

JOHN CRABBIE & COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1988



JOHN CRABBIE & COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1988

DIRECTORS

R J Gilchrist  
J T Gray  
I H Ross  
J W Smart

SECRETARY

W O Page

REGISTERED OFFICE

108 Great Junction Street  
Edinburgh  
EH6 5LF

The directors present their report and the audited accounts for the year ended 31 December 1988.

REVIEW OF THE BUSINESS

On 1 January 1988 the company's net assets and trading activities were transferred to fellow group companies. As a result the company has not traded during the year.

DIVIDENDS

The directors do not recommend the payment of dividend (1987 FNIL).

## FIXED ASSETS

Changes in tangible fixed assets are summarised in the notes to the accounts.

## DIRECTORS AND THEIR INTERESTS

The persons who at the date of this report are directors of the company are listed above. Mr D W Jones resigned from the Board on 31 August 1988. Messrs N V Brown and I E Read resigned on 30 November 1988. Messrs. R J Gilchrist, I H Ross and J W Smart were appointed to the Board on 1 November 1988.

Directors' interests stated in accordance with statute and intimated to the company are shown below.

At 31 December 1988 Guinness PLC			At 1 January 1988 Guinness PLC		
Ordinary Stock units of 25p each	5 3/4% Convertible Cumulative Preference shares of £1 each fully paid		Ordinary Stock units of 25p each	5 3/4% Convertible Cumulative Preference shares of £1 each fully paid	
	Number	Number		Number	Number
R J Gilchrist	257	-	-	-	-
I H Ross	1,065	752	1,065	752	752
J W Smart	346	-	-	-	-
Options in respect of Ordinary Shares of 25p each			Options in respect of Ordinary Shares of 25p each		
R J Gilchrist	2,637		1,081		
I H Ross	28,400		28,400		
J W Smart	5,769		-		

## AUDITORS

The auditors, Price Waterhouse, have expressed their willingness to continue in office and a resolution to this effect will be proposed at the Annual General Meeting.

## BY ORDER OF THE BOARD

*[Signature]*  
Secretary

AUDITORS' REPORT TO THE MEMBERS OF

JOHN CRABBIE & COMPANY LIMITED

We have audited the financial statements on pages 4 to 10 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1988 and comply with the Companies Act 1985.

*Price Waterhouse*

Price Waterhouse  
Chartered Accountants  
28 Drumsheugh Gardens  
Edinburgh

*10 March 1989*

JOHN CRABBIE & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1988

	<u>Notes</u>	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Turnover	2	-	1,533
Net operating costs	3	-	(1,603)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(70)
Taxation on loss on ordinary activities	4	-	6
RETAINED DEFICIT		<hr/>	<hr/>
		<hr/>	<hr/>

The notes on pages 6 to 10 form part of these financial statements

JOHN CRABBIE & COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1988

	<u>Notes</u>	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
FIXED ASSETS			
Tangible assets	7	-	1,315
CURRENT ASSETS			
Stocks	8	-	1,108
Debtors	9	692	606
Cash at bank and in hand		-	218
		692	1,932
CREDITORS (amounts falling due within one year)	10	-	1,547
NET CURRENT ASSETS		692	385
TOTAL ASSETS LESS CURRENT LIABILITIES		692	1,700
PROVISIONS FOR LIABILITIES AND CHARGES	11	-	35
		692	1,665
CAPITAL AND RESERVES			
Called up share capital	13	500	500
Revaluation reserve	14	-	973
Other reserves	14	41	41
Profit and loss account	14	151	151
		692	1,665

Approved by the Board of Directors on 10th March 1989 and signed on its behalf by:

*John Crabbie*  
Director

*Robert J. Gibson*  
Director

The notes on pages 6 to 10 form part of these financial statements.

JOHN GRABBIE & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 1988

1. ACCOUNTING POLICY

Bases of accounting

The financial statements have been prepared under the historical cost convention.

On 1 January 1988 the company's net assets and trading activities were transferred to fellow group companies. As a result the company has not traded during the year, and has not incurred any liabilities.

2. TURNOVER

Turnover represents the invoice value including duties where applicable but excluding value added tax.

The following table analyses turnover by geographical area.

	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
United Kingdom	-	1,510
Republic of Ireland	-	2
Rest of Europe	-	1
Asia and Australasia	-	13
North America	-	2
Central and South America	-	5
	<u>-</u>	<u>1,533</u>

3. NET OPERATING COSTS

	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Raw materials and consumables	-	866
Customs and excise duties	-	804
Staff costs ( note 5)	-	247
Depreciation	-	107
Other operating charges	-	61
Changes in stocks of finished goods and work in progress	-	(478)
Other operating income	-	(4)
	<u>-</u>	<u>1,603</u>

Net operating costs are after taking account of:

Directors' emoluments	-	26
Auditors' remuneration	-	4
	<u>-</u>	<u>30</u>

JOHN CRABBIE & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 1988

4. TAXATION ON LOSS ON ORDINARY ACTIVITIES

	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Deferred taxation	-	(6)

5. STAFF COSTS AND EMPLOYEES

	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
(a) <u>Staff costs</u>		
Wages and salaries	-	235
Social security costs	-	12
	-	247

(b) Average number of employees

	<u>Number</u>	<u>Number</u>
U K full time staff	-	23
U K part time staff	-	3
	-	26

6. DIRECTORS' EMOLUMENTS

(a) The total amount of emoluments of Directors of the company £NIL (1987 £26,000) comprises salaries and pension contributions.

(b) The emoluments of the highest paid director are £NIL (1987 £26,000). Emoluments (excluding pension fund contributions) of other Directors of the company based in the United Kingdom are shown in the following table.

		<u>1988</u> <u>Number</u>	<u>1987</u> <u>Number</u>
£	£		
Less than	5,000	7	6



JOHN CRABBIE & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 1988

7. TANGIBLE ASSETS

	<u>Freehold land and Buildings</u> £'000	<u>Plant and machinery</u> £'000	<u>Motor vehicles</u> £'000	<u>Total</u> £'000
Cost or valuation				
At 1 January 1988	619	757	101	1,477
Transfers to Group companies	(619)	(757)	(101)	(1,477)
At 31 December 1988	-	-	-	-
Depreciation				
At 1 January 1988	24	90	48	162
Transfers to Group companies	(24)	(90)	(48)	(162)
At 31 December 1988	-	-	-	-
Net book value				
At 31 December 1988	-	-	-	-
At 31 December 1987	595	667	53	1,315

8. STOCKS

	<u>1988</u> £'000	<u>1987</u> £'000
Raw materials and consumables	-	126
Work in progress	-	365
Finished goods	-	617
	-	1,108

9. DEBTORS

	<u>1988</u> £'000	<u>1987</u> £'000
Trade debtors	-	248
Amounts owed by group companies	692	349
Other debtors	-	1
Prepayments and accrued income	-	8
	692	606

JOHN CRABBLE & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 1988

10. CREDITORS (amounts falling due within one year)

	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Trade creditors	-	357
Amounts owed to group companies	-	1,035
Social security and other taxes	-	20
Other creditors	-	2
Accruals and deferred income	-	133
	<u>-</u>	<u>1,547</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Deferred taxation (note 12)	-	35

12. DEFERRED TAXATION

The amount provided and the full potential liability is as follows:-

	<u>Amount provided</u>		<u>Potential liability</u>	
	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Excess of capital allowances over accumulated depreciation	-	35	-	37
Chargeable gains on properties	-	-	-	254
Losses	-	-	-	(5)
	<u>-</u>	<u>35</u>	<u>-</u>	<u>286</u>

13. CALLED UP SHARE CAPITAL

	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Authorised 500,000 ordinary shares of £1 each	500	500
Allotted and fully paid 500,000 ordinary shares of £1 each	500	500

JOHN CRABBIE & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 1988

14. RESERVES

	<u>Profit &amp; loss account</u> <u>£'000</u>	<u>Revaluation</u> <u>£'000</u>	<u>Other Reserves</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
As at 1 January 1988	151	973	41	1,165
Transfers to Group companies	-	(973)	-	(973)
As at 31 December 1988	151	-	41	192

15. HOLDING COMPANIES

The immediate holding company is United Distillers plc and the ultimate holding company is Guinness PLC. Both holding companies are incorporated in Great Britain.