

SIGNED COPY

423978

98

GUINNESS RETAIL HOLDINGS LIMITED

30 September 1982



GUINNESS RETAIL HOLDINGS LIMITED

30 SEPTEMBER 1982

CONTENTS

	<u>Page</u>
Directors' report	1-2
Profit and loss account	3
Balance sheet	4
Notes on the accounts	5-9
Auditors' report	10

GUINNESS RETAIL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD 31 AUGUST 1981 TO 30 SEPTEMBER 1982

The Directors submit their report and the financial statements for the period from 31 August 1981 to 30 September 1982.

PRINCIPAL ACTIVITIES

The company is a holding company with subsidiaries operating in the fields of pharmaceutical distribution, retail trading in confectionery, tobacco and newspapers, photographic supplies and retail and wholesale distribution of beer, wines and spirits.

CHANGE OF YEAR-END

The company has changed its year-end to 30 September to conform with its ultimate holding company, Arthur Guinness and Sons PLC.

RESULTS AND DIVIDENDS

The company's results are set out in the profit and loss account on page 3.

A dividend of £1,000,000 has been proposed and paid during the year and the loss of £4,955,000 is carried to reserves.

DIRECTORS' INTERESTS

The Directors during the period were as follows:

MB Ogle	Chairman	(Resigned 18 January 1982)
EW Saunders	Chairman	(Appointed 18 February 1982)
CJN Ward	Managing Director	
NJ Bristow		
TA Pureslow		(Resigned 4 November 1981)
FB Abramson		(Appointed 1 September 1982)

None of the Directors had any interests in the shares of the company at 31 August 1981 or later date of appointment or at 30 September 1982.

At the year-end Mr CJN Ward held 1,000 shares in Arthur Guinness and Sons PLC, which were purchased on 1 October 1981 and subsequently sold on 11 April 1983. The holdings of Mr EW Saunders are dealt with in the accounts of the parent company.

Mr EW Saunders and Dr FB Abramson, who were appointed during the year, retire and, being eligible, offer themselves for re-election. Mr CJN Ward retires by rotation and, being eligible, offers himself for re-election.

FIXED ASSETS

The movements in fixed assets are shown in Note 10 to the accounts.

AUDITORS

Since the previous Annual General Meeting the directors of Arthur Guinness and Sons PLC have decided to propose the appointment of Price Waterhouse as auditors of all group companies in the place of the existing auditors. In consequence Stafford Rudkin & Co have resigned as auditors of the company and Price Waterhouse were appointed by the directors to fill the vacancy thus created. Resolutions to confirm their appointment and relating to their remuneration will be placed before the Annual General Meeting.

By Order of the Board


NJ Hristow
Secretary

Leighton Buzzard
Bedfordshire

12 September 1983

GUINNESS RETAIL HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD
FROM 31 AUGUST 1981 TO 30 SEPTEMBER 1982

	<u>Notes</u>	<u>13 months ended</u> <u>30 September 1982</u> £'000	<u>52 weeks ended</u> <u>30 August 1981</u> £'000
TURNOVER		<u>NIL</u>	<u>NIL</u>
OPERATING PROFIT/(LOSS)	2	93	(497)
Dividends from subsidiaries		575	15
Net interest receivable	3	<u>422</u>	<u>675</u>
PROFIT BEFORE TAXATION		1,090	193
Taxation	6	<u>-</u>	<u>-</u>
PROFIT AFTER TAXATION		1,090	193
Extraordinary items	4	<u>(5,045)</u>	<u>-</u>
(LOSS)/PROFIT AFTER TAXATION AND EXTRAORDINARY ITEMS		(3,955)	193
Dividend paid		<u>1,000</u>	<u>300</u>
RETAINED LOSS FOR THE PERIOD	7	<u>(4,955)</u>	<u>(107)</u>

The notes on pages 5 to 9 form part of these accounts

GUTHRIE'S RETAIL HOLDINGS LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 1982

	Notes	30 September 1982		30 August 1981	
		£'000	£'000	£'000	£'000
CAPITAL EMPLOYED					
Share capital	8		270		270
Reserves	7		(4,107)		848
			(3,837)		1,118
Loan from parent company	9		18,367		14,216
			14,530		15,334
EMPLOYMENT OF CAPITAL					
Fixed assets	10		149		382
Investment in subsidiary companies	9		13,764		15,207
Loan to fellow subsidiary			-		9
CURRENT ASSETS					
Debtors			64		36
Group indebtedness	9		10,533		1,052
Cash at bank and in hand			-		46
			10,597		1,134
CURRENT LIABILITIES					
Creditors			403		212
Group indebtedness	9		9,561		1,186
Bank overdraft (unsecured)			16		-
			9,980		1,398
NET CURRENT ASSETS/(LIABILITIES)			617		(264)
DIRECTORS					
			14,530		15,334

The notes on pages 5 to 9 form part of these accounts

GUINNESS RETAIL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS - 30 SEPTEMBER 1982

1 ACCOUNTING POLICIES

Consolidated accounts have not been prepared since Guinness Retail Holdings Limited is a wholly owned subsidiary of Arthur Guinness and Sons PLC.

(1) Depreciation of fixed assets

It is company policy to maintain freehold properties to a high standard. As a result, in the directors' opinion, the lives of these properties are long, and the residual value is high and therefore any depreciation charge on the buildings element of these properties would be insignificant; consequently no depreciation is charged on freehold property.

Depreciation of fixed assets (other than freehold property) is provided on a straight line basis by reference to the original cost. Depreciation is provided at the following principal rates:

Leasehold land and buildings (short)	-	period of lease
Furniture, fixtures and fittings	-	10% and 15% per annum
Motor vehicles	-	25% per annum

(2) Deferred taxation

Deferred taxation is provided only to the extent that the Directors consider that the liability will become payable within the foreseeable future.

2 OPERATING PROFIT

	13 months ended <u>30 September 1982</u> £'000	52 weeks ended <u>31 August 1981</u> £'000
Operating profit/(loss) is arrived at after charging/(crediting):		
Depreciation (net of profits on disposal of properties £233,985) (1981 - loss £(28,349))	(213)	66
Directors' emoluments (Note 5)	65	96
Compensation payments to directors for loss of office	-	139
Auditors' remuneration	<u>6</u>	<u>6</u>
Non-recurring costs:		
Termination costs arising from the reorganisation of Head Office activities	<u>-</u>	<u>93</u>

GUINNESS RETAIL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS - 30 SEPTEMBER 1982 (CONTINUED)

3 NET INTEREST RECEIVABLE

	13 months ended 30 September 1982 £'000	52 weeks ended 31 August 1981 £'000
Bank overdrafts	(1)	(1)
Interest receivable - external	18	7
- group	405	669
	422	675

4 EXTRAORDINARY ITEMS

The extraordinary items relate to the provisions against the company's interests in its subsidiaries and for other costs set up following the directors' decision to rationalise its pharmaceutical and photographic subsidiary operations.

5 DIRECTORS' EMOLUMENTS

	13 months ended 30 September 1982 £'000	52 weeks ended 31 August 1981 £'000
Chairman - to 19 January 1982	£NIL	£NIL
- from 18 February 1982	£NIL	£NIL
Highest paid director	£30,500	£26,475
Other directors:	<u>Number</u>	<u>Number</u>
Up to £5,000	2	-
£10,001 to £15,000	-	1
£15,001 to £20,000	-	1
£20,001 to £25,000	1	1

6 TAXATION

The tax charge has been reduced to nil due to group relief received for which no payment is required. In accordance with the company's accounting policy, no provision has been made in these accounts for deferred taxation in respect of the excess of capital allowances over depreciation amounting to £18,000 (1981 - £11,300).

7 RESERVES

	13 months ended 30 September 1982 £'000	52 weeks ended 31 August 1981 £'000
Profits brought forward	848	955
Loss for the period	(4,955)	(107)
Total per balance sheet	(4,107)	848

GUINNESS RETAIL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS - 30 SEPTEMBER 1982 (CONTINUED)

8 SHARE CAPITAL

	1982 £'000	1981 £'000
Authorised, issued and fully paid:		
Ordinary shares of £1 each	250	250
1% Preference shares of £1 each	20	20
	<u>270</u>	<u>270</u>

9 GROUP INDEBTEDNESS

	1982 £'000	1981 £'000
(1) <u>Investments in subsidiaries</u>		
Shares in subsidiaries at cost	2,602	2,510
Loans	<u>15,908</u>	<u>12,697</u>
	18,510	15,207
Less: Provision	<u>(4,746)</u>	<u>-</u>
	<u>13,764</u>	<u>15,207</u>

In the opinion of the directors the value of the company's investments in its subsidiaries is not less than the amount at which they are stated in the balance sheet .

(2) Group indebtedness

Amount due from parent company	8,798	-
Amount due from subsidiary companies	<u>1,735</u>	<u>1,052</u>
	<u>10,533</u>	<u>1,052</u>
Amount due to fellow subsidiaries	-	14
Amount due to parent company	-	17
Amount due to subsidiary companies	<u>9,561</u>	<u>1,155</u>
	<u>9,561</u>	<u>1,186</u>

(3) Loan from parent company

The loan from the parent company is interest free. The parent company has confirmed that financial support will continue to be made available to the company for the foreseeable future and accordingly the accounts have been drawn up on a going-concern basis.

GUINNESS RETAIL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS - 30 SEPTEMBER 1982 (CONTINUED)

10 FIXED ASSETS

	<u>Freehold property</u> £'000	<u>Leasehold (short)</u> £'000	<u>Furniture & fittings</u> £'000	<u>Motor vehicles</u> £'000	<u>Total</u> £'000
COST					
At 31 August 1981	279	10	44	86	419
Additions	-	5	16	17	38
Disposals	(199)	(10)	(3)	(62)	(274)
At 30 September 1982	<u>80</u>	<u>5</u>	<u>57</u>	<u>41</u>	<u>183</u>
ACCUMULATED DEPRECIATION					
At 31 August 1981	-	-	10	27	37
Charge for the period	-	-	9	11	20
Eliminated on disposals	-	-	(2)	(21)	(23)
At 30 September 1982	<u>-</u>	<u>-</u>	<u>17</u>	<u>17</u>	<u>34</u>
NET BOOK VALUE					
At 30 September 1982	<u>80</u>	<u>5</u>	<u>40</u>	<u>24</u>	<u>149</u>
At 31 August 1981	<u>279</u>	<u>10</u>	<u>34</u>	<u>59</u>	<u>382</u>

11 CAPITAL COMMITMENTS

	<u>1982</u> £'000	<u>1981</u> £'000
Contracts for capital expenditure not provided for in these accounts	<u>20</u>	<u>-</u>
Authorised expenditure but not contracted for	<u>-</u>	<u>-</u>

12 ULTIMATE HOLDING COMPANY

The ultimate holding company is Arthur Guinness and Sons PLC, a company incorporated in England.

GUINNESS RETAIL HOLDINGS LIMITED

NOTES ON THE ACCOUNTS - 30 SEPTEMBER 1982 (CONTINUED)

13 SUBSIDIARY AND ASSOCIATED COMPANIES

The principal subsidiaries and associated company are:

	<u>Description of shares</u>	<u>Percentage held</u>	<u>Country of incorporation</u>
Caledonian Pharmaceutical Holdings Ltd	Ordinary	100.0	Scotland
and its subsidiaries and associate:			
R Gordon Drummond Ltd	Ordinary	100.0	Scotland
Brown Gray and Co Ltd	Ordinary	100.0	Scotland
Cockburn Industrial Services Ltd	Ordinary	100.0	Scotland
William Davidson Ltd	Ordinary	100.0	Scotland
Fernan Sundries Ltd	Ordinary	49.6	Scotland
GJ Maley Ltd	Ordinary	100.0	Isle of Man
Lavells Ltd	Ordinary	100.0	England
Consolidated Agricultural Suppliers Ltd	Ordinary Deferred	100.0 100.0)) England
and its principal subsidiary:			
Earnvale Tractors Ltd	Ordinary	100.0	Scotland
GRH (Property) Ltd	Ordinary	100.0	England
Morison Photographics Ltd	Ordinary	100.0	England
and its subsidiaries:			
DG Photo Products Ltd	Ordinary	51.0	England
Leeds Camera Centre Ltd	Ordinary	51.0	England
John Bateson and Co Ltd	Ordinary	100.0	England

14 ACCOUNTS

These accounts have been drawn up in accordance with Section 149A of and Schedule 8A to the Companies Act 1948 and were approved by the Board of Directors on 12 September 1983.



SOUTHWARK TOWERS,
32 LONDON BRIDGE STREET,
LONDON SE1 9SY

REPORT OF THE AUDITORS TO THE MEMBERS OF
GUINNESS RETAIL HOLDINGS LIMITED

We have audited the financial statements on pages 3 to 9 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give under that convention a true and fair view of the state of affairs of the Company at 30 September 1982 and of the loss for the period then ended and comply with the Companies Acts 1948 to 1981.

Price Waterhouse

Chartered Accountants
Southwark Towers
32 London Bridge Street
London SE1 9SY

12 September 1983