain recognised in the pension scheme	**1,100**	*600*
Deferred tax arising on the above	**(209)**	*(114)*
Total recognised gains and losses relating to the financial year	**1,097**	*549*
FRS17 adjustment for pension scheme liability	-	-
Deferred tax on FRS17 adjustment	-	-
Total gains and losses recognised since last annual report	**1,097**	*549*

Balance sheet
as at 31 March 2008

	Note	**2008 £000**	**2008 £000**	*2007 £000*	*2007 £000*
Fixed assets					
Tangible Fixed Assets	7		**3,902**		*2,168*
Current assets					
Debtors	8	**9,525**		*10,775*	
Cash at bank and in hand		**1,697**		*1,888*	
		11,222		*12,663*	
Creditors: amounts falling due within one year	9	**(15,063)**		*(14,733)*	
Net current (liabilities)			**(3,841)**		*(2,070)*
Net assets excluding pension liability			**61**		*98*
Net Pension Asset/(Liability)	12		**81**		*(1,053)*
Net (Liabilities) including pension liability			**142**		*(955)*
Capital and reserves					
Called up share capital	10		-		-
Profit and loss	11		**142**		*(955)*
Equity shareholders' funds/(deficit)	11		**142**		*(955)*

These financial statements were approved by the Board of Directors on 2nd July 2008 and are signed on its behalf by

A E Collins
Director

M Alexander
Director

Cash flow statement
for the year ended 31 March 2008

	2008 £000	*2007 £000*
Net cash inflow from operating activities	3,950	*368*
Returns on investments and servicing of finance		
Interest received	42	*110*
Interest element of finance lease payments	-	-
Interest paid	(2)	*(2)*
Taxation	(144)	*(80)*
Capital expenditure		
Purchase of tangible fixed assets	(3,537)	*(2,421)*
Financing		
Loan to Rail Settlement Plan Ltd	(500)	*2,000*
(Decrease) in cash during the year	(191)	*(25)*

Reconciliation of operating profit to Net cashflow from operating activities

	2008	2007
Operating profit/(loss)	79	*(98)*
Depreciation	1,803	*905*
Write off of Tangible Fixed Assets	-	*127*
Decrease/(Increase) in debtors	1,744	*(1,233)*
Increase in creditors	324	*567*
Increase in Pension Liability	-	*100*
Net cash Inflow / (Outflow) from operating activities	3,950	*368*

Reconciliation of net cash flow to movements in net debt

Net debt consists of cash at bank and in hand hence no separate reconciliation of net debt is presented

Notes to the Accounts

1 Accounting policies

The followıng accountıng polıcıes have been applıed consıstently ın dealıng wıth ıtems whıch are consıdered materıal ın relatıon to the company's financıal statements

Basis of preparation

The financıal statements are prepared under the hıstorıcal cost conventıon and ın accordance wıth applıcable accountıng standards

Going concern

Although the company has net assets less current lıabılıtıes of £61,000 *(2007 £98,000)*, the ımpact of the Net Pensıon Asset results ın net assets of £142,000 *(2007 Net lıabılıtıes £955,000)* Through the mechanısm of the ATOC Schemes, ATOC's members are oblıged to fund all lıabılıtıes ın ATOC Ltd and ıf a pensıon deficıt arıses, ıt wıll be covered by ıncreased employer and employee contrıbutıons, through a plan agreed wıth the Pensıon Trustees Accordıngly, the financıal statements are prepared on a goıng concern basıs as the company's management belıeves that ıt wıll be able to meet all ıts lıabılıtıes as they fall due for payment

Fıxed assets and depreciation

Depreciatıon ıs provıded on a straıght-lıne basıs over perıods related to the estımated useful economıc lıves of assets and commences from the begınnıng of the year followıng entry ınto servıce The lıves used for the assets are

Computer Software - 3 years
Fıxtures and fittıngs - 3-20 years

Leases

Assets acquıred under finance leases are capıtalısed and the outstandıng future lease oblıgatıons are shown ın credıtors Operatıng lease rentals are charged to the profit and loss account on a straıght-lıne basıs over the perıod of the lease

Taxation

The charge for taxatıon ıs based on the profit for the year and takes ınto account taxatıon deferred because of tımıng dıfferences between the treatment of certaın ıtems for taxatıon and accountıng purposes Provısıon ıs made for deferred tax only to the extent that ıt ıs probable that an actual lıabılıty wıll crystallıse

Pensıons

The majorıty of the Company's employees are members of the ATOC Lımıted Shared Cost Sectıon of the Raılways Pensıons Scheme, a shared cost funded defined benefit scheme The assets of the scheme are held separately from those of the Company The Company ıs unable to ıdentıfy ıts share of the underlyıng assets and lıabılıtıes of the scheme on a consıstent and reasonable basıs and therefore, as requıred by FRS 17 'Retırement benefits', accounts for the scheme as ıf ıt were a defined contrıbutıon scheme As a result, the amount charged to the profit and loss account represents the contrıbutıons payable to the scheme ın respect of the accountıng perıod

Deferred taxation

The charge for taxatıon ıs based on the profit for the year and takes ınto account deferred taxatıon ın accordance wıth FRS 19 "Deferred Tax", deferred taxatıon ıs provıded fully and on a non-dıscounted basıs at future corporatıon tax rates ın respect of tımıng dıfferences between profits computed for taxatıon and accounts purposes

Notes *(continued)*

Turnover

Turnover originated in the United Kingdom and relates to the provision of services to the Association of Train Operating Companies The directors consider that the whole of the activities of the company constitute a single class of business

In order to reduce the administration burden on the Train Operating Companies, ATOC Limited has assumed responsibility for invoicing and settlement between the Train Operating Companies in respect of a number of settlements, particularly the Corporate Police Travel, NatWest Young Person's Railcard and MOD HM Forces Railcard income ATOC Limited acts solely as an agent in these processes where income is equal to expenditure and as a consequence these transactions have been excluded from the Profit and Loss Account

2 Profit on ordinary activities before taxation

This is stated after charging

	2008	*2007*
	£000	*£000*
Depreciation		
Owned	**1,803**	*905*
Leased	-	-
Hire of plant and machinery - rentals payable under operating leases	**51**	*86*
Auditors' remuneration		
Audit	**31**	*27*
Other services – fees paid to the auditor and its associates	**14**	-

3 Remuneration of directors

Two directors accrue benefits under a defined benefit pension scheme The directors do not receive any remuneration from any related parties nor ATOC Ltd in respect of their activities for the company

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was 136 (2007 125)

Employees costs	**2008 £000**	*2007 £000*
Wages and salaries	**8,866**	*7,192*
Social security costs	**705**	*627*
Other pension costs	**984**	*797*
	10,555	*8,616*

The employee costs include staff that have been cross charged to Rail Settlement Plan Limited and Rail Staff Travel Limited and National Rail Enquires which are related companies This amounts to £2,400k *(2007 £2,000k)*

5 Interest Receivable and Payable

	2008 £000	*2007 £000*
Interest receivable and similar income	**44**	*110*
Finance charges payable in respect of finance leases and hire purchase contracts	**-**	*-*
Interest paid	**(2)**	*(2)*
	42	*108*

Notes *(continued)*

6 Taxation

	2008 **£000**	*2007* *£000*
Current tax		
UK Corporation tax on profits for the period	**86**	*79*
Adjustments in respect of previous periods	**66**	*49*
Total current tax	**152**	*128*
Deferred tax		
Deferred taxation on pension asset	**57**	*19*
Deferred tax asset (reversal of timing differences)	**6**	-
Total deferred tax	**63**	*19*
Tax on profit on ordinary activities	**215**	*147*

Factors affecting the tax charge for the current period
The current tax charge for the period is higher than the standard rate of corporation tax in the UK at 30% *(2007 30%)* The differences are explained below

	2008 **£000**	*2007* *£000*
Current tax reconciliation		
Profit on ordinary activities before tax	**421**	*210*
Current tax at 19% (2007 19%)	**80**	*40*
Effects of		
Expenses not deductible for tax purposes	**8**	*12*
Depreciation for period is (less than)/in excess of capital allowances	**55**	*(18)*
Other timing differences	**(57)**	*45*
Adjustments to tax charge in respect of previous periods	**66**	*49*
Total current tax charge (see above)	**152**	*128*

Notes *(contınued)*

7 Tangible fixed assets

	Fixtures and Fittings £000	Computer Software £000	Total £000
Cost			
As at 1 Aprıl 2007	1,485	3,612	5,097
Prıor year adjustments	-	316	316
Addıtıons	951	2,586	3,537
Dısposals	(1,412)	(351)	(1,763)
As at 31 March 2008	**1,024**	**6,163**	**7,187**
Depreciation			
As at 1 Aprıl 2007	(1,412)	(1,517)	(2,929)
Prıor year adjustments	-	(316)	(316)
Charge for year	-	(1,803)	(1,803)
Dısposals	1,412	351	1,763
As at 31 March 2008	**-**	**(3,285)**	**(3,285)**
Net Book Value	**1,024**	**2,878**	**3,902**
As at 31 March 2008			
As at 31 March 2007	*73*	*2,095*	*2,168*

Durıng the year there have been Computer Software addıtıons of £2,166,000 (*2007 £2,234,000)* whıch relate to the enhancement of the Lıve Departure Boards for Natıonal Raıl Enquıries Further, ıncluded wıthın the Computer Software depreciatıon charge ıs £1,305,000 (*2007 £819,000*) whıch relates to the Lıve Departure Boards

Notes *(continued)*

8 Debtors

	2008	*2007*
	£000	*£000*
Trade debtors	**2,327**	*2,106*
Amounts due from Train Operating Companies	**-**	*335*
Other debtors	**627**	*447*
Association of Train Operating Companies	**4,112**	*5,959*
NRES Limited	**157**	*227*
Rail Settlement Plan Limited	**1,100**	*1,008*
Rail Staff Travel Limited	**226**	*223*
Prepayments and accrued income	**476**	*464*
Net deferred tax assets	**-**	*6*
Loan to Rail Settlement Plan Limited	**500**	*-*
	9,525	*10,775*

9 Creditors: amounts falling due within one year

	2008	*2007*
	£000	*£000*
Trade creditors	**4,337**	*2,283*
Amounts owed to Train Operating Companies	**3,041**	*3,314*
Rail Settlement Plan Limited	**416**	*222*
Rail Staff Travel Limited	**75**	*364*
Corporation tax payable	**86**	*79*
Other taxes and social security costs	**686**	*614*
Other creditors	**142**	*65*
Accruals and deferred income	**6,280**	*7,792*
	15,063	*14,733*

Notes *(contınued)*

10 Called up share capital

	2008	*2007*
	£	*£*
Authorısed		
98 Ordınary shares of £1 each	98	*98*
50 Ordınary shares of £0 04 each	2	*2*
Issued and fully paıd	£	*£*
26 Ordınary shares of £0 04 each	1.04	*1 04*
	1.04	*1 04*

Both the £1 ordınary shares and the £0 04 ordınary each carry one vote

11 Reconciliation of movement in shareholders' funds/(deficit)

	2008	*2007*
	£000	*£000*
Openıng shareholders' (deficıt)	(955)	*(1,504)*
Profit for the year	206	*63*
Actuarıal gaın recognısed ın the pensıon scheme	1,100	*600*
Tax ın respect of actuarıal gaın	(209)	*(114)*
Net ıncrease ın shareholders funds	1,097	*549*
Closing shareholders' funds/(deficit)	142	*(955)*

Notes *(continued)*

12 Pension scheme

The majority of the Company's employees are members of the ATOC Limited Shared Cost Section of the Railways Pensions Scheme ("the Section"), a funded defined benefit scheme The Section was established with effect from 13 October 1996 when the Company separated from the British Railways Board and its assets and liabilities are separately identified from the remainder of the Railways Pension Scheme The first actuarial valuation of the Section for the purposes of assessing the appropriate pension costs for ATOC Limited was as at 13 October 1996 and was undertaken by Watson Wyatt Partners, independent qualified actuaries Further actuarial valuations were undertaken by Watson Wyatt Partners for the position as at 31 December 1998, 31 December 2001 and 31 December 2004

The results of the valuation, based on the projected unit funding method, indicate that the market value of the scheme assets at the valuation date was £26 1m and the actuarial value of those assets represented 100% of the benefits that had accrued to members The principal assumptions underlying the valuation were that the return on the scheme's investments would average 8 2% a year in future, and that salaries would increase at the rate of 5 1%

The Company had to work up a funding plan, hand in hand with the Scheme Trustees and the Actuary to make good the deficit by 30th June 2021

The pension cost charge to the profit and loss account in the year was £1,100,000, *(2007 £1,000,000)*

FRS 17 'Retirement benefits'

The Section is funded by ATOC Limited

The valuation at 31 December 2004 has been updated by the actuary on an FRS 17 basis as at 31 March 2008 The major assumptions used in this valuation were

	2008	2007	*2006*
	% p a	% p a	*% p a*
Inflation assumption	3 6	3 1	2 9
Rate of increase in salaries*	5 1	4 6	4 4
Rate of increase in pensions in payment	3 6	3 1	2 9
Rate of increase for deferred pensioners	3 6	3 1	2 9
Discount rate	6 9	5 4	5 0

* plus 0 75% p a - promotional salary scale

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice The results and position shown have been calculated by reference to investment market conditions at 31 March 2008

Notes *(continued)*

The expected rate of return and the fair value of the scheme's 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 scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were

	2008		*2007*		*2006*	
Fair value of assets	**Fair Value £000**	**Expected rate of return % p.a.**	*Fair Value £000*	*Expected rate of return % p a*	*Fair Value £000*	*Expected rate of return % p a*
Equities	**20,800**	**8.5**	*20,700*	*8 0*	*18,100*	*8 0*
Bonds	**2,600**	**6.9**	*2,600*	*5 4*	*2,200*	*4 4*
Property	**2,500**	**7.7**	*2,500*	*6 7*	*1,900*	*6 2*
Other	**200**	**4.6**	*100*	*4 1*	*200*	*3 9*
	26,100	**8.2**	*25,900*	*7 6*	*22,400*	*7 5*
Present value of Section liabilities	**(26,000)**		*(27,200)*		*(24,400)*	
Surplus/(deficit) in the Section	**100**		*(1,300)*		*(2,000)*	
Deferred tax	**(19)**		*247*		*380*	
Net pension assets/(liabilities)	**81**		*(1,053)*		*(1,620)*	

In the case of the Section there is a surplus on the FRS 17 basis as at 31 March 2008 Under FRS 17 where a deficit is revealed, account can be taken of any additional contributions which it is expected will be required from members to finance the deficit Accordingly, we have assumed that members will finance 40% of the deficit disclosed on the FRS 17 basis The balance sheet asset to be disclosed has been reduced by the capital value of these additional member contributions, as shown

Analysis of the movement in surplus/(deficit) in the section during the period:	**2008 £000**	*2007 £000*
(Deficit) in the Section at the beginning of period	**(1,300)**	*(2,000)*
Contributions paid	**1,100**	*900*
Current service cost	**(1,100)**	*(1,000)*
Other finance income	**300**	*200*
Actuarial gain	**1,100**	*600*
Surplus/(Deficit) in the section at end of period	**100**	*(1,300)*

Notes *(continued)*

The amounts that have been included in the performance statements are as follows

Analysis of amounts charged to Operating Profit:	**2008**	*2007*
	£000	*£000*
Current Service Costs	**1,100**	*1,000*
Total charged to Operating Profit	**1,100**	*1,000*

Analysis of the amount charged to other finance income:	**2008**	*2007*
	£000	*£000*
Interest on Section Liabilities	**900**	*800*
Expected Return on Section Assets	**(1,200)**	*(1,000)*
Net (credit) to other finance income	**(300)**	*(200)*

Analysis of amounts recognised in statement of total recognised gains and losses:	**2008**	*2007*
	£000	*£000*
Loss/(Gain) on assets	**1,700**	*(400)*
Experience loss on liabilities	**100**	*400*
Gain on change of assumption	**(2,900)**	*(600)*
Total (gain) recognised in the statement of total recognised gains and losses before adjustment for tax	**(1,100)**	*(600)*

The experience gains and losses were as follows

	2008	*2007*	*2006*
	£000	*£000*	*£000*
(Gain)/Loss on Section assets			
Amount	**1,700**	*(400)*	*(2,000)*
Percentage of Section assets at end of Period	**7%**	*2%*	*9%*
Experience (gain)/Loss on Section liabilities			
Amount	**100**	*400*	*(400)*
Percentage of Section liabilities at end of period	**-**	*2%*	*2%*
Total Actuarial (gain)/Loss recognised in statement of total recognised gains and losses			
Amount	**(1,100)**	*(600)*	*(100)*
Percentage of Section liabilities at end of period	**4%**	*2%*	*1%*

Notes *(continued)*

Reconciliation to the Balance Sheet

	2008 £000	*2007 £000*
Actuarial value of Section liabilities	(26,000)	*(28,100)*
Members' Share of liability	-	*900*
Adjusted value of Section liabilities	(26,000)	*(27,200)*
Fair value of Section assets	26,100	*25,900*
Pension scheme asset/(liability) to be recognised in balance sheet (before deferred tax)	100	*(1,300)*

13 Commitments

Annual commitments under non-cancellable operating leases are as follows

	2008 Land and Buildings £000	2008 Other £000	*2007 Land and Buildings £000*	*2007 Other £000*
Operating leases which expire				
Within one year	1,275	-	*627*	-
In the second to fifth years inclusive	2,634	-	*3,909*	-
Sixth to Tenth years Inclusive	-	-	*550*	-
	3,909	-	*5,086*	-

14 Ultimate parent undertaking and related parties

At 31 March 2008, the Company was owned by the Passenger Train Operating Companies ("TOCs") - whose origins can be traced to the former passenger businesses of the British Railways Board There is no ultimate controlling party The company is related to the Association of Train Operating Companies, Rail Settlement Plan Ltd, Rail Staff Travel Limited and NRES Limited, since they are also owned and controlled by the TOCs The majority of the income of the Company and certain amounts included in the operating expenditure, debtors and creditors relate to the TOCs, to provide staff and administration services to the Company on the basis of cost incurred

On the 10th November 2003 an agreement was entered into with Rail Settlement Plan Limited to provide a short term funding facility for a maximum of £7m, intended to help to fund RSP's project development activities This loan facility was increased to £10m on the 23rd February 2007 Interest for this facility is on a commercial basis and amounted to £34,126 *(2007 £25,177)* The loan outstanding as at 31 March 2008 was £500,000 *(2007 Nil)*

See notes 8 and 9 for amounts related to related parties