

**GUILDFORD & WEST SURREY BUSES LIMITED**  
(formerly United Automobile Enterprises Limited)

**ANNUAL REPORT**

**31 DECEMBER 1998**

**(Registered Number 2157220)**



**GUILDFORD & WEST SURREY BUSES LIMITED**  
**(formerly United Automobile Enterprises Limited)**

**DIRECTORS' REPORT**

The directors present their report and accounts for the year ended 31 December 1998.

**DIRECTORS AND THEIR INTERESTS**

The directors who served during the year were:

G W Hodgson	(retired 31 December 1998)
S P Lonsdale	
M S Widmer	(resigned 12 February 1999)
J A Ray	(appointed 1 May 1998)

None of the directors had any interest in the share capital of the company. G W Hodgson, S P Lonsdale and J A Ray had interests in the share capital of the ultimate parent company and these interests are disclosed in the accounts of that company. None of the other directors had any interests in the share capital of the ultimate parent company.

**CHANGE OF NAME**

On 10 June 1998 the company changed its name from United Automobile Enterprises Limited to Guildford & West Surrey Buses Limited.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The following statement, which should be read in conjunction with the auditors' statement of their responsibilities set out on page 3, is made with a view to describing to shareholders the responsibilities of the directors 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 4 to 8, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed subject to any explanations and any material departures disclosed in the notes to the financial statements.

The directors have the 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 a 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.

**GUILDFORD & WEST SURREY BUSES LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**

**MATERIAL CONTRACTS**

There were no contracts subsisting during or at the end of the year in which a director is or was materially interested.

**ACTIVITIES**

The company has not traded during the year and the directors do not intend for the Company to trade in the foreseeable future.

**STATE OF AFFAIRS**

In the opinion of the directors the state of affairs of the company is satisfactory.

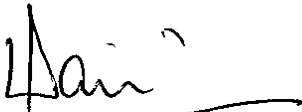
**RESULTS AND DIVIDENDS**

The profit for the year after taxation was £nil (1997-£234,000). The directors do not recommend a dividend be paid (1997-£nil) and that the balance of £nil (1997-£234,000) is transferred to reserves.

**AUDITORS**

Our auditors, Price Waterhouse, merged with Coopers and Lybrand on 1 July 1998, following which Price Waterhouse resigned and the Directors appointed the new firm PricewaterhouseCoopers, as auditors. The Company has elected to dispense with the requirement to appoint auditors annually.

Approved by the Board

  
D P TURNER  
Secretary

11 March 1999

**AUDITORS' REPORT TO THE MEMBERS OF  
GUILDFORD & WEST SURREY BUSES LIMITED  
(formerly United Automobile Enterprises Limited)**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report, including as described on page 1 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statement, 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

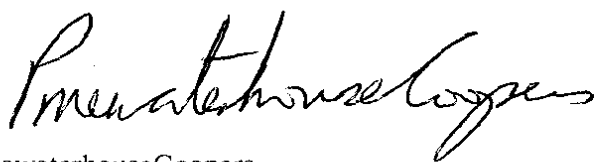
**Basis of opinion**

We conducted our audit in accordance with the 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 December 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants  
and Registered Auditors  
Newcastle upon Tyne  
1 March 1999

**GUILDFORD & WEST SURREY BUSES LIMITED**  
**(formerly United Automobile Enterprises Limited)**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**

	Note	1998 £'000	1997 £'000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		—	—
TAX ON PROFIT ON ORDINARY ACTIVITIES	3	—	<u>234</u>
PROFIT FOR THE FINANCIAL YEAR		-	234
EQUITY DIVIDENDS PAID		—	—
TRANSFER TO RESERVES		-	<u>234</u>

There have been no discontinued operations and there have been no recognised gains and losses other than the profit for the period as shown above.

There is no difference between profit on ordinary activities after tax as shown in the profit and loss account, and the historical cost profit for the year.

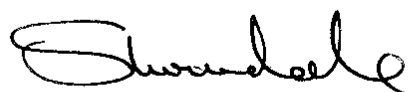
The notes on pages 6 to 8 form part of these accounts.

**GUILDFORD & WEST SURREY BUSES LIMITED**  
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**BALANCE SHEET AS AT 31 DECEMBER 1998**

	Note	£'000	1998 £'000	£'000	1997 £'000
<b>CURRENT ASSETS</b>					
Debtors	4	<u>281</u>		<u>281</u>	
		281		281	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	5	<u>(42)</u>		<u>(42)</u>	
<b>NET CURRENT ASSETS</b>			<u>239</u>		<u>239</u>
			239		239
			=====		=====
<b>CAPITAL AND RESERVES</b>					
Called up equity share capital	6		-		-
Profit and loss account	7		<u>239</u>		<u>239</u>
<b>EQUITY SHAREHOLDERS FUNDS</b>	8		<u>239</u>		<u>239</u>
			=====		=====

APPROVED BY THE BOARD ON  
11 MARCH 1999



S P LONSDALE  
Director

The notes on pages 6 to 8 form part of these accounts.

**GUILDFORD & WEST SURREY BUSES LIMITED**  
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**NOTES TO THE ACCOUNTS - 31 DECEMBER 1998**

**1. ACCOUNTING POLICIES**

The accounts have been prepared in accordance with applicable Accounting Standards.

**(1) Basis of accounting**

The company prepares its accounts on the historical cost basis of accounting.

**(2) Cash Flow**

The ultimate parent company had adopted FRS1 revised and has prepared a group cash flow statement. Accordingly, the company is exempt from preparing a cash flow statement.

**2. DIRECTORS' REMUNERATION**

The directors did not receive any emoluments as executives (1997-£nil).

**3. TAXATION**

	<b>1998 £'000</b>	<b>1997 £'000</b>
Tax credit on profit on ordinary activities comprises the following:		
Corporation tax at 31% (1997-31½% prior period adjustment)	-	234
	<hr/>	<hr/>

**4. DEBTORS**

	<b>1998 £'000</b>	<b>1997 £'000</b>
Amounts owed by group undertakings	47	47
Tax debtor	234	234
	<hr/>	<hr/>
	281	281

**GUILDFORD & WEST SURREY BUSES LIMITED**  
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**NOTES TO THE ACCOUNTS - 31 DECEMBER 1998**

**5. CREDITORS**

	1998 £'000	1997 £'000
Amounts falling due within one year:		
Bank overdraft	<u>42</u>	<u>42</u>
	42	42

The company is party to an unlimited multi-lateral guarantee involving the bank borrowings of ARRIVA Plc and other group undertakings.

**6. CALLED UP EQUITY SHARE CAPITAL**

	31 December 1997 and 31 December 1998 £
Authorised Ordinary shares of £1 each	<u>1000</u>
Allotted and fully paid Ordinary shares of £1 each	<u>2</u>

**7. RESERVES**

	Profit and Loss Account £'000
At 1 January 1998	239
Retained profit for the year	-
At 31 December 1998	<u>239</u>



**GUILDFORD & WEST SURREY BUSES LIMITED**  
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**NOTES TO THE ACCOUNTS – 31 DECEMBER 1998 (CONTINUED)**

**8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	1998 £'000	1997 £'000
Profit for the year	-	234
Dividends	<u>-</u>	<u>-</u>
Net movement in shareholders' funds	-	234
Opening shareholders' funds	<u>239</u>	<u>5</u>
Closing shareholders' funds	<u>239</u>	<u>239</u>

**9. PARTICULARS OF EMPLOYEES**

There were no employees other than the directors, details of whom appear in the directors report.

**10. ULTIMATE PARENT COMPANY**

The ultimate parent company and ultimate controlling party at the end of the year is ARRIVA plc, a company which operates and is registered in England and Wales, and which has prepared group accounts incorporating the results of Guildford and West Surrey Buses Limited. Copies of these accounts can be obtained from Admiral Way, Doxford International Business Park, Sunderland, SR3 3XP.

Transactions with other companies in the ARRIVA group are not specifically disclosed as the company has taken advantage of the exemption available under FRS 8 "Related Party Disclosures" for wholly owned subsidiaries.