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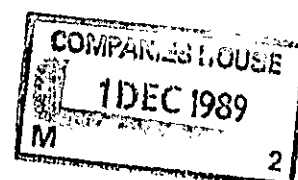
BUCKLEY'S SECURITIES LIMITED

(FORMERLY TRUSHELFCO (NO. 1113) LIMITED)

FINANCIAL STATEMENTS

16 MONTHS ENDED

31 DECEMBER 1988



CONTENTS

Page

- | | |
|---|--|
| 1 | Report of the Directors |
| 2 | Report of the Auditors |
| 3 | Accounting Policies |
| 4 | Profit and Loss Account |
| 5 | Balance Sheet |
| 6 | Statement of Source and Application of Funds |
| 7 | Notes to the Financial Statements |

REPORT OF THE DIRECTORS

The directors present their first report and the audited financial statements for the period ended 31st December 1988.

Activities

The Company was incorporated on the 16th September 1987 as Trushelfco (No. 1113) Limited with an Authorised Share Capital of £1,000.

On 14th October 1987 the Company changed its name to Buckley's Securities Limited on which date the shares were acquired by Buckley's Brewery PLC, a company incorporated in Great Britain.

The principal activity of the Company was that of dealing in listed investments.

Results

The results for the period are as set out in the Profit and Loss Account on page 4.

The directors of the Company decided in June 1988 that the Company should cease trading. Since that date the Company has been engaged in realising its portfolio of investments.

Directors

The directors who held office during the period were:

	<u>Appointed</u>	<u>Resigned</u>
G.V. Cramer	14.10.87	30.6.88
C.A. Lindsay	14.10.87	28.6.88
P. Clowes	14.10.87	31.5.88
B. Tyler	11.11.87	27.6.88
M.R. Willcocks	22.7.88	19.12.88
P.L. Edwards	22.7.88	

On the 10th March 1989 Mr. S.H. Wingfield Digby and Mr. C.J. Roberts were appointed directors of the Company.

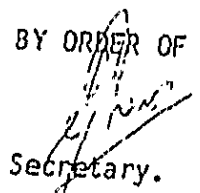
Interest of Directors in Shares

The director who held office at 31st December 1988 had no beneficial interest in the shares of the Company at that date or at the date of appointment.

Auditors

Deloitte Haskins & Sells were appointed as auditors to the Company during the period. Deloitte Haskins & Sells have indicated that they will not be seeking re-election at the Annual General Meeting. In accordance with Section 384 of the Companies Act 1985 a resolution proposing the appointment of Price Waterhouse as auditors to the Company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD


Secretary.

AUDITORS' REPORT TO THE MEMBERS OF BUCKLEY'S SECURITIES LIMITED

We have audited the financial statements on pages 3 to 9 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1988 and of its loss and source and application of funds for the period then ended and comply with the Companies Act 1985.

Without qualifying our opinion above, we draw attention to Note 11 which gives details of a contingent liability.

Deloitte Haskins & Sells

Chartered Accountants

Swansea.

17th March 1989.

ACCOUNTING POLICIES

The following paragraphs describe the main accounting policies of the Company.

Basis of Accounting

The Company prepares its financial statements on the historical cost basis of accounting. As the Company ceased to trade prior to the Balance Sheet date the Company's assets have been stated at net realisable value and provision made for all known liabilities.

Turnover

Turnover is exclusive of V.A.T. and represents the value of investments sold during the period.

Current Asset Investments

Current asset investments are stated at the lower of cost and market value.

PROFIT AND LOSS ACCOUNT

16 Months Ended 31st December 1988


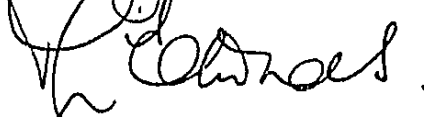
	<u>Notes</u>	16 Months 31 December 1988 <u>£</u>
TURNOVER	1	2,828,977
Net Operating Expenses	2	(2,841,495)
		<hr/>
OPERATING LOSS		(12,518)
Investment Income	4	35,505
Net Interest Payable	5	(89,694)
		<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(66,707)
Taxation	6	-
		<hr/>
LOSS FOR THE FINANCIAL PERIOD		<u>(66,707)</u>

BALANCE SHEET

As at 31st December 1988

	<u>Notes</u>	31 December 1988 £
CURRENT ASSETS		
Debtors	7	72,803
		<hr/>
CURRENT LIABILITIES		
Creditors: Amounts Falling Due Within One Year	8	139,508
		<hr/>
NET CURRENT LIABILITIES		£(66,705)
		<hr/>
CAPITAL AND RESERVES		
Called-up Share Capital	9	2
Profit and Loss Account	10	(66,707)
		<hr/>
		£(66,705)
		<hr/>

The financial statements on pages 3 to 9 were approved by the Board of Directors on 16th March 1989 and were signed on its behalf by:


 } Directors

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

16 Months Ended 31st December 1988

	16 Months 31 December 1988 <u>£</u>
OUTFLOW OF FUNDS	
Loss on ordinary activities before taxation	(66,707)
FUNDS FROM OTHER SOURCES	
Issue of Share Capital	<u>2</u>
NET OUTFLOW OF FUNDS	<u>£(66,705)</u>

THE NET OUTFLOW OF FUNDS IS REPRESENTED BY
THE FOLLOWING NET DECREASE IN WORKING CAPITAL:

Increase in Debtors	72,803
Increase in Creditors falling due within one year	(139,508)
NET DECREASE IN WORKING CAPITAL	<u>£(66,705)</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Turnover and Loss on Ordinary Activities Before Taxation

	16 Months 31 December 1988	Loss on Ordinary Activities
	Turnover	£
Dealing in Listed Investments	£ 2,828,977	£ (66,707)

2. Net Operating Expenses

	16 Months 31 December 1988
	£
Other Operating Income	(3,222)
Purchases of Investments	2,811,511
Other Operating Charges	33,206
	<hr/>
	2,841,495

Other Operating Charges are stated after charging:	£
Auditors' Remuneration	1,500

3. Directors and Employees

The average weekly number of persons employed by the Company comprised the directors and numbered 3. There were no Directors' Emoluments or Staff Costs during the period.

4. Investment Income

	16 Months 31 December 1988
	£
Income from Listed Current Asset Investments	35,505

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Net Interest Payable

16 Months
31 December
1988
£

Interest Payable on amount due to Immediate Holding
Company repayable within five years not by
instalments

105,130

Less: Interest Receivable

(15,436)

89,694

6. Taxation

There is no taxation charge for the period as a result of losses. Tax losses of approximately £19,000 are to be surrendered to a fellow group company for no payment.

7. Debtors

31 December
1988
£

Amounts falling due within the year:

Trade Debtors
Other Debtors

63,866
8,937

£72,803

8. Creditors

31 December
1988
£

Amounts falling due within one year:

Due to Immediate Holding Company
Accruals

132,639
6,869

£139,508

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Called-Up Share Capital

Authorised:
Ordinary Shares of £1 each

31 December
1988
£

1,000

Allotted, Called-Up and Fully Paid:
Ordinary Shares of £1 each

2

The Company was incorporated on 16th September 1987 with an Authorised Share Capital of £1,000 and an Allotted Share Capital of £2.

10. Reserves

Loss for the period

Profit and
Loss Account

£(66,707)

11. Contingent Liability

Included in trade debtors is an amount of £63,500 in respect of a sale of shares in October 1988. The shares were held in the name of Bracken Nominees Limited and the liquidator of that company has not yet accepted the Company's claim to beneficial ownership of the shares. The directors are of the opinion that the Company had a good title to beneficial ownership of the shares and accordingly have included the proceeds of sale in income for the period. The proceeds of sale will not be released to the Company until beneficial ownership has been finally determined. Should the Company be unsuccessful in its claim to beneficial ownership the amount of £63,500 will need to be charged to the profit and loss account together with any further amounts which would be payable in respect of any appreciation in the value of the shares and any dividends declared in the period from October 1988 to the date when beneficial ownership is finally determined.

12. Ultimate Holding Company

The Company is a subsidiary of Buckley's Brewery PLC, a company incorporated in Great Britain.

Guinness PLC, incorporated in Great Britain, is the Ultimate Holding Company.