

Bass Car Leasing Ltd

(Formerly Addmotor Limited)

Financial Statements 31 January 1997

together with directors' report and report of the auditors

Registered number: 3130330



Directors' report

For the period ended 31 January 1997

The directors present their annual report and accounts for the period ended 31 January 1997.

Principal activities and business review

The company's principal activity is the provision of contract hire motor vehicles to its parent company, Bass PLC, and its subsidiary undertakings.

The company was incorporated on 24 November 1995. On 28 December 1995 the company changed its name from Addmotor Limited to Bass Car Leasing Limited. The company commenced to trade on 5 February 1996.

Bass PLC continues to invest heavily in the company in order that the group's motor vehicle fleet will be replaced by leased vehicles over a four year period.

Results and dividends

The retained profit for the period after taxation amounted to £561k. The directors do not recommend the payment of a dividend.

Fixed assets

Details of changes in fixed assets are set out in note 5 to the accounts.

Directors and their interests

The following served as directors of the company during the year :-

P Thomas	(appointed 19 December 1995)
R W Brearley	(appointed 21 August 1996)
A J Parkinson	(appointed 21 August 1996)
D A Heede	(appointed 31 January 1997)
M C W Harrison	(appointed 19 December 1995, resigned 31 January 1997)
Instant Companies Limited	(appointed on incorporation, resigned 19 December 1995)
Swift Incorporations Limited	(appointed on incorporation, resigned 19 December 1995)

Directors' report (continued)

The directors and their families had the following interests in the ordinary shares of Bass PLC at date of appointment and 31 January 1997.

Name of director	Name of Company and description of shares, debentures etc.		Fully paid		Under option (3)			
			(number of shares etc)		(number of shares etc)			
			Date of appointment	1997	Date of appointment	Granted during year	Exercised during year	1997
P Thomas	Bass Plc Ordinary shares of 25p	Ben (1)	-	948	25,020	18,600	-	43,620
		Bepss (2)	2,231	1,846	-	-	-	-
RW Brearley	Bass Plc Ordinary shares of 25p	Ben (1)	-	-	25,701	-	-	25,701
		Bepss (2)	1,014	1,014	-	-	-	-
AJ Parkinson	Bass Plc Ordinary shares of 25p	Ben (1)	-	-	357	-	-	357
		Bepss (2)	-	-	-	-	-	-
DA Heede	Bass Plc Ordinary shares of 25p	Ben (1)	1,255	1,255	1,192	-	-	1,192
		Bepss (2)	888	888	-	-	-	-
			<u>5,388</u>	<u>5,951</u>				

(1) Ben = Beneficial

(2) Bepss = Shares held by Trustees under the Bass Employee Profit Share Scheme

(3) Shares held under the Bass Executive Share Option Scheme and the Bass Employee Savings Share Scheme.

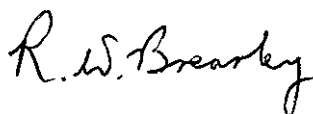
Options are exercisable at prices between 241.75p and 605.00p per ordinary shares on dates up to 2004.

Auditors

Ernst & Young were appointed as first auditors of the company. The directors will place a resolution before the forthcoming Annual General Meeting to reappoint Ernst & Young as auditors for the ensuing year.

20 North Audley Street
London
W1Y 1WE

Signed on behalf of the Board



19 March 1997

R W Brearley
Director

Statement of Director's 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 4, 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 5 to 12 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

For the period ended 31 January 1997

To the members of Bass Car Leasing Limited (formerly Addmotor Limited)

We have audited the financial statements on pages 5 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

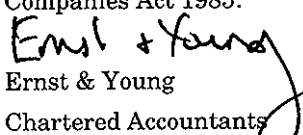
Basis of opinion

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 31 January 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Chartered Accountants

Registered Auditor

1 Colmore Row

Birmingham

B3 2DB

19 March 1997

Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period is set out below.

a) Basis of accounting

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

b) Fixed assets and depreciation

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows :-

Motor vehicles - over 2 to 4 years

Depreciation is not provided on an asset in the year of addition.

c) Pensions

The company has not operated or participated in a pension scheme during the period.

d) Taxation

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.

e) Turnover

Turnover represents sales (excluding VAT) of goods and services provided in the normal course of business.

f) Cash flow statement

In accordance with FRS1 these financial statements do not include a cash flow statement as the company is a wholly owned subsidiary of Bass PLC whose financial statements for the year to 30 September 1996 include a consolidated cash flow statement.

Profit and Loss Account

For the period ended 31 January 1997

	Notes	1997 £000
Turnover		
Continuing operation:	1	1,063
Costs and overheads, less other income	2	<u>(226)</u>
Profit on ordinary activities before taxation		837
Tax on profit on ordinary activities	4	<u>(276)</u>
Retained profit for the period	11	<u>561</u>

Results for the period relate to the activities commenced in the period which are continuing.

Notes on pages 9 to 12 form an integral part of these accounts.

31 January 1997

Statement of Total Recognised Gains and Losses

There are no recognised gains or losses other than the profit for the period of £561k.

Historical Cost Profits and Losses

There is no difference between the historical cost basis of accounting and that adopted in the accounts.

Reconciliation of Movement in Shareholders' Funds

For the period ended 31 January 1997.

	1997 £000
Profit attributable to ordinary shareholders	561
Issue of ordinary shares	7,000
Closing shareholders' funds	<hr/> 7,561 <hr/>

Balance Sheet

	Notes	1997 £000
Fixed assets		
Tangible assets	5	<u>11,180</u>
Current assets		
Debtors	6	1,437
Cash at bank and in hand		<u>493</u>
		1,930
Creditors: Amounts falling due within one year	7	<u>(713)</u>
Net current assets		<u>1,217</u>
Total assets less current liabilities		12,397
Creditors: Amounts falling due after more than one year	8	(4,000)
Provisions for liabilities and charges	9	<u>(836)</u>
		<u>7,561</u>
Capital and reserves		
Equity share capital	10	7,000
Profit and loss account	11	<u>561</u>
Shareholders Funds		<u>7,561</u>

Signed on behalf of the Board



A J Parkinson
Director

19 March 1997

Notes on pages 9 to 12 form an integral part of these accounts.

Notes to financial statements

1 Segment analysis

Turnover and profit before tax is all attributable to the provision of lease vehicles to other group companies.

All of the company's business is performed in the United Kingdom.

2 Costs and overheads, less other income

	1997 £000
Management Charges	141
Auditors remuneration - Audit Services	2
Other external charges	83
	<hr/>
	226
	<hr/>

All the costs, overheads and income relate to the activities acquired in the period which are continuing.

3 Staff

a) Costs

There were no employment costs during the period.

b) Average number of employees

The average number of persons employed by the Company during the period including part time employees was as follows:

	1997 Number
Management	4
	<hr/>
	4
	<hr/>

c) Directors remuneration

No director received nor waived any remuneration from the company during the period.

Notes to financial statements (continued)

4 Tax on profit on ordinary activities

	1997 £000
Corporation tax based on the profit for the period (33%)	(560)
Deferred tax	836
	<u>276</u>

5 Tangible fixed assets

	Motor Vehicles £000
Cost	
Additions	11,180
At 31 January 1997	<u>11,180</u>
Depreciation	
At 31 January 1997	<u>-</u>
Net book value	
At 31 January 1997	<u>11,180</u>

All of the above assets are leased to other Group Companies under operating leases.

6 Debtors

	1997 £000
Trade debtors	560
Amounts owed by group undertakings	66
Group tax relief receivable	560
Recoverable VAT	155
Prepayments	96
	<u>1,437</u>

Trade debtors consist of amounts owed by parent company of £12k and amounts owed by fellow subsidiary undertakings of £548k, all arising from the company's normal course of business and resulting from arms length transactions.

Prepayments include £21k of recharged management fees from fellow subsidiary undertakings.

Of the Group tax relief receivable, £193k is recoverable in more than 1 year.

Notes to financial statements (continued)

7 Creditors: Amounts falling due within one year

	1997 £000
Trade Creditors	605
Amounts owed to group undertakings	56
Accruals	52
	<hr/> 713

Accruals consist of recharges of management fees from fellow subsidiary companies.

8 Creditors: Amounts falling due after more than one year

	1997 £000
Parent company loan	4,000
	<hr/> 4,000

The parent company loan is interest free and has no fixed repayment date. These funds are to be transferred into ordinary share capital post year end.

9 Provisions

Deferred taxation has been provided against the full potential liability assuming that it is probable that it will crystallise.

	1997 £000
Excess of tax allowances over book depreciation of fixed assets	<hr/> 836

There are no unprovided amounts of deferred tax.

Notes to financial statements (continued)

10 Share capital

	1997 £000
<i>Authorised</i>	
20,000,000 Ordinary shares of £1.00 each	20,000
<i>Allotted, issued and fully paid :</i>	
7,000,002 Ordinary shares of £1.00 each	7,000
	<u>7,000</u>

Movements in Ordinary shares during the period:

	Number of shares
Allotted on incorporation	2
Issued during period	7,000,000
	<u>7,000,002</u>
At 31 January 1997	

Shares were issued at par to fund the working capital of the company.

11 Reserves

	Profit and loss account £000
Retained profit for the period	561
At 31 January 1997	<u>561</u>

12 Capital commitments

Amounts contracted for but not provided in the accounts amounted to £2,070k.

13 Ultimate parent undertaking

The Company is a wholly owned subsidiary of Bass PLC incorporated in the United Kingdom and registered in England and Wales.

The consolidated accounts of Bass PLC are available from the company's registered office at 29 North Audley Street, London, W1Y 1WE.