

Registered No. : 1961733

BODIAM HOUSE INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1994



BODIAM HOUSE INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

DIRECTORS

N M Coyle
G W King (appointed 30 September 1994)
C D Coase (resigned 24 March 1994)
G H Turvey (resigned 30 September 1994)

SECRETARY

G W King

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 £16,537,000 (1993 - £4,966,000) which, after dividends of £15,000,000, resulted in a transfer to reserves of £1,537,000.

DIVIDENDS

An interim ordinary dividend of £15,000,000 was paid during the year (1993 - £nil). The Directors do not recommend the payment of a final dividend.

REVIEW OF THE BUSINESS

The Company holds an interest in a freehold site at Wandsworth.

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	Options over	Ordinary	Options over
	shares	Ordinary	shares	Ordinary
		shares		shares
N M Coyle	1,222	3,532	769	3,532
G W King	8,101	47,016	8,101 *	47,583 *

* At date of appointment

BODIAM HOUSE INVESTMENTS 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:

	<u>Options granted during 1994</u>		<u>Options exercised during 1994</u>	
	Number	Price £	Number	Price £
N M Coyle	-	-	-	-
G W King	961 *	3.59	1,528 *	2.355

* These options were granted/exercised under the terms of the Savings Related Share Option Scheme, the 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 8, 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

G W King
Secretary

21 July 1995

BODIAM HOUSE INVESTMENTS LIMITED

AUDITORS' REPORT TO THE MEMBERS OF BODIAM HOUSE INVESTMENTS LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets 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**

21 July 1995

BODIAM HOUSE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	Notes	Continuing Operations 1994 £'000	Continuing Operations 1993 £'000
Operating costs	3	-	(7)
Operating loss		-	(7)
Interest receivable from Group undertakings		24,682	6,306
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		24,682	6,299
Taxation	4	(8,145)	(1,333)
PROFIT FOR THE YEAR		16,537	4,966
Dividend on ordinary shares		(15,000)	-
RETAINED PROFIT FOR THE YEAR	10	1,537	4,966

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 a historical cost basis.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

<i>For the year ended 31 December 1994</i>	1994 £'000	1993 £'000
Profit for the financial year attributable to shareholders	16,537	4,966
Dividends	(15,000)	-
Retained profit for the year	1,537	4,966
New Share capital issued	-	380,764
Net increase in shareholders' funds	1,537	385,730
Shareholders' funds at start of year	381,385	(4,345)
Shareholders' funds at end of year	382,922	381,385

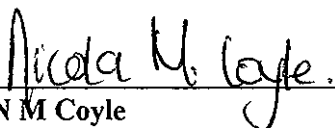
The notes on pages 6 to 8 form part of these accounts.

BODIAM HOUSE INVESTMENTS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1994

	Notes	1994 £'000	1993 £'000
FIXED ASSETS			
Tangible assets	5	3,000	3,000
CURRENT ASSETS			
Debtors	6	411,751	387,070
CREDITORS (amounts falling due within one year)	7	(31,135)	(7,969)
NET CURRENT ASSETS		<u>380,616</u>	<u>379,101</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		383,616	382,101
PROVISIONS FOR LIABILITIES AND CHARGES	8	(694)	(716)
TOTAL NET ASSETS		<u>382,922</u>	<u>381,385</u>
CAPITAL AND RESERVES			
Called up share capital	9	380,765	380,765
Profit and loss account	10	2,157	620
		<u>382,922</u>	<u>381,385</u>

The notes on pages 6 to 8 form part of these accounts.


 N M Coyle
 Director

Approved by the Board on 21 July 1995

BODIAM HOUSE INVESTMENTS 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 as modified by the revaluation of land and in accordance with applicable accounting standards.

1.2 Fixed Assets

Freehold land is stated at valuation. No provision has been made for depreciation of freehold land.

1.3 Deferred Taxation

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

2. DIRECTORS AND EMPLOYEES

None of the Directors received any emoluments in respect of their services to the company (1993 - £nil). There are no employees of the Company.

3. OPERATING COSTS

	1994 £'000	1993 £'000
Other operating costs	-	(7)
	<u>-</u>	<u>(7)</u>

4. TAXATION

	1994 £'000	1993 £'000
UK corporation tax on profit for the year at 33% (1993 - 33%)	7,451	1,365
Repayment supplement	-	(63)
Overprovision in respect of previous years	-	(685)
Deferred tax	694	716
	<u>8,145</u>	<u>1,333</u>

BODIAM HOUSE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. TANGIBLE ASSETS

Freehold Land

	£'000
Valuation	
At 1 January 1994 and 31 December 1994	3,000
Depreciation	
At 1 January 1994 and 31 December 1994	-
Net Book Value	
At 31 December 1993 and 31 December 1994	3,000

Land included at valuation would have been included on a historical basis at:-

	1994	1993
	£'000	£'000
Cost	9,291	9,291
Accumulated depreciation	-	-
Net book value	9,291	9,291

6. DEBTORS

	1994	1993
	£'000	£'000
Amount recoverable within one year:		
Due from Group undertaking	2,101	6,306
Amounts recoverable after more than one year:		
Due from Group undertaking	409,650	380,764
	411,751	387,070

7. CREDITORS (amounts falling due within one year)

	1994	1993
	£'000	£'000
Corporation tax	7,753	1,365
Other creditors	414	-
Amounts owed to ultimate parent undertakings	22,968	6,604
	31,135	7,969

8. PROVISIONS FOR LIABILITIES AND CHARGES

	1994	1993
	£'000	£'000
Deferred tax on short term timing differences	694	716

Full provision has been made for all short-term timing differences as they are expected to reverse in the near future.

BODIAM HOUSE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9.	SHARE CAPITAL	1994 £'000	1993 £'000
	Authorised:		
	380,765,000 Ordinary shares of £1 each	380,765	380,765
		<hr/>	<hr/>
	Issued and fully paid:		
	380,764,510 Ordinary shares of £1 each	380,765	380,765
		<hr/>	<hr/>

10. RESERVES

	Profit and loss account £'000
At 1 January 1994	620
Retained profit for the year	1,537
At 31 December 1994	<hr/> 2,157 <hr/>

11. 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.