

GUINNESS HOP FARMS LIMITED
(Registered Number 277778)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1995



GUINNESS HOP FARMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995

The directors submit their Report and the audited financial statements of the Company for the year ended 31 December 1995.

DIRECTORS

The following served as directors of the Company during the year:

RA Stephens (Chairman)
WL Hampton

REVIEW OF THE BUSINESS

The Company ceased to trade on 29 January 1993 when all of its assets were disposed of.

RESULTS AND DIVIDEND

The Company made a loss after taxation of £28,000 (1994 - £Nil) which has been transferred to reserves. No dividends were paid during 1995 (1994: £Nil).

DIRECTORS' INTERESTS

No director had any interest in shares or debentures of the Company or of any subsidiary of the parent undertaking with the exception of non-beneficial interests as nominees and the interests in the ordinary shares of the ultimate holding company, Guinness PLC, as set out below:

	<u>At 31 December 1995</u>		<u>At 1 January 1995</u>	
	<u>Ordinary shares</u>	<u>Options over ordinary shares</u>	<u>Ordinary shares</u>	<u>Options over ordinary shares</u>
<u>Ordinary shares (25p units)</u>				
RA Stephens	7,746	71,108	5,674	58,729
WL Hampton	12,642	-	14,264	3,210

GUINNESS HOP FARMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

DIRECTORS' INTERESTS (CONTINUED)

During the year, the following movements in options over the ordinary shares of Guinness PLC took place:

	<u>Options granted during 1995</u>		<u>Options exercised during 1995</u>	
	<u>Number</u>	<u>Price</u> £	<u>Number</u>	<u>Price</u> £
RA Stephens	12,379	4.575	4,584	2.355
WL Hampton	-	-	1,121	2.705
			1,181	4.110

* These options were granted under the terms of the Savings Related Share Option Scheme.

The options outstanding at 31 December 1995 are exercisable at varying dates between 1996 and 2005 at varying prices between 127.0p and 548.5p.

The ultimate parent company purchases liability insurance covering the directors and officers of Guinness PLC and its subsidiaries.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GUINNESS HOP FARMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

AUDITORS

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

By Order of the Board

A handwritten signature in dark ink, appearing to read 'P Wood-Atkins', with a stylized flourish at the end.

P WOOD-ATKINS
Secretary

11 July 1996

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF GUINNESS HOP FARMS LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
and Registered Auditors
London

Price Waterhouse

22 July 1996

GUINNESS HOP FARMS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u> £'000	<u>1994</u> £'000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	-	-
Taxation on profit on ordinary activities	4	<u>(28)</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	8	<u><u>(28)</u></u>	<u><u>-</u></u>

The above information represents all recognised gains and losses in the year.

Movements on reserves are shown in note 8 to the financial statements.


The notes on pages 7 to 9 form part of these financial statements.

GUINNESS HOP FARMS LIMITED

BALANCE SHEET AT 31 DECEMBER 1995

	Note	<u>1995</u>	<u>1994</u>
		£'000	£'000
CURRENT ASSETS			
Debtors	5	757	785
CREDITORS (amounts falling due within one year)	6	<u>(91)</u>	<u>(91)</u>
NET CURRENT ASSETS		<u>666</u>	<u>694</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>666</u>	<u>694</u>
CAPITAL AND RESERVES			
Called up share capital	7	50	50
Profit and loss account	8	<u>616</u>	<u>644</u>
EQUITY SHAREHOLDERS' FUNDS	9	<u>666</u>	<u>694</u>

APPROVED BY BOARD
ON 11th July 1996


RA Stephens
DIRECTOR

The notes on pages 7 to 9 form part of these financial statements.

GUINNESS HOP FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995

1 ACCOUNTING POLICIES

(1) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(2) 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. Deferred taxation, on differences between the treatment of certain items for accounting and taxation purposes, is accounted for to the extent that a liability or an asset is expected to crystallise within the foreseeable future.

(3) Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 permitting it to dispense with the presentation of a Cash Flow Statement.

2 STAFF COSTS

	<u>1995</u> £'000	<u>1994</u> £'000
Wages and salaries	-	-
Social security costs	-	-
	<u>-</u>	<u>-</u>
	-	-
	<u>-</u>	<u>-</u>

The average weekly number of employees during the year was nil (1994 : Nil).

3 PROFIT BEFORE TAXATION

Auditors' remuneration is borne by the parent undertaking.

None of the Directors received any emoluments in respect of their services to the Company.

GUINNESS HOP FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

4	TAXATION	<u>1995</u> £'000	<u>1994</u> £'000
	Corporation tax charge for the year at 33% (1994 - 33.0%)	-	-
	Corporation tax irrecoverable	<u>28</u>	<u>-</u>
		28	-
		<u>==</u>	<u>==</u>
5	DEBTORS	<u>1995</u> £'000	<u>1994</u> £'000
	Amount owed by fellow subsidiary undertakings	757	757
	Taxation recoverable	<u>-</u>	<u>28</u>
		757	785
		<u>==</u>	<u>==</u>
6	CREDITORS (amounts falling due within one year)	<u>1995</u> £'000	<u>1994</u> £'000
	Group relief payable	82	82
	Other creditors	<u>9</u>	<u>9</u>
		91	91
		<u>==</u>	<u>==</u>
7	SHARE CAPITAL	<u>1995</u> £'000	<u>1994</u> £'000
	Authorised, issued and fully paid: 50,000 Ordinary shares of £1 each	<u>50</u>	<u>50</u>

GUINNESS HOP FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

8 RESERVES

	<u>and loss</u> £'000
At 1 January 1995	644
Loss for the financial year	<u>(28)</u>
At 31 December 1995	616
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9 EQUITY SHAREHOLDERS' FUNDS

	1995 £'000
Loss on ordinary activities after taxation	<u>(28)</u>
Net reduction in equity shareholders' funds	(28)
Opening equity shareholders' funds	<u>694</u>
Closing equity shareholders' funds	666
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10 PARENT UNDERTAKINGS

The Company is a subsidiary of Guinness Brewing Worldwide Limited, a company registered in England and Wales. The Company's ultimate parent undertaking is Guinness PLC, which is also registered in England and Wales and is the parent undertaking of both the smallest and largest group for which group accounts incorporating those of the Company are prepared. Copies of the consolidated accounts of Guinness PLC can be obtained from the Group Secretary at:

Guinness PLC, 39 Portman Square, London W1H 0EE