

# Bass Investments Number 3 Limited

(formerly Hackremco (No 1187) Limited)

Financial Statements 30 September 1997  
together with directors' report and report of the auditors

Registered number: 3266789



# Directors' report

For the 48 week period ended 30 September 1997

The directors submit their annual report on the affairs of the Company, together with the financial statements and report of the auditors, for the 48 week period ended 30 September 1997.

## Principal activity and business review

The company was incorporated on 22 October 1996 as Hackremco (No 1187) Limited, and its principal activity is that of an investment company.

The profit for the period before taxation amounted to £8,701,000. Taxation charged against the profit for the period was £nil, leaving a profit after taxation of £8,701,000 to be transferred to reserves.

No dividend is proposed.

## Name of company

On 15 November 1996, the name of the company was changed by special resolution to Bass Investments Number 3 Limited and the company commenced business from that date.

## Subsequent events

No significant events affecting the Company have occurred since the balance sheet date.

## Directors and their interests

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

I A M Muir	(Appointed 15 November 1996)
T W Matthews	(Appointed 15 November 1996, resigned 29 August 1997)
A E Stern	(Appointed 15 November 1996)
M J N Bridge	(Appointed 29 August 1997)

The directors and their families had the following interests in the ordinary shares of Bass PLC at appointment and 30 September 1997.

Name of director	Ordinary shares	
	1997	1996
I A M Muir	-	-
A E Stern	5,593	4,989
M J N Bridge	1,465	1,465
	<u>7,058</u>	<u>6,454</u>

# Directors' report (continued)

For the 48 week period ended 30 September 1997

## Directors' Options

Name of Director		30 Sept 1997	Granted during period	Exercised	At 30 Sep 1997 /appointment	Weighted Average Option Price	Option price
M J N Bridge	A	11,800				520p	
	B	25,212				643p	
		37,012	-	-	37,012	604p	
I A M Muir			1,600				852p
	A	21,100				520p	
	B	45,348				624p	
		66,448	1,600	-	64,848	591p	
A E Stern			800	-			852p
	A	61,976				474p	
	B	6,089				647p	
		68,065	800	-	67,265	489p	

Options are held under the Bass Executive Share Option Scheme and the Bass Employee Savings Share Scheme. Shares under option at the end of the period are designated as

A Where the options are exercisable

B Where the options are not yet exercisable

## Contracts and arrangements

No director was materially interested in any contract of significance to the Company's business.

## Auditors

Ernst & Young continue as Auditors under the terms of an Elective Resolution of the Company passed pursuant to Section 386 of the Companies Act 1985.

20 North Audley Street  
London  
W1Y 1WE

By order of the Board



P C Waters

Secretary

Date 28/4/98

## Directors' report

For the 48 week period ended 30 September 1997

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 period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for the financial period.

Following discussions with the auditors, the directors consider that, in preparing the financial statements on pages 5 to 9 inclusive, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis as the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

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

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

# Report of the Auditors

to the members of Bass Investments Number 3 Limited (formerly Hackremco (No 1187) Limited)

We have audited the financial statements on pages 5 to 9, 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 solely responsible for the preparation of the financial statements including the selection of suitable accounting policies. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

## ***Basis of Opinion***

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## ***Opinion***

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 30 September 1997 and of the Company's profit for the 48 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young.*

Ernst & Young  
Chartered Accountants  
Registered Auditor  
Birmingham

Date *28 April 1998.*

## Accounting policies

Principal accounting policies, as applied consistently throughout the period are:

### *Basis of accounting*

The financial statements are prepared under the historical cost convention, drawn up to comply with applicable accounting standards.

### *Investments*

Current asset investments are stated at cost plus unrealised increases in value recorded on an accruals basis.

## Profit and Loss Account

For the 48 week period ended 30 September 1997

	Notes	1997 £000
Investment gains	1	8,701
<b>Profit on ordinary activities before taxation</b>		<b>8,701</b>
Tax on profit on ordinary activities	2	-
<b>Retained for reinvestment in the business</b>		<b>8,701</b>

There are no unrecognised gains/losses during the period.

Notes on pages 8 to 9 form an integral part of these financial statements.

# Balance sheet

30 September 1997

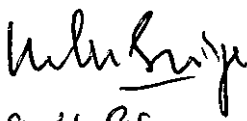
	Notes	1997 £000
<b>Current assets</b>		
Investments	4	158,701
<b>Net assets</b>		<u>158,701</u>
<b>Capital and reserves - equity interests</b>		
Share capital	5	50,000
Share premium account		100,000
Profit and loss account	5	8,701
<b>Shareholders' funds</b>		<u>158,701</u>

## Signed on behalf of the Board

Director

M Bridge

Date

  
28.4.98

Notes on pages 8 to 9 form an integral part of these financial statements.



## Notes to the financial statements

### 1. Investment gains

	1997 £000
Gain on investment	<u>8,701</u>

### 2. Tax on profit on ordinary activities

	1997 £000
--	--------------

The tax charge is made up as follows:

UK corporation tax @ 32%	<u>nil</u>
--------------------------	------------

No current tax charge arises as investment gains are taxable only on disposal of the investments. No deferred tax charge is required as there is no intention presently to dispose of the investments.

### 3. Directors' Remuneration

The Directors are the only employees of the company and received no remuneration in respect of their services to the company

### 4. Investments

	1997 £000
At cost	150,000
Accrued increase in value	<u>8,701</u>
	<u>158,701</u>

## Notes to the financial statements (continued)

### 5. Movement in Shareholders Funds

	Share Premium £000	Share capital £000	Profit and loss account £000	Total £000
At incorporation	-	-	-	-
Issue of shares	100,000	50,000	-	150,000
Retained profit for the year	-	-	8,701	8,701
At 30 September 1997	<u>100,000</u>	<u>50,000</u>	<u>8,701</u>	<u>158,701</u>

The Company has authorised, share capital of £70,000,000 and allotted, called up and fully paid share capital of £50,000,100 (being 50,000,100 ordinary shares of £1 each). 100 ordinary shares of £1 each were issued at par on incorporation. On 20 November 1996, 50,000,000 ordinary shares of £1 each were issued for an aggregate consideration of £150,000,000 of which £100,000,000 was added to the share premium account.

### 6. Cash flow statement

No cash flow statement is given as the Company is a wholly owned UK subsidiary undertaking of Bass PLC which has provided a consolidated cash flow statement under Financial Reporting Standard 1 (revised) for the year ended 30 September 1997.

### 7. Ultimate parent undertaking

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

The largest group in which the results of Bass Investments Number 3 Limited are consolidated is that headed by Bass PLC, incorporated in Great Britain. The consolidated financial statements of the group are available to the public and may be obtained from Bass PLC, 20 North Audley Street, London W1Y 1WE.

### 8. Related party disclosure

Other than the transactions with other members of the Bass Group that are exempt from disclosure under FRS8, there are no related party transactions that require disclosure.