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Bass Holdings Limited

Financial Statements 1 October 1994
together with directors' report and report of the auditors

Registered number: 25675



Directors' report

For the 53 week period ended 1 October 1994

The directors submit their annual report on the affairs of the Company, together with the financial statements for the 53 week period ended 1 October 1994.

Principal activities, business review and future developments

There have been no significant changes during the year in the principal activities of the Company which consist of brewing, bottling and malting, the supply of beer, wines and spirits and soft drinks to the tied and free trade, and the management of hotels and other licensed properties. The Company owns, or holds on lease, its breweries, bottleries and maltings, together with licensed properties.

Turnover for the period was £2,338m, a decrease of £37m (1.6%) on the figure for the previous year.

The profit for the period before taxation amounted to £260m which included a loss on disposal of fixed assets amounting to £3m.

Taxation charged against the profits of the period was £72m.

The profit available for dividends was £188m.

Appropriations

The directors make the following recommendations:

	£m
Dividends to Ordinary Shareholder:	
Final to be paid on 13 January 1995	188
Amount transferred to retained profits	nil

Directors

The following are the names of the directors who, at any time during the financial year, were directors of the Company:

I.M.G. Prosser (Chairman)

P Bowman

O.C. Darby

A.D. Portno

Mr Darby retired from the Board on 31 July 1994. On 17 October 1994 Mr R C North and Mr I J G Napier were appointed to the Board.

Bass PLC maintained insurance during the year for Directors and Officers of the Company against liabilities in relation to the Company.

Directors' report (continued)

Directors' Interests

The directors of the Company are also directors of Bass PLC and their interests are reported in the Bass PLC Annual Report 1994.

Mr I.M.G. Prosser is a director of Lloyds Bank PLC which provides commercial banking services to the Company.

Except as stated above no contracts of significance in relation to the Company's business in which directors of the Company or any connected person had a material interest subsisted at the end of the financial year or at any time during the year.

There were no arrangements in place at the end of the financial year or at any time during the year to which the Company was a party whose objects enabled the directors or connected persons to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than the Group's share schemes which provide arrangements by which executive directors may receive shares in Bass PLC. Details of these schemes are contained in the Bass PLC Annual Report 1994.

Employees

Bass today is a leaner, fitter organisation with a keen appreciation of the conditions required to deliver business performance through its workforce. The Company continues to emphasise the need for cultural and organisational change in modern global businesses.

'Continual change' has been the message at every level, and great care has been taken to identify and deploy managers who can maintain the pressure for progress and cost-effectiveness.

Bass believes that shareholders and employees should share its success and to this end has progressively introduced performance-related reward policies which reduce the fixed costs of employment and provide for a growing element of 'at-risk' pay which is only available to the employee when good results are achieved. Demanding personal business objectives are set for managers, and this approach is being progressively extended throughout the organisation.

Investment in training and development continues at significant levels so that future and current jobholders will have those vital skills needed to compete effectively. Continual attention is also paid to the external market in order to ensure that terms of employment are appropriate. The Company has set an example by reducing the notice period for termination of directors' contracts from three years to two.

The Company continues to strive for best practice in the fields of health and safety; good environmental practice; non-discrimination by sex or race and all other aspects of regulatory compliance.

Research and Development

The Company recognises the importance of continuing to invest in research and development programmes bringing improvements to Company businesses both in products supplied to the consumer and in production techniques.

Directors' report (continued)

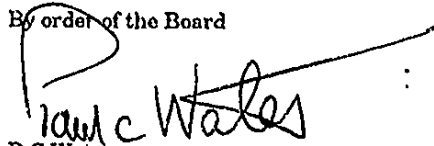
Close Company Status

The close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the Company.

Auditors

Ernst & Young have expressed their willingness to continue in office as auditors of the Company and their re-appointment will be put to the members at the Annual General Meeting.

By order of the Board

A handwritten signature in dark ink, appearing to read 'P C Waters', with a long horizontal stroke extending to the right.

P C Waters

Secretary

5 December 1994

Statement of Directors' Responsibilities

in relation to financial statements

The following statement, which should be read in conjunction with the Report of the Auditors set out on page 5, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

Following discussions with the auditors, the directors consider that, in preparing the financial statements on pages 6 to 24 inclusive, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis as the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have 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.

Report of the Auditors

to the members of Bass Holdings Limited

We have audited the financial statements on pages 6 to 24, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on pages 9 to 12.

Respective Responsibilities of Directors and Auditors

As described on page 4, the Company's directors are solely responsible for the preparation of the financial statements including the selection of suitable accounting policies. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with 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 affairs of the Company as at 1 October 1994 and of the Company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young

Chartered Accountants

Registered Auditor

London

5 December 1994

Profit and Loss Account

For the 53 week period ended 1 October 1994

	Note	1994 53 weeks £m	1992 52 weeks £m
Turnover - continuing operations		2,338	2,375
Costs and overheads, less other income	1	(2,069)	(2,070)
Operating profit - continuing operations		269	305
Loss on disposal of fixed assets		(3)	(3)
Surplus on disposal of operations		-	3
Profit on ordinary activities before interest		266	305
Interest payable and similar charges	3	(6)	(9)
Profit on ordinary activities before taxation		260	296
Tax on profit on ordinary activities	4	(72)	(76)
Profit on ordinary activities after taxation		188	220
Ordinary dividends	5	(188)	(220)
Retained for reinvestment in the business	15	-	-

Notes on pages 9 to 24 form an integral part of these financial statements.

Statement of Total Recognised Gains and Losses

For the 53 week period ended 1 October 1994

	1994 53 weeks £m	1993 52 weeks £m
Profit attributable to ordinary shareholders	188	220
Other recognised losses: revaluation adjustment	(23)	(2)
Total recognised gains	165	218

Historical Cost Profits and Losses

For the 53 week period ended 1 October 1994

	1994 53 weeks £m	1993 52 weeks £m
Reported profit on ordinary activities before taxation	260	296
Realisation of property revaluation gains of previous periods	14	40
Difference between historical cost depreciation charge and actual depreciation charge	1	1
Historical cost profit on ordinary activities before taxation	275	337
Historical cost profit retained after taxation and dividends	15	41

Reconciliation of Movement in Shareholders' Funds

For the 53 week period ended 1 October 1994

	1994 53 weeks £m	1993 52 weeks £m
Profit attributable to ordinary shareholders	188	220
Ordinary dividends	(188)	(220)
	-	-
Other recognised losses	(23)	(2)
Deduction from shareholders' funds	(23)	(2)
Opening shareholders' funds	1,425	1,427
Closing shareholders' funds	1,402	1,425

Notes on pages 9 to 24 form an integral part of these financial statements.

Balance Sheet

1 October 1994

	Note	1994 £m	1993 £m
Fixed assets			
Tangible assets	6	2,535	2,538
Investments	7	565	592
		<u>3,100</u>	<u>3,130</u>
Current assets			
Stocks	8	98	104
Debtors	9	262	271
Cash at bank and in hand		6	121
		<u>356</u>	<u>496</u>
Creditors: Amounts falling due within one year	10	(746)	(823)
Net current liabilities		<u>(390)</u>	<u>(327)</u>
Total assets less current liabilities		<u>2,710</u>	<u>2,803</u>
Creditors: Amounts falling due after more than one year	11	(1,288)	(1,334)
Provisions for liabilities and charges	13	(20)	(44)
Net assets		<u>1,402</u>	<u>1,425</u>
Capital and reserves - equity interest			
Called-up share capital	14	8	8
Revaluation reserve	15	1,024	1,062
Profit and loss account	15	370	355
Shareholders' funds		<u>1,402</u>	<u>1,425</u>

Signed on behalf of the Board

I.M.G. Prosser

Directors

R. C. North

5 December 1994

Notes on pages 9 to 24 form an integral part of these financial statements.

Accounting policies

Basis of accounting

- i) The financial statements are prepared under the historical cost convention modified by the revaluation of certain tangible fixed assets comprising a major part of the company's industrial and retail properties. They have been drawn up to comply with applicable accounting standards including Financial Reporting Standard 5 which was introduced in 1994. Where appropriate comparative figures have been restated to reflect the requirements of the new standard (see notes 7 and 12).
- ii) On acquisition of a business, the acquisition method of accounting is adopted and the cost of investment is allocated between the underlying tangible assets and liabilities on the basis of the fair value to the Company in accordance with its accounting policies.
- iii) Any difference between the purchase consideration and the fair value attributed to the tangible assets and liabilities represents discount or goodwill. Any discount is taken to capital reserves; goodwill is eliminated against reserves. On disposal of a business, any goodwill previously eliminated on acquisition is included in determining the surplus or loss on disposal.

Borrowings

All borrowings are initially stated at the fair value of the consideration received after deduction of issue costs. Issue costs together with finance costs are charged to the profit and loss account over the term of the borrowings and represents a constant proportion of the balance of capital repayments outstanding. Accrued finance costs attributable to borrowings where the maturity at the date of issue is less than 12 months are included in accrued charges within current liabilities. For all other borrowings, accrued finance charges and issue costs are added to the carrying value of those borrowings.

Deferred taxation

- i) Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the foreseeable future. Where this policy gives rise to a balance which will be offset against future taxation liabilities, this balance is carried forward as a debtor.
- ii) Advance corporation tax payable on dividends paid or proposed which is expected to be recovered in the future is incorporated in the deferred taxation balance.
- iii) No liability is considered to arise for deferred taxation in respect of UK industrial buildings allowances as the properties are expected to be used in the business for periods longer than that for which the allowances could be reclaimed on disposal. Similarly, no liability is considered to exist for taxation deferred by UK roll-over relief due to the level of continuing capital investment.

Accounting policies (continued)

Fixed assets and depreciation

i) Intangible assets

No value is attributed to trademarks, concessions, patents and similar rights and assets. Costs incurred on trademarks, concessions, patents and similar rights, whether purchased or created by the company, are charged to the profit and loss account in the period in which they are incurred.

ii) Tangible assets

a) Expenditure on additions and improvements to tangible fixed assets including the cost of related licences is capitalised for major projects on the basis of measured work completed, for other property projects on the basis of orders placed, and for all other projects as the expenditure is incurred.

b) Interest payable in respect of certain major construction and improvement projects is included in the cost of properties. Such cost relates to expenditure incurred prior to the project becoming operational.

c) Surpluses arising from professional valuations of properties are taken direct to the revaluation reserve. Valuation surpluses realised on sale are transferred from the revaluation reserve to the profit and loss account reserve. Any deficit arising from the professional valuation of properties is taken direct to the revaluation reserve to the extent that such deficit is regarded as temporary. Where a permanent diminution in value of an individual property is identified, the deficit is eliminated against any revaluation reserve in respect of that property with any excess being charged to the profit and loss account.

d) Freehold land is not depreciated.

e) Hotels and public houses held as freehold or with a leasehold interest in excess of 50 years are maintained, as a matter of company policy, by a programme of repair and refurbishment such that the residual values of these properties, based on prices prevailing at the time of acquisition or subsequent valuation, are at least equal to their book values. Having regard to this, it is the opinion of the directors that depreciation on any such property as required by the Companies Act 1985 and accounting standards would not be material.

f) Other freehold properties are written off over 50 years, except breweries and maltings which are written off over 25 years, from the later of the date of acquisition and latest valuation.

g) Leasehold hotels and public houses are amortised over the unexpired term of the lease when less than 50 years.

h) Other leasehold properties are written off over 50 years, except breweries and maltings which are written off over 25 years, from the later of the date of acquisition and latest valuation.

Accounting policies (continued)

i) Cost of plant, machinery, fixtures, fittings, tools and equipment (owned or leased) is spread, by equal instalments, over the estimated useful lives of the relevant assets, namely:

Plant and machinery	4-20 years
Information technology equipment	3-5 years
Equipment in retail outlets	3-10 years
Vehicles	3-10 years

iii) Investments

Fixed asset investments are stated individually at cost less any provision for permanent diminution in value.

Fixed asset investments comprise trade loans, trade investments in the equity of other undertakings, quoted securities and debentures. Trade loans are principally advances made to operators of on-licensed outlets by the Brewing division, either directly or through an arrangement with a bank. They are advanced in order to obtain a beer supply agreement and are generally cancellable at three months' notice.

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rates ruling on the dates of the transactions adjusted for any hedging arrangements.

Assets and liabilities in foreign currencies are translated into sterling at relevant rates of exchange ruling at the balance sheet date.

Exchange differences are taken to the profit and loss account.

Leases

Assets held under finance leases are capitalised in the balance sheet within tangible fixed assets and are depreciated at the appropriate rates. The capital element of future lease payments is included in borrowings. The interest element of the lease obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Accounting policies (continued)

Pensions

The company principally operates two defined benefit pension plans covering the majority of permanent full time UK employees. The assets of the plans are held in separate trustee administered funds. The regular cost of providing these plan benefits is charged to the profit and loss account over the average expected service lives of current employees. Variations in regular pension cost are amortised over the average service lives of current employees. Differences between the amount charged in the profit and loss account and the payments made to the plans are treated as either provisions or prepayments in the balance sheet.

Repairs and maintenance

Expenditure on repairs and maintenance undertaken by outside contractors is charged to the profit and loss account on the basis of orders placed; that carried out by Group undertakings is charged to the profit and loss account as incurred.

Research and development

Expenditure on research and development is charged to the profit and loss account as incurred.

Stocks

The basis of valuation is as follows:

- i) Raw materials, bought-in-goods and consumable stores at the lower of cost and net realisable value on a first in, first out basis.
- ii) Work in progress and finished stocks at the lower of cost, which includes an appropriate element of production overhead costs, and net realisable value.

Cost includes all expenditure incurred in bringing each product to its present condition and location. Net realisable value is based on estimated selling prices less further costs expected to be incurred in bringing the stock to completion and disposal.

Turnover

Turnover comprises the value of sales (excluding VAT) of goods and services, net of discounts, provided in the normal course of business. Such sales are recognised in the period to which they relate.

Notes to the financial statements

1 Costs and overheads, less other income

	1994 £m	1993 £m
Raw materials, consumables and excise duty	1,047	996
Staff costs (note 2a)	415	424
Depreciation of tangible fixed assets	97	92
Advertising costs	14	28
Maintenance and repairs	59	71
Change in stocks of finished goods and work in progress	8	66
Other external charges	432	389
Amortisation of and provisions against investments	10	15
Income from fixed asset investments	(13)	(11)
	<u>2,069</u>	<u>2,070</u>

The following amounts are included above:

	1994 £m	1993 £m
Hire of plant and machinery	34	32
Property rentals	11	11
Research and development expenditure	<u>3</u>	<u>2</u>

Auditors' remuneration for audit services was £0.2m (1993 £0.4m) and for non-audit services was £0.1m (1993 £1.0m).

2 Staff

a) Costs

	1994 £m	1993 £m
Wages and salaries	368	381
Employee profit share scheme	9	9
Social security costs	25	26
Pensions (note 2c)	13	8
	<u>415</u>	<u>424</u>

The Company has no significant exposure to post-employment benefit obligations.

Notes to financial statements (continued)

2 Staff (continued)

b) Average number of employees, including part time employees

The average weekly number of persons employed by the Company during the period was as follows:

	1994 Number	1993 Number
Pub and other retailing	38,115	41,470
Brewing	6,568	7,113
	<u>44,683</u>	<u>48,583</u>

c) Pensions

Retirement and death benefits are provided for eligible employees principally by the Bass Employees' Security Plan and the Bass Executive Pension Plan. Members of these plans are contracted out of the State Earnings Related Scheme. The assets of these plans are held in self-administered trust funds separate from the Company's assets.

The latest actuarial valuations of the plans were made at 31 March 1994 which confirmed that members' accrued benefits based on service completed to that date and on rates of pensionable pay then current were fully covered by the assets of the plans. Particulars of the actuarial valuations are given in the accounts of Bass PLC.

The variation from regular pension cost has been spread on a straight line basis over the average expected remaining service lives of current employees. This variation in regular pension cost amounted to £16m (1993 £17m) and reflected the lower overall level of pension surplus by comparison with that existing at the time of the previous valuation. An amount of £16m (1993 £15m) has been included in prepayments.

The Company has no significant exposure to any other post-retirement benefit obligations.

d) Directors' remuneration

The emoluments of the Chairman and all other directors, as directors of Bass PLC, have been wholly charged in the financial statements of that company.

3 Interest payable and similar charges

	1994 £m	1993 £m
Bank loans, overdrafts and other loans wholly repayable within five years	<u>6</u>	<u>9</u>

Notes to financial statements (continued)

4 Tax on profit on ordinary activities

	1994 £m	1993 £m
The taxation charge is made up as follows:		
Corporation tax at 33% (1993 33%)	69	65
Deferred taxation	6	12
Adjustment in respect of prior years		
Corporation tax	(1)	-
Deferred taxation	(2)	(1)
	<u>72</u>	<u>76</u>

The tax charge for the year has been reduced by £8m (1993 £15m) for timing differences.

5 Ordinary dividends

	1994 £m	1993 £m
Proposed final	<u>188</u>	<u>220</u>

Notes to financial statements (continued)

6 Tangible fixed assets

	Breweries and other industrial properties £m	Licensed and unlicensed properties £m	Plant and machinery £m	Fixtures, fittings, tools and equipment £m	Total £m
Cost or valuation					
At 25 September 1993	158	1,859	433	551	3,001
Additions	2	51	34	84	171
Disposals	(3)	(36)	(46)	(76)	(161)
Revaluation adjustment	(16)	(7)	-	-	(23)
Other adjustments	(7)	-	5	1	(1)
At 1 October 1994	134	1,867	426	560	2,987
Depreciation					
At 25 September 1993	8	2	214	239	463
Provided in the year	3	2	27	65	97
Permanent diminution in assets held for disposal	1	1	-	-	2
On disposals	(1)	-	(40)	(69)	(110)
At 1 October 1994	11	5	201	235	452
Net book value					
At 1 October 1994	123	1,862	225	325	2,535
At 25 September 1993	150	1,857	219	312	2,538
At 1 October 1994 the cost or valuation of depreciable assets included above was:	115	1,515	427	560	2,617
At 1 October 1994 the net book value of assets held under finance leases included above was:	-	-	-	11	11

The directors carried out a valuation of the Company's properties at 26 September 1992 in conjunction with professionally qualified staff of the Company and its ultimate parent undertaking, Bass PLC and Chesterton International Property Consultants. The valuation which was incorporated in the financial statements for that year was on an open market basis for existing use in respect of all properties other than breweries and maltings which were reviewed by reference to depreciated replacement cost. At 1 October 1994, the valuation was reviewed resulting in a further diminution in value of £23m being taken direct to the revaluation reserve.

Notes to financial statements (continued)

6 Tangible fixed assets (continued)

Analysis of properties

	Cost or valuation £m	Depreciation £m	Net Book Value £m
At 1 October 1994			
Breweries and other industrial properties			
Freehold	128	(11)	117
Leasehold over 50 years	5	-	5
Leasehold under 50 years	1	-	1
Licensed and unlicensed properties			
Freehold	1,704	(2)	1,702
Leasehold over 50 years	133	-	133
Leasehold under 50 years	30	(3)	27
Total properties	<u>2,001</u>	<u>(16)</u>	<u>1,985</u>
Cost or valuation of properties comprises:			
1992 valuation	1,895		
At cost since	<u>106</u>		
	<u>2,001</u>		
Comparable amounts for properties under the historical cost convention would be:			
At 1 October 1994	<u>1,038</u>	<u>(76)</u>	<u>962</u>
At 25 September 1993	<u>1,017</u>	<u>(73)</u>	<u>944</u>

Notes to financial statements (continued)

7 Fixed asset investments

	Shares in associated undertakings £m	Loans to associated undertakings £m	Shares in Group undertakings £m	Trade loans and other investments £m	Total £m
a) Movement during period					
Cost					
At 25 September 1993	2	-	121	510	633
Additions	-	3	8	68	79
Loans written off	-	-	-	(8)	(8)
Disposals and repayments	-	-	-	(96)	(96)
At 1 October 1994	<u>2</u>	<u>3</u>	<u>129</u>	<u>474</u>	<u>608</u>
Provision for diminution in value					
At 25 September 1993	-	-	11	30	41
Provided in the year	-	-	-	10	10
Loans written off	-	-	-	(8)	(8)
At 1 October 1994	<u>-</u>	<u>-</u>	<u>11</u>	<u>32</u>	<u>43</u>
Net book value					
At 1 October 1994	<u>2</u>	<u>3</u>	<u>118</u>	<u>442</u>	<u>565</u>
At 25 September 1993	<u>2</u>	<u>-</u>	<u>110</u>	<u>480</u>	<u>592</u>

To comply with FRS 5 arrangements entered into by the Company with a number of banks to advance loans to third party outlets are now incorporated within both fixed asset investments and borrowings (see note 12). Trade loans and other investments cost at 30 September 1993 has been restated accordingly by £80m.

	1994		1993	
b) Analysis of investments	Cost, less amount written off £m	Replacement cost £m	Cost, less amount written off £m	Replacement cost £m
Listed investments	1	1	2	2
Unlisted investments	<u>6</u>	<u>7</u>	<u>6</u>	<u>6</u>
	<u>7</u>	<u>8</u>	<u>8</u>	<u>8</u>

All listed investments are listed on a recognised investment exchange, and their market value is at least equal to the replacement cost stated above. In the opinion of the directors, the market value of unlisted investments is at least equal to the replacement cost stated above.

Notes to financial statements (continued)

7 Fixed asset investments (continued)

c) Principal investments

Group accounts have not been prepared because the Company is a wholly owned subsidiary of another company (see note 19). In the opinion of the directors the value of the subsidiary undertakings is at least equal to the amount shown above.

The Company has investments in the following principal subsidiary undertakings, which are managers for and agents of the Company. (Details concerning investments which are not significant have been omitted from the lists set out below in order to avoid a statement of excessive length. A full list of subsidiary and associated undertakings will be annexed to the next annual return of the Company to be filed with the Registrar of Companies.)

	Country of registration	Proportion of shares held
Principal subsidiary undertakings		
*Bass Brewers Limited	England and Wales	100%
*Bass Ireland Limited	Northern Ireland	100%
*Bass Taverns Limited	England and Wales	100%
*Tennent Caledonian Breweries Limited	Scotland	100%
*Toby Restaurants Limited	England and Wales	100%
Shares held directly by the Company are denoted by an asterisk.		

8 Stocks

The following are included in the net book value of stocks.

	1994 £m	1993 £m
Raw materials	27	26
Work-in-progress	6	6
Finished stocks	45	53
Consumable stores	20	19
	<u>98</u>	<u>104</u>

The replacement cost of stocks approximates to the value at which they are stated in the financial statements.

Notes to financial statements (continued)

9 Debtors

	1994 £m	1993 £m
Trade debtors	189	190
Amounts owed by other group undertakings	5	4
Other debtors	17	41
Certificates of tax deposit	4	5
Prepayments and accrued income	37	31
	<u>252</u>	<u>271</u>
Included in the above are amounts falling due after more than one year of:		
Prepayments and accrued income	<u>16</u>	<u>15</u>

10 Creditors: Amounts falling due within one year

	1994 £m	1993 £m
Borrowings (note 12)	11	5
Trade creditors	62	112
Amounts owed to subsidiary undertakings	-	32
Amounts owed to other group undertakings	109	99
UK corporation tax payable	128	126
Other taxation and social security	93	91
Other creditors	49	61
Proposed dividends (note 5)	188	220
Accrued charges	106	77
	<u>746</u>	<u>823</u>

11 Creditors: Amounts falling due after more than one year

	1994 £m	1993 £m
Borrowings (note 12)	67	82
Amounts owed to subsidiary undertakings	114	83
Amounts owed to other group undertakings	1,105	1,167
Other creditors and deferred income	2	2
	<u>1,288</u>	<u>1,334</u>

Notes to financial statements (continued)

12 Borrowings

	Bank loans and overdrafts £m	Finance leases £m	Total 1994 £m	Total 1993 £m
Analysis by year of repayment				
Due within one year (note 10)	7	4	11	5
Due: between one and two years	5	3	8	7
between two and five years	14	5	19	23
after five years: by instalment	40	-	40	52
Due after more than one year (note 11)	59	8	67	82
Total borrowings	66	12	78	87
Analysis of borrowings				
Secured loans				
Due within one year	5	4	9	5
Due after one year	59	8	67	82
	64	12	76	87
Unsecured borrowings				
Due within one year - Overdrafts	2	-	2	-
Total Borrowings	66	12	78	87
Total borrowings comprise:				
Bank overdrafts and borrowings drawn for 90 days or less			2	-
Other borrowings			76	87
			78	87
Amounts repayable by instalments part of which fall due after five years	64	-	64	80

The secured borrowings are secured on the individual assets purchased from the proceeds of advances. All borrowings are redeemable at par. The Company has complied with the requirements of FRS 5 with respect to borrowings (see note 7).

Notes to financial statements (continued)

13 Provisions for liabilities and charges

	Reorganisation provisions £m	Deferred tax £m	Total £m
At 25 September 1993	40	4	44
Profit and loss account	-	4	4
Expenditure	(25)	-	(25)
Write-off of redundant assets	(3)	-	(3)
At 1 October 1994	<u>12</u>	<u>8</u>	<u>20</u>

Reorganisation provisions were created over a number of years in relation to a major programme of fundamental reorganisation which established the present divisional structure and led to rationalisation within the Pubs and Brewing divisions designed in part to reduce the operational cost bases and in part to improve efficiency.

Deferred taxation has been provided to the extent that the directors have concluded on the basis of reasonable assumptions that it is probable that the liability will crystallise.

	Provided 1994 £m	1993 £m	Not Provided 1994 £m	1993 £m
Excess of tax allowances over book depreciation of fixed assets	-	-	178	170
Other timing differences related to short term items	(9)	(13)	(2)	(6)
long term items	<u>17</u>	<u>17</u>	<u>5</u>	<u>5</u>
	<u>8</u>	<u>4</u>	<u>181</u>	<u>169</u>

14 Called-up share capital

	1994 £m	1993 £m
Authorised, allotted, called-up and fully-paid 8 million Ordinary shares of £1 each	<u>8</u>	<u>8</u>

Notes to financial statements (continued)

15 Reserves - Equity interest

	Revaluation reserve £m	Profit and loss account £m
At 25 September 1993	1,062	355
Revaluation adjustment	(23)	-
Realised revaluation surplus transfer	(14)	14
Revaluation element in depreciation charge	(1)	1
At 1 October 1994	<u>1,024</u>	<u>370</u>

16 Cash flow statement

No cash flow statement is given as the Company is a wholly owned UK subsidiary undertaking of Bass PLC which has provided a cash flow statement under Financial Reporting Standard 1.

17 Contracts for expenditure on fixed assets

The aggregate amount of expenditure on fixed assets not provided for in the financial statements is:

	1994 £m	1993 £m
Contracts placed	9	11
Authorised by the directors but no contracts placed	29	42
	<u>38</u>	<u>53</u>

Notes to financial statements (continued)

18 Contingent liabilities and financial commitments

The Company has given a guarantee secured by a floating charge on its assets and undertaking in respect of the debentures of Bass PLC amounting to £250m (1993 £250m).

The Company has complied with the requirements of FRS 5 with respect to borrowings (see note 7). As a result, the Company has no contingent liabilities relating to guarantees and figures for 1993 have been restated accordingly.

Due to the substantial number of properties owned by the Company, it is not practicable to quantify the provision for taxation of chargeable gains which might arise in the event of properties being sold at their revalued amounts. Compliance with the DTI orders is not expected to have given rise to material unprovided taxation liabilities for chargeable gains.

The Company has annual commitments under operating leases at 30 September 1994 which expire as follows:

	Properties		Other	
	1994 £m	1993 £m	1994 £m	1993 £m
Within 1 year	-	1	1	1
Between 1 and 5 years	1	1	2	3
After 5 years	10	8	-	-
	<u>11</u>	<u>10</u>	<u>3</u>	<u>4</u>

19 Ultimate parent undertaking

The Company is a subsidiary undertaking of Bass PLC incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of Bass Holdings Limited are consolidated is that headed by Bass PLC. The smallest group in which they are consolidated is that headed by Bass Investments PLC, registered in England and Wales. The consolidated financial statements of these groups are available to the public. Copies of Bass PLC financial statements may be obtained from Bass PLC, 20 North Audley Street, London W1Y 1WE and copies of Bass Investments PLC financial statements may be obtained from Bass Investments PLC, Cape Hill Brewery, PO Box 27, Birmingham B16 0PQ.