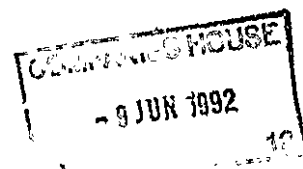


MIDLAND RED WEST HOLDINGS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1991



COMPANY REGISTERED  
NUMBER: 2059633

MIDLAND RED WEST HOLDINGS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1991

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DIRECTORS' REPORT

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The directors have pleasure in submitting their annual report and the financial statements for the year ended 31 December 1991.

ACTIVITIES

The principal activity of the company is to act as a holding company.

DIRECTORS

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

T Smallwood

The interests of Mr Smallwood in the ordinary shares of Badgerline Holdings Limited are disclosed in the directors' report of Badgerline Holdings Limited.

AUDITORS

In accordance with section 250 of the Companies Act 1985, a resolution is to be proposed at the forthcoming Annual General Meeting under which the accounts of the company will cease to be audited due to their dormant status.

By order of the board

D. J. [Signature]

Secretary

Badger Manor  
Edingworth  
Weston-super-Mare  
BS24 0JA

10 April 1992

TO THE MEMBERS OF MIDLAND RED WEST HOLDINGS LIMITED

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We have audited the financial statements on pages 3 to 5 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1991 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick*

15 Pembroke Road  
Bristol  
BS8 3BG

Chartered Accountants  
Registered Auditor

10 April 1992

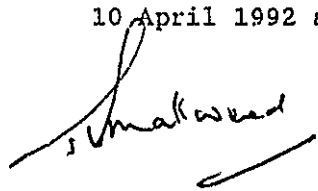
## BALANCE SHEET

At 31 December 1991

	<u>Note</u>	<u>1991</u> £	<u>1990</u> £
ASSETS EMPLOYED:			
FIXED ASSETS			
Investments	3	1	1
CURRENT ASSETS			
Debtors	4	112,752	112,752
		<u>112,753</u>	<u>112,753</u>
FINANCED BY:			
CAPITAL AND RESERVES			
Called up share capital	5	154,075	154,075
Share premium account		52,620	52,620
Profit and loss account		(93,942)	(93,942)
		<u>112,753</u>	<u>112,753</u>

The notes on pages 4 to 5 form part of these financial statements.

These financial statements were approved by the board of directors on 10 April 1992 and were signed on its behalf by:



Director

## NOTES TO THE ACCOUNTS

31 December 1991

## 1. PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of accounting

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

## 3. FIXED ASSET INVESTMENTS

## COST

Unlisted  
subsidiary  
undertakings  
£

At beginning and end of year

1

The subsidiary undertakings, are Midland Red Coaches Limited and Badgerline Rapid Transit Limited (previously Neartrack Limited). Both of these wholly owned subsidiary undertakings, incorporated in Great Britain and registered in England and Wales, are dormant companies.

All shares in subsidiary undertakings are ordinary shares.

Group accounts are not submitted as the company is a wholly owned subsidiary undertaking of Badgerline Holdings Limited, which is incorporated in Great Britain and registered in England and Wales.

## 4. DEBTORS

	<u>1991</u>	<u>1990</u>
	£	£
Amounts owed by other group undertakings	112,752	112,752

All debtors are due within one year.

## NOTES TO THE ACCOUNTS (continued)

31 December 1991

## 5. SHARE CAPITAL

	<u>1991</u>	<u>1990</u>
	£	£
AUTHORISED		
Ordinary shares of 5p each	<u>154,075</u>	<u>154,075</u>
ALLOTTED, CALLED UP AND FULLY PAID		
Ordinary shares of 5p each	<u>154,075</u>	<u>154,075</u>

## 6. ULTIMATE HOLDING COMPANY

The ultimate holding company is Badgerline Holdings Limited, which is incorporated in Great Britain and registered in England and Wales. Copies of the accounts of Badgerline Holdings Limited can be obtained from the Company Secretary of this company, whose registered office is Badger Manor, Edingworth, Weston-super-Mare, BS24 0JA.