

GUINNESS BREWING WORLDWIDE LIMITED

ANNUAL REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 1989

GUINNESS BREWING WORLDWIDE LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31 DECEMBER 1989

The Directors submit their Report and the Audited Accounts of the Company for the year ended 31 December 1989.

RESULTS AND TRANSFERS FROM RESERVES

Profit before taxation amounted to £12.9 million. After deducting taxation the profit attributed to shareholders amounted to £9.5 million which after dividends of £11.2 million resulted in a transfer from reserves of £1.7 million.

DIVIDENDS

The Company paid an interim dividend of £11.2 million (1988 - £7.0) during 1989. The Directors do not recommend the payment of a final dividend (1988 - nil).

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES

Throughout the year the Company continued to brew and market Guinness Stout and Kaliber in Great Britain, as well as being responsible for the supply of raw materials, plant and spares to overseas breweries and for the marketing of Guinness Stout and Harp Lager in overseas markets.

FUTURE DEVELOPMENTS

The Company will continue to seek ways of improving its performance in both its home and overseas markets.

TANGIBLE FIXED ASSETS

Details of movements on tangible fixed assets are given in note 8 on page 12.

RESEARCH AND DEVELOPMENT

Expenditure on research and development activities amounted to £1.0 million and relate mainly to research into new production methods.

EMPLOYMENT POLICIES

a Communication and consultation with employees

The Company is committed to the continuing development of effective employee communication, consultation and involvement. The Company consults employees and their representative bodies on decisions which are likely to affect them and encourages the involvement of employees in the financial performance of the Company through a profit sharing scheme and SAYE stock option schemes in Guinness PLC.

Communication is achieved through the availability to employees of the Guinness PLC Annual Report, interim statements, company newspapers, circulation of Brewery Council minutes and departmental consultative committees and briefings.

b Disabled persons

The policy of the Company is to give full and fair consideration to applications for employment made by disabled persons. If an employee becomes disabled whilst employed by the Company, every effort is made to find suitable employment, with re-training as necessary. Disabled people share equally in the opportunities available for training, career development and promotions.

BOARD OF DIRECTORS

The names of the Directors of the Company at 31 December 1989 are shown below:

BF Baldock
JDS Davies
JF Hearnden
MJ Hughes
PW Lipscomb
BA Slowey
CA Storm
AJ Walser

Mr DF Burditt was appointed a director on 8 March 1989 and resigned as a director on 31 December 1989.

DIRECTORS' INTEREST

No director held any shares in the Company or any other Guinness group company during the year, with the exception of the beneficial interests in the securities of Guinness PLC, set out below.

Mr BF Baldock is a director of Guinness PLC and his interests in the securities of Guinness PLC are set out in that company's Annual Report.

	31 December	31 December
	<u>1989</u>	<u>1988</u>

Stockholding - Ordinary Stock 25p Units

JDS Davies	1,681	1,404
JF Hearnden	1,346	451
MJ Hughes	1,100	823
PW Lipscomb	17,661	1,002
BA Slowey	52,971	53,044
CA Storm	6,095	6,392
AJ Walser	38,010	25,230

Stock Options - Ordinary 25p Shares

JDS Davies	106,029	77,825
JF Hearnden	57,763	52,176
MJ Hughes	69,367	62,845
PW Lipscomb	62,079	86,463
BA Slowey	87,396	75,140
CA Storm	80,529	67,389
AJ Walser	103,510	102,409

AUDITORS

The auditors, Price Waterhouse, have expressed their willingness to continue in office and a resolution for their re-appointment and authorising the Directors to fix their remuneration, will be proposed at the next Annual General Meeting.

By order of the Board

B Beanland
B Beanland
Secretary

M. March 1990

Price Waterhouse



As from 6 May 1990
our new Telephone Number
will be
071-939 3000
Telexper **071-378 0647**

AUDITORS' REPORT TO THE MEMBERS OF GUINNESS BREWING WORLDWIDE LIMITED

We have audited the accounts on pages 5 to 19 in accordance with Auditing Standards.

In our opinion these accounts give a true and fair view of the state of the company's affairs at 31 December 1989 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Chartered Accountants
London

March 1990

GUINNESS BREWING WORLDWIDE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1989

	<u>Notes</u>	<u>1989</u> £'m	<u>1988</u> £'m
Turnover	2	304.6	268.0
Net operating charges	3	<u>292.5</u>	<u>255.4</u>
OPERATING PROFIT		12.1	12.6
Income from shares in group companies		0.8	0.7
Interest payable on loans repayable within five years		(0.1)	(0.1)
Interest receivable		<u>0.1</u>	<u>0.1</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12.9	13.3
Tax on profit on ordinary activities	4	<u>3.4</u>	<u>4.3</u>
PROFIT FOR FINANCIAL YEAR		9.5	9.0
Dividends paid and proposed	7	<u>11.2</u>	<u>7.0</u>
AMOUNT TRANSFERRED (FROM)/TO RESERVES	18	<u>(1.7)</u>	<u>2.0</u>

Movements on reserves are shown in Note 18 to the accounts.
The notes on pages 8 to 19 form part of these accounts.

GUINNESS BREWING WORLDWIDE LIMITED

BALANCE SHEET AT 31 DECEMBER 1989

	Notes	1989		1988	
		f'm	f'm	f'm	f'm
FIXED ASSETS					
Tangible assets	8		137.6		82.0
Investments	9		<u>0.2</u>		<u>0.2</u>
			137.8		82.2
CURRENT ASSETS					
Stocks	11	16.3		11.8	
Debtors	12	62.3		61.7	
Cash at bank and in hand		<u>8.0</u>		<u>2.5</u>	
		86.6		76.0	
CREDITORS (amounts falling due within one year)	13	(74.4)		(70.3)	
NET CURRENT ASSETS			<u>12.2</u>		<u>5.7</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			150.0		87.9
CREDITORS (amounts falling due after more than one year)	14		(79.5)		(61.9)
PROVISIONS FOR LIABILITIES AND CHARGES	16		<u>-</u>		<u>-</u>
			70.5		26.0
CAPITAL AND RESERVES					
Called up share capital	17		6.1		6.1
Revaluation reserve	18		62.7		16.8
Profit and loss account	18		<u>1.7</u>		<u>3.1</u>
			70.5		26.0

Approved by the board of directors on 6 March 1990 and signed on its behalf by:

Director:

J. H. [Signature]

Director:

M. [Signature]

Movements on reserves are shown in Note 18 to the accounts. The notes on pages 8 to 19 form part of these accounts.

GUINNESS BREWING WORLDWIDE LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 DECEMBER 1989

	1989		1988	
	£'m	£m	£'m	£'m
FLOW OF FUNDS FROM OPERATIONS				
SOURCES				
Profit on ordinary activities before taxation		12.9		13.3
Adjustments for items not involving the movement of funds:				
Depreciation		8.6		8.0
Loss on disposal of tangible assets		<u>-</u>		<u>0.6</u>
FUNDS GENERATED BY OPERATIONS		21.5		21.9
FUNDS FROM OTHER SOURCES				
Decrease in investments		-		0.1
Proceeds from disposal of tangible assets		<u>2.4</u>		<u>1.0</u>
		23.9		23.0
APPLICATIONS				
Additions to tangible fixed assets	20.4		31.7	
Taxation paid	0.9		0.4	
Dividends paid	11.2		22.3	
Decrease in other creditors due after more than one year	<u>-</u>		<u>0.3</u>	
		32.5		54.7
		(8.6)		(31.7)
(INCREASE)/DECREASE IN WORKING CAPITAL				
Stocks	(4.5)		(4.4)	
Debtors	(0.8)		(39.0)	
Creditors	<u>(0.3)</u>		<u>17.2</u>	
		(5.6)		(26.2)
DECREASE/(INCREASE) IN NET BORROWINGS				
		(14.2)		(57.9)
REPRESENTED BY CHANGES IN				
Cash at bank and in hand		5.5		2.5
Overdrafts and short term loans		2.4		(3.0)
Bank loans (repayable after more than one year)		0.5		(0.5)
Amounts due to holding company (repayable after more than one year)		<u>(22.6)</u>		<u>(56.9)</u>
		(14.2)		(57.9)

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1989

2 ACCOUNTING POLICIES

(1) Basis of accounting

The accounts have been prepared under the historical cost convention modified to include the revaluation of land and buildings.

Consolidated financial statements have not been prepared as the Company is a wholly-owned subsidiary of another company incorporated in Great Britain.

(2) Depreciation

Tangible assets (other than land) are depreciated in equal annual instalments at rates calculated to write off their cost or valuation over the term of their estimated useful lives. Details of depreciation rates are given in note 8.

(3) Government grants

The cost of tangible assets is stated after allowing for any government grants receivable.

(4) Leased assets

Assets acquired under finance leases, comprising vehicles, casks and computer equipment, are capitalised. The annual costs in respect of other equipment leases are charged to the profit and loss account and disclosed under the heading of "hire of plant and machinery".

(5) Stocks

Valuation of stocks is at the lower of cost and net realisable value. Cost includes raw materials, excise duty and the appropriate proportion of labour costs, production and other overheads.

(6) Research and development expenditure

All such expenditure is written off to profit and loss account as incurred.

(7) Investments

Investments are stated at cost less amounts written off.

(8) Foreign currency

Assets and liabilities in foreign currencies have been translated into sterling using contract rates of exchange of exchange rates prevailing at the balance sheet date, as appropriate. Exchange differences arising from foreign currency transactions in the normal course of trading are dealt with in the profit and loss account.

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1989 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(9) 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. However, no provision is made for taxation deferred by reliefs, principally accelerated taxation allowances on capital expenditure, if such taxation is not expected to be payable in the future.

(10) Pensions

The Company is a member of a group pension scheme which is operated by its ultimate holding company, Guinness PLC. Contributions to the scheme are assessed by a qualified actuary based on the cost of providing pensions across all participating companies. Costs are not determined for each individual company and accordingly contributions are charged to the profit and loss account when they become payable.

2 TURNOVER

Turnover represents the net amounts receivable including duties where applicable but excluding value added tax.

Turnover and profit predominantly arise within the United Kingdom.

The turnover includes £34.6m (1988 - £31.9m) sales to fellow subsidiaries.

3 NET OPERATING CHARGES

	<u>1989</u>	<u>1988</u>
	£m	£m
Change in stocks of finished goods and work in progress	(1.0)	(2.6)
Raw materials and consumables	136.6	108.4
Other external charges	57.2	59.4
Staff costs (note 5) including Directors' emoluments (note 6)	31.2	25.7
Depreciation on owned assets	8.6	7.7
Depreciation on assets subject to finance leases	0.1	0.3
Other operating charges	73.1	66.9
Other operating income	<u>(13.2)</u>	<u>(10.4)</u>
	<u>292.5</u>	<u>255.6</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1989 (CONTINUED)

3 NET OPERATING CHARGES (CONTINUED)

Other operating charges include the following:

	<u>1989</u> £'000	<u>1988</u> £'000
Hire of plant and machinery	440	159
Other operating leases	84	57
Auditors' remuneration	<u>44</u>	<u>84</u>

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1989</u> £'m	<u>1988</u> £'m
United Kingdom corporation tax for current year at 35% (1988 - 35%)	3.1	4.4
Prior year adjustments	<u>0.1</u>	<u>0.3</u>
	3.2	4.7
Deferred tax (note 16)	<u>0.2</u>	<u>(0.4)</u>
	3.4	4.3
	<u> </u>	<u> </u>

5 STAFF COST AND EMPLOYEES

	<u>1989</u> £'m	<u>1988</u> £'m
(1) Staff costs		
Wages and salaries	29.1	23.0
Social security costs	2.1	1.8
Pension costs (note 21)	<u>-</u>	<u>0.9</u>
	31.2	25.7
	<u> </u>	<u> </u>

	<u>Number</u>	<u>Number</u>
(2) Average number of employees	<u>1,569</u>	<u>1,470</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1989 (CONTINUED)

5 STAFF COST AND EMPLOYEES (CONTINUED)

(3) Emoluments of senior employees in the United Kingdom

Emoluments (excluding pension scheme contributions) of senior employees, other than directors, based in the United Kingdom and earning in excess of £30,000 per annum are shown in the following table:

	<u>1989</u> <u>Number</u>	<u>1988</u> <u>Number</u>
£95,001 - £100,000	-	1
£75,001 - £ 80,000	1	-
£70,001 - £ 75,000	2	-
£65,001 - £ 70,000	1	2
£60,001 - £ 65,000	3	1
£55,001 - £ 60,000	4	1
£50,001 - £ 55,000	9	1
£45,001 - £ 50,000	4	6
£40,001 - £ 45,000	14	8
£35,001 - £ 40,000	20	15
£30,001 - £ 35,000	21	17

6 DIRECTORS' EMOLUMENTS

	<u>1989</u> <u>£'000</u>	<u>1988</u> <u>£'000</u>
Salaries and pension scheme contributions	<u>705</u>	<u>471</u>

Emoluments (excluding pension scheme contributions) of:	<u>1989</u> <u>£'000</u>	<u>1988</u> <u>£'000</u>
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Highest paid director	<u>212</u>	<u>132</u>
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Other directors:	<u>1989</u> <u>Number</u>	<u>1988</u> <u>Number</u>
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£110,001 - £115,000	2	-
£ 90,001 - £ 95,000	2	-
£ 80,001 - £ 85,000	-	1
£ 75,001 - £ 80,000	1	-
£ 65,001 - £ 70,000	-	1
£ 55,001 - £ 60,000	-	1
£ 50,001 - £ 55,000	-	1
£ 35,001 - £ 40,000	-	1
£ 25,001 - £ 30,000	-	1
£ 20,001 - £ 25,000	-	1
£ Nil - £ 5,000	3	7

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1989 (CONTINUED)

7 DIVIDENDS

	<u>1989</u> £'m	<u>1988</u> £'m
Interim dividend paid	<u>11.2</u>	<u>7.0</u>
	11.2	7.0

8 TANGIBLE ASSETS

	<u>Land and buildings</u> £'m	<u>Plant and machinery</u> £'m	<u>Casks and road vehicles</u> £'m	<u>Total</u> £'m
(1) Cost or valuation at 1 January 1989	26.4	61.4	33.4	121.2
Additions	-	10.0	10.3	20.3
Transfers from group companies	-	-	0.2	0.2
Revaluation	42.8	-	-	42.8
Transfers to group companies	-	-	(0.2)	(0.2)
Disposals	<u>-</u>	<u>(1.9)</u>	<u>(3.9)</u>	<u>(4.8)</u>
31 December 1989	<u>69.2</u>	<u>69.5</u>	<u>40.8</u>	<u>179.5</u>
Accumulated depreciation at 1 January 1989	3.2	26.3	9.7	39.2
Provision for the year	0.6	6.3	2.7	8.6
Depreciation provided on transfers from group companies	-	-	0.1	0.1
Depreciation on revaluation	(3.4)	-	-	(3.4)
Depreciation provided on transfers to group companies	-	-	(0.1)	(0.1)
Disposals	<u>-</u>	<u>(1.1)</u>	<u>(1.4)</u>	<u>(2.5)</u>
At 31 December 1989	<u>0.4</u>	<u>30.5</u>	<u>11.0</u>	<u>41.9</u>
Net book amount at 31 December 1989	<u>68.8</u>	<u>39.0</u>	<u>29.8</u>	<u>137.6</u>
Net book amount at 31 December 1988	<u>23.2</u>	<u>35.1</u>	<u>23.7</u>	<u>82.0</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1989 (CONTINUED)

8 TANGIBLE ASSETS (CONTINUED)

(2) Land and buildings - the net book amount includes the following:

	<u>1989</u>	<u>1988</u>
	£'m	£'m
Freehold	68.0	22.3
Long leasehold (over 50 years unexpired)	<u>0.8</u>	<u>0.9</u>
	<u>68.8</u>	<u>23.2</u>

(3) Land and buildings - the amount shown at cost or valuation includes the following:

	<u>1989</u>	<u>1988</u>
	£'m	£'m
At cost	1.1	3.2
At valuation - 1983 or prior	0.6	23.2
- 1989	<u>67.5</u>	<u>-</u>
	<u>69.2</u>	<u>26.4</u>

The company's land and buildings at Park Royal were revalued as at 31 December 1989 on the basis of an open market valuation for existing use, performed by Wetherall, Green and Smith, Chartered Surveyors.

(4) Land and buildings included at valuation would have been included on an historical cost basis at:

	<u>1989</u>	<u>1988</u>
	£'m	£'m
Cost	7.8	7.8
Accumulated depreciation	<u>(3.5)</u>	<u>(3.2)</u>
	<u>4.3</u>	<u>4.6</u>

(5) Included in the cost of tangible assets are the following amounts in respect of assets under construction:

	<u>1989</u>	<u>1988</u>
	£'m	£'m
Plant and machinery	4.6	6.3
Casks and road vehicles	<u>0.5</u>	<u>5.2</u>
	<u>5.1</u>	<u>11.5</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1989 (CONTINUED)

8 TANGIBLE ASSETS (CONTINUED)

(6) Included in the net book amount of tangible assets are the following amounts in respect of assets under finance leases:

	<u>1989</u>	<u>1988</u>
	£'m	£'m
a Plant and machinery		
Cost	0.4	0.8
Accumulated depreciation	(0.3)	(0.6)
	0.1	0.2
	—	—
	<u>1989</u>	<u>1988</u>
	£'m	£'m
b Casks and road vehicles		
Cost	0.5	0.5
Accumulated depreciation	(0.2)	(0.2)
	0.3	0.3
	—	—

(7) The following table shows the principal rates of depreciation:

Buildings:	
Freehold and long leasehold	2.5%, 2.66%, 3.03%, 5%
Short leasehold	over term of lease
Plant and machinery:	
Brewing and racking plant	5%, 6.67%, 10%, 12.5%, 20%
Containers	5%
Casks and road vehicles:	
Distribution vehicles	12.5%
Motor cars	25% - 50%
Casks	6.67%

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1989 (CONTINUED)

9 INVESTMENTS

	<u>1989</u>	<u>1988</u>
	£'m	£'m
Shares in subsidiaries	0.1	0.1
Other investments at cost	<u>0.1</u>	<u>0.1</u>
	0.2	0.2
	<u> </u>	<u> </u>

- (1) All the shares are either unclassified or classified as ordinary.
- (2) In the opinion of the directors, the aggregate value of the company's investments in its subsidiaries is not less than the aggregate amount at which they are stated in the balance sheet.

10 SUBSIDIARY COMPANIES

The company has the following subsidiary companies operating in the United Kingdom:

	<u>% holdings</u>	<u>Country of registration</u>	<u>Activity</u>
<u>Brewing</u>			
ES Beaven (Maltings) Limited	100	England	Maltster
Guinness Hop Farms Limited	100	England	Hop grower
<u>Non-brewing</u>			
James Blackmore Limited	78	England	Not trading

11 STOCKS

	<u>1989</u>	<u>1988</u>
	£'m	£'m
Raw materials and consumables	7.2	5.0
Work in progress	0.6	-
Finished goods and goods for resale	<u>8.5</u>	<u>6.8</u>
	16.3	11.8
	<u> </u>	<u> </u>

The replacement cost of stocks is not materially different from their book value.

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1989 (CONTINUED)

12 DEBTORS (amounts falling due within one year)	<u>1989</u>	<u>1988</u>
	£'m	£'m
Trade debtors	35.0	30.0
Amounts owed by subsidiaries	1.2	1.0
Amounts owed by fellow subsidiaries	19.7	22.5
Amounts owed by related company	-	0.2
Other debtors	5.0	5.1
Prepayments and accrued income	1.2	2.5
Deferred tax (note 16)	<u>0.2</u>	<u>0.4</u>
	<u>62.3</u>	<u>61.7</u>

£0.2m (1988 - £Nil) of other debtors and £2.7m (1988 - £6.7m) of the amounts owed by fellow subsidiaries fall due after more than one year.

13 CREDITORS (amounts falling due within one year)	<u>1989</u>	<u>1988</u>
	£'m	£'m
Bank loans	-	0.3
Bank overdraft	1.4	3.5
Trade creditors	12.3	16.1
Amounts owed to subsidiaries	9.0	9.0
Amounts owed to fellow subsidiaries	11.9	10.8
Corporation tax	7.6	0.8
Social security and other taxes	6.9	5.6
Other creditors	1.4	0.6
Accruals and deferred income	23.9	23.4
Obligations under finance leases (note 15)	<u>-</u>	<u>0.2</u>
	<u>74.4</u>	<u>70.3</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1989 (CONTINUED)

14 CREDITORS (amounts falling due after more than one year)

	<u>1989</u>	<u>1988</u>
	£'m	£'m
Bank loans	-	0.5
Amounts owed to holding company	79.5	56.9
Corporation tax	-	<u>4.5</u>
	<u>79.5</u>	<u>61.9</u>

15 LEASING COMMITMENTS

(1) Finance leases

The future minimum lease payments to which the company is committed as at 31 December 1989 under finance leases are as follows:

	<u>1989</u>	<u>1988</u>
	£'m	£'m
Falling due within one year	-	<u>0.2</u>

(2) Operating leases

Payments on non-cancellable operating leases due within one year of 31 December 1989 are as follows:

	<u>Land and</u>	<u>Other</u>
	buildings	£'m
	£'m	£'m
For which commitment expiring:		
Within one year	-	0.3
Between 1 - 2 years	-	0.1
Between 2 - 5 years	-	0.1
After 5 years	<u>0.1</u>	-
	<u>0.1</u>	<u>0.5</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1989 (CONTINUED)

16	DEFERRED TAXATION	1989		1988	
		Amount provided £'m	Full potential liability £'m	Amount provided £'m	Full potential liability £'m
	Deferred tax calculated on the liability basis in respect of all timing differences:				
	Capital allowances on plant, machinery and industrial buildings	-	10.6	-	9.5
	Provisions allowable for tax in future years	(0.2)	(0.7)	(0.4)	(0.9)
		(0.2)	9.9	(0.4)	8.6
	Tax on chargeable gains on revaluation surpluses	-	10.1	-	1.9
		(0.2)	20.0	(0.4)	10.5
17	CALLED UP SHARE CAPITAL			1989 £'m	1988 £'m
	Authorised: 7,500,000 ordinary shares of £1 each			7.5	7.5
	Allotted and fully paid: 6,100,000 ordinary shares of £1 each			6.1	6.1
18	RESERVES			Revaluation reserve £'m	Profit and loss £'m
	At 1 January 1989			16.8	3.1
	Retained profit for the year			-	(1.7)
	Surplus arising on property revaluation			46.2	-
	Transfers between reserves			(0.3)	0.3
	- depreciation on revaluation surplus			62.7	1.7
	At 31 December 1989				

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1989 (CONTINUED)

19 FUTURE CAPITAL EXPENDITURE

	<u>1989</u>	<u>1988</u>
	£'m	£'m
Contracted but not provided for in the financial statements	4.0	5.6
Authorised but not contracted for	<u>5.5</u>	<u>2.1</u>
	9.5	7.7
	—	—

20 ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of Guinness PLC which is incorporated in Great Britain.

21 PENSION FUND ARRANGEMENTS AND CONTRIBUTIONS

The Company is a member of a group pension scheme which is operated by its ultimate holding company Guinness PLC. The scheme is of the defined benefit type, is administered by trustees and is maintained independently of the finances of Guinness PLC and its subsidiaries.

A valuation of the scheme was performed in 1989 by the actuary and particulars of the valuation are contained in the accounts of Guinness PLC.

In accordance with the advice of the actuary, the charge to profit and loss for pensions is £Nil (1988 - £0.9m) and no contributions are payable. It is not expected that there will be a requirement to make contributions before the date of the next valuation of the scheme in 1992.