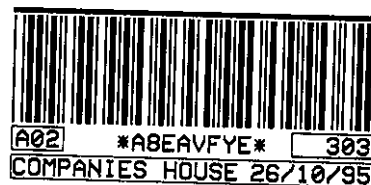


**GUINNESS BREWING WORLDWIDE LIMITED**  
**(Registered Number 510607)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 1994**



## **GUINNESS BREWING WORLDWIDE 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.

#### **RESULTS AND TRANSFER FROM RESERVES**

The loss before taxation amounted to £8.9 million (1993 - £11.2 million profit). After crediting taxation the profit for the financial year amounted to £3.5 million (1993 - £10.5 million) which after dividends of £2.9 million (1993 - £Nil) resulted in a transfer to reserves of £0.6 million (1993 - £10.5 million).

#### **DIVIDENDS**

The Directors do not recommend the payment of a final dividend (1993 - £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 and Harp Lager 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 8 on pages 14 to 16.

#### **RESEARCH AND DEVELOPMENT**

Expenditure on research and development activities amounted to £1.2 million (1993 - £3.4 million).

## **GUINNESS BREWING WORLDWIDE LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994 (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	
DHC Hampshire	
JF Hearnden	(resigned 30 June 1994)
MJ Hughes	
MA Kayser	
PW Lipscomb	
AF Peeters	
JS Smale	
CA Storm	
JPJ McClean	(appointed 18 April 1994)
SP Holliday	(appointed 2 August 1994)

## GUINNESS BREWING WORLDWIDE LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994 (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 1994</u>		<u>At 1 January 1994 or date of appointment if later</u>	
	Ordinary shares	Options over ordinary shares	Ordinary shares	Options over ordinary shares
<u>Ordinary shares</u>				
JDS Davies	10,034	240,465	7,858	207,335
DHC Hampshire	30,515	90,884	24,975	67,648
MJ Hughes	6,716	150,633	5,494	134,240
MA Kayser	8,719	80,265	6,993	62,519
PW Lipscomb	24,012	162,272	18,806	128,846
AF Peeters	4,122	141,934	3,474	109,160
JS Smale	11,842	135,174	8,680	130,315
CA Storm	25,191	218,703	20,601	192,951
J McClean	9,479	66,745	4,001	55,258
SP Holliday	Nil	155,768	Nil	Nil

## GUINNESS BREWING WORLDWIDE 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
JDS Davies	12,386	4.76	1,528	2.355
	21,311	4.76		
	961*	3.59		
DHC Hampshire	1,922*	3.59	2,636	1.365
	23,950	4.76		
MJ Hughes	16,393	4.76	Nil	Nil
MA Kayser	961*	3.59	5,274	1.365
	22,059	4.76		
PW Lipscomb	35,127	4.76	4,584	2.355
	2,883*	3.59		
AF Peeters	32,774	4.76	Nil	Nil
JS Smale	24,931	4.76	20,072	1.495
CA Storm	1,153*	3.59	1,834	2.355
	28,541	4.76	2,108	3.208
JP McClean	17,128	4.76	4,000	1.495
	961*	3.59	2,602*	2.355
SP Holliday	154,559	4.48	Nil	Nil
	1,209	3.99		

\* 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 Option 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 the accounts of Guinness PLC.

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

## **GUINNESS BREWING WORLDWIDE 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 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 GUINNESS BREWING WORLDWIDE LIMITED**

We have audited the financial statements on pages 7 to 21 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 10 and 11.

### Respective responsibilities of directors and auditors

As described on page 5 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 profit 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

*5 September 1995*

# GUINNESS BREWING WORLDWIDE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	<u>Notes</u>	<u>1994</u> £'m	<u>1993</u> £'m
<b>TURNOVER</b>	2	418.8	409.2
<b>NET OPERATING CHARGES</b>	3	<u>(424.7)</u>	<u>(400.8)</u>
<b>OPERATING (LOSS)/PROFIT</b>		(5.9)	8.4
Income from shares in group undertakings		0.8	2.9
Amount written off investment		(3.5)	-
Interest payable		<u>(0.3)</u>	<u>(0.1)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(8.9)	11.2
Taxation on profit on ordinary activities	4	<u>12.4</u>	<u>(0.7)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		3.5	10.5
Dividends paid and proposed	7	<u>(2.9)</u>	<u>-</u>
<b>AMOUNT TRANSFERRED TO RESERVES</b>	18	0.6	10.5
		<u>      </u>	<u>      </u>

There is no material difference between the reported profit for 1994 and 1993 and the profit for those years restated on historical cost basis.

Movements on reserves are shown in note 18 to the financial statements.

The notes on pages 10 to 21 form part of these financial statements.



**GUINNESS BREWING WORLDWIDE LIMITED**

**BALANCE SHEET AT 31 DECEMBER 1994**

	Notes	1994		1993	
		£'m	£'m	£'m	£'m
<b>FIXED ASSETS</b>					
Tangible assets	8		197.7		177.1
Investments	9		<u>0.1</u>		<u>3.6</u>
			197.8		180.7
<b>CURRENT ASSETS</b>					
Stocks	11	16.1		13.7	
Debtors	12	102.1		120.0	
Cash at bank and in hand		<u>18.3</u>		<u>3.0</u>	
			136.5		136.7
<b>CREDITORS (amounts falling due within one year)</b>					
	13		<u>(99.6)</u>		<u>(91.8)</u>
<b>NET CURRENT ASSETS</b>					
			<u>36.9</u>		<u>44.9</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			234.7		225.6
<b>CREDITORS (amounts falling due after more than one year)</b>					
	14		<u>(190.4)</u>		<u>(181.9)</u>
			44.3		43.7
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		6.1		6.1
Revaluation reserve	18		34.8		35.6
Profit and loss account	18		<u>3.4</u>		<u>2.0</u>
<b>SHAREHOLDERS' FUNDS</b>					
	19		44.3		43.7

APPROVED BY THE BOARD

ON 18 August 1995

*PL Lipton*

DIRECTOR

The notes on pages 10 to 21 form part of these financial statements.

**GUINNESS BREWING WORLDWIDE LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	<u>1994</u>	<u>1993</u>
	£	£
Profit for the financial year	0.6	10.5
Unrealised deficit on revaluation of properties	<u>-</u>	<u>(0.6)</u>
Total recognised gains and losses relating to the year	<u>0.6</u>	<u>9.9</u>

The notes on pages 10 to 21 form part of these financial statements.

# **GUINNESS BREWING WORLDWIDE 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, 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 8.

#### **(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 1994 (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 £78.0 million (1993 - £69.7 million) of sales to fellow subsidiaries.

**GUINNESS BREWING WORLDWIDE LIMITED**

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

**3 NET OPERATING CHARGES**

	<u>1994</u>	<u>1993</u>
	£m	£m
Change in stocks of finished goods and work in progress	0.2	0.9
Raw materials and consumables	162.2	141.2
Excise duties	102.9	105.8
Staff costs (Note 5)	54.7	53.8
Depreciation	18.9	16.0
Other operating charges	<u>85.8</u>	<u>83.1</u>
	424.7	400.8
	=====	=====

Other operating charges include the following:

	<u>1994</u>	<u>1993</u>
	£'000	£'000
Research and development expenditure	1,186	3,400
Hire of plant and machinery	563	470
Other operating lease charges	172	89
Auditors' remuneration - audit work	74	55
- non audit work	<u>293</u>	<u>610</u>

**4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	<u>1994</u>	<u>1993</u>
	£'m	£'m
United Kingdom corporation tax for current year at 33% (1993 - 33%)	(5.1)	0.4
(Over)/under provision in respect of prior years	<u>(3.6)</u>	<u>1.1</u>
	(8.7)	1.5
Deferred tax (note 16)	<u>(3.7)</u>	<u>(0.8)</u>
Tax (credit)/charge	(12.4)	0.7
	=====	=====

**GUINNESS BREWING WORLDWIDE LIMITED**

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

**5 STAFF COSTS AND EMPLOYEES**

	<u>1994</u> £'m	<u>1993</u> £'m
<b>(1) Staff costs</b>		
Wages and salaries	46.2	50.1
Social security costs	3.4	3.7
Other pension costs	<u>5.1</u>	<u>-</u>
	54.7	53.8
	<u>54.7</u>	<u>53.8</u>
	<u>Number</u>	<u>Number</u>
<b>(2) Average number of employees</b>	<u>1,379</u>	<u>1,723</u>

**6 DIRECTORS' EMOLUMENTS**

	<u>1994</u> £'000	<u>1993</u> £'000
Salaries and pension scheme contributions	<u>1,874</u>	<u>2,095</u>
Emoluments (excluding pension scheme contributions) of:		
Chairman and highest paid director	<u>473</u>	<u>362</u>
Other directors:	<u>Number</u>	<u>Number</u>
£365,001 - £370,000	1	-
£230,001 - £235,000	1	-
£210,001 - £215,000	-	1
£205,001 - £210,000	-	1
£195,001 - £200,000	1	-
£170,001 - £175,000	1	-
£165,001 - £170,000	-	1
£160,001 - £165,000	-	1
£155,001 - £160,000	-	1
£150,001 - £155,000	1	-
£135,001 - £140,000	1	1
£130,001 - £135,000	1	-
£125,001 - £130,000	-	1
£75,001 - £80,000	-	1
£65,001 - £70,000	-	1
£10,001 - £15,000	-	1
£5,001 - £10,000	-	1
£Nil - £5,000	-	1

Four directors were based overseas.

**GUINNESS BREWING WORLDWIDE LIMITED**

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

**7 DIVIDENDS**

	<u>1994</u> £'m	<u>1993</u> £'m
Interim dividend paid	<u>2.9</u>	<u>-</u>

**8 TANGIBLE ASSETS**

(1) Cost or valuation	<u>Land and buildings</u> £'m	<u>Plant and machinery</u> £'m	<u>Casks and road vehicles</u> £'m	<u>Total</u> £'m
At 1 January 1994	46.2	155.2	49.9	251.3
Additions	11.1	18.6	12.5	42.2
Transfers from group undertakings	-	1.1	0.5	1.6
Transfers to group undertakings	-	-	(2.2)	(2.2)
Disposals	<u>-</u>	<u>(6.2)</u>	<u>(3.1)</u>	<u>(9.3)</u>
At 31 December 1994	57.3	168.7	57.6	283.6
<b>Accumulated depreciation</b>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
At 1 January 1994	1.5	56.0	16.7	74.2
Charge for the year	1.3	12.7	4.9	18.9
Disposals	-	(3.4)	(2.0)	(5.4)
Transfers from group undertakings	-	-	0.1	0.1
Transfers to group undertakings	<u>      </u>	<u>      </u>	<u>(1.9)</u>	<u>(1.9)</u>
At 31 December 1994	2.8	65.3	17.8	85.9
<b>Net book amount</b>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
At 31 December 1994	<u>54.5</u>	<u>103.4</u>	<u>39.8</u>	<u>197.7</u>
At 31 December 1993	<u>44.7</u>	<u>99.2</u>	<u>33.2</u>	<u>177.1</u>

**GUINNESS BREWING WORLDWIDE LIMITED**

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

**8 TANGIBLE ASSETS (CONTINUED)**

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

	<u>1994</u> £'m	<u>1993</u> £'m
Freehold	52.9	43.1
Long leasehold (over 50 years unexpired)	<u>1.6</u>	<u>1.6</u>
	54.5	44.7
	<u>=====</u>	<u>=====</u>

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

	<u>1994</u> £'m	<u>1993</u> £'m
At cost	13.7	2.6
At valuation		
- 1983 or prior	1.9	1.9
- 1993	<u>41.7</u>	<u>41.7</u>
	57.3	46.2
	<u>=====</u>	<u>=====</u>

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

	<u>1994</u> £'m	<u>1993</u> £'m
Cost	26.0	14.9
Accumulated depreciation	<u>(6.3)</u>	<u>(5.8)</u>
	19.7	9.1
	<u>=====</u>	<u>=====</u>



**GUINNESS BREWING WORLDWIDE LIMITED**

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

**8 TANGIBLE ASSETS (CONTINUED)**

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

	<u>1994</u> £'m	<u>1993</u> £'m
Land and buildings	0.6	0.3
Plant and machinery	<u>33.7</u>	<u>53.7</u>
	<u>34.3</u>	<u>54.0</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% - 33%
Containers	5%
Casks and road vehicles:	
Distribution vehicles	12.5%
Motor cars	25% - 50%
Casks	6.67%

**9 INVESTMENTS**

	<u>Investments in</u> <u>subsidiary undertakings</u> £'m
At 1 January 1994	3.6
Provision for permanent diminution in value	<u>(3.5)</u>
At 31 December 1994	<u>0.1</u>

- (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 1994 (CONTINUED)**

**10 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	Hop grower
HKS Properties Ltd	100	England	Property
The Harp Lager Company Ltd	100	England	Beer Marketing

Guinness Hop Farms Limited is a dormant company.

**11 STOCKS**

	<u>1994</u> £'m	<u>1993</u> £'m
Raw materials and consumables	4.2	4.5
Finished goods and goods for resale	<u>11.9</u>	<u>9.2</u>
	<u>16.1</u>	<u>13.7</u>

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

**12 DEBTORS**

	<u>1994</u> £'m	<u>1993</u> £'m
Trade debtors	45.5	49.3
Amounts owed by fellow subsidiary undertakings	30.8	58.7
Other debtors	8.2	3.7
Prepayments and accrued income	2.2	2.4
Corporation tax	5.8	-
Deferred tax (note 16)	<u>9.6</u>	<u>5.9</u>
	<u>102.1</u>	<u>120.0</u>

**GUINNESS BREWING WORLDWIDE LIMITED**

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

**13 CREDITORS (amounts falling due within one year)**

	<u>1994</u> £'m	<u>1993</u> £'m
Trade creditors	31.9	26.0
Amounts owed to fellow subsidiary undertakings	4.4	5.4
Corporation tax	-	0.5
Social security and other taxes	7.5	8.9
Other creditors	10.6	3.2
Accruals and deferred income	<u>45.2</u>	<u>47.8</u>
	<u>99.6</u>	<u>91.8</u>

**14 CREDITORS (amounts falling due after more than one year)**

	<u>1994</u> £'m	<u>1993</u> £'m
Amounts owed to parent undertaking	<u>190.4</u>	<u>181.9</u>

**15 LEASING COMMITMENTS**

**Operating leases**

Payments on non-cancellable operating leases due within one year of 31 December 1994 are as follows:

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

**GUINNESS BREWING WORLDWIDE LIMITED**

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

**16 DEFERRED TAXATION**

	<u>Amount</u> £'m	1994 Full potential liability £'m	<u>Amount</u> £'m	1993 Full potential liability £'m
Accelerated capital allowances on plant, machinery and industrial buildings	-	22.1	0.4	18.6
Provisions allowable for tax in future years	<u>(9.6)</u>	<u>(10.0)</u>	<u>(6.3)</u>	<u>(6.3)</u>
	(9.6)	12.1	(5.9)	12.3
Tax on chargeable gains on revaluation surpluses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	(9.6)	12.1	(5.9)	12.3
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The deferred tax asset is included in debtors in note 12.

**17 CALLED UP SHARE CAPITAL**

	<u>1994</u> £'m	<u>1993</u> £'m
Authorised: 7,500,000 ordinary shares of £1 each	<u>7.5</u>	<u>7.5</u>
Allotted and fully paid: 6,100,000 ordinary shares of £1 each	<u>6.1</u>	<u>6.1</u>

**18 RESERVES**

	<u>Revaluation reserve</u> £'m	<u>Profit and loss account</u> £'m
At 1 January 1994	35.6	2.0
Retained profit for the year	-	0.6
Depreciation transfer on revaluation surpluses	<u>(0.8)</u>	<u>0.8</u>
At 31 December 1994	<u>34.8</u>	<u>3.4</u>
	<u>          </u>	<u>          </u>

## GUINNESS BREWING WORLDWIDE LIMITED

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

#### 19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>1994</u> £'m	<u>1993</u> £'m
Profit for the financial year	3.5	10.5
Dividends paid and proposed	<u>(2.9)</u>	<u>-</u>
	0.6	10.5
Other recognised losses relating to the year	<u>-</u>	<u>(0.6)</u>
Net addition/(reduction) to shareholders' funds	0.6	9.9
Opening shareholders' funds	<u>43.7</u>	<u>33.8</u>
Closing shareholders' funds	44.3	43.7
	<u>=====</u>	<u>=====</u>

#### 20 FUTURE CAPITAL EXPENDITURE

	<u>1994</u> £'m	<u>1993</u> £'m
Contracted but not provided for in the financial statements	6.8	14.7
Authorised but not contracted for	<u>4.3</u>	<u>13.4</u>
	11.1	28.1
	<u>=====</u>	<u>=====</u>

#### 21 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 1992 by the actuary and particulars of the valuation are included in the accounts of Guinness PLC. Following the valuation, it was not expected that there would be a requirement to make contributions to the scheme before the date of the next valuation of the scheme in 1995. However, following an interim review of the funding position of the scheme, the Group recommend contributions in 1994.

The charge to the profit and loss account in respect of pension costs was £5,116,000 (1993: Nil.)

## **GUINNESS BREWING WORLDWIDE LIMITED**

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

#### **22 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