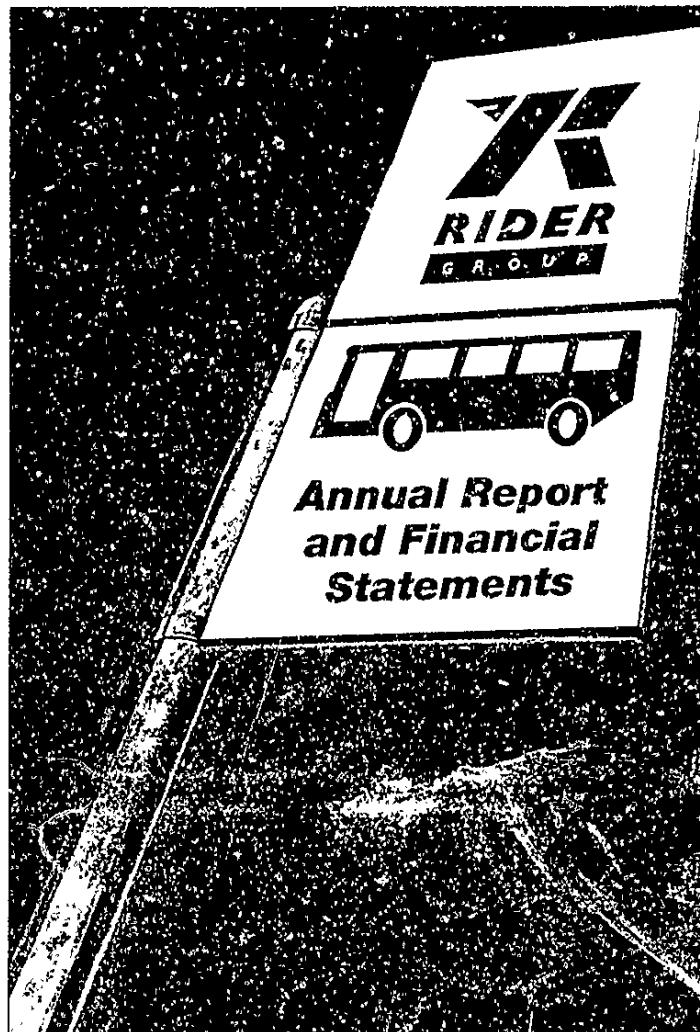


20-12-9



2272577.

FOR THE YEAR ENDED
31ST MARCH 1993



REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 1993

CONTENTS	PAGE
Rider Group Operations and Locations	2
Company Information	3
Chairman's Statement	4
Directors' Report	6
Auditors' Report	9
Group Profit and Loss Account	10
Balance Sheets	11
Cash Flow Statement	12
Notes to the Financial Statements	13

RIDER GROUP OPERATIONS AND LOCATIONS

Rider Holdings Limited

1 Swinegate

Leeds

Head Office

Sovereign Quay Limited

1 Swinegate

Leeds

Property Development

Black and White Design Limited

1 Christchurch View

Leeds

Design and Printing Services

Rider Travel Limited

1 Swinegate

Leeds

Travel Services

Rider York Limited

36/38 Walmgate

York

Barbican Road

York

Bus Operators

Yorkshire Rider Limited

Operating bus services in the following areas

Leeds

Kirkstall Garage

Kirkstall Road

Leeds

Bramley Garage

Henconner Lane

Torre Road Garage

York Road

Leeds

Gorton Street

Kinsley

Bradford

Metrochange House

61 Hall Ings

Bradford

Calderdale

Skircoat Road

Halifax

Millwood Garage

Halifax Road

Todmorden

Todmorden Bus Station

Burnley Road

Todmorden

Huddersfield

8 Macaulay Street

Huddersfield

Great Northern Street

Huddersfield

COMPANY INFORMATION

Directors	G.W. Cottham	(Chairman & Managing Director)
	I.J. Buchan	(Operations Director)
	A.E. Arthur	(Non Executive)
	M. Taj	(Non Executive)
	P.M. White	(Finance Director)

Secretary P.M. White

Registered Office 1 Swinegate
Leeds LS1 4DQ

Registered Number 2272577

Auditors KPMG Peat Marwick
1 The Embankment
Neville Street
Leeds LS1 4DW

Tax Consultants Arthur Andersen & Co
St Paul's House
Park Square
Leeds LS1 2PJ

Solicitors Simpson Curtis
41 Park Square
Leeds LS1 2NS

Bankers NatWest Markets Limited
Lion House
41 York Place
Leeds LS1 2ED

National Westminster Bank PLC
8 Park Row
Leeds LS1 1QS

Midland Bank PLC
Midland Bank House
Bond Court
Leeds LS1 1LL

CHAIRMAN'S STATEMENT

Despite the continuing pressures of the economic recession, the Rider Group once again achieved all its business targets in 1992/93. At £83.8m Group turnover for the year increased slightly, with a profit before buy out interest and exceptional items of £6.8m, 14% higher than last year's figure of £6.0m. After buy out costs the net profit before taxation of the Group stood at £3.87m, a 28% improvement on last year's profit of £3.01m. Cash balances also improved by some £2.5m. I am therefore delighted to announce that the board has been able to recommend an increase in dividend payable from 3p per share last year to 4p this year.



The local bus market again saw an expansion of competition during 1992/93. This was particularly the case in bidding for tenders where competition was very intense. This is exemplified by the award of school tenders in Leeds which attracted bids from 22 operators and where the contracts were awarded to 16 separate bus and coach companies.

Rider again responded to competition by the fine tuning of services and also by continuing a policy of cost reduction and efficiency gains wherever possible. Part of the improved efficiency was achieved through the entry into service of 63 new single deck buses with substantially lower maintenance costs and higher reliability. These vehicles, which are built to the highest standards of comfort and safety, also meet the stringent Euro 1 emission control regulations and are significantly quieter than existing vehicles. These new buses represent a capital investment of over £5m.

With competition growing the Group has been exploring ways of increasing patronage through improved service quality. New vehicles are one element of this but the last year also saw the development of a new concept in product quality, Flagship Routes. With all staff involved in special customer service seminars, new higher standards of cleanliness and reliability, and with service quality guarantees to passengers, Flagship will spearhead the fight to not only sustain current levels of patronage but also help to win back passengers from private transport. The introduction of Flagship has commenced in Calderdale and throughout Rider York and the initial results are most encouraging such that a full programme of Flagship Routes is now in preparation.

A further initiative during 1992/93 was the introduction of RiderCard. This new area based prepaid ticket offers considerable benefits to both passengers and the Company and it is pleasing to note that sales have grown during the year to the point where around 2 million journeys are now being made using RiderCard each year. A new ticket for school travel FareSaver, was also introduced with sales reaching some 60,000 tickets per year. New ticketing initiatives will continue to be explored.

CHAIRMAN'S STATEMENT

There are now some encouraging signs of improvement in the property market generally and this was reflected in the progress made by Rider's property arm, Sovereign Quay Limited. Work commenced on the £3m phase 1 redevelopment of the Swinegate site in Leeds which includes a new headquarters for the Rider Group to be completed by the end of 1993, and a major refurbishment of the Swinegate premises into a high quality commercial office development. Planning consent was also obtained for a mixed commercial/residential scheme for the vacant Headingley Garage site. At the time of writing demolition is in progress with redevelopment work expected to commence during the next 12 months.

Rider's core business will remain that of running buses although the last year has seen the Group expand into other closely related activities. An important initiative in this direction was the acquisition of the Leeds based design and marketing company, Black and White Design Limited. This company now provides the Group with commercial, cost effective marketing services and has at the same time enabled Yorkshire Rider's own marketing costs to be reduced significantly. Mindful too that buses and coaches are only part of a wider travel market this opportunity was taken during the year to acquire Midland Travellers Limited, a West Midlands based travel company which is now being developed into Rider Travel with the opening in late 1993 of a Travel Shop in central Leeds. In addition to retailing leisure and business travel, including GoldRider, the shop will become an important outlet for Rider ticket sales and a customer service centre.

Substantial further progress was made on the Leeds Guided Bus Project with the announcement that the Government was providing £450,000 for detailed design work and preliminary construction during the year. This work is now well in hand and it can only be hoped that Leeds City Council's bid for the essential construction finance will be successful to enable major progress to be made with this exciting project in 1993/94.

With Government policy still directed at privatisation the remaining municipal, metropolitan and London bus companies are expected to be offered for sale over the coming 12 months. Further progress can also be expected in the Government's proposal to franchise British Rail services. This clearly offers opportunities for further expansion of the Rider Group but, as in the past, acquisitions will only be made where they strengthen the Group's overall financial position.

The last year has seen Rider consolidate its position further by improvements to the bottom line as well as cautious expansion and it continues to take pride in its place as one of the country's leading bus groups. This success has been achieved in the face of increasingly difficult economic and operational pressures and I am confident that together we can build on this success and stay right at the top of the transport league. I am grateful to all management and staff for their continuing and steadfast support.



G.W. Cottham
Chairman and Managing Director
16th September 1993

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31st March 1993.

Principal Activities and Business Review

The principal activity of the group is the provision of bus and coach operations within the United Kingdom. Information relating to the business during the year and future development is given in the Chairman's statement on pages 4 and 5.

Results and Dividends

The profit for the year before taxation amounted to £3,876 million. After taking into account the effects of taxation explained in note 6 to the financial statements the profit for the year is £2,495 million. The directors recommend the payment of a dividend for the current year of £294,000 and that the retained profit for the year be transferred to reserves.

Significant Changes in Fixed Assets

Details of the value and changes in fixed assets are given in note 7 to the financial statements.

Directors

The directors who served on the board of the company during the year are shown below:

G.W. Cottham	
A.E. Arthur	
I.J. Buchan	
T.D. Limpitlaw	(resigned 31st December 1992)
M. Taj	(appointed 1st January 1993)
P.M. White	

Directors' Interests in Shares

The directors of Rider Holdings Limited who held office at 31st March 1993 have the following interests in the shares of the company:

	31st March 1993 and 31st March 1992	
	Ordinary Shares	
	Number	£
G.W. Cottham	1,000,000	50,000
I.J. Buchan	800,000	40,000
P.M. White	800,000	40,000

M Taj held a beneficial interest on appointment and at 31st March 1993 of 950 ordinary shares of 5 pence each through the Employee Share Ownership Plan. A.E. Arthur held a beneficial interest at 31st March 1993 of 1,025 (1992: 875) ordinary shares of 5 pence each through the Employee Share Ownership Plan.

DIRECTORS' REPORT

Post Balance Sheet Events

A new subsidiary company, Rider Travel Limited, was set up to buy Indexbegin Limited on 22nd April 1993 which operates a travel agency through its subsidiary Midland Travellers Limited. It is proposed to expand the travel agency business by opening a travel shop in Leeds which will trade as Rider Travel.

Subsequent to the year end funding was obtained from National Westminster Bank PLC for Phase 1 of the Sovereign Quay development. Sovereign Quay Limited is shortly to commence the development of the Headingley garage which was vacated earlier in the year.

Employment of Disabled Persons

The group provides for equality of opportunity in all aspects of employment. This includes the provision of employment opportunities for disabled people where this would not affect the group's statutory obligation to operate safely.

Employee Involvement

The group operates an Employee Share Ownership Plan (ESOP) under which all employees with two or more years service can have part ownership in Rider Holdings Limited. The ESOP, which holds 49 per cent of the share capital of Rider Holdings Limited, allows shares to be distributed to employees free of charge and provides an internal market for the transfer of shares. Employees are regularly provided with information on matters of concern to them including the financial and economic factors affecting the performance of the group.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT

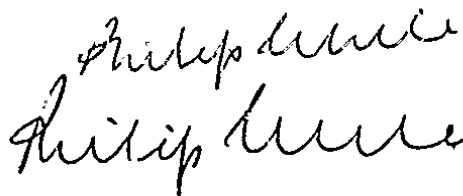
Charitable Contributions

During the year the group companies made contributions of £1,686 (1992: £1,320) to United Kingdom charitable organisations.

Auditors

In accordance with section 385 of the Companies Act 1985 a resolution proposing the reappointment of KPMG Peat Marwick as auditors to the company will be put to the Annual General Meeting.

By Order of the Board

Two handwritten signatures in cursive script, both appearing to read 'Philip White', are written over each other.

P.M. White
Secretary

16th September 1993

Report of the auditors to the members of Rider Holdings Limited.

We have audited the financial statements on pages 10 to 24.

Respective responsibilities of directors and auditors

As described on page 7 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit of those 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 and the group as at 31st March 1993 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

U. Philp Peat Marwick
KPMG Peat Marwick

KPMG Peat Marwick
Chartered Accountants
Registered Auditors

16th September 1993

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31st March 1993

	Notes	1993 £000	1992 £000
Turnover	2	83,860	83,633
Cost of sales		(61,898)	(62,896)
Gross profit		21,962	20,737
Administrative expenses		(13,977)	(13,198)
Operating profit		7,975	7,539
Interest receivable on short term deposits		353	277
Interest payable	3	(3,033)	(3,943)
Profit on ordinary activities before payment to profit sharing trust and exceptional items		5,295	3,873
Exceptional items	4	(1,396)	(845)
Payment to profit sharing trust	2	(23)	(19)
Profit on ordinary activities before taxation	2	3,876	3,009
Taxation	6	(1,381)	(973)
Profit on ordinary activities after taxation		2,495	2,036
Minority interest	16	(2)	—
Profit for the year		2,493	2,036
Dividends	15	(203)	(300)
Retained profit for the year		2,290	1,736

The notes on pages 13 to 24 form part of these financial statements.

BALANCE SHEETS

as at 31st March 1993

	Notes	1993 Group £000	Company £000	Group £000	1992 Company £000
Fixed assets					
Tangible assets	7	31,175	7,805	30,034	8,016
Investment in subsidiaries	8	—	32,401	—	31,507
		<u>31,175</u>	<u>40,206</u>	<u>30,034</u>	<u>39,523</u>
Current assets					
Stocks	9	2,096	—	2,466	—
Debtors	10	35,164	641	36,963	612
Cash at bank and in hand and short term deposits		<u>5,203</u>	<u>—</u>	<u>2,678</u>	<u>—</u>
		<u>42,463</u>	<u>641</u>	<u>42,107</u>	<u>612</u>
Creditors: amounts falling due within one year	11	(19,505)	(23,426)	(18,486)	(23,462)
Net current assets/(liabilities)		<u>22,958</u>	<u>(22,785)</u>	<u>23,621</u>	<u>(22,850)</u>
Total assets less current liabilities		54,133	17,421	53,655	16,673
Creditors: amounts falling due after more than one year	11	(23,858)	(9,229)	(24,814)	(11,073)
Provisions for liabilities and charges	12	<u>(10,476)</u>	<u>—</u>	<u>(10,164)</u>	<u>—</u>
Net assets		<u>19,799</u>	<u>8,192</u>	<u>18,677</u>	<u>5,600</u>
Capital and reserves					
Called up share capital	13	500	500	500	500
Capital reserve	14	12,088	—	13,266	—
Profit and loss account	14	<u>7,201</u>	<u>7,692</u>	<u>4,911</u>	<u>5,100</u>
Shareholders' funds		<u>19,789</u>	<u>8,192</u>	<u>18,677</u>	<u>5,600</u>
Minority interest	16	<u>10</u>	<u>—</u>	<u>—</u>	<u>—</u>
		<u>19,799</u>	<u>8,192</u>	<u>18,677</u>	<u>5,600</u>

The notes on pages 13 to 24 form part of these financial statements. Debtors include an amount of £30,148,000 (1992: £29,426,000) which falls due after more than one year.

The financial statements were approved by the board of directors on 16th September 1993 and were signed on its behalf by:

Brian Cottham
Philip White
Philip White

G.W. Cottham

P.M. White

Directors

CASH FLOW STATEMENT

for the year ended 31st March 1993

	Notes	1993 £000	1992 £000
Net cash inflow from operating activities	21	<u>12,848</u>	<u>14,886</u>
Returns on investments and servicing of finance			
Interest received		353	277
Interest paid		(1,320)	(2,158)
Interest element of finance lease rentals		(1,529)	(1,880)
Dividend paid		(209)	-
Net cash outflow from returns on investment and servicing of finance		<u>(2,705)</u>	<u>(3,761)</u>
Taxation			
Corporation tax (paid) / refund		<u>(71)</u>	<u>17</u>
Investing activities			
Loan to ESOP trusts		(69)	(111)
Loan to related undertaking		-	(81)
Purchase of tangible fixed assets		(5,475)	(398)
Purchase of businesses	21	(1,124)	(1,663)
Receipts from sale of tangible fixed assets		474	666
Net cash outflow from investing activities		<u>(6,194)</u>	<u>(1,587)</u>
Net cash inflow before financing		<u>3,878</u>	<u>9,555</u>
Financing			
New finance leases		3,347	-
Repayments of amounts borrowed		(2,218)	(1,838)
Capital element of finance lease payments		(2,482)	(3,723)
Net cash outflow from financing		<u>(1,353)</u>	<u>(5,561)</u>
Increase in cash and cash equivalents	21	<u>2,525</u>	<u>3,994</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1993

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of Consolidated Financial Statements

The consolidated financial statements include the accounts of the company and all of its subsidiaries. The financial statements of the subsidiary companies are made up to 31st March 1993. The results of the subsidiary companies acquired during the year are included from their date of acquisition.

Subsidiaries acquired are treated on the basis of the acquisition method of accounting, whereby the consideration given and the net assets acquired are recorded at fair value. The surplus/deficit of the fair value of the net assets acquired over the consideration payable is credited/debited to capital reserves.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on the cost of tangible fixed assets on a straight line basis over their expected useful lives as follows:

Freehold land	-	nil
Freehold buildings	-	25 years
Leasehold buildings	-	over the life of the lease or 25 years whichever is the shorter
Passenger service vehicles:		
Double deck/single deck	-	15 years
Coaches/midibuses	-	10 years
Minibuses	-	5 years
Ancillary vehicles	-	4 years
Plant and equipment	-	3 - 10 years

Development Properties

Development properties in the course of construction and properties held for development are carried at cost in the financial statements. This treatment may be a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that annual systematic depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view.

Leased Assets

Assets financed by leasing agreements which give rights approximating to ownership (finance leases) are treated as if they had been purchased outright. The corresponding leasing commitments are shown as obligations to the lessor. Depreciation on the relevant assets is charged to the profit and loss account in accordance with the group's normal rates. Leasing payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account on the actuarial method.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1993

Deferred Taxation

Deferred taxation is provided on the liability method to the extent where, in the opinion of the directors, a liability is likely to arise in the foreseeable future.

Turnover

Turnover represents income for services provided, excluding value added tax.

Profit and Loss Account – Rider Holdings Limited

The company has taken advantage of the dispensation available in section 230(4) of the Companies Act 1985 not to include its profit and loss account in these financial statements. The profit for the year dealt with in the accounts of Rider Holdings Limited amounted to £2,592 million (1992: £2,617 million).

Pensions

The group contributes to two pension schemes, both of which provide benefits based on final pensionable pay. Contributions to the funds are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives. Variations in pension costs which are identified as a result of actuarial valuations are amortised over the average working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Substantially all the group's turnover is derived from bus and coach operations within the United Kingdom.

Profit on ordinary activities before taxation is stated after charging/(crediting):

	1993	1992
	£000	£000
Depreciation charge for the year:		
Owned tangible fixed assets	1,395	1,494
Tangible fixed assets held under finance leases	2,674	3,087
Payment to the profit sharing trust	23	19
Operating lease rentals – plant and machinery	274	138
– other	978	810
Auditors' remuneration – audit	55	55
– non audit work	49	
Rents receivable	–	(9)

The arrangements for the Employee Share Ownership Plan (ESOP) involved the purchase of shares in Rider Holdings Limited on behalf of the group's employees by two Employee Benefit Trusts, the trustee company of which is a subsidiary company of Rider Holdings Limited. For this purpose a loan of £245,000 (£49,000 at 31st March 1993) was raised by the Employee Benefit Trusts from Unity Trust Bank PLC, which was guaranteed by Rider Holdings Limited. The payment of £23,000 to the Profit Sharing Trust, the trustee company of which is a subsidiary of Rider Holdings Limited, enables the Profit Sharing Trust to purchase shares from the Employee Benefit Trusts on behalf of the employees of Rider Holdings Limited and its subsidiaries, thereby providing funds to the Employee Benefits Trusts to repay the loan.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1993

3. INTEREST PAYABLE	1993 £000	1992 £000
On bank loans, overdrafts and other loans:		
Repayable within 5 years by instalments	1,377	34
Repayable wholly or partly in more than 5 years	139	2,056
Repayable within 5 years not by instalments	11	49
	<u>1,527</u>	<u>2,139</u>
Less: Interest capitalised	(11)	(49)
	<u>1,516</u>	<u>2,090</u>
Finance leases	1,517	1,853
	<u>3,033</u>	<u>3,943</u>

Interest payable on bank loans includes £10,322 (1992: £22,844) for interest paid by the Employee Benefit Trusts on bank loans from Unity Trust Bank PLC to finance the purchase of shares in Rider Holdings Limited. This money is reimbursed by the group for no consideration.

4. EXCEPTIONAL ITEMS	1993 £000	1992 £000
Severance and non recurring costs	1,396	845

The expenditure of £1,396,000 in 1993 relates to redundancy and associated costs which were incurred on the implementation of a scheme of early retirements. In addition, further costs were incurred on the relocation of certain group administration functions and the closure of Headingley garage. The amount of £845,000 in 1992 relates to similar redundancy and associated costs.

5. DIRECTORS AND EMPLOYEES

Directors' remuneration is paid by Yorkshire Rider Limited and details of remuneration for the year are given below:

	1993 £000	1992 £000
Directors' emoluments (including pension contributions and benefits in kind)	<u>519</u>	<u>433</u>
Fees and other emoluments (excluding pension contributions) include amounts paid to:		
Chairman and highest paid director	<u>164</u>	<u>144</u>

The number of directors who received emoluments (excluding pension contributions) in the following ranges was:

	1993 Number	1992 Number
£10,001 - £15,000	—	2
£15,001 - £20,000	1	—
£40,001 - £45,000	1	1
£45,001 - £50,000	1	—
£110,001 - £115,000	—	2
£125,001 - £130,000	2	—
£140,001 - £145,000	—	1
£160,001 - £165,000	1	—

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1993

Employees

The average weekly number of persons (including directors) employed by the group during the year was:

	1993 Number	1992 Number
Drivers	2,292	2,424
Inspectors	82	96
Engineering	667	718
Administration	339	362
	<u>3,380</u>	<u>3,600</u>
Staff costs for the above persons:	£000	£000
Wages and salaries	47,948	48,122
Social security costs	3,503	3,606
Other pension costs	639	525
	<u>52,090</u>	<u>52,253</u>

6. TAXATION

	1993 £000	1992 £000
Based on profit for the year:		
Current year - Corporation tax	914	796
- Deferred tax	467	177
	<u>1,381</u>	<u>973</u>

The corporation tax charge includes £793,000 (1992 : £796,000) which represents the notional tax charge on the profit of Yorkshire Rider Limited. As a result of the purchase agreement under which Yorkshire Rider Limited was acquired from West Yorkshire Passenger Transport Authority, there are substantial tax losses available to Yorkshire Rider Limited which must be utilised in advance of current year losses in other group companies. Tax losses available under the purchase agreement have been agreed with the Inspector of Taxes at £22.367 million. The first £17 million of these tax losses were acquired for £3 million as part of the purchase consideration and are being charged to the profit and loss account as they are utilised. This notional tax charge has no cash flow consequence. The remaining losses (£5.367 million) generate further payments to West Yorkshire Passenger Transport Authority at 50% of the current rate of corporation tax as and when these losses are utilised.

Deferred taxation is now fully provided after taking account of tax losses carried forward.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1993

7. TANGIBLE FIXED ASSETS

GROUP	Development Properties £000	Land and Buildings £000	Passenger Vehicles £000	Other Vehicles £000	Plant and Equipment £000	Total £000
Cost						
At 1st April 1992	–	9,007	28,992	439	4,261	42,699
Transfer between categories	1,279	(1,395)	–	–	–	(116)
Additions	681	495	3,761	189	451	5,577
Disposals	–	(114)	(788)	(158)	(90)	(1,150)
At 31st March 1993	1,960	7,993	31,965	470	4,622	47,010
Depreciation						
At 1st April 1992	–	814	9,459	240	2,152	12,665
Transfer between categories	–	(116)	–	–	–	(116)
Charge for year	–	248	3,070	95	656	4,069
Eliminated on disposals	–	–	(647)	(70)	(66)	(783)
At 31st March 1993	–	946	11,882	265	2,742	15,835
Net Book Value						
At 31st March 1993	1,960	7,047	20,083	205	1,880	31,175
At 31st March 1992	–	8,193	19,533	199	2,109	30,034
COMPANY		Development Properties £000	Land and Buildings £000	Total £000		
Cost						
At 1st April 1992		–	9,203	9,203		
Additions		–	12	12		
Transfer between categories		1,279	(1,395)	(116)		
At 31st March 1993		1,279	7,820	9,099		
Depreciation						
At 1st April 1992		–	1,187	1,187		
Charge for year		–	223	223		
Transfer between categories		–	(116)	(116)		
At 31st March 1993		–	1,294	1,294		
Net Book Value						
At 31st March 1993		1,279	6,526	7,805		
At 31st March 1992		–	8,016	8,016		

The development properties consist of Tenter Lane which is presently being developed by Sovereign Quay Limited and the Headingley site which was vacated earlier this year. The cost of development properties includes £60,000 (1992: £49,000) of interest capitalised.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1993

The net book value at 31st March 1993 shown on page 17 includes the following amounts in respect of assets held under finance leases.

	1993		1992	
	Net Book Value £000	Depreciation £000	Net Book Value £000	Depreciation £000
Passenger vehicles	18,761	2,521	18,027	2,846
Other vehicles	—	—	—	15
Plant and equipment	391	153	557	220
	<u>19,152</u>	<u>2,674</u>	<u>18,584</u>	<u>3,087</u>

The net book value of land and buildings including development properties at 31st March 1993 consists of:

	Group		Company	
	1993 £000	1992 £000	1993 £000	1992 £000
Freehold	8,941	8,124	7,797	8,008
Long Leasehold	66	69	8	8
	<u>9,007</u>	<u>8,193</u>	<u>7,805</u>	<u>8,016</u>

The net book value of land and buildings at 31st March 1993 includes £2.461 million (1992: £3.457 million) for land which is not depreciated, in accordance with the group's policy. In addition the land and buildings now classified as development properties are not depreciated.

8. INVESTMENT IN SUBSIDIARIES

	1993 £	1992 £
At cost: Yorkshire Rider Limited	27,112,687	26,238,510
Reynard Buses Limited	3,966,259	3,966,259
Rider (York) Limited	1,301,296	1,301,296
Rider Engineering Services Limited	100	100
Rider Holdings Trustees (No 1) Limited	100	100
Rider Holdings Trustees (No 2) Limited	100	100
Rider Holdings Trustees (No 3) Limited	100	100
York City Rider Limited	100	100
York City and District Travel Limited	2	2
Target Travel Services Limited	2	2
West Yorkshire Road Car Company Limited	2	2
Black and White Design Limited	20,000	—
	<u>32,400,748</u>	<u>31,506,571</u>

With the exception of Black and White Design Limited all the above investments represent 100% of the share capital of each company. These companies are all registered in England and their main business activity is the provision of bus and coach services within the United Kingdom. Black and White Design Limited is a 60% subsidiary registered in England, which provides design services within the United Kingdom.

Yorkshire Rider Limited owns 100% (1992: 50%) of the share capital of Sovereign Quay Limited which is a company registered in England. The company is developing land and buildings owned by Rider Holdings Limited.

The increase in investment in Yorkshire Rider Limited represents deferred consideration of £874,177.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1993

9. STOCKS

	1993 Group £000	1992 Group £000
Vehicle spares	1,748	2,097
Uniforms	114	138
Fuel	221	220
Canteen stores and miscellaneous stock	13	11
	<u>2,096</u>	<u>2,466</u>

10. DEBTORS

	1993 Group £000	Company £000	1992 Group £000	Company £000
Amounts falling due within one year:				
Trade debtors	654	-	634	-
Value added tax recoverable	992	1	731	1
Amount owed by group undertakings	-	438	-	536
Other debtors	1,233	47	1,218	75
Prepayments and accrued income	1,945	-	3,526	-
Pension prepayment (see note 17)	192	-	1,428	-
	<u>5,016</u>	<u>486</u>	<u>7,537</u>	<u>612</u>
Amounts falling due after one year:				
Pension prepayment (See note 17)	30,103	-	29,366	-
Other debtors	45	155	60	-
	<u>35,164</u>	<u>641</u>	<u>36,963</u>	<u>612</u>

11. CREDITORS

	1993 Group £000	Company £000	1992 Group £000	Company £000
Amounts falling due within one year:				
Bank loans	1,844	1,844	2,218	2,218
Bank overdrafts	-	54	-	8
Obligations under finance leases	2,054	-	2,077	-
Trade creditors	1,385	-	1,573	-
Amounts owed to group undertakings	-	19,927	-	19,841
Other taxation and social security payable	1,464	-	1,557	-
Dividend payable	294	294	300	300
Corporation tax	270	85	65	-
Provision for accrued holiday pay	2,924	-	2,914	-
Other creditors	3,379	974	4,017	1,054
Accruals and deferred income	5,891	248	3,765	41
	<u>19,505</u>	<u>23,426</u>	<u>18,486</u>	<u>23,462</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1993

	1993		1992	
	Group £000	Company £000	Group £000	Company £000
Amounts falling due after more than one year:				
Bank loans	9,229	9,229	11,073	11,073
Obligations under finance leases	14,629	—	13,741	—
	<u>23,858</u>	<u>9,229</u>	<u>24,814</u>	<u>11,073</u>
Bank loans:				
Bank loans repayable in equal half-yearly instalments	11,073	11,073	12,911	12,911
Wholly repayable within five years:				
Bank loan	—	—	380	380
	<u>11,073</u>	<u>11,073</u>	<u>13,291</u>	<u>13,291</u>
Bank loans and obligations under finance leases are repayable as follows:				
	1993		1992	
	Group £000	Company £000	Group £000	Company £000
In one year or less	3,898	1,844	4,295	2,218
Between one and two years	3,894	1,844	3,482	1,838
Between two and five years	12,700	7,249	10,429	5,514
In five years or more	7,264	136	10,903	3,721
	<u>27,756</u>	<u>11,073</u>	<u>29,109</u>	<u>13,291</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

Group

The full potential deferred taxation is provided as follows:

	Pension Prepayment £000	Accelerated Capital Allowances £000	Losses £000	ACT Recoverable £000	Provision £000
At 1st April 1992	10,164	—	—	—	10,164
Charge in year	(166)	1,041	(408)	—	467
Arising in year	—	—	—	(155)	(155)
At 31st March 1993	<u>9,998</u>	<u>1,041</u>	<u>(408)</u>	<u>(155)</u>	<u>10,476</u>

At 31st March 1992 full provision was made for the deferred tax implications of implementing Statement of Standard Accounting Practice Number 24: Accounting for Pension Costs. The unprovided deferred taxation was as follows:

	£000
Accelerated capital allowances	1,296
Tax losses	<u>(1,296)</u>
	<u>—</u>

Company

At 31st March 1993 the holding company has a deferred tax asset which has not been provided in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1993

13. SHARE CAPITAL	1993 Company £000	1992 Company £000
Authorised, allotted, called up and fully paid:		
10,000,000 Ordinary shares of 5p each	500	500
	<u> </u>	<u> </u>
 14. RESERVES	 Profit and Loss Account £000	 Other Reserves £000
Group		
At 1st April 1992	4,911	13,266
Deferred consideration	—	(874)
Goodwill arising on acquisitions	—	(304)
Retained profit for the year	2,290	—
	<u> </u>	<u> </u>
At 31st March 1993	7,201	12,088
	<u> </u>	<u> </u>
 Company		
At 1st April 1992	5,100	
Retained profit for the year	2,592	
	<u> </u>	
At 31st March 1993	7,692	
	<u> </u>	

The cumulative amount of goodwill on consolidation arising from the acquisition of subsidiaries which has been written off against other reserves as at 31st March 1993 is £9.3 million (1992: £8.1 million).

15. DIVIDENDS

		£000	£000
Current year:			
Interim proposed	7,364,438 Ordinary shares @ 2p each		147
Final proposed	7,364,438 Ordinary shares @ 2p each		147
			<u>294</u>
 Prior year:			
Final proposed	10,000,000 Ordinary shares @ 3p each	300	
Dividend paid	6,938,913 Ordinary shares @ 3p each	(209)	
		<u> </u>	
Dividend waived	3,061,087 Ordinary shares @ 3p each		(91)
			<u>203</u>
			<u> </u>

16. MINORITY INTEREST

	£000
At 1st April 1992	—
On acquisition of business	8
Retained profit for the year	<u>2</u>
At 31st March 1993	<u>10</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1993

17. PENSIONS

The group contributes to two pension schemes both of which provide benefits based on final pensionable pay.

West Yorkshire Superannuation Fund

The majority of the group's employees participate in the West Yorkshire Superannuation Fund ("the Fund"), a defined benefit, statutory scheme administered by the City of Bradford Metropolitan Council in accordance with the Local Government Superannuation Regulations 1986. An actuarial valuation in respect of the Fund was carried out by a qualified actuary in accordance with the Regulations as at 31st March 1992.

Based on the results of this valuation, the actuaries advise that the regular cost of pensions to be charged to the group's profit and loss account should be 9.7 per cent of the pensionable payroll relating to the West Yorkshire Superannuation Fund.

The actuarial valuation of the West Yorkshire Superannuation Fund also revealed the emergence of an experience surplus as at 31st March 1992. This surplus has been spread forward over the remaining working lifetime of the current active membership of the fund as a variation to the regular cost.

In determining the regular cost and variation, the actuaries have used a valuation rate of interest of 9 per cent per annum, an assumed rate of salary increase of 6½ per cent per annum and an assumed rate of growth of present and future pensions of 4½ per cent per annum. The regular cost was determined using the Projected Unit method of funding.

Although the group has to fund in advance for the whole of its liabilities (including pensions increase) in respect of employees participating in the West Yorkshire Superannuation Fund, this is not the case for other employees participating in the Fund. Therefore, it is not appropriate to disclose either the current level of funding in the Fund as a whole, or the market value of the Fund's assets, since they are not of specific relevance to the group.

Rider Pension Scheme

With effect from 1st June 1992, the group established the Rider Pension Scheme ("the Scheme") for employees who commence employment with the group on or after that date. An actuarial valuation in respect of the Scheme was carried out as at 1st June 1992.

Based on this initial valuation, the regular cost of pensions to be charged to the Group's profit and loss account should be 3 per cent of this Scheme's pensionable payroll. As at 31st March 1993, the market value of the Scheme's assets was £87,556. The regular cost has been estimated as sufficient to fund 100 per cent of the accruing liabilities, thus it is not anticipated that there would be a significant surplus or deficit of assets in relation to liabilities at 31st March 1993.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1993

18. CAPITAL COMMITMENTS

	1993		1992	
	Group £000	Company £000	Group £000	Company £000
Capital expenditure contracted but not provided in the financial statements	1,997	—	350	—
Capital expenditure authorised by the directors but not yet contracted	—	—	5,431	—

The above figures exclude the property development contract entered into by Sovereign Quay Limited. At 31st March 1993 the estimated total contract expenditure and associated professional fees amounted to £2,995,000 of which £569,000 had been incurred at the year end.

19. OPERATING LEASE OBLIGATIONS

At 31st March 1993 the group had annual commitments under non cancellable operating leases as follows:

	1993		1992	
	Land and Buildings £000	Other £000	Land and Buildings £000	Other £000
Operating leases which expire:				
Within one year	550	87	648	51
In the 2nd to 5th years inclusive	111	299	—	200
Over five years	28	—	23	—
	689	386	671	251

20. CONTINGENT LIABILITIES

Guarantees have been given to National Westminster Bank PLC and NatWest Markets Limited in respect of the total present and future indebtedness of the group, and mortgages have been assigned against the assets of the group companies. At 31st March 1993 the loans outstanding were £7.25 million (1992: £8.45 million) to National Westminster Bank PLC and £3.82 million (1992: £4.84 million) to NatWest Markets Limited.

Rider Holdings Limited has guaranteed the loan of £49,000 (1992: £98,000) made by Unity Trust Bank PLC to the trustees of the two Employee Benefit Trusts.

In addition Rider Holdings Limited has guaranteed a further loan of £362,000 made by Unity Trust Bank PLC to the Management Trust in the year.

Yorkshire Rider Limited acts as guarantor for loans totalling £35,095 (1992: £42,083) to employee social clubs.

At 31st March 1993 the directors' estimate of deferred consideration which may become payable is as follows:

	1993 £000	1992 £000
Within one year	430	876
Within two to five years	90	507
	520	1,383

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1993

21. NOTES TO THE CASH FLOW STATEMENT	1993 £000	1992 £000
1. Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	7,975	7,539
Payment to profit sharing trust	(23)	(19)
Exceptional items	(1,396)	(845)
Depreciation charge	4,069	4,581
Profit/loss on sale of tangible fixed assets	(56)	17
Pension prepayment	499	499
Reduction in stocks	370	132
Reduction in debtors	579	1,394
Increase in creditors	831	1,673
Release of provisions	—	(85)
Net cash inflow from operating activities	<u>12,848</u>	<u>14,886</u>
2. Analysis of changes in cash and cash equivalents during the year		
Cash at bank and short term deposits		
Balance at 1st April	2,678	(1,316)
Net cash inflow	<u>2,525</u>	<u>3,994</u>
Balance at 31st March	<u>5,203</u>	<u>2,678</u>
3. Purchase of businesses		
Yorkshire Rider Limited - deferred consideration	856	1,531
Reynard Buses Limited - deferred consideration	100	132
Pride of the Road - business purchase	139	—
Black & White Design - business purchase	20	—
Sovereign Quay Limited - company purchase	9	—
	<u>1,124</u>	<u>1,663</u>

During the year Rider Holdings Limited acquired shares in Black and White Design Limited which subsequently purchased the business of the Black and White Design Partnership. During the year Yorkshire Rider Limited acquired the local bus services operated in West Yorkshire by Pride of the Road Limited.

Yorkshire Rider Limited also acquired the remaining 50% of the share capital of Sovereign Quay Limited. The shares were transferred as part of the joint venture termination agreement dated 5th August 1992.

A summary of the businesses acquired during the year is as follows:

	Sovereign Quay Limited £000	Pride of the Road Limited £000	Black and White Design Limited £000
Consideration	Nil	245	20
Net (liabilities)/assets acquired:	<u>—</u>	<u>—</u>	<u>—</u>
Work in progress	60	—	—
Debtors	78	—	—
Overdraft	(9)	—	—
Creditors	(160)	—	—
	<u>(31)</u>	<u>—</u>	<u>—</u>