

STADIS SECURITIES LIMITED
(Registered Number 2165069)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1994



STADIS SECURITIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994

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

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES

The principal activity of the Company was that of dealing in listed investments until it ceased this trade during 1988.

RESULTS AND TRANSFER TO RESERVES

The Company did not trade and hence made no profit for the year (1993: £2,000 loss). The Directors do not recommend the payment of a dividend. (1993 : Nil)

BOARD OF DIRECTORS

The names of the Directors of the Company during the year are shown below:

SH Wingfield-Digby	Chairman
B Beanland	Secretary

DIRECTORS' INTERESTS

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

	<u>At 31 December 1994</u>		<u>At 1 January 1994</u>	
	Ordinary Shares	Options over Ordinary Shares	Ordinary Shares	Options over Ordinary Shares
<u>Ordinary Shares (25p units)</u>				
SH Wingfield-Digby	31,869	45,418	30,393	40,982
B Beanland	14,407	51,138	13,095	42,764

STADIS SECURITIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994 (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 1994</u>		<u>Options exercised during 1994</u>	
	Number	Price (£)	Number	Price (£)
SH Wingfield-Digby	961 *	3.59	1,528 *	2.355
	5,003	4.76		
B Beanland	961 *	3.59	1,528 *	2.355
	8,941	4.76		

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

The options outstanding at 31 December 1994 have been granted under Group employee share participation schemes (including the Executive Share Options Scheme and the Savings Related Share Option Scheme) and are exercisable at varying dates between 1995 and 2004 at varying prices between £2.255 and £5.335.

Directors of subsidiaries of Guinness PLC are deemed to be interested as employees in shares held by an employee share trust, details of which are disclosed in note 24(c) to the Group accounts of Guinness PLC.

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.

STADIS SECURITIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994 (CONTINUED)

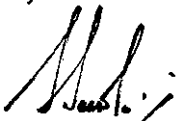
STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

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.

AUDITORS

The auditors, Price Waterhouse, have expressed 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



B Beanland
Secretary

18 August

1995

Price Waterhouse



AUDITORS' REPORT TO THE SHAREHOLDERS OF STADIS SECURITIES LIMITED

We have audited the financial statements on pages 5 to 8 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 pages 2 and 3 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 1994 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Chartered Accountants
and Registered Auditors
London

18 August 1995

STADIS SECURITIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	<u>Notes</u>	<u>1994</u> £'000	<u>1993</u> £'000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Taxation on profit on ordinary activities	2	<u>-</u>	<u>(2)</u>
LOSS FOR THE FINANCIAL YEAR	6	<u>-</u>	<u>(2)</u>

Losses/profits for the financial year stated on an historical cost basis are no different from those shown above.

Other than the loss/profit for the financial year, there have been no other recognised gains or losses.

Movements on reserves are shown in note 6 to the financial statements.

The notes on pages 7 to 8 form part of these financial statements.

STADIS SECURITIES LIMITED

BALANCE SHEET AT 31 DECEMBER 1994

	Notes	<u>1994</u> £'000	<u>1993</u> £'000
CURRENT ASSETS			
Debtors	4	<u>139</u>	<u>139</u>
TOTAL ASSETS LESS LIABILITIES		<u>139</u>	<u>139</u>
CAPITAL AND RESERVES			
Called up share capital	5	-	-
Profit and loss account	6	<u>139</u>	<u>139</u>
SHAREHOLDERS' FUNDS	7	<u>139</u>	<u>139</u>

APPROVED BY THE BOARD ON

18 August 1995

SH Wingfield-Digby

SH Wingfield-Digby
DIRECTOR

The notes on pages 7 to 8 form part of these financial statements.

STADIS SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1994

1 ACCOUNTING POLICIES

Basis of Accounting

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

2 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>1994</u>	<u>1993</u>
	£'000	£'000
The taxation charge comprises:		
United Kingdom corporation tax at 33% (1993: 33%)		
Current year	-	-
Prior year	<u>-</u>	<u>2</u>
	-	2
	<u>-</u>	<u>-</u>

3 DIRECTORS AND EMPLOYEES

The Company had no employees during 1994 (1993: None) and no directors' emoluments or staff costs were incurred (1993: £Nil).

4 DEBTORS

	<u>1994</u>	<u>1993</u>
	£'000	£'000
Amounts owed by group undertakings	136	136
Other debtors	<u>3</u>	<u>3</u>
	139	139
	<u>-</u>	<u>-</u>

STADIS SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1994 (CONTINUED)

5 CALLED UP SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
	£	£
Authorised		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

6 PROFIT AND LOSS ACCOUNT

	<u>£'000</u>
Balance at 1 January 1994 and 31 December 1994	139
	<u> </u>

7 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1994</u>	<u>1993</u>
	£'000	£'000
Loss for the financial year	-	(2)
Opening shareholders' funds	<u>139</u>	<u>141</u>
Closing shareholders' funds	139	139
	<u> </u>	<u> </u>

8 HOLDING COMPANIES

The Company is a subsidiary undertaking of Stadis Brewery PLC, a company registered in England and Wales. The 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 Guinness PLC, 39 Portman Square, London W1H 0EE.