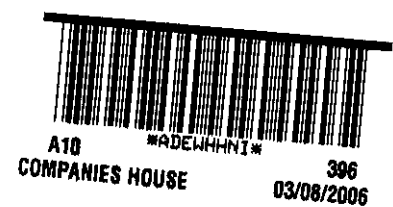


**LAKELAND MOTOR COACH
COMPANY LIMITED**

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER
2005**



LAKELAND MOTOR COACH COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS

Mr D J Sidebottom MBE
Mr I A Cowan (resigned 31/10/05)
Mr T W Dodding
Mr R D Mellor (appointed 01/11/05)

SECRETARY

Mr A C Jackson

COMPANY NUMBER

2805115

REGISTERED OFFICE

Glasdon House
Preston New Road
Blackpool
FY4 4WA

AUDITORS

Bowmans
Chartered Accountants & Registered Auditors
88-96 Market Street West
Preston
PR1 2EU

BANKERS

The Royal Bank of Scotland plc
Talbot Road
Blackpool
FY1 1LE

SOLICITORS

Cooper, Law and Lester
286 Church Road
Blackpool
FY1 3QA

LAKELAND MOTOR COACH COMPANY LIMITED

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DIRECTORS' REPORT

For the year ended 31 October 2005

The directors present their report and the financial statements for the year ended 31 October 2005.

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 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;
- 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 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 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.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company has not traded during the financial year and accordingly no profit and loss account is attached.

DIRECTORS

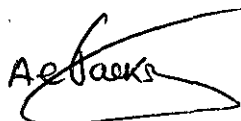
The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	<u>31/10/05</u>	<u>1/11/04</u>
Mr D J Sidebottom	2	2
Mr I A Cowan (resigned 31/10/05)	-	-
Mr T W Dodding	-	-
Mr R D Mellor (appointed 01/11/05)	-	-

This report was approved by the board on

26 APR 2006

and signed on its behalf.



Mr A C Jackson
Secretary

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LAKELAND MOTOR COACH COMPANY LIMITED

We have audited the financial statements of Lakeland Motor Coach Company Limited for the year ended 31 October 2005 set out on pages 3 to 4. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 4.

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 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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.

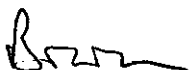
BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2005 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bowmans
Chartered Accountants
Registered Auditors

88-96 Market Street West
Preston
PR1 2EU

- 2 JUN 2006

Date:

LAKELAND MOTOR COACH COMPANY LIMITED

BALANCE SHEET
As at 31 October 2005

	Note	2005 £	2004 £
CURRENT ASSETS			
Debtors	2	2	2
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	3	2	2
SHAREHOLDERS' FUNDS - All Equity		<u>2</u>	<u>2</u>

The financial statements were approved by the board on **26 APR 2006** and signed on its behalf.



Mr D J Sidebottom
Director

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2005

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

2. DEBTORS

	2005 £	2004 £
Due within one year		
Amounts owed by related undertakings	2	2
	<u>2</u>	<u>2</u>

3. SHARE CAPITAL

	2005 £	2004 £
Authorised		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

4. CONTROLLING PARTY

The controlling party of the company is Mr D J Sidebottom.