

Rider Holdings Limited

Directors' report and financial statements

31 March 1997

Registered number 2272577



Rider Holdings Limited

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Rider Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 1997.

Principal activities

The principal activity of the company is a holding company of a group of companies that provide bus and coach operations within the United Kingdom.

Financial matters

The results for the year are given in the profit and loss account on page 6.

Fixed assets

Information relating to changes in the valuation of fixed assets is given in notes 8 and 9 to the financial statements.

In the opinion of the directors, there were no material differences between the market values of the company's properties and their net book values.

Creditors

It is the company's policy to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods and services in accordance with agreed terms and conditions. A number of significant purchases, such as fuel and tyres and commitments under finance leases and hire purchase contracts and under operating leases are paid by direct debit. At 31 March 1997 the company had 48 days (31 March 1996 - 18 days) purchases outstanding.

Directors

The directors who held office during the period together with those subsequently appointed are as follows:

K N Ahlers	(resigned 24 April 1996)
I J Buchan	
R A Duncan	(appointed 1 April 1997)
R J Noble	
J A Osbaldiston	(resigned 18 September 1996)
P V Savage	(appointed 20 May 1996)
R O'Toole (Chairman)	(appointed 9 May 1996)
M Taj	(resigned 18 April 1996)
V J Woolley	(resigned 18 September 1996)

Rider Holdings Limited

Directors' report *(continued)*

The directors who held office at the end of the period had the following interests in the ordinary shares of FirstBus plc:

Director	Ordinary shares		Share options under savings related share option scheme		Share options under executive share option scheme	
	At end of year	At beginning of year	At end of year	At beginning of year	At end of year	At beginning of year
	5p shares	5p shares	5p shares	5p shares	5p shares	5p shares
IJ Buchan	1,277,000	1,280,000	-	-	-	-
R J Noble	257	200	-	-	-	-
P V Savage	-	-	-	-	-	-
R O'Toole	24,500	25,000	-	-	-	-

Information stated at the beginning of the year are the interests at the start of the financial year or the date of appointment, if later.

Information, including details of exercise prices, relating to the Savings related share option scheme and the Executive share option scheme are given in note 29 to the financial statements of FirstBus plc.

Mr Buchan has an interest in some of the floating rate guaranteed loan notes issued by FirstBus Group Limited (previously Badgerline Yorkshire Limited) and details of these are given in note 16 to the financial statements of FirstBus plc.

There is no contract or arrangement with the company or any of its fellow group undertakings, other than service contracts or loan notes mentioned above, in which any of the directors is materially interested and which is significant in relation to the business of the company or any of its fellow group undertakings taken as a whole.

The interests of Messr Duncan in the ordinary shares of FirstBus plc are disclosed in the directors' report of FirstBus plc.

Employee involvement

Communication with employees is effected mainly through regular briefing and negotiating meetings between the directors, the senior management and employee representatives on the central and depot negotiating committees. The briefing meetings enable senior management to consult employees and to ascertain their views on matters likely to affect their interests.

Rider Holdings Limited

Directors' report *(continued)*

Employee involvement *(continued)*

FirstBus plc, the company's ultimate holding company is committed to wide employee share ownership and has established an Employee Share Ownership Plan. The board of FirstBus plc has resolved to allocate 5% of the Group's consolidated pre-tax profit to the ESOP. The trustees will use this to acquire shares in FirstBus plc which will then be appropriated to participating employees of subsidiary undertakings.

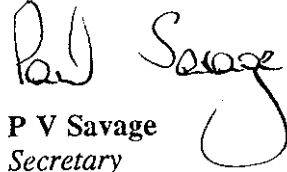
Disabled persons

The company recognises its obligations to give disabled people full and fair consideration for all vacancies within the statutory medical requirements which have to be met for certain grades of staff. Wherever reasonable and practicable, the company will retain newly disabled employees and at the same time provide full and fair opportunities for the career development of disabled people.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution concerning the reappointment and remuneration of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


P V Savage
Secretary

Kirkstall Road
Leeds
LS3 1LH

15 August 1997

Rider Holdings Limited

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 of the profit or loss of the company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.



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Leeds
LS1 4DW

Auditors' report to the members of Rider Holdings Limited

We have audited the financial statements on pages 6 to 17.

Respective responsibilities of directors and auditors

As described on page 4 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 as at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Anne Neill

KPMG Audit Plc
Chartered Accountants
Registered Auditor

15 August 1997

Rider Holdings Limited

Profit and loss account for the year ended 31 March 1997

	<i>Note</i>	Year to 31 March 1997 £000	15 months to 31 March 1996 £000
Turnover - continuing operations	2	1,016	1,684
Administrative expenses		40	(241)
		<hr/>	<hr/>
Operating profit - continuing operations		1,056	1,443
Profit on disposal of fixed asset properties		1,601	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	5	2,657	1,443
Tax on profit on ordinary activities	6	(396)	(540)
		<hr/>	<hr/>
Profit for the financial year		2,261	903
Equity dividends paid	7	-	(9,000)
		<hr/>	<hr/>
Retained (loss) for the financial year		2,261	(8,097)
		<hr/>	<hr/>

There are no recognised gains and losses other than those included in the profit and loss account above.

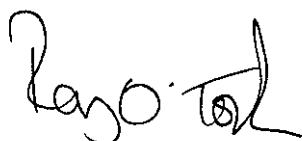
Rider Holdings Limited

Balance sheet at 31 March 1997

	Note	1997 £000	1996 £000
Assets employed:			
Fixed assets			
Tangible assets	8	15,187	12,601
Investments	9	33,346	33,366
		<u>48,533</u>	<u>45,967</u>
Current assets			
Debtors	10	2,091	2,365
Creditors: amounts falling due within one year	11	<u>(41,664)</u>	<u>(41,633)</u>
Net current assets/(liabilities)			
Due within one year		(39,746)	(39,837)
Amounts due after more than one year	10	173	569
Net current assets/(liabilities)		<u>(39,573)</u>	<u>(39,268)</u>
Total assets less current liabilities		<u>8,960</u>	<u>6,699</u>
Financed by:			
Capital and reserves			
Called up share capital	13	500	500
Revaluation reserve	14	3,456	3,556
Profit and loss account	14	5,004	2,643
Equity shareholders' funds		<u>8,960</u>	<u>6,699</u>

These financial statements were approved by the board of directors on 15 August 1997 and were signed on its behalf by:

R O'Toole
Director



Rider Holdings Limited

Reconciliation of movements in shareholders' funds *for the year ended 31 March 1997*

	1997 £000	1997 £000
Profit for the financial year	2,261	903
Dividends	-	(9,000)
Shareholders' funds at beginning of year	6,699	- 14,796
	<hr/>	<hr/>
Shareholders' funds at end of year	8,960	6,699
	<hr/>	<hr/>

No note of historical cost profits and losses is given as there were no material differences between the results as set out in the profit and loss account, and their historical cost equivalents.

Rider Holdings Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the revaluation of land and buildings, and in accordance with applicable accounting standards.

The format of the profit and loss account has been changed to reflect presentation generally accepted in the industry and the comparatives have been restated.

The ultimate holding company has included within its financial statements a consolidated Cash Flow statement in accordance with FRS No.1 (revised). Therefore, the company is not required to give its own separate Cash Flow Statement.

FRS No.8 has been adopted for the first time in preparing these accounts.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost or valuation less residual value of tangible fixed assets over their estimated useful economic lives as follows:

Freehold buildings	-	50 years straight line
Long leasehold properties	-	50 years straight line

No depreciation is provided on freehold land or the land element of long leasehold properties.

Surpluses or deficits arising on the revaluation of tangible fixed assets are credited or debited to a revaluation reserve. On a subsequent disposal of a revalued asset the revaluation surplus or deficit relating to this asset is transferred to the profit and loss account reserve.

Goodwill

Purchased goodwill is written off in full in the year in which it is acquired.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2 Turnover and profit before taxation

Turnover represents the amounts receivable for services supplied to customers during the year.

The whole of the turnover and profit before taxation derives from the company's principal activities within the United Kingdom.

Rider Holdings Limited

Notes (continued)

3 Employee numbers and costs

The average number of persons employed by the company (including directors) during the period was as follows:

	Year to 31 March 1997	15 months to 31 March 1996
Administration	<u>8</u>	<u>9</u>

4 Directors' remuneration

The remuneration of the directors during the period was all payable by the company's subsidiaries. The amounts were as follows:

	Year to 31 March 1997 £000	15 months to 31 March 1996 £000
Aggregate emoluments (excluding pension contributions)	<u>Nil</u>	<u>204</u>

Details of directors' options are given in the Directors' report.

5 Profit on ordinary activities before taxation

	Year to 31 March 1997 £000	15 months to 31 March 1996 £000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	119	121
Net rents receivable from property	<u>(1,016)</u>	<u>(1,384)</u>

Rider Holdings Limited

Notes (continued)

6 Tax on profit on ordinary activities

	Year to 31 March 1997 £000	15 months to 31 March 1996 £000
UK corporation tax at 33% (1996: 33%)		
Current year	1	-
Transfer to/from deferred tax		
Current year	405	540
Prior year	(10)	-
	<u>396</u>	<u>540</u>

Up to 31 March 1996 the company made full provision for tax deferred by means of accelerated capital allowances on the passenger carrying vehicle fleet and on other plant and equipment. The company's current capital expenditure plans indicate it is probable that the majority of this tax liability will not crystallise in the foreseeable future and accordingly part of the deferred tax provision has been released, giving rise to a credit of £0.01m in the year to 31 March 1997.

If full provision had been made for deferred tax in the current year the tax charge would have been higher by £1.828m.

7 Equity dividends

	Year to 31 March 1997 £000	15 months to 31 March 1996 £000
Ordinary shares of 5p each - paid	<u>-</u>	<u>9,000</u>

Rider Holdings Limited

Notes *(continued)*

8 Tangible fixed assets

	Land and buildings
	£000
<i>Cost or valuation</i>	
At beginning of year	12,788
Additions	4,170
Intra group transfers	(233)
Disposals	(1,268)
	<hr/>
At end of year	15,457
	<hr/>
<i>Depreciation</i>	
At beginning of year	187
Charge for year	119
Intra group transfers	-
Disposals	(36)
	<hr/>
At end of year	270
	<hr/>
<i>Net book value</i>	
At 31 March 1997	15,187
	<hr/>
At 31 March 1996	12,601
	<hr/>

Rider Holdings Limited

Notes (continued)

8 Tangible fixed assets (continued)

The net book value of land and buildings comprises:

	31 March 1997 £000	31 March 1996 £000
Freehold	15,014	12,489
Short leasehold	173	112
	<u>15,187</u>	<u>12,601</u>

Depreciation is not provided on the land element of freehold property which amounts to £5.3m (31 March 1996: £3.895m).

The assets which have been revalued comprise the following land and buildings:

	31 March 1997 £000	31 March 1996 £000
At March 1994 professional valuation	10,858	10,858
Aggregate depreciation thereon	(203)	(159)
	<u>10,655</u>	<u>10,699</u>
Net book value		
Historical cost of revalued assets	8,829	8,829
Aggregate depreciation based on historical cost	(1,475)	(1,431)
	<u>7,354</u>	<u>7,398</u>
Historical net book value		

The majority of the company's properties were revalued by King Sturge & Co on 1 March 1994 on the basis of open market value for existing use.

No provision is made for tax which would arise on disposal of revalued properties. The company does not intend to dispose of these properties without reinvestment of the sale proceeds.

Rider Holdings Limited

Notes (continued)

9 Fixed assets investment

	31 March 1997 £000	31 March 1996 £000
Investments in the ordinary shares of unlisted subsidiary undertakings at cost:		
At beginning and end of period	<u>33,346</u>	<u>33,366</u>

The subsidiary undertakings in which the company had interest, are as follows:

Yorkshire Rider Limited
 Reynard Buses Limited
 Rider (York) Limited
 Rider Engineering Services Limited
 Rider Holdings Trustees No 1 Limited
 Rider Holdings Trustees No 2 Limited
 Rider Holdings Trustees No 3 Limited
 York Cityrider Limited
 York City and District Travel Company Limited
 Target Travel Services Limited
 West Yorkshire Road Car Company Limited
 Quickstep Travel Limited
 Rider Travel Limited
 Rider Pension Fund Limited
 Tramrider Limited

The above investments represent 100% of the ordinary share capital of each company. These companies are all incorporated in Great Britain and registered in England and Wales and their main business activity is the provision of bus and coach services within the United Kingdom.

Rider Travel Limited is a 100% subsidiary incorporated in Great Britain and registered in England and Wales which operates as a travel agent within the United Kingdom. A full provision has been made against this investment.

Yorkshire Rider Limited owns 100% (1996: 100%) of the share capital of Sovereign Quay Limited which is a company incorporated in Great Britain and registered in England and Wales. The company is developing land and buildings owned by Rider Holdings Limited.

Group accounts are not submitted as at 31 March 1997, the company was a wholly owned subsidiary undertaking of FirstBus plc, which is incorporated in Great Britain and registered in Scotland. Accordingly, these accounts present information about the company as an individual undertaking and not about its group.

Rider Holdings Limited

Notes (continued)

10 Debtors

	31 March 1997 £000	31 March 1996 £000
Amounts due within one year		
Amounts owed from group undertakings	1,866	1,778
Other debtors	52	18
	<u>1,918</u>	<u>1,796</u>
Amounts due after one year		
Deferred tax asset	173	569
	<u>2,091</u>	<u>2,365</u>

11 Creditors

	31 March 1997 £000	31 March 1996 £000
Amounts falling due within one year		
Bank overdraft	1,561	461
Amounts owed to group undertakings	39,892	40,912
Other creditors	211	260
	<u>41,664</u>	<u>41,633</u>

12 Deferred taxation

The amounts provided for deferred taxation and the amounts not provided are set out below. The amounts unprovided represent contingent liabilities and are calculated using a tax rate of 33% (31 March 1996: 33%).

	31 March 1997		31 March 1996	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Accelerated capital allowances	-	538	(23)	617
Other timing differences	(33)	-	(1)	-
Trading losses	(140)	-	(545)	-
Unrealised capital gains	-	1,290	-	1,250
	<u>(173)</u>	<u>1,828</u>	<u>(569)</u>	<u>1,867</u>

Rider Holdings Limited

Notes (continued)

13 Called up share capital

	1997 £000	1996 £000
<i>Authorised</i>		
10,000,000 Ordinary shares of 5p each	<u>500</u>	<u>500</u>
<i>Allotted, called up and fully paid</i>		
10,000,000 Ordinary shares of 5p each	<u>500</u>	<u>500</u>

14 Reserves

	Revaluation reserve £000	Profit and loss account £000
At beginning of year	3,556	2,643
Transfer on sale of revalued properties	(100)	100
Retained profit (loss) for the year	<u>-</u>	<u>2,261</u>
At end of year	<u>3,456</u>	<u>5,004</u>

15 Capital expenditure

Capital commitments at the end of year for which no provision has been made are as follows:

	31 March 1997 £000	31 March 1996 £000
Contracted for but not provided Year to 31 March 1998	<u>2,000</u>	<u>-</u>

Rider Holdings Limited

Notes *(continued)*

16 Contingent liabilities

The company has guaranteed the bank overdrafts of certain fellow subsidiary undertakings. The amount outstanding at the end of the year under the guarantees was £Nil (*31 March 1996: £Nil*).

Deferred tax provided and unprovided is shown in note 12.

The company is a member of a VAT group covering a number of subsidiary undertakings. All members of the VAT group are jointly and severally liable in respect of any VAT owed to HM Customs and Excise.

17 Ultimate holding company

The ultimate holding company is FirstBus plc, which is incorporated in Great Britain and registered in Scotland. Copies of the accounts of FirstBus plc can be obtained from the Company Secretary of this company at the Corporate Head Office at Oldmixon Crescent, Weston-super-Mare, North Somerset, BS24 9AY.