

FIRST WESSEX NATIONAL LIMITED

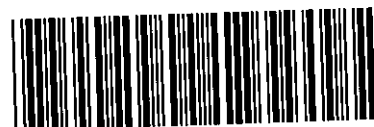
REPORT AND FINANCIAL STATEMENTS

31 MARCH 2006

Company Registered

Number: 169379

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FIRST WESSEX NATIONAL LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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DIRECTORS' REPORT

The directors have pleasure in submitting their annual report and financial statements for the year ended 31 March 2006.

Principal activities

The company has not traded during the current or prior period.

Business review

The company has not traded during the current or prior period.

Profit and loss account

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding accounting period. There have been no movements in shareholders' funds during the year under review or the preceding accounting period.

Directors and their interests

The directors who held office throughout the year (except as noted) and subsequently appointed are as follows:

C Holden (appointed 31 July 2005, resigned 6 July 2006)
 M J Ogbourne (resigned 6 July 2006)
 L Daniels (appointed 1 January 2006)

M A Price and T Anthistle were appointed as directors on 6 July 2006.

None of the directors held any shares in the company or any other group company at any time during the year, (except as disclosed below).

The directors who held office at the end of the year had the following interests in ordinary shares of FirstGroup plc:

	Ordinary shares		Share options under savings related share option scheme		Share options under long term incentive plan	
	At end of year	At beginning of year	At end of year	At beginning of year	At end of year	At beginning of year
	5p shares	5p shares	5p shares	5p shares	5p shares	5p shares
C Holden	-	-	981	-	-	-

Information, including details of exercise prices, relating to the savings related share option scheme and the long term incentive plan are given in the financial statements of FirstGroup plc.

There is no contract or arrangement with the company or any of its fellow group undertakings, other than service contracts in which any of the directors is materially interested and which is significant in relation to the business of the company or any of its fellow group undertakings taken as a whole.

DIRECTORS' REPORT

Audit information

Each of the persons who is a director at the date of approval of this report confirms that:

- as far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of S234ZA of the Companies Act 1985.

Auditors

The company has passed an elective resolution dispensing with the requirement to appoint auditors annually; Deloitte & Touche LLP have indicated their willingness to continue as auditors of the company and are therefore deemed to be reappointed for a further term.

Approved by the Board of Directors
And signed by order of the Board

Enterprise House
Easton Road
Bristol
BS5 0DZ



M A Price
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (d) 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST WESSEX NATIONAL LIMITED

We have audited the financial statements of First Wessex National Limited for the year ended 31 March 2006 which comprise the balance sheet and the related notes 1 to 9. 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 auditors' 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 (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We 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 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST WESSEX NATIONAL LIMITED (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its result 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.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Edinburgh
United Kingdom
31 January 2007

BALANCE SHEET

At 31 March 2006

	Notes	2006 £000	2005 £000
Current assets			
Debtors	3	<u>1,157</u>	<u>1,208</u>
Creditors: amounts falling due within one year	4	<u>-</u>	<u>(51)</u>
Net current assets		<u>1,157</u>	<u>1,157</u>
Net assets		<u>1,157</u>	<u>1,157</u>
Financed by:			
Capital and reserves			
Called up share capital	5	1,260	1,260
Profit and loss account		<u>(103)</u>	<u>(103)</u>
Shareholders' funds		<u>1,157</u>	<u>1,157</u>

These financial statements were approved by the Board of directors on 31 January 2007 and were signed on its behalf by:



M A Price
Director

NOTES TO THE FINANCIAL STATEMENTS

1 Principal accounting policies

The following accounting policies have been applied consistently throughout the current and preceding year, with the exception of the adoption of FRS 17 Retirement Benefits, FRS 21, Events after the balance sheet date and the presentational aspects of FRS 25, Financial instruments: disclosure and presentation. Adoption of these accounting policies has had no impact on the financial statements.

(a) Basis of preparation

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

2 Profit and loss account

During the current and 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.

The audit fee was borne by the ultimate parent company, First Group Plc.

3 Debtors

	2006 £000	2005 £000
Amounts due within one year		
Amounts owed by group undertakings	1,157	1,208
	<u>1,157</u>	<u>1,208</u>

4 Creditors

	2006 £000	2005 £000
Amounts falling due within one year		
Bank loans and overdrafts	-	51
	<u>-</u>	<u>51</u>

NOTES TO THE FINANCIAL STATEMENTS

5 Called up share capital

	2006 £000	2005 £000
Authorised		
Ordinary shares of £1 each	<u>1,260</u>	<u>1,260</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>1,260</u>	<u>1,260</u>

6 Information regarding directors and employees

No emoluments were payable to the directors, who were the only employees of the company during the current and preceding financial year.

The remuneration of M A Price and C J Holden is paid by and dealt with in the accounts of First Bristol Limited and First Coaches Limited respectively. It is not practicable to allocate their remuneration between services as directors of First Wessex National Limited and as directors and employees of other FirstGroup plc companies.

7 Contingent liabilities

The company has guaranteed the bank overdrafts of certain fellow subsidiary undertakings. The amount outstanding at the end of the year under the guarantees was £4.5m (2005 - £8.2m).

8 Related party transactions

The company is taking advantage of the exemption under FRS8 not to disclose transactions with group companies that are related parties.

9 Ultimate parent company

The directors regard FirstGroup plc, a company incorporated in Great Britain and registered in Scotland, as the ultimate parent and controlling company, which is the smallest and largest group that includes the company's results and for which group financial statements are prepared. The immediate parent company is First Bus (South) Limited.

Copies of the accounts of FirstGroup plc can be obtained on request from Ground Floor, 50 Eastbourne Terrace, London W2 6LG.