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**ARRIVA LONDON NORTH LIMITED**

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**Annual report and financial statements**

**for the year ended 31 December 2010**

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**ARRIVA LONDON NORTH LIMITED**

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**Company Information**

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**Directors**

P J Batty  
R A Bowler  
A Depledge  
J E Quantrell  
R Scowen  
I R Tarran  
A P Ward  
M D J Yexley

**Company secretary**

E A Thorpe

**Company number**

2328559

**Registered office**

Admiral Way  
Doxford International Business Park  
Sunderland  
Tyne and Wear  
SR3 3XP

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
89 Sandyford Road  
Newcastle upon Tyne  
NE1 8HW

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**ARRIVA LONDON NORTH LIMITED**

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**Contents**

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	<b>Page</b>
<b>Directors' report</b>	<b>1 - 3</b>
<b>Independent auditors' report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Notes to the financial statements</b>	<b>7 - 16</b>

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## **ARRIVA LONDON NORTH LIMITED**

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### **Directors' report for the year ended 31 December 2010**

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The directors present their annual report and the financial statements for the year ended 31 December 2010

#### **Principal activities**

The principal activity of the company continues to be the operation of bus and coach services

On 27 August 2010, the company's ultimate parent company changed from Arriva Plc to Deutsche Bahn AG

#### **Business review**

The directors consider the state of the company's affairs to be satisfactory and there have been no material changes since the balance sheet date

The company did not pay a dividend during the year (2009 £7,824,000)

The directors remain confident that the company will continue to trade in line with expectations in the future

#### **Results**

The profit for the financial year, after taxation, amounted to £1,629,000 (2009 - £7,286,000)

#### **Directors**

The directors who served during the year, and up to the date of signing the financial statements, were

P J Batty  
R A Bowler  
A Depledge  
J E Quantrell  
R Scowen (appointed 7 April 2010)  
A J Sewell (resigned 9 April 2010)  
I R Tarran  
A P Ward (appointed 7 April 2010)  
M D J Yexley

#### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to local and national competition and factors which would cause a decline in the market. Further discussion of these risks and uncertainties in the context of the group as a whole, is provided in the annual report of Arriva Plc which does not form part of this report.

#### **Financial risk management objectives and policies**

Details of financial risk management objectives and policies are shown in the annual report of the UK intermediate parent company, Arriva Plc, which does not form part of this report

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## **ARRIVA LONDON NORTH LIMITED**

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### **Directors' report for the year ended 31 December 2010**

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#### **Key performance indicators**

The directors of Deutsche Bahn AG manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Arriva London North Limited. The development performance and position of the group, including this company, is discussed in the group's annual report which does not form part of this report.

#### **Policy on the payment of creditors**

The company's policy regarding the payment of suppliers is to agree terms of payment at the start of business with each supplier to ensure that the supplier is made aware of the payment terms, and to pay in accordance with its contractual or legal obligations. At 31 December 2010 the company's trade creditors outstanding represented approximately 12 days' purchases (2009: 26 days).

#### **Employee involvement**

The company recognises that its employees are key to its success and is committed to creating a working environment where everyone has the opportunity to learn, develop and contribute to the success of the company, working within a common set of values.

The company continues to aim to be an employer of choice and to employ a diverse workforce with the skills, abilities and attitudes to meet business objectives and needs. The company's aim is to provide appropriate remuneration, benefits and conditions of employment which will serve to attract, retain, motivate and reward such employees.

The company has, subject to the restraints of commercial confidentiality, continued its policy of employee involvement, by making information available to employees on a regular basis regarding recent and probable future developments and business activities.

#### **Disabled employees**

The company continues to give full and fair consideration to applications for employment by disabled persons, having regard to their respective aptitudes and abilities. The company's policy includes, where applicable, the continued employment of those who may become disabled during their employment.

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**ARRIVA LONDON NORTH LIMITED**

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**Directors' report  
for the year ended 31 December 2010**

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**Statement of directors' responsibilities**

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 prepared the audited financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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,
- 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 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.

**Provision of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

This report was approved by the board on 9 September 2011 and signed on its behalf



**E A Thorpe**  
Secretary

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## ARRIVA LONDON NORTH LIMITED

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### Independent auditors' report to the members of Arriva London North Limited

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We have audited the financial statements of Arriva London North Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

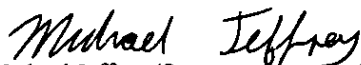
#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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



Michael Jeffrey (Senior statutory auditor)

for and on behalf of

**PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

89 Sandyford Road  
Newcastle upon Tyne  
NE1 8HW

14 September 2011

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**ARRIVA LONDON NORTH LIMITED**

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**Profit and loss account  
for the year ended 31 December 2010**

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	Note	2010 £000	2009 £000
<b>TURNOVER</b>	1,2	<b>204,900</b>	<b>201,726</b>
Cost of sales		<u>(178,231)</u>	<u>(173,250)</u>
<b>GROSS PROFIT</b>		<b>26,669</b>	<b>28,476</b>
Administrative expenses		<u>(24,121)</u>	<u>(18,394)</u>
Other operating income		<u>23</u>	<u>122</u>
<b>OPERATING PROFIT</b>	3	<b>2,571</b>	<b>10,204</b>
Interest receivable and similar income	7	<u>524</u>	<u>417</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>3,095</b>	<b>10,621</b>
Tax on profit on ordinary activities	8	<u>(1,466)</u>	<u>(3,335)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	17	<u><b>1,629</b></u>	<u><b>7,286</b></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account, therefore no statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents

The notes on pages 7 to 16 form part of these financial statements



**ARRIVA LONDON NORTH LIMITED**  
Registered number: 2328559

**Balance sheet**  
**as at 31 December 2010**

	Note	£000	2010 £000	2009 £000
<b>FIXED ASSETS</b>				
Intangible assets	9		3,306	3,719
Tangible assets	10		4,548	5,951
			<u>7,854</u>	<u>9,670</u>
<b>CURRENT ASSETS</b>				
Stocks	11	1,397		1,568
Debtors	12	79,850		74,923
Cash at bank		24,739		19,379
		<u>105,986</u>		<u>95,870</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(80,443)</u>	<u>(73,745)</u>	
<b>NET CURRENT ASSETS</b>			<u>25,543</u>	<u>22,125</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>33,397</u>	<u>31,795</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14		<u>(1,073)</u>	<u>(1,100)</u>
<b>NET ASSETS</b>			<u><u>32,324</u></u>	<u><u>30,695</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	16		8,142	8,142
Share premium account	17		8,142	8,142
Profit and loss account	17		16,040	14,411
<b>TOTAL SHAREHOLDERS' FUNDS</b>	18		<u><u>32,324</u></u>	<u><u>30,695</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 September 2011



**R A Bowler**  
Director

The notes on pages 7 to 16 form part of these financial statements

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## ARRIVA LONDON NORTH LIMITED

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### Notes to the financial statements for the year ended 31 December 2010

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 applicable to companies reporting under UK GAAP, and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

##### 1.2 Cash flow statement

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1 (Revised 1996) 'Cash Flow Statements'.

##### 1.3 Turnover

Turnover consists of the gross revenue for road passenger transport together with the aggregate amounts receivable for other goods and services supplied in the ordinary course of the business, excluding value added tax. Income is accrued where it is earned in an earlier period to that in which it is billed or received in cash. Income is deferred where it is received in an earlier period than that to which it relates.

##### 1.4 Intangible fixed assets and amortisation

Intangible assets, which relate to licences for the use of the Arriva brand name, are being amortised through the profit and loss account over the licence period of 15 years.

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant, machinery, fixtures and motor vehicles	-	10% to 48% straight line
Public service vehicles	-	straight line over periods up to 15 years

##### 1.6 Leasing and hire purchase commitments

Where assets are financed by leasing agreements ('finance leases') the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding. Assets under finance leases are depreciated over their estimated useful life or the term of the lease, whichever is the shorter.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Where assets are leased out under a finance lease arrangement any amounts due from the lessee are recorded in the balance sheet as a debtor at the amount of the net investment in the lease. Finance lease income under the finance lease is allocated to accounting periods so as to give a constant periodic rate of return on the net cash investment in the lease each period.

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## ARRIVA LONDON NORTH LIMITED

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### Notes to the financial statements for the year ended 31 December 2010

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### 1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.9 Pensions

Arriva plc operates retirement benefit schemes, both defined benefit and defined contribution schemes, which cover employees of the company. The assets of the defined benefit scheme are held separately from those of the company in independently administered funds. As the company is unable to identify its share of the assets and liabilities of the group scheme, it accounts for contributions as if they were to a defined contribution pension scheme. Contributions payable by the company are charged to the profit and loss account in the period in which they fall due. Contributions payable under the defined contribution scheme are charged to the profit and loss account as they arise.

##### 1.10 Dividends

Dividend distributions to the company's shareholders are recognised in the company's financial statements in the period in which the dividends are paid.

#### 2. TURNOVER

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

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ARRIVA LONDON NORTH LIMITED

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Notes to the financial statements  
for the year ended 31 December 2010

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**3 OPERATING PROFIT**

The operating profit is stated after charging

	2010 £000	2009 £000
Amortisation - intangible fixed assets	413	413
Depreciation of tangible fixed assets		
- owned by the company	732	828
- held under hire purchase and finance lease agreements	642	689
Operating lease rentals		
- plant and machinery	17,835	14,460
- land and buildings	3,885	3,805
	<u>          </u>	<u>          </u>

**4. AUDITORS' REMUNERATION**

	2010 £000	2009 £000
Fees payable to the company's auditors for the audit of the company's annual financial statements	45	45
	<u>          </u>	<u>          </u>

**5. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2010 £000	2009 £000
Wages and salaries	115,879	113,551
Social security costs	11,641	11,246
Other pension costs	4,332	4,023
	<u>          </u>	<u>          </u>
	131,852	128,820
	<u>          </u>	<u>          </u>

The average monthly number of employees, including the directors, during the year was as follows

	2010 No.	2009 No.
Drivers	2,900	2,665
Engineering	288	288
Administrative	329	329
	<u>          </u>	<u>          </u>
	3,517	3,282
	<u>          </u>	<u>          </u>

# ARRIVA LONDON NORTH LIMITED

## Notes to the financial statements for the year ended 31 December 2010

### 6. DIRECTORS' REMUNERATION

	2010 £000	2009 £000
Emoluments	679	653
Company pension contributions to defined benefit pension schemes	67	112

During the year retirement benefits were accruing to 5 directors (2009 - 5) in respect of defined benefit pension schemes

The highest paid director received remuneration of £244,000 (2009 - £221,000)

At the year end the accrued pension in respect of the highest paid director amounted to £42,200 (2009 £35,890)

### 7 INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £000	2009 £000
Finance lease interest receivable	23	36
Bank interest receivable	501	381
	524	417

### 8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2010 £000	2009 £000
<b>Analysis of tax (credit)/charge in the year</b>		
<b>Current tax (see note below)</b>		
UK corporation tax charge on profit for the year	3,740	5,809
Adjustments in respect of prior years	(6,022)	6,513
<b>Total current tax</b>	<b>(2,282)</b>	<b>12,322</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,337)	(2,720)
Adjustments in respect of prior years	6,085	(6,267)
<b>Total deferred tax (note 15)</b>	<b>3,748</b>	<b>(8,987)</b>
<b>Tax on profit on ordinary activities</b>	<b>1,466</b>	<b>3,335</b>

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**ARRIVA LONDON NORTH LIMITED**

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**Notes to the financial statements  
for the year ended 31 December 2010**

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**8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2009 - higher than) the standard rate of corporation tax in the UK of 28% (2009 - 28%) The differences are explained below

	2010 £000	2009 £000
Profit on ordinary activities before tax	3,095	10,621
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	867	2,974
<b>Effects of:</b>		
Non-tax deductible amortisation of intangible fixed assets	116	116
Expenses not deductible for tax purposes	-	(1)
Capital allowances for year less than depreciation	2,757	2,720
Adjustments to tax charge in respect of prior years	(6,022)	6,513
<b>Current tax (credit)/charge for the year</b>	<b>(2,282)</b>	<b>12,322</b>

**Factors that may affect future tax charges**

On 23 March 2011 the Chancellor announced that the UK Corporation Tax rate applicable from 1 April 2011 would be 26% (as opposed to 27% which was substantively enacted on 20 July 2010) and that the previously announced 1% increments would result in the UK Corporation Tax rate reducing to 23% (as opposed to 24%) with effect from 1 April 2014

**9. INTANGIBLE ASSETS**

	<b>Goodwill £000</b>
<b>Cost</b>	
At 1 January 2010 and 31 December 2010	6,200
<b>Accumulated amortisation</b>	
At 1 January 2010	2,481
Charge for the year	413
At 31 December 2010	2,894
<b>Net book value</b>	
At 31 December 2010	3,306
At 31 December 2009	3,719

**ARRIVA LONDON NORTH LIMITED**

**Notes to the financial statements  
for the year ended 31 December 2010**

**10. TANGIBLE ASSETS**

	Plant, machinery, fixtures and motor vehicles £000	Public service vehicles £000	Total £000
<b>Cost</b>			
At 1 January 2010	6,687	10,939	17,626
Additions	608	409	1,017
Disposals	(15)	(4,111)	(4,126)
At 31 December 2010	<u>7,280</u>	<u>7,237</u>	<u>14,517</u>
<b>Accumulated depreciation</b>			
At 1 January 2010	4,000	7,675	11,675
Charge for the year	672	702	1,374
Disposals	(14)	(3,066)	(3,080)
At 31 December 2010	<u>4,658</u>	<u>5,311</u>	<u>9,969</u>
<b>Net book value</b>			
At 31 December 2010	<u>2,622</u>	<u>1,926</u>	<u>4,548</u>
At 31 December 2009	<u>2,687</u>	<u>3,264</u>	<u>5,951</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2010 £000	2009 £000
Public service vehicles	<u>1,606</u>	<u>2,831</u>

The depreciation charged to the financial statements in the year in respect of such assets amounted to £642,000 (2009 £689,000)

**11. STOCKS**

	2010 £000	2009 £000
Raw materials and consumables	<u>1,397</u>	<u>1,568</u>

# ARRIVA LONDON NORTH LIMITED

## Notes to the financial statements for the year ended 31 December 2010

### 12. DEBTORS

	2010 £000	2009 £000
Trade debtors	281	175
Amounts owed by group undertakings	37,660	29,389
Amounts receivable under finance leases	333	432
Other debtors	5,738	3,289
Prepayments and accrued income	24,495	26,547
Deferred tax asset (see note 15)	11,343	15,091
	<u>79,850</u>	<u>74,923</u>

### 13 CREDITORS: Amounts falling due within one year

	2010 £000	2009 £000
Trade creditors	2,111	4,381
Amounts owed to group undertakings	50,463	41,498
Corporation tax	3,740	5,809
Social security and other taxes	7,418	8,123
Other creditors	3,439	3,883
Accruals and deferred income	13,272	10,051
	<u>80,443</u>	<u>73,745</u>

### 14. CREDITORS: Amounts falling due after more than one year

	2010 £000	2009 £000
Accruals and deferred income	<u>1,073</u>	<u>1,100</u>

### 15. DEFERRED TAX ASSET

	2010 £000	2009 £000
At beginning of year	15,091	6,104
Profit and loss account movement during the year	(3,748)	8,987
At end of year	<u>11,343</u>	<u>15,091</u>



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**ARRIVA LONDON NORTH LIMITED**

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**Notes to the financial statements  
for the year ended 31 December 2010**

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**15. DEFERRED TAX ASSET (continued)**

The deferred tax asset is made up as follows

	2010 £000	2009 £000
Excess of depreciation of fixed assets over capital allowances	<u>11,343</u>	<u>15,091</u>

**16. CALLED-UP SHARE CAPITAL**

	2010 £000	2009 £000
<b>Authorised</b>		
21,000,000 Ordinary shares of £1 each	<u>21,000</u>	<u>21,000</u>
<b>Allotted and fully paid</b>		
8,141,500 Ordinary shares of £1 each	<u>8,142</u>	<u>8,142</u>

**17. RESERVES**

	Share premium account £000	Profit and loss account £000
At 1 January 2010	8,142	14,411
Profit for the financial year		1,629
At 31 December 2010	<u>8,142</u>	<u>16,040</u>

**18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2010 £000	2009 £000
Opening shareholders' funds	30,695	31,233
Profit for the financial year	1,629	7,286
Dividends (Note 19)	-	(7,824)
Closing shareholders' funds	<u>32,324</u>	<u>30,695</u>

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ARRIVA LONDON NORTH LIMITED

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Notes to the financial statements  
for the year ended 31 December 2010

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19. DIVIDENDS

	2010 £000	2009 £000
Dividends paid on equity capital	-	7,824

20. PENSION COMMITMENTS

At 31 December 2010 the UK intermediate parent company, Arriva plc, operated both defined benefit and defined contribution retirement benefit schemes providing benefits to certain employees within Arriva London North Limited. The schemes are financed through separate Trustee administered funds managed by independent professional fund managers on behalf of the Trustees.

Contributions to the defined benefit scheme, the Arriva London North and Arriva London South Pension Scheme, are based upon actuarial advice following the most recent actuarial valuation of the fund. The latest actuarial valuation was performed as at 5th April 2006, using the Projected Unit Method. The principal actuarial assumptions were that:

(i) the annual rate of return on investment would be 2.75 per cent higher than the annual increase in total pensionable remuneration of 3.75 per cent, and

(ii) there would be no variation from the scheme's rules to pensions in payment.

On the basis of these assumptions the actuarial value of the funds at 5th April 2006 was sufficient to cover 92 per cent of the benefits then accrued to members. The market value of the Scheme's assets at 5th April 2006 was £71.6 million.

The pension cost charge for the year represents contributions payable by the company to both schemes and amounted to £4,332,000 (2009: £4,023,000).

**FRS 17 'Retirement benefits'**

The company makes contributions to a defined benefit scheme, the Arriva London North and Arriva London South Pension Scheme which is operated by the UK intermediate parent company, Arriva plc. Other companies within the Arriva Group make contributions to the scheme, therefore it is not possible for the company to identify its share of the underlying assets and liabilities as at 31 December 2010. As the company is unable to identify its share of the assets and liabilities of the group scheme, it accounts for contributions as if they were to a defined contribution pension scheme. Contributions payable by the company are charged to the profit and loss account in the period in which they fall due.

21. OPERATING LEASE COMMITMENTS

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows:

	2010 £000	2009 £000
Expiry date:		
Between 2 and 5 years	14,686	11,194
After more than 5 years	3,687	4,278

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**ARRIVA LONDON NORTH LIMITED**

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**Notes to the financial statements  
for the year ended 31 December 2010**

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**22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate parent company and ultimate controlling party is Deutsche Bahn AG, a company registered in Germany, which has prepared group financial statements incorporating the results of Arriva London North Limited. Copies of these financial statements can be obtained from Potsdamer Platz 2, 10785 Berlin.

Deutsche Bahn AG is the largest group to consolidate the financial statements and DB Mobility Logistics AG is the smallest.

Information on Arriva London North Limited can be obtained from their registered address Admiral Way, Doxford International Business Park, Sunderland, Tyne and Wear, SR3 3XP.

Transactions with other companies in the Deutsche Bahn Group are not specifically disclosed as the company has taken advantage of the exemption available under FRS 8 'Related party disclosures' for wholly-owned subsidiaries.