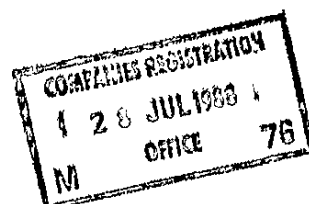


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NUTTALL'S BREWERIES LIMITED

Directors' Report and Accounts 1987



NUTTALL'S BREWERIES LIMITED

Directors:

G. Hildrew

G. G. M. Izatt

A.M.T. Eastwood

Secretary:

C.D. Barber, F.C.I.S.

Auditors:

Arthur Young

Registered Office:

Lion Brewery, Blackburn, BB1 5NH

NUTTALL'S BREWERIES LIMITED

Directors' Report

The directors submit their report and the audited accounts for the year ended 3rd October 1987.

Profit, Dividends and Reserves

The profit for the year after taxation amounted to £73,928 and is added to reserves. The directors do not recommend the payment of a dividend.

Principal Activity

The company owns a long lease on the brewery premises in respect of which it receives rental income.

Fixed Assets

The movement in the fixed assets of the company during the year are set out on Page 8.

Directors

The present directors of the company are listed on Page 1.

On 16th March 1987 Mr G Branford resigned as a director and Mr C D Barber was appointed to the board. On 1st February 1988, Mr P W Townsend and Mr C D Barber resigned from the board and Mr G Hildrew and Mr G G M Izatt were appointed to the board.

In accordance with the articles of association, Mr A M T Eastwood retires by rotation and, being eligible, offers himself for re-election.

Mr G Hildrew and Mr G G M Izatt retire, and being eligible offer themselves for re-election.

Mr Hildrew, Mr Izatt and Mr Eastwood are directors of this company's holding company and their interests therein are recorded in the register of directors' interests of that company.

Holding Company

The company is a wholly owned subsidiary of Matthew Brown P.L.C., a company registered in England and incorporated in Great Britain.

As from 26th October 1987 Scottish and Newcastle Breweries plc, a company incorporated in Great Britain and registered in Scotland became its ultimate holding company.

Auditors

A resolution to re-appoint as auditors, Arthur Young, will be put to the members at the annual general meeting.

By Order of the Board



C.D. BARBER
Secretary

Blackburn
22nd February, 1988

NUTTALL'S BREWERIES LIMITED

Profit and Loss Account for the Year Ended 3rd October ,1987.

	<u>Notes</u>	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
Turnover	1.	200	200
Depreciation	2.	95,062	95,065
Other Operating Costs		<u>10</u>	<u>10</u>
		<u>95,072</u>	<u>95,075</u>
Loss on ordinary activities before taxation.	3.	(94,872)	(94,875)
Taxation	4a.	(168,800)	(197,720)
		<u> </u>	<u> </u>
Profit on ordinary activities after taxation added to reserves.	9.	<u>73,928</u>	<u>102,845</u>

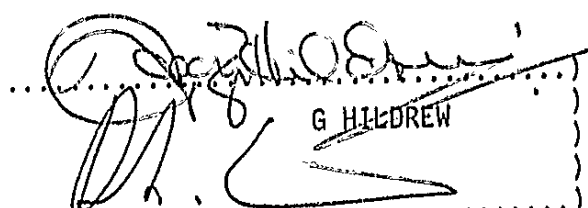

The Notes on pages 7 to 9 form an integral part of these accounts.

NUTTALL'S BREWERIES LIMITED

Balance Sheet at 3rd October 1987

<u>Fixed Assets</u>	<u>Notes</u>	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
Tangible Assets	5.	8,230,010	6,384,373
Investments - Unlisted		20	20
		<u>8,230,030</u>	<u>6,384,393</u>
<u>Current Assets</u>			
Debtors		-	-
<u>Creditors: Amounts falling due within one year</u>	6.	<u>3,950,326</u>	<u>2,178,617</u>
<u>Net Current Liabilities</u>		<u>(3,950,326)</u>	<u>(2,178,617)</u>
Total Assets less Current Liabilities		<u>4,279,704</u>	<u>4,205,776</u>
<u>Capital and Reserves</u>			
Called Up Share Capital	7.	400,000	400,000
Revaluation Reserve	8.	2,153,586	2,197,735
Profit and Loss Account	9.	1,726,118	1,608,041
		<u>4,279,704</u>	<u>4,205,776</u>

Approved by the Board on 22nd February 1988.


 G HILDREW
 Directors

 A M T EASTWOOD

The Notes on pages 7 to 9 form an integral part of these accounts.

NUTTALL'S BREWERIES LIMITED

Statement of Source and Application of Funds
for the Year Ended 3rd October 1987.

<u>Source of Funds</u>	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
Loss before tax	(94,872)	(94,875)
Adjustment for items not involving the movement of funds :		
Depreciation	<u>95,062</u>	<u>95,065</u>
Total generated from operations	190	190
<u>Application of Funds</u>		
Taxation paid	(168,800)	(197,720)
Purchase of fixed assets	<u>1,940,699</u>	<u>1,866,035</u>
(Decrease) in working capital	<u>(1,771,709)</u>	<u>(1,668,125)</u>
<u>Components of (Decrease) in Working Capital</u>		
Debtors		
Creditors and Group Companies	<u>(1,771,709)</u> <u>(1,771,709)</u>	<u>(1,668,125)</u> <u>(1,668,125)</u>

The Notes on pages 7 and 9 form an integral part of these accounts.

NUTTALL'S BREWERIES LIMITED

Notes on the Accounts

1 Turnover

Turnover represents rents receivable from the company's immediate holding company Matthew Brown P.L.C.

2. Depreciation

Long leasehold industrial buildings are depreciated on a straight line basis over 50 years

3. Directors' Emoluments

<u>1987</u>	<u>1986</u>
£	£

..	-
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4. Taxation

<u>1987</u>	<u>1986</u>
£	£

(a) Taxation for the year:-

Payment receivable for
Group Relief

(167 603)	(195 411)
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Prior Year Adjustment

(1 197)	(2 309)
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<u>(168,800)</u>	<u>(197,720)</u>
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(b) Deferred Taxation

Provision for deferred taxation is made on the liability method on all material timing differences except to the extent that such taxation is not expected to become payable in the future.

The potential amount of deferred taxation is as follows :

	<u>£</u>	<u>£</u>
Accelerated Capital Allowances @ 35% (35%)	<u>794 149</u>	<u>629,153</u>

NUTTALL'S BREWERIES LIMITED

Notes on the Accounts (continued)

5. Tangible Assets

Long Leasehold Properties

Cost or Valuation :	£
Balance at 27th September 1986	6,830,622
Additions	1,940,699
	<u>8,771,321</u>

This Balance is made up of :

Valuation 3rd October, 1981	4,435,623
Original Cost	4,335,698
	<u>8,771,321</u>

Depreciation:

Balance at 27th September, 1986	446,249
Charge for Year	95,062
	<u>541,311</u>

Net Book Values :

27th September 1986	6,384,373
3rd October 1987	<u>8,230,010</u>

For assets included above at valuation of £4,435,623 the corresponding original cost or 1964 valuation total is £2,154,159. If these assets had not been re-valued, the depreciation charge for the year would have been £50,913 and the cumulative depreciation at 3rd October 1987 would have been £413,433.

Tangible fixed assets also include £188,726 (£78,615) in respect of capitalised interest.

<u>Future Capital Expenditure</u>	<u>1987</u> £	<u>1986</u> £
Contracted but not provided for	24,077	1,821,793
Authorised but not contracted	<u>5,000</u>	<u>17,000</u>
	<u>1987</u> £	<u>1986</u> £
Amounts due to Holding Company	3,950,166	2,178,467
Amounts owing to Fellow Subsidiary	160	150
	<u>3,950,326</u>	<u>2,178,617</u>

6. Creditors - Amounts falling due within one year

NUTTALL'S BREWERIES LIMITED
Notes on the Accounts (continued)

7.	<u>Share Capital</u>	<u>1987</u> £	<u>1986</u> £
	Authorised 1,000,000 Ordinary Shares of £1 each.	<u>1,000,000</u>	<u>1,000,000</u>
	Allotted, Called Up and Fully Paid 400,000 Ordinary Shares of £1 each:	<u>400,000</u>	<u>400,000</u>
8.	<u>Revaluation Reserve</u>		£
	Balance at 27th September 1986		2,197,735
	Amortisation for the Year		(44,149)
			<u>2,153,586</u>
9.	<u>Profit and Loss Account</u>		£
	Balance at 27th September 1986		1,608,041
	Profit for the Year		73,928
	Revaluation surplus amortisation		44,149
			<u>1,726,118</u>
10.	These accounts have been prepared under the historical cost convention modified to include the revaluation of long leasehold land and buildings.		

REPORT OF THE AUDITORS TO THE MEMBERS OF
NUTTALL'S BREWERIES LIMITED

We have audited the accounts set out on pages 4 to 9 in accordance with approved auditing standards.

In our opinion the accounts, which have been prepared under the historical cost convention modified to include the revaluation of land and buildings, give a true and fair view of the state of affairs of the Company at 3rd October 1987, and of the profit and source of application of funds for the year then ended and comply with the Companies Act 1985



Arthur Young

Chartered Accountants

Manchester

22nd February, 1988