Bass Brewers Ltd

Report and Accounts

2 October 1999

Registered number: 26018

Directors' report

For the 53 week period ended 2 October 1999

The directors present their report and accounts for the 53 week period ended 2 October 1999.

Principal activities and business review

The principal activities of the Company consist of brewing, bottling and malting, and the supply of beer, wines and spirits and soft drinks to the tied and free trade.

The directors expect the general level of activity to continue to increase as a result of the company's constant development of new products and increased premiumisation within the product portfolio. Bass Brewers is characterised by its strength as a mature business reflected in the Company's substantial operating cash flow.

These accounts incorporate valuations performed in the period on the Company's properties, other than leasehold properties having an unexpired term of 50 years or less and breweries and maltings, which continue to be stated at cost or previous valuation less accumulated depreciation. The valuations recorded are as advised by external valuers, Chesterton plc, and were conducted in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The basis of valuation was existing use value.

Results and dividends

The profit of the Company for the period, after taxation, amounted to £76,237,000 (1998: £73,579,000). An interim dividend of £405,000 (1998: £40,000,000) was paid on 26th March 1999. The directors do not recommend the payment of a final dividend.

Directors and their interests

The following served as directors of the Company during the period:

P S Swinburn
P Thomas
I J G Napier
M D Thomas
R T Winter
J S Holberry
C R Edger
M R Hunter
E Hinchliffe (Appointed 17 November 1998)
S P Macdonald (Resigned 23 October 1998)

Directors' report (continued)

The directors and their families had the following interests in the share capital of Bass PLC at 26 September 1998 and 2 October 1999.

Name of director		Fully paid (number of shares etc)				Under option (3) (number of shares etc)			
		1998 or date of appointment		1999		1998 or date of appointment	Granted during period	Exercised during period	1999
		Ordinary shares of 28p	'B' shares	Ordinary shares of 28p	'B' shares				
P S Swinburn	Ben (1)	1,504	-	-	-	41,340	5,100	-	46,440
	Bepss (2)	1,359	995	1,421	493	-	-	-	-
P Thomas	Ben (1)	2,820	-	502	-	35,200	5,748	-	40,948
	Bepss (2)	1,468	1,092	1,491	592	-	-	-	-
M D Thomas	Ben (1)	5,725	-	5,678	-	46,086	5,500	(3,585)	48,001
	Bepss (2)	1,261	915	1,308	437	-	-	-	-
R T Winter	Ben (1)	-	-	-	-	58,348	6,900	-	65,248
	Bepss (2)	598	-	1,245	-	-	-	-	-
J S Holberry	Ben (1)	2,820	-	2,774	-	21,255	15,291	-	36,546
	Bepss (2)	1,044	760	1,123	375	-	-	-	-
C R Edger	Ben (1)	194	-	199	-	11,100	21,703	-	32,803
	Bepss (2)	636	453	733	230	-	-	-	-
M R Hunter	Ben (1)	592	-	-	-	22,674	17,199	(1,557)	38,316
	Bepss (2)	838	594	947	308	-	-	-	-
E Hinchliffe	Ben (1)	3,832	-	4,127	-	40,921	5,700	-	46,621
	Bepss (2)	1,028	705	1,166	374	-	-	-	-
		25,719	5,514	22,714	2,809				

(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 400.00p and 1014.50p per ordinary shares on dates up to 2006.

The holding of Mr I J G Napier, who is also a director of Bass Plc, is reported in the Bass Plc financial statements.

Contracts and arrangements

No director was materially interested in any contract of significance to the Company's business, other than a service contract.

Fixed assets

Information relating to changes in fixed assets is given in notes 8 and 9 to the accounts.

In the opinion of the directors there is no material difference between the book and the current value of land and buildings.

Supplier Payment Policy

The Company agrees payment terms with all of its main suppliers and abides by these terms subject to satisfactory performance by the supplier. Amounts owed to other suppliers are settled on or before the end of the month following receipt of a valid invoice. At 2 October 1999, trade creditors outstanding represented approximately 36 days purchases from suppliers comprising trade creditors.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that all employees be given equal opportunities in respect of training, career development and promotion.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company.

In addition to widely established arrangements involving briefing group consultancy committees and the publication of Company newspapers, there has been an increasing use of video programmes as part of the general process of employee consultation.

The Group encourages the involvement of employees in the Group's success through share ownership.

All eligible employees are able to participate in the Bass Employee Share Ownership Scheme and the Bass Employee Savings Share Scheme.

It is Company policy that there shall be no discrimination in respect of sex, colour, religion, race, nationality or ethnic origin and that equal opportunity shall be given to all employees.

Year 2000 Compliance

The Company has worked to ensure that its business operations and interests are as immune as they can reasonably be made with regard to the impact of the Year 2000 date change. Each Bass Group company (including Bass Brewers Limited) is represented on a working party that is addressing the problem internally and also the risk of failure in key third parties. Full details of this programme are included in the Bass PLC Annual Report 1999.

Auditors

The directors will place a resolution before the Annual General Meeting to reappoint Ernst & Young as auditors for the ensuing period.

137 High Street
Burton upon Trent
Staffordshire
DE14 1JZ

1 December 1999

By order of the Board,

S E McLaughlin
Secretary

Statement of Director's Responsibilities

in relation to the accounts

The following statement, which should be read in conjunction with the Report of the Auditors set out on page 5, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the accounts.

The Directors are required by the Companies Act 1985 to prepare accounts 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 accounts on pages 6 to 21 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 accounts 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 accounts 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 53 week period ended 2 October 1999

To the members of Bass Brewers Limited

We have audited the accounts on pages 6 to 21, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on pages 6 to 7.

Respective responsibilities of directors and auditors

As described on page 4 the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 2 October 1999 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Registered Auditor
One Colmore Row
Birmingham
B3 2DB

Dated 3 December 1999.

Accounting policies (continued)

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

a) *Basis of accounting*

The accounts are prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets. They have been drawn up to comply with applicable accounting standards.

Group accounts have not been prepared because the company is a wholly owned subsidiary undertaking of another UK Company.

b) *Government grants*

Grants receivable relating to depreciable assets are credited to a deferred income account and released to revenue over the estimated useful lives of the relevant assets.

c) *Investments*

Fixed asset investments are stated individually at cost less any provision for permanent diminution in value.

d) *Leases*

Assets held under finance leases are capitalised in the balance sheet within tangible fixed assets and are depreciated at the appropriate rates. The capital element of future lease payments is included in borrowings. The interest element of the lease obligations is charged to the profit and loss account.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

(Further information is given in note 17).

e) *Pensions*

The Group principally operates two pension plans covering the majority of permanent full time UK employees, both of which are of the defined benefit type. The assets of the plans are held in separate trustee administered funds. The cost of providing these pension benefits, both regular pension cost and variations in regular pension cost, is charged to the profit and loss account over the average expected service lives of current employees. Differences between the amount charged in the profit and loss account and the payment made to the plans are treated as either provisions or prepayments in the balance sheet. (Further information is given in note 3c).

f) *Research and development*

Expenditure on research and development is charged to the profit and loss account as incurred.

g) *Stocks*

Stocks are stated at the lower of cost, including an appropriate element of production overhead cost, and net realisable value.

Accounting policies (continued)

h) Tangible fixed assets and depreciation

(i) Freehold and leasehold properties are stated at cost or valuation, less depreciation where relevant. All other fixed assets are stated at cost.

(ii) Surpluses arising from the professional valuations of properties are taken direct to the revaluation reserve. Valuation surpluses realised on sale are transferred from the revaluation reserve to the profit and loss account reserve. Any deficit arising from the professional valuation of properties is taken direct to the revaluation reserve to the extent that such deficit is regarded as temporary. Where a permanent diminution in value of an individual property is identified, the deficit is eliminated against any revaluation reserve in respect of that property with any excess being charged to the profit and loss account.

(iii) Freehold land is not depreciated

(iv) Freehold properties are written off over 50 years, from the later of the date of acquisition and latest valuation.

(v) Leasehold properties are written off over 50 years, from the later of the date of acquisition and latest valuation.

(vi) Cost of plant, machinery, fixtures, fittings, tools and equipment (owned or leased) is spread, by equal instalments, over the estimated useful lives of the relevant assets, namely:

Plant and machinery	4 - 20 years
Equipment in retail outlets	3 - 10 years
Information technology equipment	3 - 5 years
Vehicles	3 - 10 years

(vii) Interest payable in respect of certain major projects is capitalised to the extent that it relates to the period prior to the project becoming operational.

(viii) Any impairment arising on an income generating unit, other than one which represents a consumption of economic benefits, is eliminated against any revaluation reserve of that income generating unit with any excess being charged to the profit and loss account.

i) 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. No liability is considered to arise for deferred taxation in respect of UK industrial buildings allowances as the properties are expected to be used in the business for periods longer than that for which the allowances could be reclaimed on disposal. Similarly, no liability is considered to exist for taxation deferred by UK roll-over relief due to the level of continuing capital investment.

j) Turnover

Turnover represents sales (excluding VAT and similar taxes, trade discounts and intra-group transactions) of goods and services, net of discounts, provided in the normal course of business.

k) Cashflow statement

In accordance with FRS 1 (Revised) these accounts do not include a cash flow statement as the Company is a wholly owned subsidiary undertaking of Bass PLC whose accounts for the year to 30 September 1999 include a consolidated cash flow statement.

Profit and Loss Account

For the 53 week period ended 2 October 1999

	Notes	*1999* £000	*1998* £000
Turnover			
Continuing operation:	1	1,672,958	1,603,684
Costs and overheads, less other income	2	(1,546,179)	(1,475,739)
Operating profit			
Continuing operation:		126,779	127,945
Profit on sale of fixed assets	4	585	1,142
Profit on ordinary activities before interest		127,364	129,087
Other interest receivable and similar income		513	12
Interest payable and similar charges	5	(17,006)	(21,793)
Profit on ordinary activities before taxation		110,871	107,306
Tax on profit on ordinary activities	6	(34,634)	(33,727)
Profit on ordinary activities after taxation		76,237	73,579
Dividends	7	(405)	(40,000)
Retained profit for the period		75,832	33,579

Notes on pages 11 to 21 form an integral part of these accounts.

Statement of Recognised Gains and Losses

	1999 £000	1998 £000
Profit for the financial year	76,237	73,579
Unrealised surplus on revaluation of land and buildings	645	-
Total Recognised Gains and Losses Relating to the Year	76,882	73,579

Historical Cost Profits and Losses

There is no difference between the Historical Cost basis of accounting and that adopted in the accounts.

Reconciliation of Shareholders' Funds and Movement on Reserves

For the 53 week period ended 2 October 1999

	Share capital £000	Share Premium account £000	Revaluation reserve £000	Profit and loss account £000	Total Shareholders' funds £000
At 28 September 1997	1,722	598,278	-	(780)	599,220
Profit for the year	-	-	-	73,579	73,579
Dividend	-	-	-	(40,000)	(40,000)
At 26 September 1998	1,722	598,278	-	32,799	632,799
Profit for the year	-	-	-	76,237	76,237
Dividend	-	-	-	(405)	(405)
Revaluation surplus	-	-	645	-	645
At 2 October 1999	1,722	598,278	645	108,631	709,276

Balance Sheet

As at 2 October 1999

	Notes	1999 £000	1998 £000
Fixed assets			
Tangible assets	8	460,834	471,553
Investments	9	208,546	253,386
		669,380	724,939
Current assets			
Stocks	10	88,415	93,892
Debtors	11	456,493	418,671
Cash at bank and in hand		35,458	14,640
		580,366	527,203
Creditors: Amounts falling due within one year	12	(291,931)	(348,324)
Net current assets		288,435	178,879
Total assets less current liabilities		957,815	903,818
Creditors: Amounts falling due after more than one year	13	(244,974)	(258,921)
Provisions for liabilities and charges	15	(3,565)	(12,098)
		709,276	632,799
Capital and reserves			
Equity share capital	16	1,722	1,722
Share premium account		598,278	598,278
Revaluation reserve		645	-
Profit and loss account		108,631	32,799
Shareholders Funds		709,276	632,799

Signed on behalf of the Board

P Thomas
Director

1 December 1999

Notes on pages 11 to 21 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 Branded Drinks through its brewing, bottling and malting, and supply business.

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

2 Costs and overheads, less other income	1999 £000	1998 £000
Raw materials and consumables	497,178	461,886
Excise duty on own products	572,792	554,496
Staff costs (note 3a)	122,683	112,380
Depreciation of tangible fixed assets		
- owned	71,404	64,393
- held under finance leases and hire purchase contracts	3,819	4,345
Maintenance and repairs	22,474	22,618
Advertising costs	17,739	21,820
Other external charges	245,666	238,903
Government grants released	(244)	(135)
Change in stocks of finished goods and work in progress	(2,320)	278
Income from fixed asset investments	(5,012)	(5,380)
	1,546,179	1,475,739

		1999 £000	1998 £000
The following amounts are included above:			
Operating lease rentals	- plant and machinery	6,313	5,617
	- property	2,075	2,196
Auditors' remuneration	- audit work	175	173
	- non-audit work	54	30
Research and development expenditure		1,650	4,033

Notes to financial statements (continued)

3 Staff

a) Costs

	1999 £000	1998 £000
Employee costs during the period amounted to:		
Wages and salaries	106,737	99,063
Employee profit share scheme	2,661	2,064
Social security costs	9,908	8,848
Pensions	3,377	2,405
	122,683	112,380

b) Average number of employees

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

	1999 Number	1998 Number
Production	1,917	2,038
Sales	1,448	1,377
Administration	548	608
	3,913	4,023

c) Pension

Retirement and principally the Bass Employees' Security Plan and the Bass Executive Pension Plan provide death benefits for eligible Group employees in the United Kingdom. Members of these plans are contracted out of the State Earnings Related Scheme. The plans are externally funded defined benefit schemes based upon final pay levels. The assets of these plans are mainly held in self-administered trust funds separated from the Group's assets.

The pension costs related to the two principal plans are assessed in accordance with the advice of independent qualified actuaries using the projected method. The latest actuarial valuations of the plans were made as at March 1997 but take into account the removal of tax credits announced subsequently.

As at March 1997, the market value of the combined assets of the plans was £1,692m and the actuarial value of the assets was sufficient to cover 109% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The regular pension cost for the period was £12,005,000 (1998:£ 10,744,000) with variation from regular pension cost of £8,628,000 (1998:£ 8,720,000).

Notes to financial statements (continued)

3 Staff (continued)

d) Directors' remuneration:

Directors' remuneration was paid in respect of directors of the company as follows:

	1999 £000	1998 £000
Fees as directors	799	723
Other emoluments	61	59
Bonuses	274	105
	1,134	887

The above figures do not include any amount for the value of share options granted to, or held by, the directors. In the period to 2 October 1999, 2 directors exercised share options. All of the directors are members of the Bass Executive Pension Scheme - a defined benefit scheme.

The directors' remuneration shown above included:

Remuneration of highest paid director:	1999 £000	1998 £000
Total emoluments	180	138
Accrued pension at year end	33	16

During the period, the highest paid director exercised nil (1998:Nil) options in Bass PLC resulting in a total gain of £Nil (1998:£Nil).

4 Profit on sale of fixed assets

	1999 £000	1998 £000
Property	276	656
Other fixed assets	309	530
Provision for permanent diminution in value of assets for sale	-	(44)
	585	1,142

5 Interest payable and similar charges

	1999 *£000*	1998 *£000*
Bank borrowings and other loans	17,006	21,793

Included in the above is the interest element of charges payable under finance leases (and hire purchase contracts) amounting to £37,000 (1998: £102,000).

Included in the above is £16,040,000 (1998: £19,161,000) payable to other Bass PLC Group undertakings.

Notes to financial statements (continued)

6 Tax on profit on ordinary activities

	1999 £000	1998 £000
UK Corporation tax - current period at 30.5%(1998:31%)	34,387	33,866
	34,387	33,866
Under/(Over) provision in prior years	247	(139)
	34,634	33,727

Had the Company been providing the full amount of potential deferred taxation, the charge for the period would have been increased as follows:

Capital allowances	(4,756)	(92)
Other timing differences	3,219	1,240
	(1,537)	1,148

7 Dividends paid and proposed

	1999 £000	1998 £000
Ordinary		
- interim paid	405	40,000
	405	40,000

Notes to financial statements (continued)

8 Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Total £000
Cost or valuation				
At 26 September 1998	105,062	444,125	374,163	923,350
Additions	2,106	20,643	50,451	73,200
Disposals	(8,748)	(23,368)	(30,297)	(62,413)
Deficit on revaluation	(54)	-	-	(54)
At 2 October 1999	98,366	441,400	394,317	934,083
Depreciation				
At 26 September 1998	13,564	248,542	189,691	451,797
Provided in the period	4,406	29,135	41,682	75,223
Disposals	(3,422)	(21,609)	(28,041)	(53,072)
Surplus on revaluation	(699)	-	-	(699)
At 2 October 1999	13,849	256,068	203,332	473,249
Net book value				
At 26 September 1998	91,498	195,583	184,472	471,553
At 2 October 1999	84,517	185,332	190,985	460,834
At 2 October 1999 the cost of depreciable assets included in the above was:	85,998	441,400	394,317	921,715
The net book value of assets held under finance leases included in the total above was:				
At 26 September 1998	-	-	6,503	6,503
At 2 October 1999	-	-	5,414	5,414

Analysis of land and buildings

	Cost £000	*Depreciation* £000	Net Book Value £000
At 2 October 1999:			
Unlicensed properties	5,478	(708)	4,770
Freehold	91,234	(12,585)	78,649
Leasehold under 50 years	1,654	(556)	1,098
Total properties	98,366	(13,849)	84,517

Notes to financial statements (continued)

These accounts incorporate valuations performed in the period on the Company's properties, other than leasehold properties having an unexpired term of 50 years or less and breweries and maltings, which continue to be stated at cost or previous valuation less accumulated depreciation. The valuations recorded are as advised by external valuers, Chesterton plc, and were conducted in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The basis of valuation was existing use value.

Historical cost of land and buildings

	Cost £000	Depreciation £000
At 2 October 1999:	98,420	14,548
At 26 September 1998	105,062	13,564

9 Fixed asset investments

	Subsidiary Undertakings £000	Associated Undertakings £000	Trade Loans and advances £000	Total £000
Cost:				
At 26 September 1998	3,714	495	278,967	283,176
Additions	-	-	43,343	43,343
Disposals	-	-	(91,040)	(91,040)
At 2 October 1999	3,714	495	231,270	235,479
Provision for diminution in value:				
At 26 September 1998	-	-	29,790	29,790
Provided for the period	-	-	7,382	7,382
Eliminated on disposals	-	-	(10,239)	(10,239)
At 2 October 1999	-	-	26,933	26,933
Net book value:				
At 26 September 1998	3,714	495	249,177	253,386
At 2 October 1999	3,714	495	204,337	208,546

Notes to financial statements (continued)

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows: -

Name of Company	Country of Registration and Operation	Holding	Proportion of Voting Rights	Nature of Business
Subsidiary undertakings				
Bass and Tennent Sales Limited	England	Ordinary	100%	Dormant
International Beer Importers Limited	and	Ordinary	100%	Dormant
Premium Beer Company Limited	Wales	Ordinary	100%	Dormant
Associated Undertakings				
Grolsch UK Limited	England and Wales	Ordinary	49%	Supply of Beer

10 Stocks

	1999 *£000*	1998 *£000*
Raw materials	21,132	28,708
Consumable stores	20,784	21,005
Work-in-progress	6,531	6,351
Finished goods	39,968	37,828
	88,415	93,892

The replacement cost of stocks approximates to the value above.

11 Debtors

	1999 £000	1998 £000
Amounts falling due within one year:		
Trade debtors	189,798	222,653
Amounts owed by group undertakings	247,506	177,894
Amounts owed by associated undertakings	3,109	1,020
Other debtors	4,791	10,761
Prepayments and accrued income	11,289	6,343
	456,493	418,671

Notes to financial statements (continued)

12 Creditors: Amounts falling due within one year

	1999 £000	1998 £000
Obligations under finance leases and hire purchase contracts (note 14)	1,020	1,248
Borrowings (note 14)	19	823
Trade creditors	43,636	97,016
Amounts owed to group undertakings	12,115	5,357
Amounts owed to associated undertakings	2,302	1,181
Other creditors		
- UK corporation tax payable	40,408	33,488
- ACT payable	-	10,000
- other taxation and social security	79,580	76,570
- other creditors	8,883	12,439
Accruals and deferred income		
- Other	103,968	110,202
	291,931	348,324

13 Creditors: Amounts falling due after more than one year

	1999 £000	1998 £000
Obligations under finance leases and hire purchase contracts (note 14)	-	1,020
Borrowings (note 14)	313	12,964
Holding Company Loans	240,000	240,000
Amounts owed to group undertakings	3,714	3,714
Accruals and deferred income	947	1,223
	244,974	258,921

A holding company loan of £240,000,000 was issued on 24th August 1996 and is repayable in full in 20 years. Interest accrues quarterly at LIBOR + 0.45%.

Notes to financial statements (continued)

14 Borrowings

a) Obligations under finance leases and hire purchase contracts

	1999 £000	1998 £000
Due within 1 year	1,020	1,248
Due within 1-2 years	-	1,020
	1,020	2,268

b) Analysis of borrowings by year of repayment

	1999 £000	1998 £000
Due within one year	19	823
Due: between one and two years	19	823
between two and five years	57	2,469
after five years, by instalment	237	9,672
Due after more than one year	313	12,964
Total borrowings	332	13,787
Total borrowings comprise:		
Other borrowings	332	13,787
	332	13,787
Amounts repayable by instalments part of which fall due after five years	332	13,787

c) Analysis of borrowings

	1999		1998	
	Within one year £000	After one year £000	Within one year £000	After one year £000
Secured - other loans:				
Bank Interest Differential Scheme	19	313	-	476
Pub Purchase Plan	-	-	823	12,488
Total other loans	19	313	823	12,964

Bank Interest Differential Scheme Interest is paid at between 1% and 2.5% above bank base rates.

Individual loans under the Bank Interest Differential Scheme are guaranteed by the company as required. At 2 October 1999, the total amount guaranteed by the company was £57,000 (1998:£ 213,000).

Notes to financial statements (continued)

Bank Interest Differential Scheme loans made direct from banks to customers, are secured on the customer's property to which they relate.

No security is held over the assets of Bass Brewers Limited.

15 Provisions for liabilities and charges

Provisions for liabilities and charges comprise:

	1999 £000	1998 £000
Reorganisation provisions (note 15b)	2,594	10,915
Vacant Leasehold Properties Provision (note 15b)	971	1,183
	3,565	12,098

a) Deferred taxation

Deferred taxation has been provided to the extent that the directors have concluded on the basis of reasonable assumptions and the intentions of management that it is probable that part of the liability will crystallise.

The provision and related movement on deferred taxation comprises:

	£000
At 26 September 1998 and 2 October 1999	-

The amounts of unprovided deferred taxation are as follows:

	1999 £000	1998 £000
Excess of tax allowances over book depreciation of fixed assets	61,075	65,831
Other timing differences related to		
- current assets and liabilities	(1,199)	(4,418)
	59,876	61,413

b) Other provisions

The provision and related movement on other provisions comprises:

	Reorganisation provisions £000	Vacant Leasehold Property provisions £000	Total £000
At 26 September 1998	10,915	1,183	12,098
Profit and loss account	-	152	152
Expenditure	(8,321)	(364)	(8,685)
At 2 October 1999	2,594	971	3,565

Notes to financial statements (continued)

16 Called-up share capital

	1999 £000	1998 £000
Authorised, allotted, called-up and fully-paid		
1,721,600 deferred shares of £1 each	1,722	1,722
100 US$ ordinary shares of 1 US cent each	-	-
	1,722	1,722

The 1 cent shares were issued as a fully paid up bonus issue to Bass Holdings Limited, the owner then and now of all of the deferred £1 shares. The 100 shares of 1 US cent were surrendered on the same day of issue in return for a warrant entitling the bearer to 100 fully paid-up ordinary shares of 1 US cent. Bass Holdings Limited continues to hold the warrant. The bearer of the share warrant is entitled to the same rights and privileges as a holder of the specified shares.

For so long as the 1 US Cent shares remain in issue the holders of the Deferred Shares shall not be entitled to any participation in the profits or assets of the company until the holders of every other class of shares in the capital of the company shall have received on a return of asset or liquidation or otherwise £100 million in respect of each share held. The company has the power and authority to purchase all or any of the Deferred Shares for an aggregate consideration of £1 which shall be applied for the benefit of the Company.

17 Contingent liabilities and financial commitments

There are contingent liabilities not provided for in the accounts relating to:	1999 £000	1998 £000
Potential liability in respect of property disposal	75	75
	75	75

The Company has annual commitments under operating leases, which expire as follows:

	Properties 1999 £000	Other 1999 £000	Properties 1998 £000	Other 1998 £000
Within 1 year	-	311	-	294
Between 1 and 5 years	71	414	71	492
After 5 years	2,998	3	3,206	3
	3,069	728	3,277	789

18 Related Party Disclosure

The Company has taken advantage of the exemption in FRS 8 as a wholly owned subsidiary not to disclose details of related party transactions required by the standard.

19 Ultimate parent undertaking and controlling party

The Company is a subsidiary undertaking of Bass Holdings Limited incorporated in the United Kingdom and registered in England and Wales.

The only group in which the results of Bass Brewers Limited and subsidiary undertakings are consolidated is that headed by Bass PLC, incorporated in England and Wales. These accounts are available from Bass PLC registered office at 20 North Audley Street, London, W1Y 1WE.