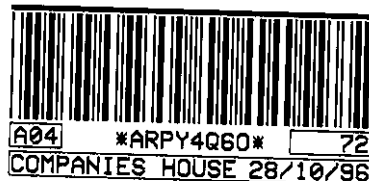


GUINNESS BREWING WORLDWIDE LIMITED
(Registered Number 510607)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1995



GUINNESS BREWING WORLDWIDE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995

The Directors submit their Report and the audited financial statements of the Company for the year ended 31 December 1995.

RESULTS AND TRANSFER TO RESERVES

The profit before taxation amounted to £22.8 million (1994 - £8.9 million loss). After taxation the profit for the financial year amounted to £14.6 million (1994 - £3.5 million) which after dividends of £13.3 million (1994 - £2.9 million) resulted in a transfer to reserves of £1.3 million (1994 - £0.6 million).

DIVIDENDS

The Directors do not recommend the payment of a final dividend (1994 - £Nil).

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES

Throughout the year the Company continued to brew and market Guinness Stout and Kaliber in Great Britain, as well as being responsible for the supply of raw materials, plant and spares to overseas breweries and for the marketing of Guinness Stout, Harp Lager and other products in overseas markets. A more extensive review of the business operations during the year is contained in the Annual Report and Accounts of Guinness PLC, the ultimate parent undertaking.

FUTURE DEVELOPMENTS

The Company will continue to seek ways of improving its performance in both its home and overseas markets.

FIXED ASSETS

Details of movements in tangible fixed assets are given in note 9 on pages 13 to 15.

RESEARCH AND DEVELOPMENT

Expenditure on research and development activities amounted to £1.3 million (1994 - £1.2 million).

GUINNESS BREWING WORLDWIDE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

EMPLOYMENT POLICIES

(1) Communication and consultation with employees

The Company is committed to the continuing development of effective employee communication, consultation and involvement. The Company consults employees and their representative bodies on decisions which are likely to affect them and encourages the involvement of employees in the financial performance of the Company through a profit sharing scheme and SAYE stock option schemes in Guinness PLC.

Communication is achieved through the availability to employees of the Guinness PLC Annual Report, interim statements, company newspapers and departmental consultative committees and briefings.

(2) Disabled persons

The policy of the Company is to give full and fair consideration to applications for employment made by disabled persons. If an employee becomes disabled whilst employed by the Company, every effort is made to find suitable employment, with re-training as necessary. Disabled people share equally in the opportunities available for training, career development and promotion.

BOARD OF DIRECTORS

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

BF Baldock	Chairman
BR O'Neill	Managing Director
JDS Davies	(resigned 22 December 1995)
SR Fletcher	(appointed 1 August 1995)
DHC Hampshire	(resigned 22 December 1995)
MJ Hughes	
MA Kayser	(resigned 30 September 1995)
PW Lipscomb	(resigned 31 December 1995)
AF Peeters	(resigned 31 December 1995)
JS Smale	
CA Storm	(resigned 29 December 1995)
JP McClean	
SP Holliday	(resigned 18 December 1995)

GUINNESS BREWING WORLDWIDE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

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. Mr BF Baldock and Mr BR O'Neill are directors of Guinness PLC and their interests in the shares of Guinness PLC are set out in that company's Annual Report.

	<u>At 31 December 1995</u>		<u>At 1 January 1995 or date of appointment if later</u>	
	Ordinary shares	Options over ordinary shares	Ordinary shares	Options over ordinary shares
<u>Ordinary shares</u>				
SR Fletcher	6,808	78,927	4,036	79,979
MJ Hughes	11,879	169,283	6,716	150,633
JS Smale	16,155	167,961	11,842	135,174
J McClean	13,281	70,904	9,479	76,213

During the year, the following movements in options over the ordinary shares of Guinness PLC took place:

	<u>Options granted during 1995 or since date of appointment</u>		<u>Options exercised during 1995 or since date of appointment</u>	
	Number	Price	Number	Price
SR Fletcher	-	-	2,772*	270.5p
MJ Hughes	31,694	457.5p	13,044	225.5p
JS Smale	32,787	457.5p	-	-
JP McClean	26,449	457.5p	14,867	149.5p
	860*	401.0p	9,618	225.5p
			8,124	321.0p

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

The options outstanding at 31 December 1995 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 1996 and 2005 at varying prices between 127.0p and 548.5p.

GUINNESS BREWING WORLDWIDE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

DIRECTORS' INTERESTS (CONTINUED)

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 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:

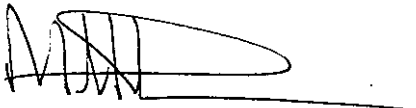
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare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

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



MD Peters
Secretary

11th September 1996

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF GUINNESS BREWING WORLDWIDE LIMITED

We have audited the financial statements on pages 6 to 19 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 pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 4 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse
Price Waterhouse
Chartered Accountants
and Registered Auditors
London

17 September 1996

GUINNESS BREWING WORLDWIDE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u> £'m	<u>1994</u> £'m
TURNOVER - CONTINUING OPERATIONS	2	452.2	418.8
NET OPERATING CHARGES	3	<u>(456.3)</u>	<u>(424.7)</u>
OPERATING LOSS - CONTINUING OPERATIONS		(4.1)	(5.9)
Income from shares in group undertakings		-	0.8
Amount written off investment		-	(3.5)
Interest receivable/(payable)	4	<u>26.9</u>	<u>(0.3)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		22.8	(8.9)
Taxation on profit/(loss) on ordinary activities	5	<u>(8.2)</u>	<u>12.4</u>
PROFIT FOR THE FINANCIAL YEAR		14.6	3.5
Dividends paid	8	<u>(13.3)</u>	<u>(2.9)</u>
AMOUNT TRANSFERRED TO RESERVES	19	<u>1.3</u>	<u>0.6</u>

The notes on pages 9 to 19 form part of these financial statements.


GUINNESS BREWING WORLDWIDE LIMITED

BALANCE SHEET AT 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u>		<u>1994</u>	
		£'m	£'m	£'m	£'m
FIXED ASSETS					
Tangible assets	9		203.2		197.7
Investments	10		<u>0.1</u>		<u>0.1</u>
			203.3		197.8
CURRENT ASSETS					
Stocks	12	18.8		16.1	
Debtors	13	1,339.5		102.1	
Cash at bank and in hand			<u>8.3</u>		<u>18.3</u>
		1,366.6		136.5	
CREDITORS (amounts falling due within one year)	14		<u>(234.4)</u>		<u>(99.6)</u>
NET CURRENT ASSETS			<u>1,132.2</u>		<u>36.9</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,335.5		234.7
CREDITORS (amounts falling due after more than one year)	15		<u>(139.9)</u>		<u>(190.4)</u>
			1,195.6		44.3
CAPITAL AND RESERVES					
Called up share capital	18		1,156.1		6.1
Revaluation reserve	19		34.1		34.8
Profit and loss account	19		<u>5.4</u>		<u>3.4</u>
EQUITY SHAREHOLDERS' FUNDS	20		1,195.6		44.3

APPROVED BY THE BOARD

ON 11th September 1996


DIRECTOR

The notes on pages 9 to 19 form part of these financial statements.

GUINNESS BREWING WORLDWIDE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company had no recognised gains and losses other than the profit for the year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no material difference between the reported profit for 1995 and 1994 and the profit for those years restated on an historical cost basis.

Movement on reserves are shown in Note 19 to the financial statements.

The notes on pages 9 to 19 form part of these financial statements.

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995

1 ACCOUNTING POLICIES

(1) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of land and buildings, 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) Depreciation

Tangible assets are depreciated in equal annual instalments at rates calculated to write off their cost or valuation over the term of their estimated useful lives. Details of depreciation rates are given in note 9.

(3) Leased assets

Assets acquired under finance leases, comprising vehicles, casks and computer equipment, are capitalised. The annual costs in respect of operating leases are charged to the profit and loss account as incurred and disclosed under the headings of "hire of plant and machinery" and "other operating lease charges".

(4) Stocks

Valuation of stocks is at the lower of cost and net realisable value. Cost includes raw materials, excise duty and the appropriate proportion of labour costs, production and other overheads.

(5) Research and development expenditure

All research and development expenditure is written off to the profit and loss account as incurred.

(6) Investments

Investments are stated at cost less amounts written off.

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(7) Foreign currency

Assets and liabilities denominated in foreign currencies are translated into sterling using contract rates of exchange or exchange rates prevailing at the balance sheet date, as appropriate. Exchange differences arising from foreign currency transactions in the normal course of trading are dealt with in the profit and loss account.

(8) 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.

(9) Pensions

The Company is a member of a group pension scheme which is operated by its ultimate holding company, Guinness PLC. Contributions to the scheme are assessed by a qualified actuary based on the cost of providing pensions across all participating group undertakings. Costs are not determined for each individual undertaking, and accordingly, contributions are charged to the profit and loss account when they become payable.

2 TURNOVER

Turnover represents the net amounts receivable including duties where applicable but excluding value added tax.

The Company carries out principally one class of business, that of brewing and marketing Guinness Stout and other brands of beer and lager. Turnover and profit predominantly arise within the United Kingdom. Further segmental information is provided in the accounts of the parent company, Guinness PLC.

The turnover includes £88.0 million (1994 - £78.0 million) of sales to fellow subsidiaries.

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

3 NET OPERATING CHARGES

	<u>1995</u>	<u>1994</u>
	£m	£m
Change in stocks of finished goods and work in progress	(2.1)	0.2
Raw materials and consumables	163.1	162.2
Excise duties	110.9	102.9
Staff costs (Note 6)	54.4	54.7
Depreciation	20.8	18.9
Other operating charges	<u>109.2</u>	<u>85.8</u>
	456.3	424.7
	=====	=====

	<u>1995</u>	<u>1994</u>
	£'000	£'000
Other operating charges include the following:		
Research and development expenditure	1,285	1,186
Hire of plant and machinery	-	563
Other operating lease charges	144	172
Auditors' remuneration - audit work	104	74
- non audit work	<u>426</u>	<u>293</u>

4 INTEREST

	<u>1995</u>	<u>1994</u>
	£m	£m
Interest receivable from parent undertaking	26.9	-
Other interest payable	-	(0.3)

5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>1995</u>	<u>1994</u>
	£'m	£'m
United Kingdom corporation tax for current year at 33% (1994 - 33%)	3.3	(5.1)
(Over)/under provision in respect of prior years	<u>1.7</u>	<u>(3.6)</u>
	5.0	(8.7)
Deferred tax (note 17)	<u>3.2</u>	<u>(3.7)</u>
Tax charge/(credit)	8.2	(12.4)
	=====	=====

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

6 STAFF COSTS AND EMPLOYEES

	<u>1995</u> £'m	<u>1994</u> £'m
(1) Staff costs		
Wages and salaries	46.3	46.2
Social security costs	3.3	3.4
Other pension costs (Note 22)	<u>4.8</u>	<u>5.1</u>
	54.4	54.7
	<u> </u>	<u> </u>
	<u>Number</u>	<u>Number</u>
(2) Average number of employees	<u>1,369</u>	<u>1,379</u>

7 DIRECTORS' EMOLUMENTS

	<u>1995</u> £'000	<u>1994</u> £'000
Salaries and pension scheme contributions	<u>1,475</u>	<u>1,874</u>
Emoluments (excluding pension scheme contributions) of:		
Chairman and highest paid director	<u>401</u>	<u>473</u>
Other directors:	Number	Number
£365,001 - £370,000	-	1
£335,001 - £340,000	1	-
£230,001 - £235,000	-	1
£225,001 - £230,000	1	-
£215,001 - £220,000	1	-
£205,001 - £210,000	1	-
£195,001 - £200,000	-	1
£190,001 - £195,000	1	-
£170,001 - £175,000	-	1
£150,001 - £155,000	-	1
£135,001 - £140,000	-	1
£130,001 - £135,000	-	1
£55,001 - £60,000	1	-

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

8 DIVIDENDS

	<u>1995</u>	<u>1994</u>
	£'m	£'m
Interim dividend paid	<u>13.3</u>	<u>2.9</u>

9 TANGIBLE ASSETS

	<u>Land and buildings</u>	<u>Plant and machinery</u>	<u>Casks and road vehicles</u>	<u>Total</u>
	£'m	£'m	£'m	£'m
(1) Cost or valuation				
At 1 January 1995	57.3	168.7	57.6	283.6
Additions	0.5	16.9	13.9	31.3
Transfers from group undertakings	-	-	0.5	0.5
Transfers to group undertakings	-	-	(0.7)	(0.7)
Disposals	<u>-</u>	<u>(22.7)</u>	<u>(6.7)</u>	<u>(29.4)</u>
At 31 December 1995	57.8	162.9	64.6	285.3
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Accumulated depreciation				
At 1 January 1995	2.8	65.3	17.8	85.9
Charge for the year	1.4	13.7	5.7	20.8
Disposals	-	(20.2)	(4.4)	(24.6)
Transfers from group undertakings	-	-	0.2	0.2
Transfers to group undertakings	<u>-</u>	<u>-</u>	<u>(0.2)</u>	<u>(0.2)</u>
At 31 December 1995	4.2	58.8	19.1	82.1
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Net book amount				
At 31 December 1995	<u>53.6</u>	<u>104.1</u>	<u>45.5</u>	<u>203.2</u>
At 31 December 1994	<u>54.5</u>	<u>103.4</u>	<u>39.8</u>	<u>197.7</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

9 TANGIBLE ASSETS (CONTINUED)

(2) Land and buildings - the net book amount includes the following:

	<u>1995</u>	<u>1994</u>
	£'m	£'m
Freehold	51.8	52.9
Long leasehold (over 50 years unexpired)	<u>1.8</u>	<u>1.6</u>
	53.6	54.5
	<u>=====</u>	<u>=====</u>

(3) Land and buildings - the amount shown at cost or valuation includes the following:

	<u>1995</u>	<u>1994</u>
	£'m	£'m
At cost	12.0	11.5
At valuation		
- prior to 1992	2.0	2.0
- 1992	<u>43.8</u>	<u>43.8</u>
	57.8	57.3
	<u>=====</u>	<u>=====</u>

(4) Land and buildings included at valuation would have been included on an historical cost basis at:

	<u>1995</u>	<u>1994</u>
	£'m	£'m
Cost	26.5	26.0
Accumulated depreciation	<u>(7.0)</u>	<u>(6.3)</u>
	19.5	19.7
	<u>=====</u>	<u>=====</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

9 TANGIBLE ASSETS (CONTINUED)

- (5) Included in the cost of tangible fixed assets are the following amounts in respect of assets under construction

	<u>1995</u> £'m	<u>1994</u> £'m
Land and buildings	-	0.6
Plant and machinery	<u>28.1</u>	<u>33.7</u>
	28.1	34.3
	<u> </u>	<u> </u>

- (6) The following table shows the principal rates of depreciation:

Buildings:	
Freehold and long leasehold	2.5% - 5%
Short leasehold	over term of lease
Plant and machinery:	
Brewing and racking plant	5% - 12½%
Containers	5%
Office machinery	33%
Casks and road vehicles:	
Distribution vehicles	12.5%
Motor cars	25% - 50%
Casks	6.67%

Depreciation rates for motor cars differ from those of the ultimate parent undertaking as salesmen's vehicles are considered to have shorter useful economic lives.

10 INVESTMENTS

Investments in
subsidiary undertakings
£'m

At 1 January 1995 and at 31 December 1995 0.1

- (1) All the shares are either unclassified or classified as ordinary.
- (2) 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 stated in the balance sheet.

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

11 SUBSIDIARY COMPANIES

The Company has the following subsidiary undertakings registered in England and Wales:

<u>Brewing</u>	<u>% holdings</u>	<u>Country of operation</u>	<u>Activity</u>
ES Beaven (Maltings) Limited	100	England	Maltster
Guinness Hop Farms Limited	100	England	Dormant
HKS Properties Ltd	100	England	Property
The Harp Lager Company Ltd	100	England	Beer Marketing

12 STOCKS

	<u>1995</u>	<u>1994</u>
	£'m	£'m
Raw materials and consumables	4.8	4.2
Finished goods and goods for resale	<u>14.0</u>	<u>11.9</u>
	18.8	16.1
	<u>=====</u>	<u>=====</u>

The replacement cost of stocks is not materially different from their book value.

13 DEBTORS

	<u>1995</u>	<u>1994</u>
	£'m	£'m
Trade debtors	49.0	45.5
Amounts owed by parent undertaking	1,166.9	-
Amounts owed by fellow subsidiary undertakings	105.6	30.8
Other debtors	7.0	8.2
Prepayments and accrued income	4.6	2.2
Corporation tax	-	5.8
Deferred tax (note 17)	<u>6.4</u>	<u>9.6</u>
	1,339.5	102.1
	<u>=====</u>	<u>=====</u>

The amounts owed by the parent undertaking include a loan of £1,150,000,000 repayable within one year. The loan was made to finance the acquisition of the company's own shares as permitted under S155 of the Companies Act 1985.

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

14 CREDITORS (amounts falling due within one year)

	<u>1995</u>	<u>1994</u>
	£'m	£'m
Trade creditors	35.5	31.9
Amounts owed to fellow subsidiary undertakings	138.1	4.4
Corporation tax	2.9	-
Social security and other taxes	6.8	7.5
Other creditors	8.9	10.6
Accruals and deferred income	<u>42.2</u>	<u>45.2</u>
	<u>234.4</u>	<u>99.6</u>

15 CREDITORS (amounts falling due after more than one year)

	<u>1995</u>	<u>1994</u>
	£'m	£'m
Amounts owed to parent undertaking	<u>139.9</u>	<u>190.4</u>

16 LEASING COMMITMENTS

Operating leases

Payments on non-cancellable operating leases due within one year of 31 December 1995 are as follows:

	<u>1995</u>		<u>1994</u>	
	<u>Land and</u>	<u>Other</u>	<u>Land and</u>	<u>other</u>
	<u>buildings</u>	<u>£'m</u>	<u>buildings</u>	<u>£'m</u>
	£'m	£'m	£'m	£'m
For which commitment expiring:				
Within one year	-	-	0.1	0.6
Between 1 - 2 years	-	0.1	-	-
Between 2 - 5 years	0.1	-	-	-
After 5 years	-	-	<u>0.1</u>	<u>-</u>
	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.6</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

17 DEFERRED TAXATION

	<u>1995</u>	<u>1994</u>
	Full potential <u>liability</u>	Full potential <u>liability</u>
	<u>Amount</u> £'m	<u>Amount</u> £'m
Accelerated capital allowances on plant, machinery and industrial buildings	0.4	22.1
Provisions allowable for tax in future years	<u>(6.8)</u>	<u>(10.0)</u>
	<u>(6.4)</u>	<u>(9.6)</u>
	<u>15.5</u>	<u>12.1</u>

The deferred tax asset is included in debtors in note 13.

18 CALLED UP EQUITY SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
	£'m	£'m
Authorised:		
1,157,500,000 ordinary shares of £1 each	<u>1,157.5</u>	<u>7.5</u>
Allotted and fully paid:		
1,156,100,000 ordinary shares of £1 each	<u>1,156.1</u>	<u>6.1</u>

During the year, 1,150 million £1 shares were allotted. Consideration received amounted to £1,150 million. The shares were allotted to increase the capital base of the group.

19 RESERVES

	<u>Revaluation reserve</u>	<u>Profit and loss account</u>
	£'m	£'m
At 1 January 1995	34.8	3.4
Retained profit for the year	-	1.3
Depreciation transfer on revaluation surpluses	<u>(0.7)</u>	<u>0.7</u>
At 31 December 1995	<u>34.1</u>	<u>5.4</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>1995</u> £'m	<u>1994</u> £'m
Profit for the financial year	14.6	3.5
Dividends paid	<u>(13.3)</u>	<u>(2.9)</u>
	1.3	0.6
New share capital subscribed	<u>1,150.0</u>	-
Net addition to shareholders' funds	1,151.3	0.6
Opening shareholders' funds	<u>44.3</u>	<u>43.7</u>
Closing shareholders' funds	<u>1,195.6</u>	<u>44.3</u>

21 FUTURE CAPITAL EXPENDITURE

	<u>1995</u> £'m	<u>1994</u> £'m
Contracted but not provided for in the financial statements	2.6	6.8
Authorised but not contracted for	<u>1.9</u>	<u>4.3</u>
	<u>4.5</u>	<u>11.1</u>

22 PENSIONS

The Company is a member of a group pension scheme which is operated by its ultimate holding company Guinness PLC. The scheme is of the defined benefit type, is administered by a trustee company and is maintained independently of the finances of Guinness PLC and its subsidiary undertakings.

Contributions to the scheme are assessed by a qualified actuary based on the costs of providing pensions across all participating Group undertakings. Costs are not determined for each individual undertaking and, accordingly, contributions are charged to the profit and loss account when they become payable.

A valuation of the scheme was performed in 1993 by the actuary and particulars of the valuation are included in the accounts of Guinness PLC.

The charge to the profit and loss account in respect of pension costs was £4,772,000 (1994: £5,116,000.)

23 PARENT UNDERTAKING

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