

**TRAM OPERATIONS LIMITED**

**FINANCIAL STATEMENTS**

**31 MARCH 1997**



**Company Registered  
Number:3097532**

## **FINANCIAL STATEMENTS**

**31 March 1997**

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## **TRAM OPERATIONS LIMITED**

### **DIRECTORS' REPORT**

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The directors have pleasure in submitting their annual report and financial statements for the year ended 31 March 1997.

#### **Principal activity**

The Company is involved in providing preliminary services to the concessionaire, Tramtrack Croydon Limited, in respect of the development of the Croydon Tramlink project. This project is involved in the construction and operation of a tram network in South London.

#### **Change of ultimate holding company**

With effect from 26 March 1997, CentreWest Limited, the parent company, was acquired by FirstBus plc, which became the ultimate holding company of Tram Operations Limited.

#### **Review of the business**

The company commenced to trade during November 1996, when the agreement to provide operating services to Tramtrack Croydon Limited was signed.

The company has made a satisfactory start to providing preliminary services to the concessionaire.

#### **Financial matters**

The retained profit for the year amounted to £23,000 (1996 - nil).

The directors do not recommend the payment of a dividend.

#### **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.

## TRAM OPERATIONS LIMITED

### DIRECTORS' REPORT (continued)

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#### Directors

The Directors who held office during the year are as follows:

R A Duncan (Appointed 26 March 1997)

P G Hendy

J A Storey

The Directors who held office at the end of the year had the following interests in the ordinary shares of the relevant companies.

| Director   | Ordinary Shares                               |  |
|------------|---|--|
|            | At end of year<br>5p shares<br>(FirstBus plc) | At beginning<br>of year<br>10p shares<br>(CentreWest<br>Ltd) |
| P G Hendy  | 1,699,540                                     | 838,440  |
| J A Storey | 908,675                                       | 463,080  |

There is no contract or arrangement with the company or any of its fellow group undertakings, other than service contracts, 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 Mr R A Duncan in the ordinary shares of FirstBus plc are disclosed in the directors' report of FirstBus plc.

## **TRAM OPERATIONS LIMITED**

### **DIRECTORS' REPORT (continued)**

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#### **Auditors**

Following the acquisition of the company by FirstBus plc, the auditors, Deloitte & Touche, resigned and were replaced by KPMG Audit Plc.

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

Macmillan House  
Paddington Station  
London  
W2 1TY



J A Storey  
Secretary

14 August, 1997

## **TRAM OPERATIONS LIMITED**

### **DIRECTORS' RESPONSIBILITIES**

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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 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 a 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.

## **REPORT OF THE AUDITORS TO THE MEMBERS OF TRAM OPERATIONS LIMITED**

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We have audited the financial statements on pages 6 to 11.

### **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, on 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 the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

15 Pembroke Road  
Clifton  
Bristol  
BS8 3BG

14 August, 1997

**TRAM OPERATIONS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 March 1997**

|   | <b>Notes</b> | <b>Year to<br/>31 March<br/>1997<br/>£000</b> |
|---|--------------|---|
| Turnover                                      |              |   |
| - continuing operations                       | 2            | 75  |
| Total Operating costs                         | 3            | 40  |
| Operating profit                              |              |   |
| - continuing operations                       |              | <u>35</u>                                     |
| Profit on ordinary activities before taxation | 2,6          | 35  |
| Tax on profit on ordinary activities          | 7            | <u>12</u>                                     |
| Profit for the financial year                 |              | <u>23</u>                                     |

No statement of total recognised gains and losses is given as all gains or losses for the year passed through the profit and loss account.



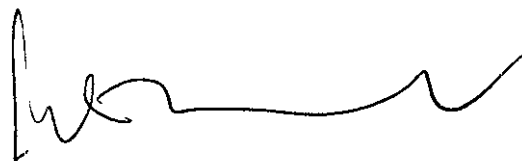
**TRAM OPERATIONS LIMITED**  
**BALANCE SHEET**

**At 31 March 1997**

|  | Notes | 31 March 1997 |           | 31 March 1996 |          |
|--|-------|---------------|-----------|---------------|----------|
|  |       | £000          | £000      | £000          | £000     |
| <b>Assets employed:</b>                        |       |               |           |               |          |
| <b>Current assets</b>                          |       |               |           |               |          |
| Trade debtors                                  |       | 35            |           | -             |          |
| Cash at bank and in hand                       |       | 16            |           | -             |          |
|  |       | <u>51</u>     |           | -             |          |
| Creditors: amounts falling due within one year | 8     | 28            |           | -             |          |
| <b>Net current assets</b>                      |       |               |           |               |          |
| Due within one year                            |       |               |           |               |          |
| Amounts due after more than one year           |       |               | 23        |               | -        |
|  |       |               | -         |               | -        |
| <b>Net current assets</b>                      |       |               | <u>23</u> |               | <u>-</u> |
| <b>Total assets less current liabilities</b>   |       |               | <u>23</u> |               | <u>-</u> |
| <b>Financed by:-</b>                           |       |               |           |               |          |
| <b>Capital and Reserves</b>                    |       |               |           |               |          |
| Called up share capital                        | 9     |               | -         |               | -        |
| Profit and loss account                        | 10    |               | <u>23</u> |               | <u>-</u> |
| <b>Equity shareholders' funds</b>              |       |               | <u>23</u> |               | <u>-</u> |

These financial statements were approved by the board of directors on 14 August, 1997 and were signed on its behalf by:

Director



P Hendy

**TRAM OPERATIONS LIMITED**  
**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

For the year ended 31 March 1997

|  | Year to<br>31 March<br>1997<br>£000 | 7 months<br>to<br>31 March<br>1996<br>£000 |
|--|-------------------------------------|--|
| Profit for the financial year            | 23                                  | -  |
| Net additions to shareholders' funds     | 23                                  | -  |
| Shareholders' funds at beginning of year | -                                   | -  |
| Shareholders' funds at end of year       | <u>23</u>                           | <u>-</u>                                   |

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.

# TRAM OPERATIONS LIMITED

## NOTES TO THE ACCOUNTS

31 March 1997

### 1 Principal 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.

#### (a) Basis of preparation

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

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.

#### (b) 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 to the extent that it is probable that a liability or asset will crystallise.

### 2 Turnover and profit/(loss) 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.

### 3 Operating costs

|  | Year to<br>31 March 1997<br>£000 | 7 months to<br>31 March 1996<br>£000 |
|--|----------------------------------|--------------------------------------|
| Management charges from other<br>group companies | 20                               | -                                    |
| External charges                                 | 20                               | -                                    |
|  | <u>40</u>                        | <u>-</u>                             |

### 4 Employee numbers

The average number of persons employed by the company (including directors) during the year was 3 (1996 - 2).

**TRAM OPERATIONS LIMITED**  
**NOTES TO THE ACCOUNTS (continued)**

**31 March 1997**

**5 Directors' remuneration**

No directors' involvements were paid in either this financial year or the preceeding financial period.

**6 Profit on ordinary activities before taxation**

|   | Year to 31<br>March 1997<br>£000 | 7 months<br>to<br>31 March<br>1996<br>£000 |
|---|----------------------------------|--|
| Profit on ordinary activities before taxation is<br>stated after charging:- |                                  |  |
| Auditors' remuneration  |                                  |  |
| - audit fee   | 1                                | -  |
| Rentals payable under operating leases                                      |                                  |  |
| - other assets  | <u>3</u>                         | <u>-</u>                                   |

**7 Tax on profit on ordinary activities**

|                           | Year to<br>31 March<br>1997<br>£000 | 7 months<br>to<br>31 March<br>1996<br>£000 |
|---------------------------|-------------------------------------|--|
| UK corporation tax at 33% |                                     |  |
| Current year              | <u>12</u>                           | <u>-</u>                                   |

**8 Creditors**

**Amounts falling due within one year**

|                                    | 31 March 1997<br>£000 | 31 March 1996<br>£000 |
|------------------------------------|-----------------------|-----------------------|
| Amounts owed to group undertakings | 5                     | -                     |
| Corporation tax                    | 12                    | -                     |
| Other tax                          | 5                     | -                     |
| Accruals and deferred income       | 6                     | -                     |
|                                    | <u>28</u>             | <u>-</u>              |

**TRAM OPERATIONS LIMITED**  
**NOTES TO THE ACCOUNTS (continued)**

**31 March 1997**

**9 Called up share capital**

|  | 31 March 1997<br>£ | 31 March 1996<br>£ |
|--|--------------------|--------------------|
| Authorised<br>Ordinary shares of £1 each                         | <u>1,000</u>       | <u>1,000</u>       |
| Allotted, called up and fully paid<br>Ordinary shares of £1 each | <u>2</u>           | <u>2</u>           |

**10 Reserves**

|                              | Profit and loss<br>account<br>£000 |
|------------------------------|------------------------------------|
| At beginning of year         | -                                  |
| Retained profit for the year | <u>23</u>                          |
| At end of year               | <u>23</u>                          |

**11 Commitments**

The company had no capital nor any other commitments at 31 March 1997 or at 31 March 1996.

**12 Contingent liabilities**

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 H M Customs and Excise.

**13 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 Oldmixon Crescent, Weston-super-Mare, North Somerset, BS24 9AY.