

GUINNESS OVERSEAS HOLDINGS LIMITED
(Registered Number 1488969)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1994



GUINNESS OVERSEAS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994

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

DIRECTORS

The Directors of the Company who have held office during the year are:

B F Baldock
J F Hearnden (resigned 30 June 1994)
C A Storm

SECRETARY

MD Peters

REVIEW OF THE BUSINESS

The Company is the holding company of a group of companies engaged in exports and overseas brewing and related operations.

The principal subsidiary company is Guinness Overseas Limited which is the holding company of a sub-group of companies engaged in the brewing and marketing of alcoholic beverages, including Guinness Stout and Harp Lager, and in the production and marketing of soft drinks abroad.

RESULTS AND TRANSFER FROM RESERVES

Profit for the financial year was £11,104,000 (1993 - £11,604,000) which, after dividends of £11,104,000 (1993 - £11,582,000), resulted in no transfer to reserves (1993 - £22,000).

DIVIDENDS

An interim dividend of £11,104,000 has been paid during the year. (1993 - £11,582,000).

FUTURE DEVELOPMENTS

The Company will continue to act as an intermediate holding company.

GUINNESS OVERSEAS HOLDINGS LIMITED

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

DIRECTORS' INTERESTS

No Director in office at 31 December 1994 had any interest in shares in the Company or of any other group company, with the exception of non-beneficial interests as nominee and the interests in the ordinary shares of the ultimate holding undertaking, Guinness PLC as set out below:

	At 31 December 1994		At 1 January 1994	
	Ordinary shares	Options over Ordinary shares	Ordinary shares	Options over Ordinary shares
<u>Ordinary shares of 25p each</u>				
C A Storm	25,191	218,703	20,601	192,951

During the year the following movements in options over the ordinary shares of Guinness PLC (all under the terms of the Executive Share Option Scheme except as marked * which were under the terms of the Savings Related Share Option Scheme) took place.

	Options granted in 1994		Options exercised in 1994	
	<u>Number</u>	<u>Price,£</u>	<u>Number</u>	<u>Price,£</u>
C A Storm	1,153*	3.59	1,834	2.355
	28,541	4.76	2,108	3.208

The options outstanding at 31 December 1994 are exercisable at varying dates between 1995 and 2004 at varying prices between £2.255 and £5.335.

B F Baldock is a director of Guinness PLC and his interests in that company's shares are shown in its directors' report.

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 the annual accounts of Guinness PLC.

The ultimate parent undertaking purchases liability insurance covering the directors and officers of Guinness PLC and its subsidiaries.

GUINNESS OVERSEAS HOLDINGS LIMITED

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

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:

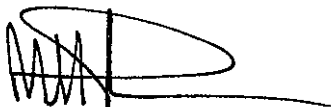
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 proposing their re-appointment and authorising the Directors to fix their remuneration, will be proposed at the Annual General Meeting.

By Order of the Board



M D Peters
Secretary

11th September 1995

Price Waterhouse



AUDITORS' REPORT TO THE SHAREHOLDERS OF GUINNESS OVERSEAS HOLDINGS LIMITED

We have audited the financial statements on pages 5 to 9 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 page 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

11 September 1995

GUINNESS OVERSEAS HOLDINGS 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 disposal of investment		-	94
Income from shares in group undertakings		<u>11,104</u>	<u>11,510</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		11,104	11,604
Taxation on profit on ordinary activities	2	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		11,104	11,604
Dividends paid and proposed		<u>(11,104)</u>	<u>(11,582)</u>
AMOUNTS TRANSFERRED TO RESERVES	8	<u>-</u>	<u>22</u>

Profits stated on a historical basis are no different from those shown above.

There have been no other recognised gains or losses other than those shown in the profit and loss account.

Movements on reserves are shown in note 8 to the financial statements.

The notes on pages 7 to 9 form part of these financial statements.

GUINNESS OVERSEAS HOLDINGS LIMITED

BALANCE SHEET AT 31 DECEMBER 1994

	Note	1994 £'000	1993 £'000
FIXED ASSETS			
Investments	4	-	-
CURRENT ASSETS			
Debtors	5	24,958	24,958
CREDITORS (amounts falling due within one year)	6	(24,864)	(24,864)
NET CURRENT ASSETS/(LIABILITIES)		94	94
TOTAL ASSETS LESS CURRENT LIABILITIES		94	94
CAPITAL AND RESERVES			
Called up share capital	7	-	-
Profit and loss account	8	94	94
SHAREHOLDERS' FUNDS	9	94	94
APPROVED BY THE BOARD			
ON 11th September 1995			

M. B. Anderson
DIRECTOR

The notes on pages 7 to 9 form part of these financial statements.

GUINNESS OVERSEAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1994

1 ACCOUNTING POLICIES

(1) Basis of accounting

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

Consolidated financial statements have not been prepared as the Company is a wholly-owned subsidiary of another company incorporated in Great Britain, nor has a statement of cash flows been provided because the Guinness PLC consolidated accounts include such a statement.

(2) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling using rates of exchange ruling at the balance sheet date. Exchange gains and losses are taken to the profit and loss account.

(3) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation, on differences between the treatment of certain items for accounting and taxation purposes, is accounted for to the extent that a liability or an asset is expected to crystallise within the foreseeable future.

(4) Investments

Investments in subsidiaries are stated at cost less provision for permanent diminution in value, where applicable.

2 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

No taxable profit has been made during the year, therefore no corporation tax has been provided for (1993 - £Nil)

GUINNESS OVERSEAS HOLDINGS LIMITED

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

3 DIRECTORS AND EMPLOYEES

The Company has no employees. The directors received no emoluments for their services to the Company or its subsidiary undertakings during the year.

4 INVESTMENTS

Shares in subsidiary
undertakings
£'000

At 1 January 1994 and at 31 December 1994

-

The Company's subsidiaries, whose activities are described in the directors' report, are as follows:

<u>Name</u>	<u>% holdings</u>	<u>Country of incorporation</u>
Guinness Overseas Limited	100	Great Britain
Guinness (Thailand) Limited	100	Thailand

In the opinion of the Directors, the aggregate value of the Company's investments in its subsidiaries is not less than the aggregate amount at which they are shown in the balance sheet.

5 DEBTORS

	<u>1994</u> £'000	<u>1993</u> £'000
Amounts owed by subsidiary undertakings	22,923	22,923
Amounts owed by other group undertakings	<u>2,035</u>	<u>2,035</u>
	<u>24,958</u>	<u>24,958</u>

6 CREDITORS (amounts falling due within one year)

	<u>1994</u> £'000	<u>1993</u> £'000
Amount owed to parent undertaking	13,397	13,397
Amounts owed to other group undertakings	11,462	11,462
Other creditors	<u>5</u>	<u>5</u>
	<u>24,864</u>	<u>24,864</u>

GUINNESS OVERSEAS HOLDINGS LIMITED

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

7 CALLED UP SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
	£	£
Authorised, allotted, issued and fully paid:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8 PROFIT AND LOSS ACCOUNT

	£'000
At 1 January 1994	94
Transfer to reserves for the year	<u>-</u>
At 31 December 1994	<u>94</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1994</u>	<u>1993</u>
	£'000	£'000
Profit for the financial year	11,104	11,604
Dividend paid	<u>(11,104)</u>	<u>(11,582)</u>
Net addition to shareholder's funds	-	22
Opening shareholders' funds	<u>94</u>	<u>72</u>
Closing shareholders' funds	<u>94</u>	<u>94</u>

10 HOLDING COMPANIES

The Company is a wholly owned direct subsidiary of Guinness PLC, a company registered in England and Wales. Guinness PLC is the parent undertaking of 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