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GUINNESS HOP FARMS LIMITED

DIRECTORS' REPORT - 17 MONTHS TO 30TH SEPTEMBER, 1982

Directors: Mr. J. L. Wilkinson (Chairman)  
Mrs. M. Bird (Managing Director)  
Mr. M. Schofield  
Mr. J. D. C. Smiley

ACTIVITIES:

During the period under review, the Company has continued to operate the farms at Braces Leigh, Worcs. and Teynham, Kent.

ACCOUNTS:	2000
The net profit attributable to shareholders is:	308
Deduct proposed dividend	500
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	308

Add:

Distributable element of depreciation charge	5
Portion of property revaluation surplus now realised	40
Retained profit brought forward	238
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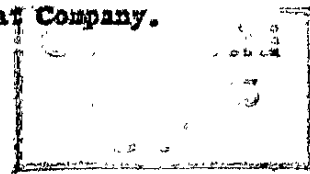
Leaving a balance of retained profit to be carried forward	501
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DIRECTORS' SHARE INTERESTS:

The interests of the directors of the Company in the ordinary and unsecured loan stocks of Arthur Guinness & Sons PLC were as follows:

	<u>AS AT 30.9.82</u> <u>BENEFICIAL &amp;</u> <u>FAMILY INTERESTS</u>	<u>OTHER</u> <u>INTERESTS</u>	<u>AS AT 1.5.81</u> <u>BENEFICIAL &amp;</u> <u>FAMILY INTERESTS</u>	<u>OTHER</u> <u>INTERESTS</u>
<u>Ord. Stock</u> <u>(25p units)</u>				
M. Bird	750	-	-	-
M. Schofield	1,808	-	919	-
J. D. C. Smiley	220	-	220	-
<u>10% Unsecured</u> <u>loan stock 1993/98</u>				
J. D. C. Smiley	-	3,600	-	3 600

The stockholding of Mr. J. L. Wilkinson, who is a Director of Arthur Guinness Son & Co. (Park Royal) Ltd., will be shown in the report of that Company.



GUINNESS HOP FARMS LIMITED

DIRECTORS' REPORT - 17 MONTHS TO 30TH SEPTEMBER, 1982 (CONTINUED)

DIRECTORS' SHARE INTERESTS (CONTINUED):

Save as disclosed above, no director had any interest in the ordinary and unsecured loan stocks of Arthur Guinness & Sons PLC and its subsidiaries.

DIRECTORS:

The name of the directors as at 30th September, 1982 are shown at the heading of the Report.

In accordance with the Articles of Association, the directors are not required to retire by rotation.

AUDITORS:

A resolution will be proposed at the Annual General Meeting to appoint Ernst & Whinney as auditors until the next General Meeting at which accounts are laid before the members.



J. L. WILKINSON

Chairman

6th December, 1982

# Ernst & Whinney

Chartered Accountants

## REPORT OF THE AUDITORS TO THE MEMBERS

We have examined the accounts of Guinness Hop Farms Limited, set out on pages 4 to 9. These have been prepared under the historical cost convention, modified to include the revaluation of certain assets. Our audit has been carried out in accordance with approved auditing standards.

In our opinion, the accounts give a true and fair view of the state of affairs at 30 September 1982, and of the profit and source and application of funds for the period then ended, and comply with the Companies Acts 1948 to 1981.

*Ernst & Whinney*  
Ernst & Whinney

London

6 December 1982

## GUINNESS HOP FARMS LIMITED

## PROFIT AND LOSS ACCOUNT - 17 MONTHS TO 30TH SEPTEMBER, 1982

	<u>NOTE</u>	<u>17 MONTHS</u> <u>1982</u>	<u>12 MONTHS</u> <u>1981</u>
TURNOVER			
To external customers		12,814	7,586
To Group companies		2,104,308	849,754
		<hr/>	<hr/>
		£2,117,122	£857,340
		<hr/>	<hr/>
PROFIT BEFORE TAXATION	2	719,646	204,681
TAXATION	4	(88,420)	92,325
		<hr/>	<hr/>
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		808,066	112,356
PROPOSED DIVIDEND		500,000	74,904
		<hr/>	<hr/>
RETAINED PROFIT FOR THE PERIOD		£308,066	£27,452
		<hr/>	<hr/>

## STATEMENT OF RETAINED PROFITS

At beginning of period		238,209	182,858
Profit for period		308,066	37,452
Portion of property revaluation surplus now realised	8	30,538	15,356
Distributable element of depreciation charge		5,424	2,543
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		£581,237	£238,209
		<hr/>	<hr/>

## GUINNESS HOP FARMS LIMITED

## BALANCE SHEET - AT 30TH SEPTEMBER, 1982

	<u>NOTE</u>	<u>30TH SEPTEMBER,</u> <u>1982</u>	<u>30TH APRIL,</u> <u>1981</u>
<b>CURRENT ASSETS</b>			
Stocks and stores		19,283	26,364
Growing crops		-	251,503
Debtors		69,708	20,606
Due by fellow subsidiaries		774,238	-
Bank balances and cash		17,709	10,641
		<hr/>	<hr/>
		880,938	309,114
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Creditors		138,244	40,913
Taxation		-	90,000
Amounts owing to fellow subsidiaries		316,270	166,049
Proposed dividend		500,000	74,904
		<hr/>	<hr/>
		954,514	371,866
		<hr/>	<hr/>
<b>NET CURRENT LIABILITIES</b>		<b>(73,576)</b>	<b>(62,752)</b>
<b>FIXED ASSETS</b>	<b>5</b>	<b>1,935,160</b>	<b>1,763,481</b>
		<hr/>	<hr/>
<b>ASSETS EMPLOYED</b>		<b>21,861,584</b>	<b>21,700,729</b>
		<hr/>	<hr/>
<b>SHARE CAPITAL</b>			
Authorised and issued			
50,000 shares of £1 each, fully paid		50,000	50,000
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>	<b>6</b>	<b>1,220,347</b>	<b>1,265,309</b>
<b>RETAINED PROFITS</b>		<b>591,237</b>	<b>238,209</b>
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS</b>		<b>1,861,584</b>	<b>1,553,518</b>
<b>LOAN FROM HOLDING COMPANY</b>		<b>-</b>	<b>147,211</b>
		<hr/>	<hr/>
<b>FUNDS EMPLOYED</b>		<b>21,861,584</b>	<b>21,700,729</b>
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J. L. WILKINSON

M. BIRD

6th December, 1982

Directors

*Maynard*

## GUINNESS HOP FARMS LIMITED

## NOTES TO THE ACCOUNTS - 17 MONTHS TO 30TH SEPTEMBER, 1982

1. ACCOUNTING POLICIES

- a) The accounts have been prepared in compliance with Section 149A of the Companies Act 1948 and Schedule 8A to that Act.

b) Depreciation

No depreciation has been charged on freehold land. Buildings, plant, machinery and vehicles are subject to various rates of depreciation calculated to write off original costs over expected duration of useful life.

Principal rates:

Freehold Buildings	2%, 5%, 8 $\frac{1}{2}$ %
Plant & Machinery	5%, 7 $\frac{1}{2}$ %, 8 $\frac{1}{2}$ %, 10%, 15%, 20%
Road Vehicles	15%, 20%

c) Stocks and Stores

Consumable stores have been valued at cost (F.I.F.O. basis).

d) Deferred Taxation

Taxation deferred for any reason is provided only where, in the opinion of the Directors, the liability will become payable within the foreseeable future. The details of the potential liability for deferred taxation are given in Note 7.

2. PROFIT BEFORE TAXATION

	<u>17 MONTHS</u> <u>1982</u>	<u>12 MONTHS</u> <u>1981</u>
Stated after charging:		
Directors' remuneration (Note 3)	-	-
Fees	-	2260
Remuneration for executive service	-	-
	70,695	37,576
Depreciation - Cost	6,424	2,543
- Revaluation Surplus	-	-
	<u>276,119</u>	<u>240,119</u>
Auditors' remuneration	22,234	23,142
and after crediting:		
Sundry interest receivable	2280	2170
Surplus on disposal of fixed assets	27,844	25,334

## GUINNESS HOP FARMS LIMITED

## NOTES TO THE ACCOUNTS - 17 MONTHS TO 30TH SEPTEMBER, 1982 (CONTINUED)

3. DIRECTORS' REMUNERATION

	<u>17 MONTHS</u> <u>1982</u>	<u>12 MONTHS</u> <u>1981</u>
Chairman's remuneration	-	-
Highest paid Director	-	£260
Number of other Directors in the scale below £5,000	2	2

4. TAXATION

Provision for Corporation tax at 52% (1981 52%) based on current profits	1,580	92,340
Prior year adjustment	(90,000)	(15)
	<u>(£88,420)</u>	<u>£92,325</u>

The taxation charge for this period has been reduced by Group relief for which no payment is required. The prior year adjustment is due to the reduction in Group relief requiring payment.

5. FIXED ASSETS

	<u>FREEHOLD</u> <u>LAND AND</u> <u>BUILDINGS</u>	<u>FIXED</u> <u>PLANT AND</u> <u>MACHINERY</u>	<u>MOVABLE</u> <u>PLANT AND</u> <u>MACHINERY</u>	<u>TOTAL</u>
Cost or valuation at 1.5.81	1,688,399	508,459	190,232	2,387,090
Additions	154,886	99,318	34,475	288,679
Removals	(41,750)	(642)	(3,850)	(46,242)
	<u>1,801,535</u>	<u>607,135</u>	<u>220,857</u>	<u>2,629,527</u>
Cost or valuation at 30.9.82	1,801,535	607,135	220,857	2,629,527
Depreciation at 30.9.82	88,330	435,946	170,091	694,367
Net values at 30.9.82	<u>£1,713,205</u>	<u>£171,189</u>	<u>£50,766</u>	<u>£1,935,160</u>
Net values at 30.4.81	<u>£1,630,688</u>	<u>£98,652</u>	<u>£34,161</u>	<u>£1,763,481</u>

Note: Freehold land and buildings comprises:

Cost	295,285
Valuation	<u>1,506,250</u>
	<u>£1,801,535</u>

The Freehold land and buildings were revalued at 27th September, 1980 by independent chartered surveyors on the basis of open market value for existing use.

## GUINNESS HOP FARMS LIMITED

## NOTES TO THE ACCOUNTS - 17 MONTHS TO 30TH SEPTEMBER, 1982 (CONTINUED)

6. SURPLUS ON REVALUATION OF FIXED ASSETS

At 1st May, 1981	1,265,309
Surplus realised on sale of properties	(39,538)
Distributable element of depreciation charge	(5,424)
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AT 30TH SEPTEMBER, 1982	21,220,347
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7. DEFERRED TAXATION

No provision for deferred taxation at 30th September, 1982 has been made. Potential tax liabilities, which are not expected to crystallize in the future, exist in respect of:

	<u>17 MONTHS</u> <u>1982</u>	<u>12 MONTHS</u> <u>1981</u>
Accumulated Capital Allowances on plant and machinery and industrial buildings	112,000	45,000
Capital Gains on revalued properties	233,000	235,000
Agricultural Building Allowances	71,000	43,000
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	2416,000	2323,000
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8. CAPITAL EXPENDITURE

Contracts for capital expenditure not provided for in these accounts amount to approximately 237,572 (1981 261,202).

9. HOLDING COMPANY

Arthur Guinness & Sons PLC, incorporated in Great Britain, is the ultimate holding company.



## GUINNESS HOP FARMS LIMITED

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS - 17 MONTHS TO 30TH SEPTEMBER, 1982

	<u>17 MONTHS</u> <u>1982</u>	<u>12 MONTHS</u> <u>1981</u>
<b>SOURCE OF FUNDS</b>		
Profit before taxation	719,646	204,681
Adjustments for items not involving the movement of funds:		
Depreciation	76,119	40,119
(Profit) on sale of fixed assets	(7,844)	(5,334)
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<b>TOTAL GENERATED FROM OPERATIONS</b>	<b>787,921</b>	<b>239,466</b>
<b>FUNDS FROM OTHER SOURCES</b>		
Proceeds from disposal of fixed assets	48,725	23,909
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<b>TOTAL SOURCE OF FUNDS</b>	<b>836,646</b>	<b>263,375</b>
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<b>APPLICATION OF FUNDS</b>		
Dividends paid	74,904	908,235
Purchase of fixed assets	288,679	110,071
Contribution to pension fund	4,500	4,500
Movement in loan to/from holding company	147,211	(791,926)
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<b>TOTAL APPLICATION OF FUNDS</b>	<b>515,294</b>	<b>226,880</b>
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<b>INCREASE IN WORKING CAPITAL</b>	<b>321,352</b>	<b>34,495</b>
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<b>Represented by:</b>		
Amount due from fellow subsidiaries	774,238	-
Amount due to fellow subsidiaries	(150,221)	18,719
Stocks, stores and growing crops	(258,584)	19,893
Debtors	49,102	(10,283)
Creditors	(100,251)	(3,585)
Net liquid funds - bank balance and cash	7,088	11,733
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	<b>321,352</b>	<b>34,495</b>
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