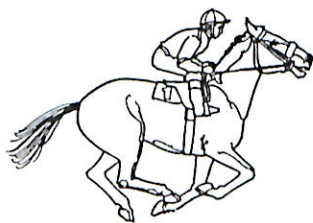




Christmas 2005



Epsom Coaches Group News

Christmas greetings from Andrew Richmond

2005 has been another challenging year for all concerned. The demands for producing reliable bus and coach services at affordable prices have meant keeping a keen eye on everything that we do. Our paymasters quite rightly expect bus services to run to time and this has meant increased investment in satellite tracking. This together with excellent driver co-operation has meant that we have not only started to meet London Buses criteria for most routes, but have exceeded their targets in most cases. Our future as far as retaining and gaining new bus routes very much depends on achieving these targets. I am happy to say that we are virtually at the top of all the league tables for reliability and mileage operated.

Our coach business has suffered a significant downturn over the past year and has come under special scrutiny as a result. The business has always been unpredictable and has suffered from competition that in most cases is very unprofessional. Having said this, we are not prepared to go down market in order to gain short term advantage and have invested heavily in top of the range vehicles that are highly specified. Our working conditions far exceed the rest of the industry and we intend to keep ahead of the competition in all respects. The coming year looks more promising

with our new set up and keenness to chase all possible sales leads.

The Epsom Holidays business has seen quite a turn around in its fortunes over the past year, proving that we have a good product that can also be profitable. The business is continually under review and we are shaping our products to meet the ever changing needs of our customers.

The business continues to develop and I am keen to pursue our firm but fair policy throughout the Company. Our past has shown that by following these principles and working in co-operation we can achieve excellent results that are the envy of the bus and coach industry. Our open-door style of management means that you should be able to get a quick response to any concerns you may have. We are always keen to listen to all new ideas.

I hope that 2005 has been a good year for you and your families and wish you all the best for the coming year.

Andrew....



Action against graffiti

We are committed to bringing to justice those that choose to vandalise our buses and last week we had another success. This was down to our driver, Robin Gill, reporting an incident.

The individual was arrested and reprimanded. We are now waiting to see if we can take civil action against the offender.

We presented Robin with a cheque for £500 for his efforts. Well done, Robin!

You too could earn a bonus, just by informing us about fresh etching or graffiti.

The reward is only a report away....



Steve Whiteway looks back at 2005

As we approach the festive period it is a good time to look back at the year behind us and reflect on what we did right and what we did wrong, both as a business and as individuals. This was an exercise the management team went through at its last monthly meeting, when we reviewed the financial year, which as you may know, ended on 31st October.

One of the highlights of 2005, was our 85th anniversary celebrations, when over 2000 people enjoyed seeing behind the scenes and this did much to endorse us as a popular business amongst the local community. Not that we need much endorsement, as similar garage open days by the big groups attract



only a small proportion of the numbers of visitors we enjoyed. An example of the considerable pulling power and our "punching above our weight" in the passenger transport industry. The preview day, where over 200 of our major clients and suppliers attended was also a great opportunity to show-off and to

demonstrate why we are the leading bus and coach operator. But in my view, the most important angle was the staff involvement and that of their families, many of whom gave active support in preparing and assisting on the day. Others just enjoyed what was a great family occasion and one we shall long remember. As a bonus, we raised over £4,000 for a very worthy charity.

Best wishes for a Merry Christmas and a Happy and Healthy New Year.

Steve....



Quality Line's Year

On the bus side although we have not had any major expansion, we were successful in re-tendering for the S3 route, with new buses being delivered in June. For the first time, the drivers committee was totally involved in the procurement of the new vehicles and this included an overnight visit to the Blackburn factory of East Lancs. The manufacturers were interested in the views of the drivers of their products, emphasising the importance we have always placed

on driver comfort and in making the job as easy as possible. With several new route opportunities, we



New S3 buses that arrived in June

will continue to involve the Bus Drivers committee in any future purchasing decisions. A visit is also planned to the Dennis chassis plant in Guildford. Looking ahead, the administrative and control changes made earlier this year will start to bring benefits as we enter 2006. The huge improvement in our operational performance was also very evident throughout the year, culminating in our topping the London league on most counts.

Epsom Coaches Year

2005 was a disappointing year for Epsom Coaches, but this was a trend for other coach operators as well. However, changes and subsequent cost saving in the coach management structure, is starting to bear fruit and we look forward to a strong 2006. The tragic incident in April, when passengers were injured on one of our 27 seat coaches whilst on tour in Belgium, fortunately did not result in any serious injuries, although the coach was written off and our insurers are faced with a compensation bill of well over

£300,000. This was all caused by an error on the part of the driver, highlighting the need to always be vigilant because you never know when accidents might occur, no

matter how familiar you are with day to day work. On a brighter note, we have a very modern fleet and quality business which we look forward to exploiting to the full in 2006.

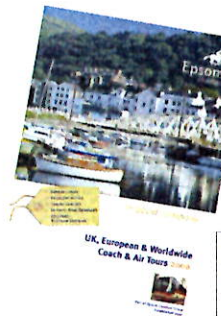


New Setra coaches will arrive in March

Epsom Holidays Year

Traditionally, people book their holidays during January as they look forward to the long summer days ahead. We certainly hope so, as Epsom Holidays look to improve on a successful year in 2005. Our first Tour Managers Special in September was a great success and the Platinum tours we are operating next year are booking

well. Everything points to greater quality for which people are willing to pay. The integrated sales team whether you wish to book a whole coach or just a seat are working to improve the utilisation of the Epsom Coaches fleet in 2006,



an aim that is already being achieved.

Please remember that staff and their families are entitled to discounts on Epsom Holidays products.

Epsom Holidays 2006 brochure released in October

Social Club

Early in the year the Red and Cream Social Club was re-launched as the "Inn's and Outs" Club and the numerous social events and outings since then have been testament to its success. It is great to see so many families joining these trips, truly a "family business". Watch out for more memorable events in 2006.



Christmas Party.....
Everyone is welcome to
enjoy a drink (non
alcoholic if need be!)
and light refreshments
on Thursday 22nd
December from 15.00,
in the new conference
room on the first floor.

A very Merry Christmas
and a Happy and Healthy
New Year to you and
your family.....

Epsom Fleetcare

It's a little over a year since Epsom Fleetcare was born, after moving into the new building and they can be very proud of their achievements since then.

These include, 90% MOT passes (UK average is 78%), zero prohibitions, excellent FTA London Buses reports and a reducing number of vehicle defects. The introduction of regular Fleetcare meetings has also done

much to improve communication.

The new premises have been integrated into our infrastructure and it seems barely credible that we worked in the cramped conditions of the "old" workshop for so long. The new workshop has been much admired by all who visit and is the envy of other operators and their engineering staff.



Staff Committees

Finally, a word about our staff committees. As we grow in size as a business, it is all too easy to lose sight of individuals and we never want people to be just a number. The Committees are a more formal way of communicating and no less important for that. When I look back at the minutes, it is evident that we have made good progress over the last year, but there are always new problems and

issues to replace the ones we solve. Although we have a committee for everything, it is still nice to talk one to one wherever possible and I have enjoyed doing just that with many of you over the last twelve months. It is great to be working with such a dedicated team and I look forward to more of the same in 2006.

Quality Line Staff News

Another year passes us by, and we have seen several changes which have improved our departments efficiency.

Jon Ball has now been in place as Operations Manager for six months and with his input we have seen our results changing for the better.

Phil Allport has joined our training team, as a temporary driving instructor. Phil has been with Epsom Coaches for 18 years and we wish him every success.

You have all have played a big part in our recent excellent performance and I would like to thank you for your continued hard work.

Merry Christmas and a Happy and Prosperous New Year.

Best wishes,

Grahame.....



Epsom Coaches Staff News

Both Mick Waters and Gordon Squires are off long term sick at present and we wish them a speedy recovery. Good news for Dick Stringer though, Dick has returned to work on the Terravision rota after a long period when he was not allowed to drive. Welcome back Dick!

We had a major re-organization of the operations and sales teams for Epsom Coaches earlier this year. This left me looking after Coach Operations. However, we are going to "tweak" the set up in the new year, when I will be joining forces with Jon Ball, to ensure that one of us are here most of the time for your enquiries that cannot be dealt with by the control team.

Jon will specialise in bus matters and I in coach as now, but we will be covering for each other. I will also be relocating to the main office to improve day to day contact with drivers and my ops colleagues.

Have a Merry Christmas and I look forward to working with you in the New Year.

Best wishes,

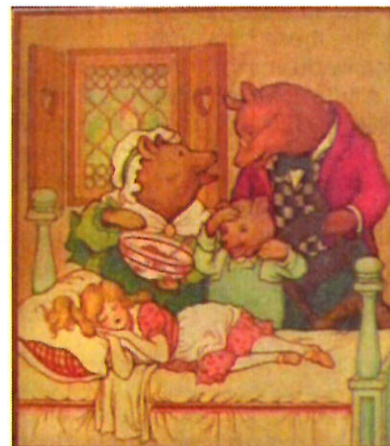
Peter.....



Social Club Pantomime—Saturday 7 January 2006

After the success of last year's Beauty and the Beast, back by popular demand will be a very special performance of Goldilocks and the Three Bears, which will be presented on Saturday 7th January 2006 at 3pm. Chaplins Mini Pantos will bring this fantastic show back to the Blenheim High School and all Epsom Coaches Group staff are invited along with their families.

All we are asking for is £1.00 per adult and children aged 3-12 years old go free! Please see Viv in Accounts if you are interested, as she will require final numbers and payment by Friday 23rd December 2005. Places will be strictly first come, first served and if last year is anything to go by, it is sure to be popular! Where else can you watch a professional pantomime for £1.00, they charge a fortune at the theatre!!!



Please see the official posters for more details

Quiz of the Year (£20 Prize)

See if you can remember these events of 2005. There is a £20 cash prize for the for the first correct entry drawn on Friday 30th December. Just write your answers on a piece of paper and hand them into control, with your name and phone number.

JANUARY President Bush was sworn in for his 2nd term in the White House—What is the name of his wife?

FEBRUARY Chelsea were knocked out of the FA Cup - by who?

MARCH The Formula 1 season begins - who was crowned world champion in September?

APRIL A new Pope was chosen - What nationality is he?

MAY Crazy Frog reached number 1 in the singles chart, outselling Coldplay by three to one! What was the name of the tune?

JUNE Which horse won the Epsom Derby?

JULY Which artist/band opened the Live 8 concert in Hyde Park?

AUGUST Which US city was devastated by rising flood waters created by Hurricane Katrina?

SEPTEMBER England won the ashes! Who was the captain?

OCTOBER It was the 200th anniversary of Trafalgar. Where did The Queen light a beacon?

NOVEMBER On the 25th, where were 1000 people stranded by snowfalls, in their cars in the UK?

DECEMBER Who was voted leader of the Conservative Party?