

KORK-N-SEAL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1994



KORK-N-SEAL LIMITED

REPORT OF THE DIRECTORS

DIRECTORS

N M Coyle (appointed 31 March 1994)
C S George (resigned 31 March 1994)
G W King

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 loss for the year amounted to £196,000 (1993 - loss £517,000) which has been transferred to reserves.

DIVIDENDS

The Directors do not recommend the payment of a dividend (1993 - £nil.)

REVIEW OF THE BUSINESS

The Company acted as a property management company 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, are disclosed in the Directors' Report of the immediate parent undertaking, United Glass Holdings Limited.

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.

KORK-N-SEAL LIMITED

REPORT OF THE DIRECTORS (Continued)

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.

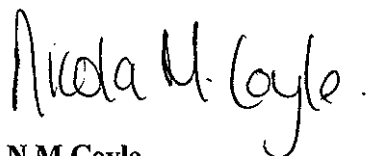
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The ultimate 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

31 July 1995

KORK-N-SEAL LIMITED

AUDITORS' REPORT TO THE MEMBERS OF KORK-N-SEAL LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 and 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 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 loss 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**

31 July 1995

KORK-N-SEAL LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 1994**

	Notes	Continuing Operations 1994 £'000	Continuing Operations 1993 £'000
Operating costs	3	(196)	(517)
RETAINED LOSS FOR THE YEAR	8	(196)	(517)

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 loss for 1994 and 1993 and the loss for those years restated on an historical cost basis.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 31 December 1994

	1994 £'000	1993 £'000
Loss for the year attributable to shareholders'	(196)	(517)
Net decrease in shareholders' funds	(196)	(517)
Shareholders' funds at start of year	(6,241)	(5,724)
Shareholders funds' at end of year	(6,437)	(6,241)

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

KORK-N-SEAL LIMITED**BALANCE SHEET AS AT 31 DECEMBER 1994**

	Notes	1994 £'000	1993 £'000
FIXED ASSETS			
Tangible assets	4	1,017	1,017
CURRENT ASSETS			
Debtors	5	275	274
CREDITORS (amounts falling due within one year)	6	(7,729)	(7,532)
NET CURRENT LIABILITIES		<u>(7,454)</u>	<u>(7,258)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(6,437)</u>	<u>(6,241)</u>
CAPITAL AND RESERVES			
Called up share capital	7	158	158
Profit and loss account	8	(6,595)	(6,399)
		<u>(6,437)</u>	<u>(6,241)</u>

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


G W King
Director

Approved by the Board on 31 July 1995

KORK-N-SEAL 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 buildings and in accordance with applicable accounting standards.

1.2 Fixed Assets

Freehold land and buildings are stated at valuation. No provision has been made for depreciation of freehold land and buildings during the year (1993 - £nil).

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
Administrative Expenses	(264)	(517)
Other operating income	68	-
Operating costs	<u>(196)</u>	<u>(517)</u>

4. TANGIBLE ASSETS

Freehold Land and Buildings

	£'000
Valuation	
At 1 January 1994 and 31 December 1994	1,017
Depreciation	
At 1 January 1994 and 31 December 1994	-
Net Book Value	
At 31 December 1993 and 31 December 1994	<u>1,017</u>

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

	1994 £'000	1993 £'000
Cost	6,730	6,730
Accumulated depreciation	-	-
Net book value	<u>6,730</u>	<u>6,730</u>

KORK-N-SEAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. DEBTORS	1994 £'000	1993 £'000
Amount recoverable within one year:		
Due from parent undertaking	158	158
Due from Group undertakings	101	101
Prepayments	16	15
	<u>275</u>	<u>274</u>

6. CREDITORS (amounts falling due within one year)	1994 £'000	1993 £'000
Amount owed to ultimate parent undertaking	805	635
Amount owed to Group undertakings	6,879	6,879
Accruals and deferred income	45	18
	<u>7,729</u>	<u>7,532</u>

7. SHARE CAPITAL	1994 £'000	1993 £'000
Authorised:		
1,000,000 Ordinary shares of 25p each	250	250
Issued and fully paid:		
632,232 Ordinary shares of 25p each	<u>158</u>	<u>158</u>

8. RESERVES	Profit and loss account £'000
At 1 January 1994	(6,399)
Retained loss for the year	(196)
At 31 December 1994	<u>(6,595)</u>

9. PARENT UNDERTAKING

The immediate parent undertaking is United Glass Holdings Limited and the ultimate parent undertaking is Guinness PLC. Both companies are 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.

10. FINANCIAL SUPPORT

The Company's ultimate parent company has indicated its willingness to continue to support the Company financially.