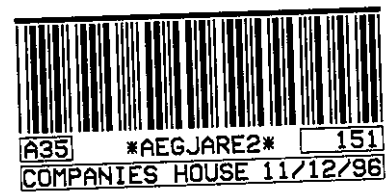


BADGER NEWS LIMITED

FINANCIAL STATEMENTS

31 MARCH 1996



**Company Registered
Number: 2051469**

BADGER NEWS LIMITED

FINANCIAL STATEMENTS

31 MARCH 1996

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DIRECTORS' REPORT

The directors have pleasure in submitting their annual report and financial statements for the 15 month period ended 31 March 1996.

Activities

The company did not trade during the period.

Change of ultimate holding company

With effect from 16 June 1995, Badgerline Group plc and GRT Bus Group PLC merged under FirstBus plc, which became the ultimate holding company of Badger News Limited.

In order for the accounts of Badger News Limited to be co-terminous with those of FirstBus plc, the accounting reference date for the company has been changed from 31 December to 31 March and so these accounts have been drawn up for a 15 month period ended 31 March 1996.

Directors

The director who held office during the period was as follows:

T Smallwood


The interests of Mr Smallwood in the ordinary shares of FirstBus plc are disclosed in the directors' report of FirstBus plc.

Auditors

The accounts do not require to be audited due to the dormant status and the fact that the company has passed a special resolution under section 250 of the Companies Act 1985.

Strowlands
Edingworth Road
Edingworth
Weston-super-Mare
North Somerset
BS24 OJA

By order of the board


D J Ward
Secretary

31 October 1996

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss 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;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statements on a 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 which 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 1985. They have a 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.

BALANCE SHEET

At 31 March 1996

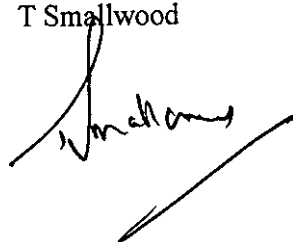
	Note	31 March 1996 £	31 December 1994 £
Assets employed:			
Current assets			
Debtors	3	<u>2</u>	<u>2</u>
Financed by:			
Capital and reserves			
Called up share capital	4	<u>2</u>	<u>2</u>

The company was dormant throughout the period ended 31 March 1996.

These financial statements were approved by the board of directors on 31 October 1996 and were signed on its behalf by:

T Smallwood

Director



NOTES TO THE ACCOUNTS

31 March 1996

1 Principal accounting policy

The following accounting policy has been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of preparation

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

2 Profit and loss account

During the financial period and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those periods the company made neither a profit nor a loss.

3 Debtors

Debtors represents amounts due from the shareholders for calls on issued shares.

4 Called up share capital

	31 March 1996 £	31 December 1994 £
Authorised		
Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
 Allotted and called up		
Ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

5 Ultimate holding company

The ultimate holding company is FirstBus plc, which is incorporated in Great Britain and registered in Scotland. Copies of the accounts of FirstBus plc can be obtained from the Company Secretary of this company at Strowlands, Edingworth Road, Edingworth, Weston-super-Mare, North Somerset, BS24 0JA.