

**GUINNESS ENTERPRISES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 1994**



# GUINNESS ENTERPRISES LIMITED

## REPORT OF THE DIRECTORS

### DIRECTORS

B F Baldock  
J R Harding  
P J Lederer  
G W King (appointed 16 November 1994)  
C S George (resigned 31 March 1994)

### SECRETARY

N M Coyle

### REGISTERED OFFICE

39 Portman Square  
London  
W1H 0EE

The Directors submit their report and the audited financial statements of the Company for the year ended 31 December 1994.

### RESULTS

The profit for the year amounted to £568,000 (1993 - £5,126,000) which, after dividends of £5,000,000, resulted in a transfer from reserves of £4,432,000 (1993 - £6,874,000).

### DIVIDENDS

An interim ordinary dividend of £5,000,000 was paid during the year (1993 - £12,000,000). The Directors do not recommend the payment of a final dividend.

### REVIEW OF THE BUSINESS

The Company did not trade during the year.

### DIRECTORS

The Directors of the Company who held office during the year are shown above.

### DIRECTORS' INTERESTS

No Director has a beneficial interest in the shares or debentures of the Company, any subsidiary undertaking or any subsidiary of the ultimate parent undertaking. The Director's interests in the Ordinary shares of the ultimate parent undertaking, Guinness PLC, were as follows:

	<u>At 31 December 1994</u>		<u>At 1 January 1994</u>	
	Ordinary shares	Options over Ordinary shares	Ordinary shares	Options over Ordinary shares
B F Baldock	56,083	411,951	52,830	271,762
J R Harding	4,372	38,710	3,416	30,733
P J Lederer	10,066	119,101	3,727	112,160
G W King	8,101	47,016	*8,101	*48,544

\* As at date of appointment.

# GUINNESS ENTERPRISES LIMITED

## REPORT OF THE DIRECTORS

### DIRECTORS' INTERESTS (Continued)

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

		Options granted during 1994 or since date of appointment		Options exercised during 1994 or since date of appointment	
		Number	Price £	Number	Price £
B F Baldock	)	140,756	4.76		
	)	*961	3.59	*1,528	2.355
J R Harding	)	5,094	4.76		
	)	*2,883	3.59		
P J Lederer	)	12,782	4.76	5,274	1.365
	)	*961	3.59	*1,528	2.355
G W King	)	-	-	*1,528	2.355
	)	-	-	-	-

\* These options were granted/exercised under the terms of the Savings Related Share Option Scheme, remaining options were granted/exercised under the terms of the Executive Share Option Scheme.

The options outstanding at 31 December 1994 have been granted under Group employee share participation schemes (including the Executive Share Option Scheme and the Savings Related Share Option Scheme) and are exercisable at varying dates between 1995 and 2004 at varying prices between 127p and 548.5p.

No contract or arrangement entered into by the Company in which any Director is interested has existed during the year.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for the financial year.

The Directors consider that in preparing the financial statements on pages 4 to 7, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all accounting standards which they consider to be applicable have been followed. The Directors are also responsible for preparing financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

### DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The parent company, Guinness PLC, purchases liability insurance covering the Directors and officers of the Company and its subsidiaries.

### AUDITORS

An Elective Resolution was previously passed in accordance with Section 386 of the Companies Act 1985 to dispense with the annual appointment of auditors. Price Waterhouse will continue in office until this election is revoked.

By Order of the Board

N M Coyle  
Secretary

*Nicola M. Coyle*

# **GUINNESS ENTERPRISES LIMITED**

## **AUDITORS' REPORT TO THE MEMBERS OF GUINNESS ENTERPRISES LIMITED**

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **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 these 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 judgements 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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Price Waterhouse  
Chartered Accountants  
and Registered Auditors**

**Southwark Towers  
32 London Bridge Street  
London SE1 9SY**

**2 August 1995**

# GUINNESS ENTERPRISES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	Notes	Continuing Operations 1994 £'000	Continuing Operations 1993 £'000
Operating income	3	46	(438)
Profit on sale of subsidiaries		-	5,564
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>46</b>	<b>5,126</b>
Taxation	4	522	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>568</b>	<b>5,126</b>
Dividend on ordinary shares		(5,000)	(12,000)
<b>RETAINED LOSS FOR THE YEAR</b>	9	<b>(4,432)</b>	<b>(6,874)</b>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses other than those reflected in the above profit and loss account.

## NOTE OF HISTORICAL COST PROFIT AND LOSSES

There were no material differences between the reported profit for 1994 and 1993 and the profit for those years on an historical cost basis.

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

<i>For the year ended 31 December 1994</i>	<b>1994 £'000</b>	<b>1993 £'000</b>
Profit for the year attributable to shareholders	568	5,126
Dividends	(5,000)	(12,000)
Net decrease in shareholders' funds	(4,432)	(6,874)
Shareholders' funds at start of year	5,145	12,019
<b>Shareholders' funds at end of year</b>	<b>713</b>	<b>5,145</b>

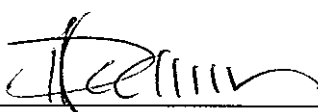
The notes on pages 6 and 7 form part of these accounts.

**GUINNESS ENTERPRISES LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 1994**

	Notes	1994 £'000	1993 £'000
<b>CURRENT ASSETS</b>			
Debtors : amounts recoverable within one year	6	11,046	11,046
<b>CREDITORS</b> (amounts falling due within one year)	7	(10,333)	(5,901)
		<hr/>	<hr/>
<b>TOTAL NET ASSETS</b>		<b>713</b>	<b>5,145</b>
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	10	10
Profit and loss account	9	703	5,135
		<hr/>	<hr/>
		<b>713</b>	<b>5,145</b>
		<hr/>	<hr/>

The notes on pages 6 and 7 form part of these accounts.

  
 \_\_\_\_\_  
**P J Lederer**  
 Director

Approved by the Board on 2 August 1995

# GUINNESS ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of Accounting

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

### 2. DIRECTORS

None of the Directors received any emoluments in respect of their services to the Company (1993 - £nil).

### 3. OPERATING INCOME/(COSTS)

	1994 £'000	1993 £'000
Staff costs (see Note 5)	-	(62)
Other operating income/(costs)	46	(288)
Taxation debtor written off	-	(88)
	<u>46</u>	<u>(438)</u>

### 4. TAXATION

	1994 £'000	1993 £'000
UK corporation tax on profit for the year at 33% (1993 - 33%)	-	-
Overprovision in prior years	522	-
	<u>522</u>	<u>-</u>

### 5. STAFF COSTS AND EMPLOYEES

	1994 £'000	1993 £'000
Wages and salaries	-	(54)
Social Security costs	-	(8)
	<u>-</u>	<u>(62)</u>

There are no employees of the Company. The Company participated in a pension contributions holiday until 31 December 1992 when it ceased to have any employees.

### 6. DEBTORS

	1994 £'000	1993 £'000
Amount recoverable within one year:		
Due from Group undertakings	11,046	11,046

# GUINNESS ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

7.	CREDITORS (amounts falling due within one year)	1994 £'000	1993 £'000
	Other creditors	60	241
	Amounts owed to parent undertaking	10,273	5,660
		<u>10,333</u>	<u>5,901</u>

8.	SHARE CAPITAL	1994 £'000	1993 £'000
	Authorised: 10,000 Ordinary shares of £1 each	10	10
	Issued and fully paid: 10,000 Ordinary shares of £1 each	<u>10</u>	<u>10</u>

9.	RESERVES	Profit and loss account £'000
	At 1 January 1994	5,135
	Retained loss for the year	(4,432)
	At 31 December 1994	<u>713</u>

## 10. PARENT UNDERTAKING

The immediate and ultimate parent undertaking is Guinness PLC, which is registered in England.

The ultimate parent undertaking is the only company in the Group preparing consolidated accounts and copies can be obtained from The Company Secretary, 39 Portman Square, London W1H 0EE.