

**BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)**

REPORT AND FINANCIAL STATEMENTS

27 September 1985

31 JUL 1986

**Touche Ross & Co.,
Hill House,
1 Little New Street,
London,
EC4A 3TR.**

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

REPORT AND FINANCIAL STATEMENTS

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BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

OFFICERS AND PROFESSIONAL ADVISERS

Directors:

P. Williams (Chairman)
E.N.J. Miller
T. Jones
T.W. Ross
H. Jones
J.M. Kirkland
B.D. Langton
S.A. Guest
A.P. Phillips
M.J.F. Rumke
R. Muckleston

Secretary:

P.S. Whitney

Auditors:

Touche Ross & Co.
Hill House,
1 Little New Street,
London EC4A 3TR.

Registered office:

Crest House,
South Bar,
Banbury,
Oxon OX16 9XB.

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

DIRECTORS' REPORT

The directors submit their report on the financial statements of the Company for the 52 weeks ended 27 September 1985.

1. TRADING RESULTS

Turnover for the period was £9,209,192.

The profit for the period before taxation amounted to £46,976 which included a deficit on disposal of property amounting to £22,308.

After charging taxation of £56,892 and an extraordinary items of £1,915,757 the loss for the period was £1,925,673.

2. APPROPRIATIONS

No dividend is proposed

3. FINANCIAL STATEMENTS

The Profit and Loss Account and Balance Sheet have been prepared using the historical cost convention, except that certain properties and shares in subsidiaries are included at valuation.

4. PRINCIPAL ACTIVITIES

There has been no significant change during the period in the principal activity of the Company which consists of that of a parent company to a group of subsidiaries operating holiday centres in the United Kingdom and overseas.

5. BUSINESS REVIEW

The company traded satisfactorily during the period in difficult market circumstances and this is reflected in the accompanying financial statements.

6. NAME OF COMPANY

On 29 July 1985, the name of the company was changed from Bass Holidays Limited to Bass Hotels and Holidays Limited.

7. DIRECTORS

The following are the names of the persons who, at any time since the beginning of the financial period, were directors of the Company.

P. Williams	(appointed 1.10.84)
A.W.N. Lake	(resigned 1.10.84)
T.J. Hemmings	(resigned 11.6.85)
J.T. Swarbrick	(appointed 19.11.84) (resigned 2.5.85)
T. Jones	
T.W. Ross	
H. Jones	

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

DIRECTORS' REPORT
(continued)

7. DIRECTORS (continued)

J.M. Kirkland	
B.D. Langton	(appointed 11.4.85)
S.A. Guest	(appointed 11.4.85)
A.P. Phillips	(appointed 11.4.85)
M.J.F. Rumke	(appointed 25.6.85)
E.N.J. Miller	(appointed 1.1.85)
R. Muckleston	(appointed 28.6.85)

8. DIRECTORS' INTERESTS

Set out below are the particulars of the interests according to the Register kept by the Company of directors of the Company and their families in the shares, debentures and unsecured loan stocks of Bass PLC (the ultimate holding company) and its subsidiaries at the commencement, or on date of becoming a director, if later, and close of the financial period.

The directors interests in shares issued to Trustees under the terms of the Employee Share Ownership Scheme (Scheme Shares) are also shown.

	<u>Bass PLC 25p Ordinary Shares</u>			
	1985		1984 or date of appointment	
	Direct	Scheme Shares	Direct	Scheme Shares
T. Jones	-	1,296	-	1,097
H. Jones	-	516	-	349
J.M. Kirkland	-	505	-	342
B.D. Langton	-	1,628	-	1,429
A.P. Phillips	250	1,268	250	1,069
S.A. Guest	-	1,107	-	925
M.J. Rumke	-	871	-	672

All shares are held beneficially. Messrs. P. Williams and A.W.N. Lake are also directors of Bass PLC and their interests are disclosed in the financial statements of that company.

9. CONTRACTS AND ARRANGEMENTS

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 period or at any time during that period 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 Employee Share Ownership Scheme which provides arrangements by which executive directors may receive shares in Bass PLC on the same terms as other employees.

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

DIRECTORS' REPORT
(continued)

10. FIXED ASSETS

An amount of £137,975 has been charged as additional depreciation in respect of a leasehold property and its fixtures and fittings.

11. POST BALANCE SHEET EVENTS

The company sold its tangible fixed assets and net current assets at net book value to Bass Hotels and Holidays (UK) Limited on 1 October 1985. No other significant events affecting the Company have occurred since the balance sheet date.

12. EMPLOYEE INVOLVEMENT

The company continues to be fully committed to its policy of communication, consultation and involvement and to monitoring its effectiveness. In addition to widely established arrangements involving briefing groups, consultative committees and the publication of company newspapers, there has been an increasing use of video programmes as part of the general process of employee consultation.

13. DISABLED PERSONS

Disabled persons are employed on the basis of the following policy:

- a) Full and fair consideration is given to disabled applicants for employment at all stages in the recruitment procedure;
- b) where an existing employee becomes disabled (whether from illness or accident) every effort is made to continue to provide suitable employment, either in the same or an alternative job;
- c) the Company assists disabled employees by providing additional facilities and/or training and, where appropriate, medical examinations and counselling;
- d) disabled persons share in the opportunities for training, career development and promotion that are available to all employees within the Company.

By order of the Board


Secretary

27 March 1986

Touche Ross & Co.

Chartered Accountants

Hill House
1 Little New Street 5.
London EC4A 3TR -

AUDITORS' REPORT TO THE MEMBERS

of

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

We have audited the financial statements on pages 6 to 21 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 27 September 1985 and of its loss and source and application of funds for the 52 week period then ended and comply with the Companies Act 1985.

27 March 1986


Chartered Accountants

BASS HOTELS AND HOLIDAYS LIMITED
 (formerly Bass Holidays Limited)

PROFIT AND LOSS ACCOUNT

52 weeks ended 27 September 1985

	Note	1985 £	1984 £
Turnover	2(i)	9,209,192	8,285,051
Costs and overheads, less other income	3(a)	<u>9,163,812</u>	<u>8,335,936</u>
Trading profit/(loss)		45,380	(50,885)
Income from shares in group companies		<u>1,596</u>	<u>1,596</u>
Profit/(loss) on ordinary activities before taxation	2(ii)/3(b)	46,976	(49,289)
Tax on profit/(loss) on ordinary activities	6	<u>56,892</u>	<u>1,086,678</u>
Loss on ordinary activities after taxation		(9,916)	(1,135,967)
Extraordinary items	7	<u>(1,915,757)</u>	<u>-</u>
Loss after taxation and extraordinary item transferred to reserves	16	<u>(1,925,673)</u> =====	<u>(1,135,967)</u> =====

Notes on pages 9 to 21 form an integral part of these financial statements.

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

BALANCE SHEET 27 September 1985

	Note	1985 £	1984 £
FIXED ASSETS			
Tangible assets	8	3,192,464	3,307,608
Investments	9	<u>40,132,155</u>	<u>23,314,377</u>
		<u>43,324,619</u>	<u>26,621,985</u>
CURRENT ASSETS			
Stocks	11	11,858	70,314
Debtors	12	49,505,070	62,245,822
Cash at bank and in hand		8,886	226,842
CREDITORS: Amounts falling due within one year	13	<u>(8,024,251)</u>	<u>(7,461,040)</u>
NET CURRENT ASSETS		<u>41,501,563</u>	<u>55,081,938</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>86,603,964</u>	<u>81,703,923</u>
CREDITORS: amounts falling due after more than one year	14	<u>(62,732,148)</u>	<u>(57,684,216)</u>
		<u>22,094,034</u>	<u>24,019,707</u>
CAPITAL AND RESERVES			
Called up share capital	15	24,328,944	24,328,944
Revaluation reserve	16	19,296,590	19,411,104
Profit and loss account	16	<u>(21,531,500)</u>	<u>(19,720,341)</u>
		<u>22,094,034</u>	<u>24,019,707</u>

Signed on behalf of the board on 27 March 1986.



)
) Directors
)

Notes on pages 9 to 21 form an integral part of these financial statements.

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

52 weeks ended 27 September 1985

	1985 £	1984 £
<u>Funds generated</u>		
Profit/(loss) on ordinary activities before taxation	46,976	(49,289)
Items not involving movement of funds:		
Depreciation	197,692	172,431
Deficit/(surplus) on disposal of property	<u>22,308</u>	<u>(14,364)</u>
	266,976	108,778
Disposal of fixed assets	<u>67,575</u>	<u>348,487</u>
Total funds generated	<u>334,551</u>	<u>457,265</u>
<u>Funds applied</u>		
Working capital - increase/(decrease)		
Stocks	(58,276)	20,019
Debtors (excluding group companies and taxation)	(1,754,419)	222,989
Creditors and other liabilities	(354,078)	779,264
Inter-company indebtedness	<u>(14,230,772)</u>	<u>(1,633,617)</u>
	(16,397,545)	(611,345)
Taxation	<u>(16,551)</u>	<u>1,001,372</u>
	(16,414,096)	390,027
Fixed assets	310,405	346,462
Acquisitions and investments	<u>16,817,778</u>	<u>(201,218)</u>
Total funds applied	<u>714,087</u>	<u>535,271</u>
Net funds - deficit	<u>(379,536)</u>	<u>(78,006)</u>
	=====	=====
represented by:-		
Movements in liquid funds		
Decrease in bank balances and cash	<u>(379,536)</u>	<u>(78,006)</u>
	=====	=====

Notes on pages 9 to 21 form an integral part of these financial statements.

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

9.

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 27 September 1985

1. ACCOUNTING POLICIES

The accounting policies are consistent with those adopted previously.

(a) Basis of accounting

- i) The financial statements have been prepared under the historical cost convention except that certain properties and shares in subsidiaries are included at valuation.
- ii) On acquisition of a subsidiary, the purchase consideration is allocated between the underlying assets and liabilities on the basis of a fair value to the Company in accordance with its accounting policies.
- iii) Shares in subsidiaries are stated at cost or valuation less provision for diminution in value.
- iv) Group accounts have not been prepared because the company is a wholly owned subsidiary of another company incorporated in Great Britain.

(b) Deferred taxation

- i) Deferred taxation is calculated using the liability method in respect of corporation tax deferred by taxation allowances and timing differences to the extent that it is payable in the foreseeable future.
- ii) The total liability of the company using the liability method is as stated in note 10 to these financial statements.

(c) Fixed assets and depreciation

- i) Expenditure on additions and improvements to fixed assets 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 expenditure as incurred.
- ii) Tangible assets
 - a) Surpluses arising from time to time from professional revaluations of properties are taken direct to revaluation reserve. Net revaluation surpluses over book values realised in respect of properties subsequently sold are transferred from revaluation reserve to distributable reserves via the profit and loss account in the year of disposal.
 - b) i) Freehold land is not depreciated. Freehold properties comprising amenity buildings in holiday villages are maintained, as a matter of company policy, by a programme of repair and refurbishment such that the residual values of these properties taken as a whole are at least equal to their book values. Having regard to this, it is the opinion of the directors that depreciation of any such property as required by the Companies Act 1985 and standard accounting practice would not be material.

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 weeks ended 27 September 1985

1. ACCOUNTING POLICIES (continued)

ii) Leasehold properties are written off over 50 years or the term of the lease, whichever is the shorter.

iii) Cost of fixtures, fittings, tools and equipment is spread, by equal annual instalments, over the estimated useful lives of the relevant assets, namely:

	Years
Fixtures, fittings and office equipment	8
Computer equipment	4
Vehicles	5

c) Repairs and maintenance

Expenditure on repairs and maintenance carried out by the Company is charged to profit as incurred. Work undertaken by outside contractors is charged to profit on the basis of orders placed.

d) Retirement and death benefits

Contributions to group pension schemes are charged to profit as incurred. They are based upon level percentages of members' pensionable pay at rates recommended by actuaries.

e) Stocks

The basis of valuation is the lower of value and cost net realisable.

f) Turnover

Turnover is exclusive of VAT and comprises sales and other trading income of the Company (including management charges to group companies).

2. OPERATIONAL ANALYSIS

	1985 £	1984 £
i) Turnover		
Leisure	9,209,192	8,285,051
	=====	=====
ii) Profit/(loss) on ordinary activities before taxation/leisure	45,380	(50,885)
Income from shares in group companies	1,596	1,596
	46,976	(49,289)
	=====	=====

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 weeks ended 27 September 1985

3. (a) COSTS AND OVERHEADS LESS OTHER INCOME	1985 £	1984 £
Own work capitalised	-	(8,673)
Other operating income	(2,588)	(15,565)
Other external charges	5,807,005	6,462,406
Staff costs (note 4)	3,100,529	1,725,337
Depreciation on tangible fixed assets	197,692	172,431
Other operating charges	<u>61,174</u>	<u>-</u>
	<u>9,163,812</u>	<u>8,335,936</u>
	=====	=====
3. (b) PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	1985 £	1984 £
Profit/(loss) on ordinary activities is after charging/(crediting):		
Hire of plant and machinery	94,912	95,745
Auditors' remuneration		
Including expenses and adjustments in respect of previous years	160,300	108,000
Deficit/(surplus) on disposal of fixed assets	22,308	(14,364)
Management charges to group companies	(8,978,896)	(8,133,586)
Management charge from parent company	<u>900,000</u>	<u>576,000</u>
	=====	=====
4. STAFF COSTS	1985 £	1984 £
a) Wages and salaries	1,851,518	1,424,434
Social security costs	117,563	99,907
Other pension costs	187,832	200,996
Redundancy costs	<u>943,616</u>	<u>-</u>
	<u>3,100,529</u>	<u>1,725,337</u>
	=====	=====

Retirement and death benefits are provided for eligible group 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 Plans are externally funded defined benefit schemes based upon final pay levels. Actuarial valuations were completed as at 31 March 1985 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. The actuaries also confirm that in their opinion a continuation of the present contribution rates is likely to enable a similar confirmation to be made as at 31 March 1986 when the position will next be reviewed.

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 weeks ended 27 September 1985

4. STAFF COSTS (continued)

There have been no exceptional charges or credits included in the pension costs charge stated above.

	1985 No.	1984 No.
b) Average number of persons employed		
Retail	5	5
Non-retail	<u>193</u>	<u>180</u>
	198	185
	=====	=====
c) Emoluments of directors and higher paid United Kingdom employees of the Company		

The emoluments of directors which do not include any fees, totalled £318,633 (1984 - £303,494). The table below shows the number of directors of the Company whose emoluments excluding pension contributions during the period were within the bands stated.

	Directors 1985	1984
Up to 5,000	7	4
20,001 - 25,000	3	2
25,001 - 30,000	2	2
30,001 - 35,000	1	1
35,001 - 40,000	-	1
40,001 - 45,000	-	1
70,001 - 75,000	1	-
	=====	=====

The emoluments of the Chairman were £ Nil (1984 - £Nil). The emoluments of the highest paid director were £72,811 (1984 - £44,645).

£54,500 (1984 - £60,000) was also paid to directors as compensation for loss of office, and £31,800 (1984 - £31,905) was paid as past directors pensions.

There were no higher paid employees.

5. COST OF BORROWING	1985 £	1984 £
Interest payable on group borrowing	4,312,000	3,162,000
Interest receivable from group companies	<u>(4,312,000)</u>	<u>(3,162,000)</u>
	-	-
	=====	=====

No interest is capitalised by the Company

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 weeks ended 27 September 1985

6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	1985	1984
	£	£
Charge for the period:		
Corporation tax payable calculated on taxable profits at 42.5% (1984 - 47.5%):		
Group relief payable/(receivable)	64,338	(72,516)
Adjustments to previous periods' provisions	(7,446)	1,081,194
Deferred tax charge	<u>-</u>	<u>78,000</u>
	<u>56,892</u>	<u>1,086,678</u>
	=====	=====

The provision for taxation in 1984 did not bear a normal relationship to the loss on ordinary activities before taxation and Group income due to the adjustment to prior periods provisions which arises principally due to a change in policy with respect to payment for group relief.

7. EXTRAORDINARY ITEM	1985	1984
	£	£
Additional depreciation in respect of a leasehold property and its fixtures and fitting	137,975	-
Additional provisions against amounts due from subsidiaries	<u>1,777,782</u>	<u>-</u>
	<u>1,915,757</u>	<u>-</u>
	=====	=====

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 weeks ended 27 September 1985

8. TANGIBLE FIXED ASSETS	Licensed and unlicensed properties £	Fixtures, fittings, tools and equipment £	Total £
a) Movements during period			
Cost or valuation:			
At beginning of period	2,577,218	1,284,813	3,862,031
Expenditure	26,310	275,695	302,005
Disposals	(17,050)	(197,853)	(214,903)
Transfer from subsidiary companies	-	15,400	15,400
Fully depreciated assets written off	(148,130)	(127,147)	(275,277)
Re-classification of assets	<u>(10,915)</u>	<u>10,915</u>	<u>-</u>
At end of period	<u>2,427,433</u>	<u>1,261,823</u>	<u>3,689,256</u>
Depreciation:			
At beginning of period	43,504	510,919	554,423
Provided for the period	13,968	183,724	197,692
Depreciation on disposals	-	(125,021)	(125,021)
Extraordinary item (see note 7)	120,039	17,936	137,975
Transfer from subsidiary companies	-	7,000	7,000
Fully depreciated assets written off	<u>(148,130)</u>	<u>(127,147)</u>	<u>(275,277)</u>
At end of period	<u>29,381</u>	<u>467,411</u>	<u>496,792</u>
Net book value:			
at end of period	2,398,052 =====	794,412 =====	3,192,464 =====
at beginning of period	2,533,714 =====	773,894 =====	3,307,608 =====

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 weeks ended 27 September 1985

8. TANGIBLE FIXED ASSETS (continued)

	Licensed and unlicensed properties £	Fixtures, fittings, tools and equipment £	Total £
b) Depreciable assets			
At end of period			
the cost or valuation of			
depreciable assets			
included in (a) overleaf is	235,691	1,261,823	1,497,514
	=====	=====	=====
	Cost or valuation £	Depreciation £	Net book value £
c) At end of period			
Licensed and unlicensed properties			
Freehold	2,191,742	-	2,191,742
Leasehold 50 to 100 years	150,000	14,262	135,738
Leasehold under 50 years	85,691	15,119	70,572
	=====	=====	=====
Total properties	2,427,433	29,381	2,398,052
Fixtures, fittings and equipment at cost	1,261,823	467,411	794,412
	=====	=====	=====
	3,689,256	496,792	3,192,464
	=====	=====	=====
	£		
Cost or valuation of properties comprises			
Valuation at 2 January 1981	150,000		
Cost of subsequent additions	2,277,433		
	=====		
	2,427,433		
	=====		

The valuation as at 2 January 1981 was carried out by Charles F. Jones & Son, Surveyors, Valuers and Planning Consultants and was based on market value.

Comparable amounts for properties under
the historical cost convention would
be:

	£
Cost	2,363,689
Accumulated depreciation	17,740
	=====
Net book value at end of period	2,345,949
	=====
Net book value at beginning of period	2,366,184
	=====

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 weeks ended 27 September 1985

9. FIXED ASSET-INVESTMENTS

	Shares in subsidiaries £
a) Movements during period	
i) Cost or valuation	
At beginning of period	24,389,477
Subsidiaries acquired	19,360,618
Adjustment to share capital of existing subsidiary	100
Subsidiaries sold	(2,542,940)
At end of period	41,207,255
Provision for diminution in value	
At beginning and end of period	1,075,100
Net total:	
at end of period	40,132,155
	=====
at beginning of period	23,314,377
	=====

The shares owned in 1978 were valued at the current market value by the directors on 31 March 1978.

The aggregate net assets value of the subsidiary companies per the 1985 audited financial statements, is approximately £61 million. In addition, a net amount after provisions of £43 million is receivable from subsidiary companies on inter-company accounts (see notes 12 and 14).

ii) Comparative amounts under the historic cost convention would be:

	£
Cost	21,968,354
Provision for diminution in value	1,075,100
Net book value at end of period	20,893,254
	=====
Net book value at beginning of period	4,075,476
	=====

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

17.

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 weeks ended 27 September 1985

9. FIXED ASSET-INVESTMENTS (continued)

iii) The principal subsidiaries are detailed below. Bass Hotels and Holidays Limited is the beneficial owner of all of the equity share capital, either directly or through other subsidiary companies except where stated:

<u>COMPANY AND COUNTRY OF INCORPORATION</u>	<u>MAIN ACTIVITY</u>
<u>(A) INVESTMENTS HELD DIRECTLY</u>	
<u>INCORPORATED IN ENGLAND</u>	
Bass Hotels and Holidays (UK) Limited	Operator of holiday centres in the U.K.
Pontin's (Blackpool) Limited	Operator of holiday centres in the U.K.
Pontin's Barton Hall Chalet Hotel (Torquay) Limited	Operator of a holiday centre in the U.K.
Ambrose Timberframes Limited	Manufacturer in the U.K. of timber-frames for use in construction
Windsor Park Limited	Operator of a holiday centre in the U.K.
Buddies Limited	Tour operator
Holiday Club International Limited	Tour operator
Bass Horizon Hotels Ltd (50%)	Holding company
<u>INCORPORATED IN JERSEY</u>	
Pontin's (Jersey) Limited - 98%	Operator of a holiday centre in Jersey
<u>INCORPORATED IN THE ISLE OF MAN</u>	
Dollagh Limited	Holds land in Isle of Man
<u>(B) INVESTMENTS HELD THROUGH SUBSIDIARIES</u>	
<u>INCORPORATED IN ENGLAND</u>	
Pontinental Limited	Holding Company
<u>INCORPORATED IN ITALY</u>	
Pontinental (Sardegna) S.p.a.	Operator of a holiday centre abroad
<u>INCORPORATED IN SPAIN</u>	
Industrias Hoteleras de Vacaciones S.A.	Operator of a holiday centre abroad
Pontinental Espanola S.A.	Operator of a holiday centre abroad
Holiday Club Playa Romantica S.A.	Operator of a holiday centre abroad
Holiday Club Playa Tropicana S.A.	Operator of a holiday centre abroad
Holiday Club Playa del Sol S.A.	Operator of a holiday centre abroad
Venta del Bancal S.A. (95%)	Operator of a holiday centre abroad
Minorica Hotelera S.A. (95%)	Operator of a holiday centre abroad
Pueblo Indalo S.A. (95%)	Operator of a holiday centre abroad
Playa Santo Tomas S.A. (95%)	Operator of a holiday centre abroad
Compania Hotelera de Nerja S.A. (95%)	Operator of a holiday centre abroad
Promotora Tarraco S.A.	Operator of a holiday centre abroad

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 weeks ended 27 September 1985

9. FIXED ASSET-INVESTMENTS (continued)

<u>COMPANY AND COUNTRY OF INCORPORATION</u>	<u>MAIN ACTIVITY</u>
<u>INCORPORATED IN LUXEMBOURG</u>	
Societe d'Investissement Touristique et Immobilier Holiday Club S.A.	Investment company overseas
<u>INCORPORATED IN BELGIUM</u>	
Cogetour S.A.	Travel agency - overseas
Holiday Travel S.A.	Travel agency - overseas
<u>INCORPORATED IN SWITZERLAND</u>	
Cogetel S.A.	Travel agency and tour operator - overseas
<u>INCORPORATED IN GREECE</u>	
Holiday Club Olympia E.P.E.	Operator of a holiday centre abroad
<u>INCORPORATED IN MOROCCO</u>	
Immobilier de M'Diq S.A. - 50%	Overseas property company
Societe Exploitation Hoteliere Club M'Diq S.A.	Operator of a holiday centre abroad

10. DEFERRED TAXATION

Under note 1(b) of the accounting policies no deferred taxation is provided on the amount by which capital allowances exceed the charge for depreciation in view of the company's long term capital investment programme.

The potential amounts of deferred taxation and the portion thereof provided in the financial statements are:

	1985		1984	
	Total potential tax £	Amounts provided £	Total potential tax £	Amounts provided £
Capital allowances in excess of depreciation	250,617 =====	- =====	229,474 =====	- =====

In addition, no amount is provided in respect of taxation deferred by roll-over relief on the disposal of properties on the basis that it is expected that replacement assets will be acquired within the group. The directors believe that the maximum potential liability in the event of properties being disposed of at their carrying values would not exceed £89,000 (1984 - £89,000).

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 weeks ended 27 September 1985

11. STOCKS

	1985 £	1984 £
Consumable stores	11,858 =====	70,314 =====

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

12. DEBTORS

	1985 £	1984 £
Trade debtors	804,006	1,656,510
Amounts owed by group companies		
- subsidiaries	48,349,303	59,327,705
- other group companies	23,558	5,778
Other debtors	151,086	393,934
Prepayments	92,601	751,668
Group relief receivable	72,516	110,227
Corporation tax receivable	12,000	-
	49,505,070 =====	62,245,822 =====

Included in the above are amounts due after more than one year of:

Amounts owed by group companies		
- subsidiaries	55,631,634	64,832,254
Less: provision for diminution in value	(7,282,331)	(5,504,549)
	48,349,303 =====	59,327,705 =====

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1985 £	1984 £
Bank loans and overdrafts	161,580	-
Trade creditors	3,762,546	3,153,991
Other taxation and social security	3,513,958	3,691,292
Other creditors	270,499	261,018
Accrued charges	251,330	338,141
Corporation tax payable	-	16,598
Group relief payable	64,338	-
	8,024,251 =====	7,461,040 =====

BASS HOTELS AND HOLIDAYS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

52 weeks ended 27 September 1985

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1985 £	1984 £
Amounts owed to group companies		
- subsidiaries	4,981,420	4,373,535
- ultimate parent	57,117,599	52,567,671
- other group companies	<u>633,129</u>	<u>743,010</u>
	62,732,148	57,684,216
	=====	=====

15. CALLED UP SHARE CAPITAL

	1985 £	1984 £
Authorised		
125,000,000 5% non-cumulative preference shares of 10p each	12,500,000	12,500,000
125,000,000 ordinary shares of 10p each	<u>12,500,000</u>	<u>12,500,000</u>
	25,000,000	25,000,000
	=====	=====
Allotted and fully paid		
121,644,721 5% non-cumulative preference shares of 10p each	12,164,472	12,164,472
121,644,721 ordinary shares of 10p each	<u>12,164,472</u>	<u>12,164,472</u>
	24,328,944	24,328,944
	=====	=====

16. RESERVES

	<u>Undistributable</u> <u>Reserves</u> Revaluation reserves £	<u>Distributable</u> <u>Reserves</u> Profit & loss account £
At beginning of period	19,411,104	(19,720,341)
Transfer surplus on revaluation reserve	(107,496)	107,496
Revaluation element in depreciation charge	(7,018)	7,018
Loss for the period	<u>-</u>	<u>(1,925,673)</u>
At end of period	19,296,590	(21,531,500)
	=====	=====

17. CONTINGENT LIABILITIES

The company has commitments in respect of leased properties which cover varying periods of time. The amount of property rentals paid in the period was £177,827.

BASS HOTELS AND HOLIDAYS LIMITED
(formerly Bass Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 weeks ended 27 September 1985

18. ULTIMATE HOLDING COMPANY

Bass Public Limited Company, incorporated in Great Britain and registered in England.

19. POST BALANCE SHEET EVENTS

The company sold its tangible fixed assets and net current assets at net book value to Bass Hotels and Holidays (UK) Limited on 1 October 1985. No other significant events affecting the Company have occurred since the balance sheet date.